Statement on Carbon Neutralisation 2022

In Danske Bank we recognise our responsibility to minimise our environmental impact and we are committed to ensuring and advancing sustainability throughout our operations and workplace. Minimising our own environmental footprint is one of six focus areas that constitute our Group sustainability strategy. Even though our biggest environmental impact occurs through our balance sheet, we recognise the importance of minimising our own environmental footprint as being vital for our performance and credibility on the overall sustainability agenda. Since 2009, Danske Bank has been balancing out the carbon emissions from our own operations by purchasing verified carbon credit offsets. In 2022, the Group continued to compensate for the carbon emissions from our own operations by investing in carbon credit projects and buying renewable electricity certificates.

We have since 2015 purchased renewable electricity certificates on a country-by-country basis for 100% of our remaining electricity consumption. From 2022, we have begun purchasing country-specific renewable biogas certificates for the few remaining sites in Denmark which are powered through on-site gas heating.

While the most important tasks in terms of our own carbon footprint is to reduce emissions produced through our own operations, the instruments offered through carbon offsetting, helps neutralise the GHG emissions we have not yet been able to eliminate. By offsetting what we have not yet managed to reduce, carbon neutralisation also offers a cost incentive for enhancing organisational efficiency.

Our equation for carbon neutralisation in 2022 is as follows:

GHG emissions (tonnes)*	**2022**
GHG emissions from electricity[1]	0
GHG emissions from heating[2]	2,077
GHG emissions from travel by car	983
GHG emissions from travel by air	2,312
GHG emissions from paper use	185
GHG emissions from working from home[3]	1,323
Total registered GHG emissions	6,880
Estimated GHG emissions from operations without registered data	99
Total GHG emissions for neutralisation	**6,979**
Neutralised by carbon credits from projects	6,979
Result	**100% carbon neutralised**

*Verified by third party

[1] Danske Bank is purchasing renewable electricity through Guarantees of Origin and International Renewable Energy Certificates.

[2] Danske Bank has purchased biogas Guarantees of Origin for 100% of gas use in Denmark.

[3] Working from home is a new emissions category for 2022

Besides reducing our own GHG emissions, we work to integrate climate risk considerations and climate opportunities throughout the operations of our business and actively engage with customers, employees and other stakeholders to support the decarbonisation of the economy.

In this statement of carbon neutralisation you can read about the accounting principles for GHG emissions on which the carbon neutralisation equation is based. Furthermore, description on the scope of our emissions and the way we define our operational and organisational boundaries regarding GHG emissions can similarly be found in this document. The reporting period for 2022 extends from 1 October 2021 to 30 September 2022.

1.1. Comment on developments in 2022

Our total GHG emissions increased 12% from 2021 to 2022. The largest increase was seen in business travel, with an overall increase of 569% in emissions from air travel. This increase is due to the business' emergence from extremely limited travel through 2021 during the Covid-19 pandemic. While this is a stark increase against 2021, the overall emissions for air travel remain 68% lower than in 2019, reflecting Danske Bank's continued efforts to reduce business travel through shifting from physical to digital meetings where possible and increasingly tight travel approval policies.

Overall emissions from heat consumption decreased 39% compared to 2021. This is a result of continued flexible working and the resulting efficiences made to Danske Bank's premises square footage. Much work has also been done to increase energy efficiency across premises and to reduce running temperatures. In 2022, we have increased the scope of our Scope 3 emissions reporting to include emissions from working from home, in order to ensure that our overall emissions reporting takes into account the full impact of flexible working practices. Working from home emissions have been backdated to 2019, in order to facilitate comparable data.

Our emissions from electricity was eliminated completely by sourcing renewable electricity certified by Guarantees of Origin for the markets in Europe and International Renewable Energy Certificates for India.

For more information on our main carbon reducing initiatives, please see p. 43 in our Sustainability Report 2022 available for download through our Group website at https://danskebank.com/sustainability

1.2. Organisational boundaries

We measure and calculate GHG emissions for all of the Group's operations in Denmark, Finland, Sweden, Norway, Ireland, Northern Ireland, Lithuania and India. For our operations outside these countries, we use extrapolations to calculate the emissions. These operations account for 1% of our total GHG emissions.

