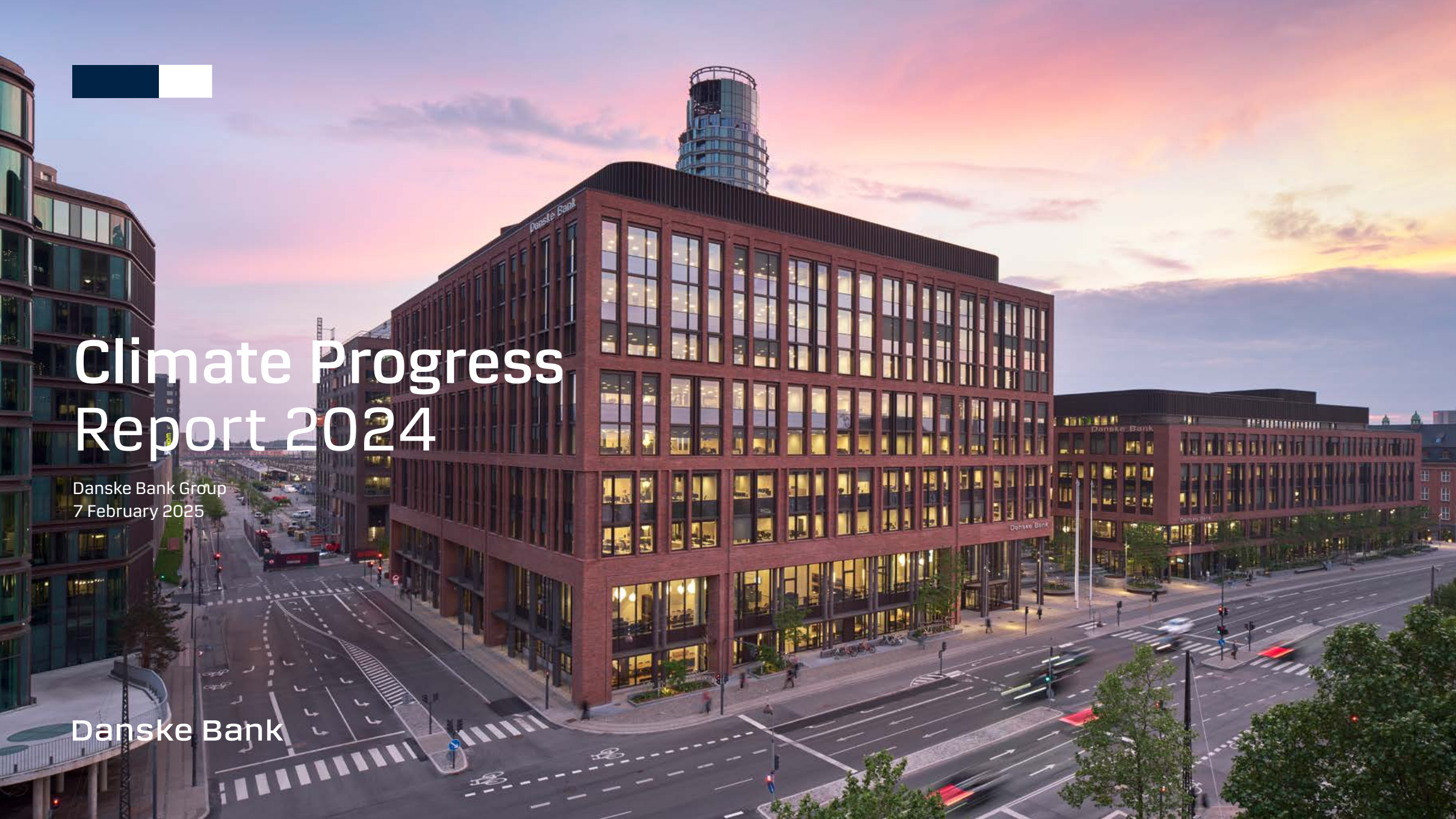


Climate Progress Report 2024

Danske Bank Group
7 February 2025

Danske Bank

About the Climate Progress Report 2024

The Climate Progress Report 2024 (hereafter 'the progress report') is a standalone report and serves as an update on Danske Bank's climate targets and actions. This progress report covers activities of the Danske Bank Group[1], and it provides an overview of our targets, actions and status in relation to the Group's climate efforts. Progress is reported with an outset in our baseline years 2019/2020 respectively, using the latest available information. For activities dependent on reporting on emissions from our customers and investee companies, the latest available company reporting originates from 2023 company reports. For our investment activities, year-end 2024 data for our assets under management has been used. For our lending activities, exposures as at Q3 2024 have been used as a proxy for year-end 2024 figures. Emissions from our operations are reported based on an uneven reporting year starting 1 October and ending 30 September. Detailed information – including specific methodologies, timeframes and data sources – is provided in the individual sections of this progress report and in the accompanying appendices. Reporting on actions includes 2024 progress.

Due to limitations in source data quality and available standardisations, the data used in this progress report has not been independently verified. Consequently, there remains a degree of uncertainty regarding the reliability of the information in the report.[2]

In 2023, we launched Our Climate Action Plan, which is a dynamic plan that evolves as our knowledge matures. The following year, we published our Climate Action Plan Progress Report 2023, and since then we have implemented the following main changes:

- Expansion of our scope of lending-related emission reduction targets to now include agriculture
- Restatement of our baseline for agriculture to reflect updated emission factors for peatland and improved data quality
- Restatement of our baseline for power generation to reflect improved data quality
- Restatement of our baseline for the personal mortgages portfolio to reflect the sale of our Norwegian personal mortgage portfolio
- Restatement of our baseline for oil and gas downstream refineries financed emissions to reflect model updates
- Restatement of temperature rating approach baseline for investments to reflect updated calculation methodology, assumptions and parameters
- Revision of our target for scope 1, 2 and currently measured scope 3 emissions for our own operations from the previous 60% reduction target to the current 50% reduction target
- Restatement of our baseline for own operations emissions (scope 1, 2, and current scope 3) to enhance the accuracy of the Scope 3.6 business travel by air model
- Restatement of financed emissions from our life insurance and pension activities due to change in calculation method for ownership ratio
- Inclusion in our financed emissions reporting of additional scope 3 emissions from customers and our investee companies that have a PCAF data quality score of 1 or 2

This progress report includes information that is subject to uncertainties arising from limitations in underlying methodologies and data. In our analysis and target setting, we have used estimates based on various recognised frameworks and methodologies available at the time of this report's creation. For additional important information regarding data, models and methodologies, please see the appendices. In addition to the uncertainty and complexity in many of the areas we are addressing, a significant challenge in creating this progress report is the novelty of the methods and data. Because methods and data availability are constantly evolving, data sources, figures, charts and graphs used in this progress report may become outdated, and updates to methodologies and assumptions may result in different conclusions.

Our climate-related targets, actions and initiatives require forward-looking parameters and long-term horizons in order to account for the nature of climate change. The forward-looking statements made in this progress report reflect our current view of future events and are based on expectations, projections and estimations. These encompass a large degree of uncertainty and risk due to, but not limited to, the following: evolving science; developing methodologies and scenarios; variation in standards; future market conditions; technological developments, which vary significantly from industry to industry; challenges regarding data availability, accuracy and verifiability; changes in regulation; and realisation of government plans and strategic objectives. Additionally, there is a need to develop data sets and reporting infrastructures for types of data that financial institutions have not traditionally collected. The forward-looking assessments will therefore need to evolve over time and will be subject to change and should not be viewed as reliable indicators of future performance or as complete or accurate accounts of actual performance. Caution must therefore be exercised when interpreting this progress report.

It is important to note that we cannot achieve our targets alone. Our ability to achieve our targets is primarily driven by external factors and relies on the real economy's decarbonisation at the necessary pace, requiring effective transitions by our customers and the markets we operate in, along with political action and regulation. Delivering on our targets requires active collaboration with our customers, investee companies, international governing bodies and national governments, whose actions we are dependent upon.

The trajectories towards our sector-specific targets may not be linear because development in technologies and other circumstances may affect individual sectors year-on-year.

This publication has been prepared for information purposes only and is not to be relied upon as investment, legal, tax or financial advice. We expect data quality, coverage and availability to increase over the coming years, driven by increased reporting and disclosure obligations. New and improved guidance, industry standards and scientific research is also expected, and Danske Bank reserves the right to review and update targets, methodologies and approaches periodically and to perform relevant restatements of baselines as relevant.

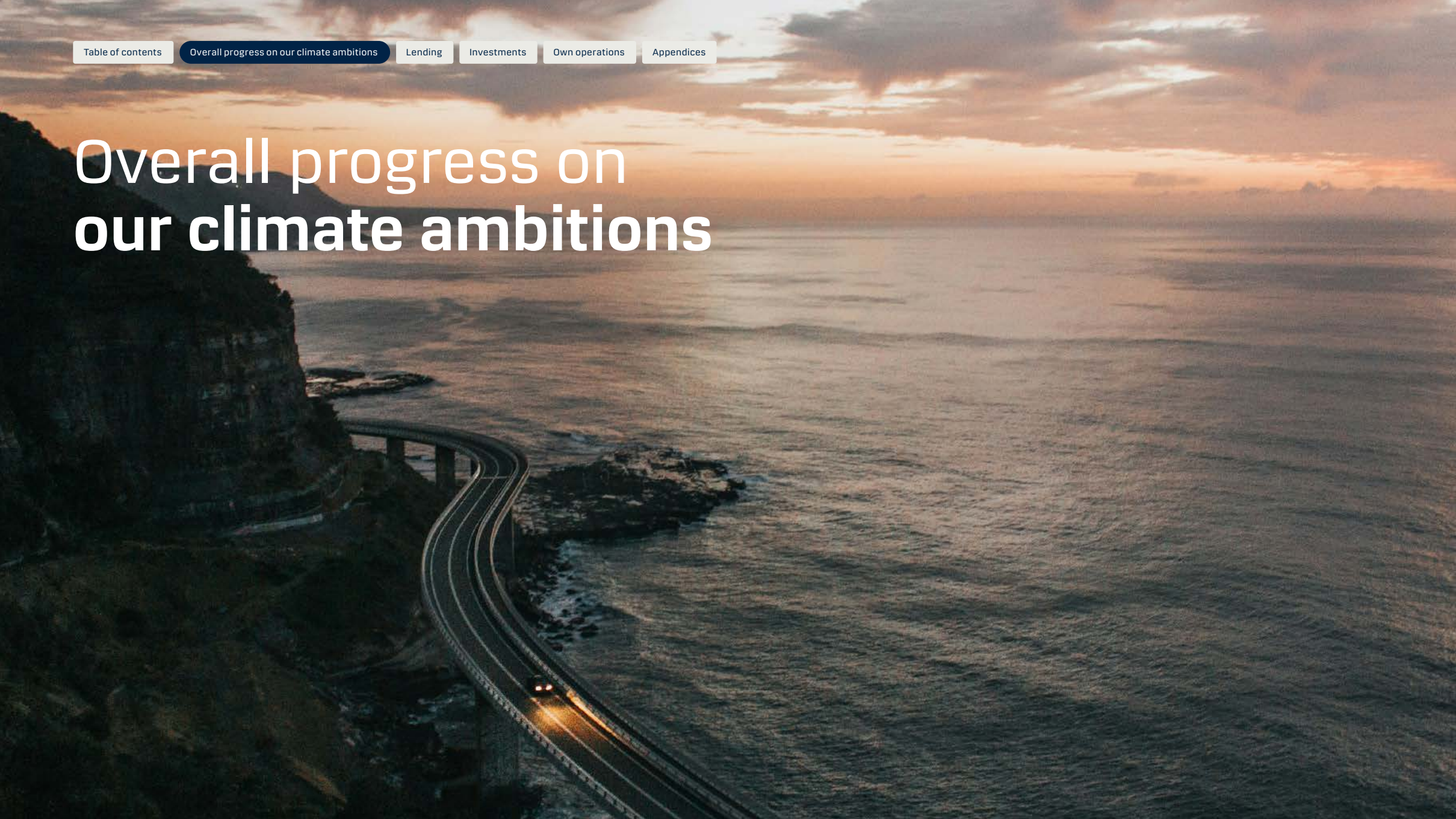
In January 2023, we committed to setting science-based emission reduction targets, and since then we have been in ongoing constructive dialogue with the Science Based Targets initiative (SBTi). In May 2024, the SBTi launched a new version of its Financial Institutions' Near-Term Criteria. Concurrently, the SBTi launched a Financial Institution Net-Zero (FINZ) standard for public consultation and pilot testing. We expect the FINZ standard to be published in 2025, following which, we will establish whether potential changes to the targets we have and to our Climate Action Plan are relevant.