The data cover investment property only if it is used for the Group's own activities. Leasing activities, franchises and outsourced activities are not included.

Companies that are under the operational control of the Group temporarily because of financial hardship are not included.

1.3. Operational boundaries

The operational boundaries delimit the types of GHG emissions produced by the Group's operations.

In order to define the emissions to include in the scope of the GHG calculation, we assessed each possible source of emission. These were the assessment parameters:

1. Volume/impact of the emissions (high/medium/low): A high impact or large volume equals great significance.
2. Sphere of influence (high/medium/low): The more Dansk Bank is able to influence the emissions, the more significant.
3. Measurability (high/medium/low): In order to register emissions data consistently, they must be measurable.

The table below gives an overview of the activities that generate GHG emissions according to a uniform assessment with the three parameters and shows whether the emissions are included in the accounts.

Sources of GHG emissions	Parameters			Included
	1	2	3	
Direct GHG emissions				
Own use of oil and gas for heat and electricity	L	H	H	Yes
Company cars	L	H	H	Yes
Ozone-depleting substances from air-conditioning devices	L	H	L/H	No
Energy indirect GHG emissions				
Electricity	H	H	H	Yes
Heat	H	H	M	Yes
Other indirect GHG emissions				
Business travel by air	H	H	H	Yes
Business travel in own staff cars	M	M	L	Yes
Paper consumption	M	H	M	Yes
Business travel by train	L	H	L	No
Waste generated by the organisation but managed by another organisation	H/M	M	L	In progress
Purchased products and services	H	M	L	No
Outsourced activities, contract manufacturing and franchises	H/M	M	L	No
Commuting by employees	M	M/L	L	No
Travel by taxi for business	L	M	L	No

L = low, M = medium, H = high.

1.4. Carbon register

In order to offset the GHG emissions that the Group cannot eliminate, we have invested in renewable energy projects. In the period from 2009 to 2021, we invested in 10 projects located in India, Lithuania, Turkey, Uganda and Colombia: one reforestation project, seven wind power energy projects, one biogas energy projects and one cook stove project.

All the projects have been verified by an independent third party, assuring the amount of avoided CO_2 emissions matches our CO_2 consumption.

In 2022, we have adapted our approach to offsetting to increase ambition level and structure. From 2022 onwards, we purchase 100% carbon removal offsets. The majority of our offset portfolio in the near future will be built on Nature-Based removal solutions such as reforestation or afforestation projects. We will also invest a smaller proportion of our offsetting into newer, Technology-Based solutions in order to promote investment and development in new solutions and innovations in carbon removal which are a necessity for us to realise the scientific net zero scenarios.

As we want to ensure the quality and additionality of our actions, 100% of our emissions from own operations are offset through ICROA-approved certified projects. Where the small number of Technology Based solution offsets are still awaiting ICROA-certification, we will bundle them with certified project offsets.

Here is an overview of the project from which we bought CO_2 credits in 2022:

Danske Bank's carbon credits, 2022

Project	Verification standard	Retired (tonnes CO_2)
Reforestation project – Mexico, purchased in 2022	VCS	6,700
European biochar, purchased in 2022	Awaiting ICROA certification, various local standards	279
Waste-water to energy – China, bundled with Biochar offsets to ensure 100% ICROA-approved offsetting	VCS	279 (bundled with Biochar offsets)

Read more about our investments in reforestation and biochar technologies in our Sustainability Fact Book 2022 available on our Group website at https://danskebank.com/sustainability

1.5. Categorisation of GHG emissions

To document our efforts to minimise our environmental footprint, we register the Group's emissions systematically. The work of measuring and reducing GHG emissions is integrated in the Group's environmental management. GHG emissions fall into three categories:

Scope 1) direct GHG emissions
Scope 2) energy indirect GHG emissions
Scope 3) other indirect GHG emissions

1.6. Accounting principles

For further details on our accounting principles, please consult Reporting Principles on page 50-51 in our Sustainability Report 2022. The report is available for download through our Group website at https://danskebank.com/sustainability