A list of abbreviations used in this progress report, with accompanying explanations, is provided in appendix 6.

[1] In this report, 'Danske Bank Group', 'the Group', 'Danske Bank' and 'we' are used interchangeably indicating that our climate actions and position cover all Danske Bank Group activities unless otherwise stated in the progress report, with the limitations of data availability as explained in appendices.
[2] See the appendices for more details on methodologies, data quality and limitations.

Table of contents

Overall progress on **our climate ambitions**



Foreword

With global emission levels and global average temperatures continuing to rise, climate change remains an increasingly urgent global challenge. 2024 ended as the warmest year on record and was the first year with global temperatures higher than 1.5°C above pre-industrial levels.

The Paris Agreement goal of limiting global temperature increase to 1.5°C above pre-industrial levels is based on an average measured over decades rather than on a single year, but the fact that this threshold has already been exceeded points to the longer-term challenges of reaching the goal. Profound transformation of society is needed if we hope to change the dire trajectory of more frequent and more severe weather events and significant biodiversity loss.

At Danske Bank, being an enabler of the transition to a low-carbon society is an integral part of our purpose. We are committed to supporting our customers and investee companies in their transitions, and we will do this with a focus on long-term financial stability while adhering to our fiduciary duties towards our customers and investors. As a financial institution with around three million customers and total assets of more than DKK 3,700 billion, Danske Bank is in a unique position to do so.

The vast majority of our total carbon footprint as a bank stems from our lending to our customers and from the companies we invest in. We can therefore have the greatest impact by being an adviser to our customers and an active owner towards our investee companies.

Mapping and reporting on our climate impact
The challenge of addressing climate change across our society is complex, and it is therefore key that our work is based on data and scientific best practice. With the publication of our Climate Action Plan in January 2023, we for the first time mapped the emissions across our various business areas and set intermediate 2030 targets for how we strive to reduce emissions towards net zero by 2050 or sooner.

This second climate progress report provides our 2024 status of our progress towards meeting the intermediate climate targets we have set.

We are pleased to observe that the progress on most of our targets within our lending activities indicates a faster-than-linear trajectory towards meeting our intermediate 2030 targets, with only a few targets showing a slower-than-linear trajectory. Within our investment activities, we also observe mostly positive trajectories in accordance with our intermediate targets on emission intensities and on the more forward-looking temperature rating approach targets. For our own operations, we are also in line with target trajectories towards our intermediate 2030 targets.

Our Purpose

“Release the potential in people and businesses by using the power of finance to create sustainable progress today and for generations to come”

Carsten Egeriis
Chief Executive Officer
Danske Bank

We remain committed

As a large Nordic bank deeply rooted in the Nordic economies, we develop in tandem with society. Our pathway therefore depends greatly on the transition that is taking place within the real economy and the sectors in which we operate. Across sectors, the transition towards a low-carbon society will to a large extent be driven by investments in the development and deployment of low-carbon technologies, and in many instances these investments depend on the right societal frameworks and regulation being in place.

It is therefore crucial that governments set out long-term strategies and implement supporting frameworks that enable individuals and businesses to take financially viable investment decisions that drive carbon-efficient solutions and improved practices that support the transition to a low-carbon economy.

We remain determined to continue to support and encourage our customers and investee companies in the transition. And although the transition presents challenges, it is also an opportunity – for our customers, for us and for the societies we are part of – if we work together to provide solutions for what remains the biggest challenge of our time.

The Climate Action Plan supports Danske Bank's Forward '28 corporate strategy, in which sustainability is one of four key strategic focus areas. Within our sustainability approach and priorities, we have identified three strategic focus areas: supporting our customers in their transitions, ensuring a robust and resilient bank, and managing our societal impacts. We govern the execution of the Climate Action Plan through our Executive Leadership Team and the Business Integrity Committee.

Climate targets and progress

Figure 1: Danske Bank's decarbonisation targets

Objective

Net zero by 2050 and Paris Agreement-aligned 40-50% CO_2e reductions by 2030[3]

Carbon reduction targets by 2030[4]

Lending[5]						Asset management[5]	Life insurance and pension[6]	Own operations[6]
Shipping: 0% alignment delta	**Oil and gas – exploration and production:** -50% financed emissions **Oil and gas – downstream refining: -**25% emission intensity/ absolute emissions	**Power generation: -**50% emission intensity	**Steel**: -30% emission intensity **Cement**: -25% emission intensity	**Commercial real estate: -**55% emission intensity **Personal mortgages: -**55% emission intensity	**Agriculture:** >-30% emission intensity	**1.5°C-aligned temperature rating targets[5]:** 2.1°C (scope 1 and 2) and 2.2°C (scope 1, 2 and 3) **Weighted average carbon intensity:** -50% **Engagement** with the 100 largest emitters by 2025	**1.5°C-aligned temperature rating targets[5]:** 2.0°C (scope 1 and 2) and 2.2°C (scope 1, 2 and 3) **Real estate:** -69% emission intensity **Sector targets** (energy, utilities, transportation, cement and steel): -15-35% emission intensity by 2025	**Scope 1 and 2**: -80% absolute emissions **Scope 1, 2 and 3**: -50% absolute emissions

Measured emissions (financed emissions scope 1 and 2) and share of total emissions:

Lending	Asset management	Life insurance and pension	Own operations
5.1 million tCO_2e (2024) 62%	2.3 million tCO_2e (2024) 29%	0.8 million tCO_2e (2024) 10%	0.01 million tCO_2e (2024) 0.1%

Actions to support our targets

• Capital allocation decisions to support transitioning and green companies in hard-to-abate sectors • Strengthening our climate positions and policies • Climate transition analysis and advisory services	• Products supporting green and transition activities • Strategic commercial integration • International knowledge sharing • Sustainability education	• Inclusion of ESG parameters in investment decisions • Active ownership engagement with selected companies • Excluding companies that have significant negative climate impact • Knowledge sharing through international initiatives	• Supplier engagement • More energy-efficient solutions • Switch to electric vehicles • Development of tools to promote lower-carbon travel

[3] https://unfccc.int/news/climate-plans-remain-insufficient-more-ambitious-action-needed-now
[4] Targets have a 2030 time horizon unless otherwise specified. See appendix 1 for a full overview of all Danske Bank climate targets, including scopes, methods and metrics
[5] Baseline year 2020
[6] Our sector targets for Danica were set in 2021 in advance of the launch of our Climate Action Plan in January 2023.
Consequently, the baseline and target years differ from our other targets. In the upcoming target review cycle, we will align target years to the largest extent possible.

As detailed in the Lending, Investments and Own operations sections of this progress report, we observe overall good progress, although some sectors are on a slower-than-linear trajectory towards our intermediate climate targets. An overview of progress towards our set targets can be found in our climate transition dashboard on pages 11-15.

Lending

Within our lending activities, we have set ten intermediary 2030 targets, and we observe overall good progress. Five of the targets show faster-than-linear trajectory towards our intermediary targets, but we also expect good progress on two of the targets that show slower-than-linear trajectory due to outdated emission factors. On three of our set targets, our portfolios are not yet progressing at a speed aligned with linear trajectories.

Within the oil and gas sector, the reduction in absolute financed emissions from exploration and production companies has surpassed our intermediate 2030 target, and these emissions have been reduced by 73% from our 2020 baseline. We also observe that scope 1, 2 emission intensities and scope 3 absolute emissions from downstream refining are decreasing at faster-than-linear trajectories towards our 2030 targets.

Within power generation, we observe a 48% reduction in emission intensity to 56.5 kgCO_2e/MWh from our 2020 baseline, and emission intensity is almost level with our intermediate 2030 target.

In our steel portfolio, emission intensity decreased to 0.64 tCO_2e/t in 2024, which represents a 45% reduction from our 2020 baseline and is well below our intermediate 2030 target.

Within commercial real estate and personal mortgages, our reporting shows slower-than-linear trajectories towards our intermediate 2030 targets. The decarbonisation within commercial real estate and personal mortgages is largely dependent on the green transition of the utilities sector because heating is the key energy consumption driver in the Nordic countries and a significant part of real estate is connected to district heating networks. The slow-moving trajectories we observe on our targets are caused by lagging emission factors referenced in Finance Denmark's CO_2 model dating back to 2019. However, using recently published statistics from the Danish Energy Agency and conducting an internal analysis suggests a development for our portfolios below the linear trajectories towards our intermediate 2030 targets.

Within hard-to-abate sectors such as shipping and cement, we observe slower-than-linear progress towards our intermediary targets. Poseidon Principles alignment within our shipping portfolio has improved to 25.7% since the 33.7% misalignment in 2022, but it is still tracking above a linear trajectory. This slower rate of decarbonisation is an issue faced by the entire sector. As a signatory of the Poseidon Principles, we are able to compare progress among financial institutions, which reflects an industry-wide challenge to meet the required decarbonisation trajectory. Emissions intensity within our cement portfolio has remained steady at 0.6 tCO_2e/t since 2023, tracking slightly above a linear trajectory towards our 2030 target.

Within the agricultural sector in Denmark, we note that the political ambitions have now been formalised through the adoption of the green tripartite agreement on a green transition of the Danish agricultural sector. We have accordingly set a climate target of a more than 30% reduction in emission intensity for this sector, but we expect that it may take some years for measurable progress to pick up.

We do not expected developments to be linear across all sectors because some sectors are dependent on at-scale technological developments, for example in relation to low-carbon fuels and carbon capture facilities.

Investments

Within our asset management activities, we observe a faster-than-linear trajectory towards the intermediate 2030 target for weighted average carbon intensity, which has been reduced by 42% to 8.3 tCO_2e per DKK million of revenue in 2024 in relation to the 2020 baseline. We also observe progress on our forward-looking temperature rating approach targets, while the target for scope 1, 2 and 3 is progressing with a slower-than linear trajectory towards 1.5°C alignment by 2040.

Within our life insurance and pension activities, we observe faster-than-linear trajectories towards our intermediate 2025 targets within the real estate, steel, cement and utilities sectors. The energy and transportation sectors in our investment portfolios are progressing with a slower-than-linear pace towards our intermediate 2025 targets and have been affected by the aftermath of the energy crisis, which has introduced a greater need for energy security, supply chain challenges and increasing interest rates and has caused a slower -than-expected transition within the automotive sector. For our forward-looking temperature rating approach targets, we observe progress with a slower-than-linear trajectory towards alignment with 1.5°C by 2040.

Own operations
Within our own operations, we observe a faster-than-linear trajectory towards our intermediate 2030 target within scope 1 and 2 emissions, which have decreased 55% to 2,278 tCO_2e in 2024 from our 2019 baseline. Our scope 1, 2 and 3 emission were reduced in 2024 by 52% to 10,876 tCO_2e in relation to our 2019 baseline, which is also a faster-than-linear trajectory towards our revised intermediate 2030 target of a 50% reduction.

Absolute financed emissions
As stated above, we observe that the transition is varied across sectors, and we will continue to expect trajectories to be non-linear. Some sectors may decarbonise at a slower pace than our expectations, whereas other sectors may decarbonise at a faster-than-expected pace, depending on future technological developments.

Our overall objective for the climate agenda is to support the transition towards a low-carbon real economy in which the overall absolute emissions of our society decrease in line with the goals of the Paris Agreement. And because our climate targets are based primarily on emission intensities, we also monitor how our absolute financed emissions are developing.

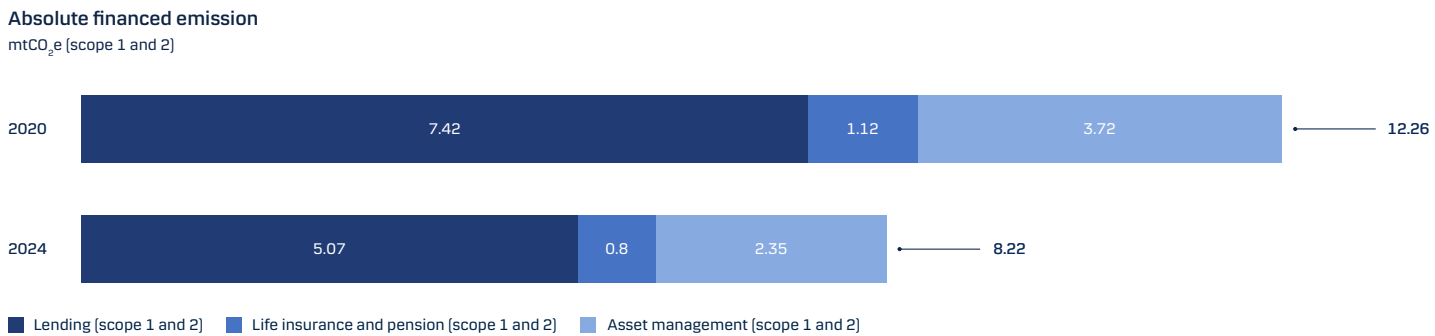
Looking at the absolute financed emissions stemming from scope 1 and 2 from our customers and investee companies[7] as shown in figure 2, we observe that these emissions have been reduced by around 33% since our 2020 baseline year.

We observe that our financed emissions from lending activities, scope 1 and 2, have decreased from 7.42 million tCO_2e in 2020 to 5.07 million tCO_2e in 2024, which is a reduction of approximately 32%. We also see that the scope 1 and 2 emissions from our investment activities have decreased from 4.84 million tCO_2e in 2020 to 3.15 million tCO_2e in 2024, equivalent to a reduction of around 35%.[8]

Outlook
Though observing varied progress made against our emission reduction targets across sectors and our lending and investment activities, we see that, overall, our portfolios are developing in line with our set emission reduction targets. We also observe that reductions in our absolute financed emissions stemming from scope 1 and 2 of our customers and investee companies are occurring at a pace that supports the 40-50% reduction in absolute emissions by 2030 ambition, as targeted by the Paris Agreement.

We note that, on a global level, implemented policies do not yet support a 1.5°C transition. We also take note of the fact that large international corporations are currently revising their previous ambitious climate targets and commitments. We will continue to monitor progress towards our intermediate climate targets across our portfolios to follow the traction across sectors and activities, and on an ongoing basis we will evaluate if further steps are relevant and needed to be taken.

Figure 2: Absolute financed emissions

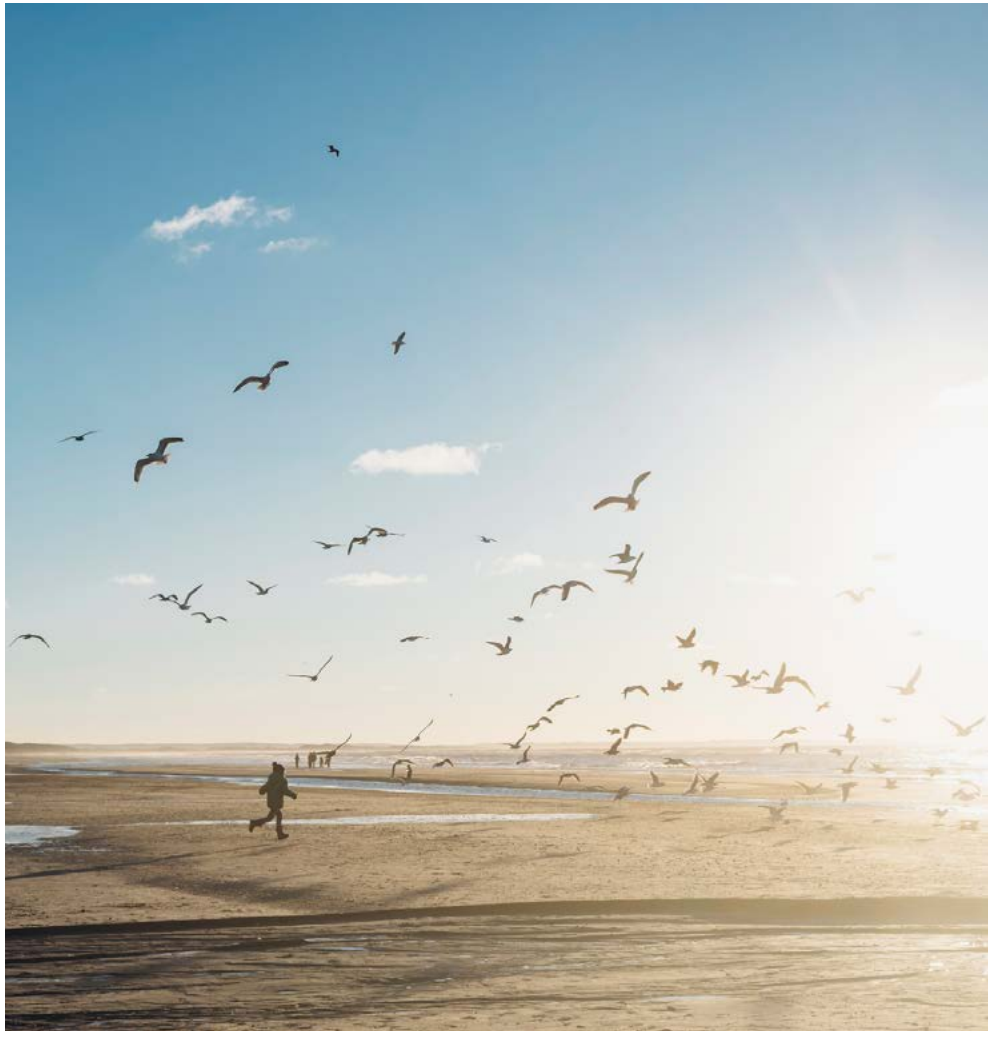


[7] Direct scope 1 emissions from company-owned sources and indirect scope 2 emissions from purchased energy are subject to less data uncertainty than the indirect scope 3 emissions stemming from companies' full value chains. Scope 1 and 2 emissions are also more directly controlled by companies, so these emissions are our focus in relation to both emission reduction target setting and analysis of developments within our absolute emissions.
[8] Table overviews of all financed emissions including scope 3 emissions from customers and investee companies can be found in the appendices.

Scope 1, 2 and 3 explained

The GHG Protocol Corporate Standard classifies a company's greenhouse gas (GHG) emissions into three scopes:

- **Scope 1** emissions are emissions from company owned or controlled sources and therefore known as direct emissions, e.g. from vehicles.
- **Scope 2** emissions are emissions from the generation of purchased energy and are therefore known as indirect emissions, e.g. from electricity.
- **Scope 3** emissions occur in the company value chain, including both upstream and downstream emissions, and are therefore known as indirect emissions (not included in scope 2), e.g. from the supply chain. For financial institutions, the largest source of scope 3 emissions is financed emissions, which are generated as a result of financial services, investments and lending. These emissions fall under scope 3 category 15 in the GHG Protocol.



Climate transition dashboard

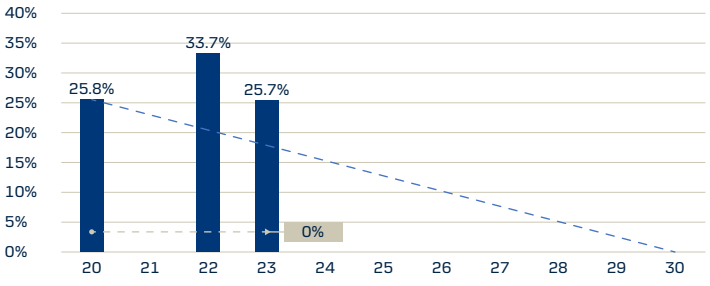
Figure 3: Overview of Danske Bank's decarbonisation pathways[9]

Lending – Danske Bank net-zero pathway

Shipping[10]

Poseidon Principles alignment in percentage (%)

Status ●

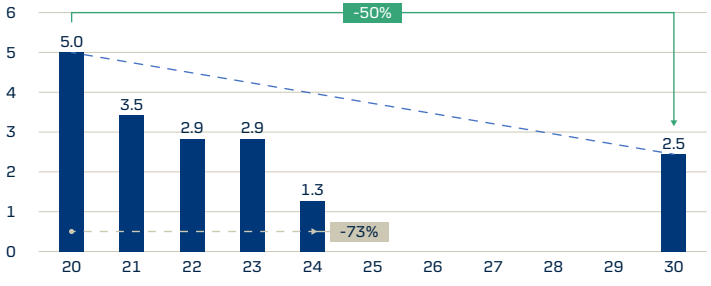


Linear target trajectory (scope 1 and upstream scope 3)
Alignment delta (scope 1 and upstream scope 3)

Oil and gas – exploration and production

million tonnes financed emissions

Status ●

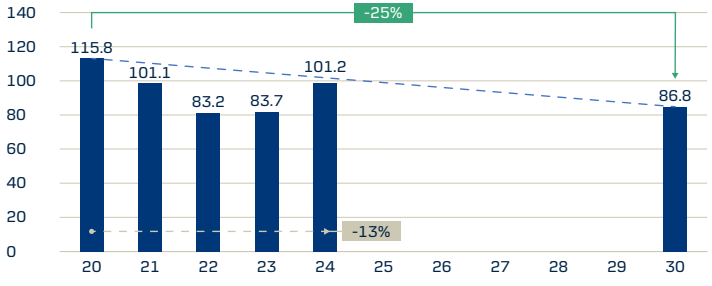


Linear target trajectory (scope 1, 2 and 3)
Total financed emissions (scope 1, 2 and 3)

Oil and gas – downstream refining

thousand tonnes financed emissions

Status ●

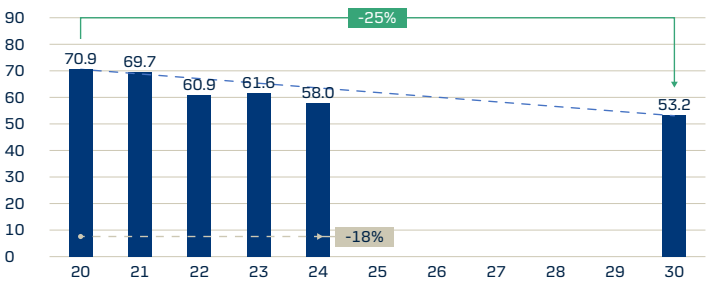


Linear target trajectory (scope 1 and 2)
Total financed emissions (scope 1 and 2)

Oil and gas – downstream refining

gCO_2e/MJ

Status ●

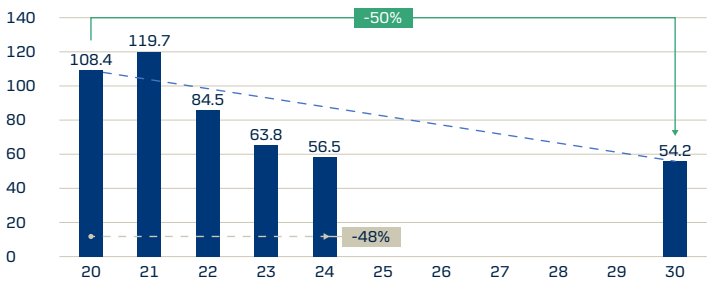


Linear target trajectory (scope 3)
Portfolio average (scope 3)

Power generation

$kgCO_2e/MWh$

Status ●

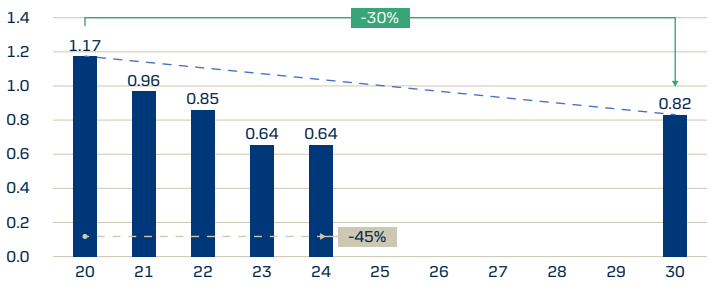


Linear target trajectory (scope 1)
Portfolio average (scope 1)

Steel

tCO_2e/t

Status ●



Linear target trajectory (scope 1 and 2)
Portfolio average (scope 1 and 2)

● Below or within a 5% deviation from our linear target trajectory ● 5-10% above our linear trjectory ● More than 10% above our linear target trajectory

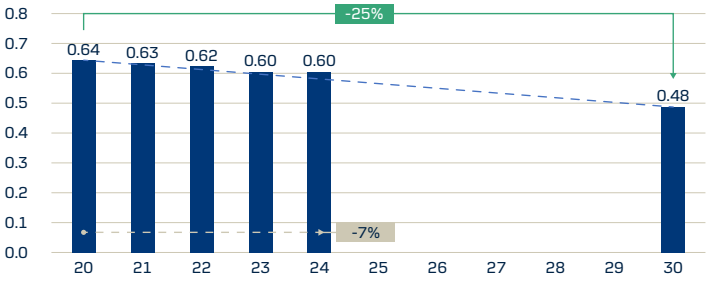
[9] Explanations of graphs are provided in the following sections on Lending, Investments and Own operations. Details of methodologies and limitations can be found in the accompanying appendices.
[10] No status for 2021 as the reporting trajectory was updated in 2022 and 2023.

Lending – Danske Bank net-zero pathway - continued

Cement

Status ●

tCO_2e/t

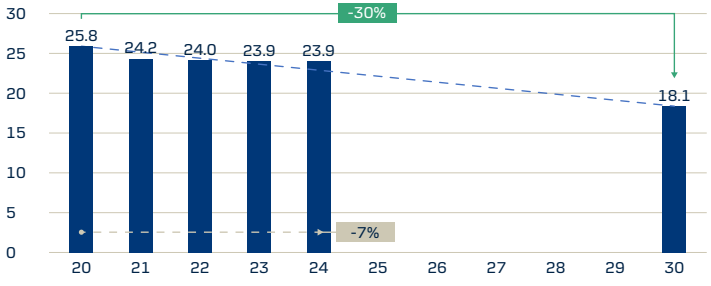


Linear target trajectory (scope 1 and 2)
Portfolio average (scope 1 and 2)

Agriculture - Nordic portfolio

Status ●

$tCO_2e/mDKK$ loan exposure

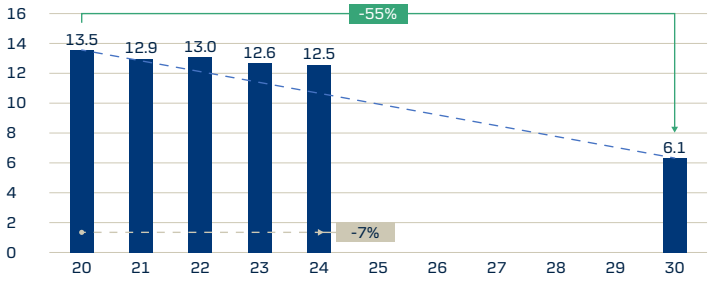


Linear target trajectory (scope 1)
Portfolio average (scope 1)

Commercial real estate - Nordic portfolio

Status ●

$kgCO_2e/m^2$

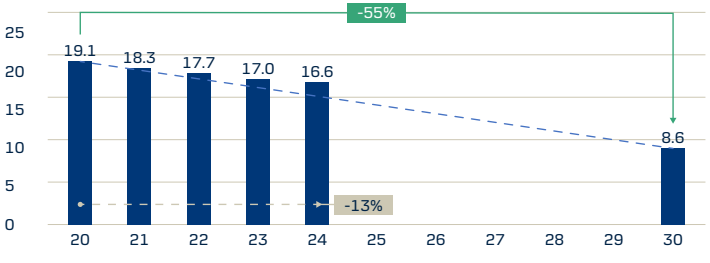


Linear target trajectory (scope 1 and 2)
Portfolio average (scope 1 and 2)

Personal mortgages - Nordic portfolio (excluding Personal Customers Norway)

Status ●

$kgCO_2e/m^2$

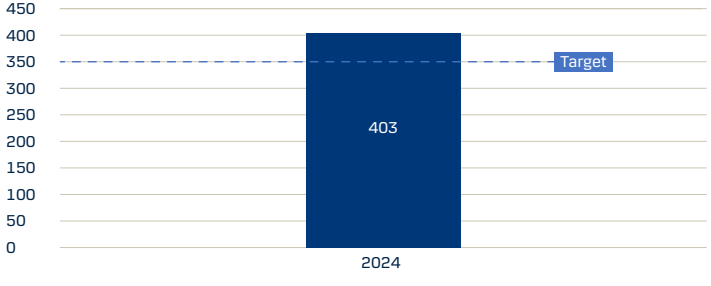


Linear target trajectory (scope 1 and 2)
Portfolio average (scope 1 and 2)

Biodiversity engagements

Status ●

Absolute number



2024

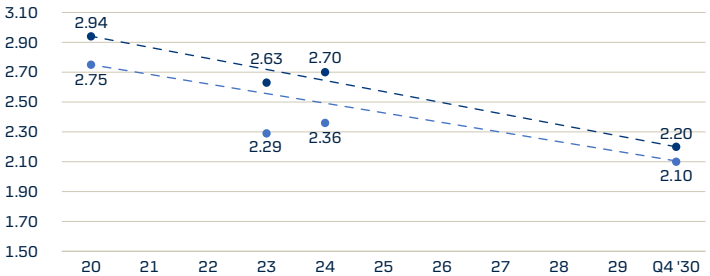
● Below or within a 5% deviation from our linear target trajectory
● 5-10% above our linear trjectory
● More than 10% above our linear target trajectory

Asset management – Danske Bank net-zero pathway

Temperature rating

Status ●

°C

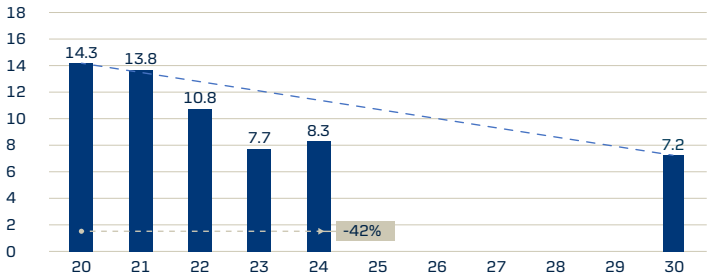


Linear target trajectory (scope 1 and 2)
Linear target trajectory (scope 1, 2 and 3)
Status (scope 1 and 2)
Status (scope 1, 2 and 3)

Weighted average carbon intensity

Status ●

tCO_2e/mDKK revenue

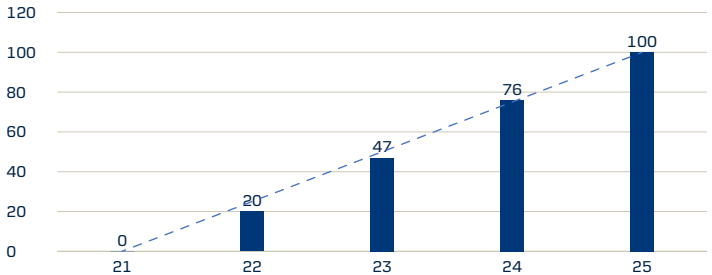


Linear target trajectory (scope 1, 2 and 3)
Status (scope 1, 2 and 3)

Engagement with the largest emitters - asset management

Status ●

number of engagements

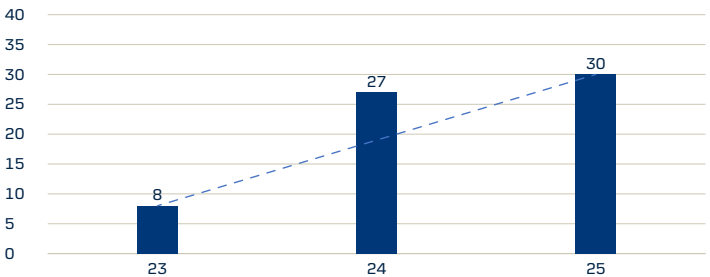


Linear target trajectory
Number of engagements

Engagements with global biodiversity high-impact companies

Status ●

number of engagements



Linear target trajectory
Number of engagements

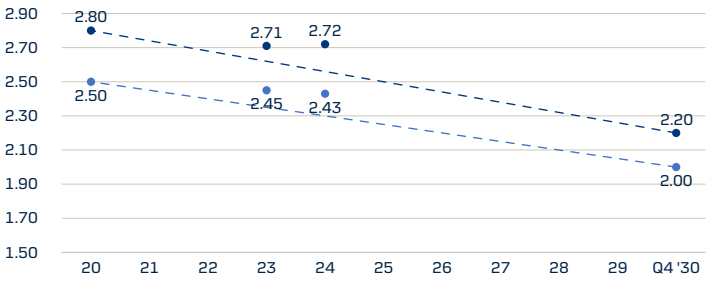
Below or within a 5% deviation from our linear target trajectory
5-10% above our linear trjectory
More than 10% above our linear target trajectory

Life insurance and pension – Danske Bank net-zero pathway

Temperature rating

Status ●

°C

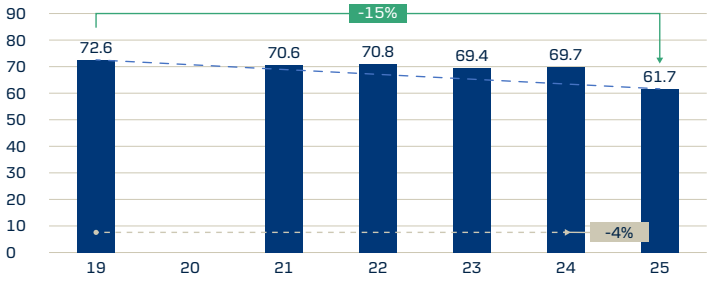


Linear target trajectory (scope 1 and 2)
Linear target trajectory (scope 1, 2 and 3)
Status (scope 1 and 2)
Status (scope 1, 2 and 3)

Energy

Status ●

gCO_2e/MJ

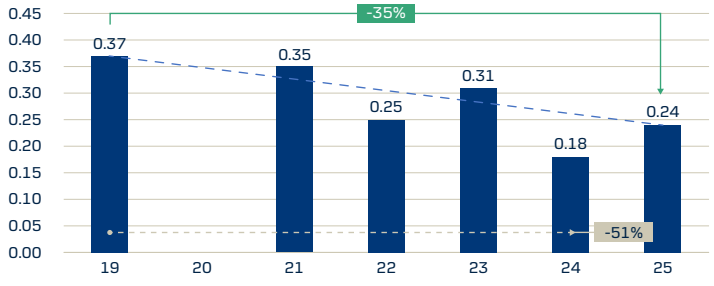


Linear target trajectory
Portfolio average

Utilities

Status ●

tCO_2e/MWh

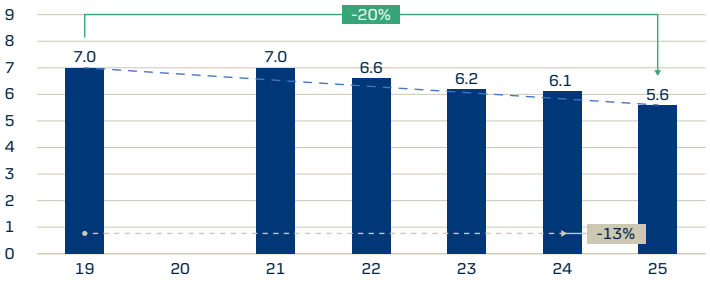


Linear target trajectory
Portfolio average

Transportation - Shipping

Status ●

gCO_2e/km

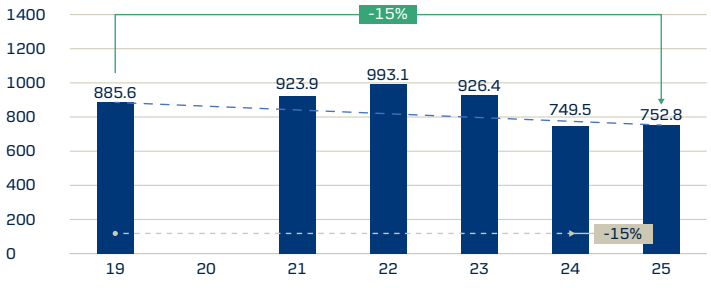


Linear target trajectory
Portfolio average

Transportation - Aviation

Status ●

gCO_2e/RTK

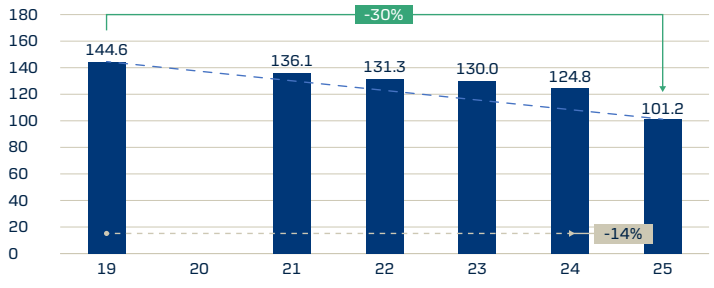


Linear target trajectory
Portfolio average

Transportation - Automotive

Status ●

thousand gCO_2e/tKM



Linear target trajectory
Portfolio average

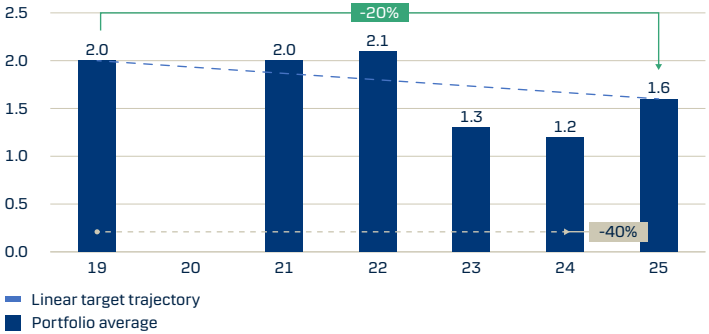
● Below or within a 5% deviation from our linear target trajectory
● 5-10% above our linear trjectory
● More than 10% above our linear target trajectory

Life insurance and pension – Danske Bank net-zero pathway – continued

Steel

Status ●

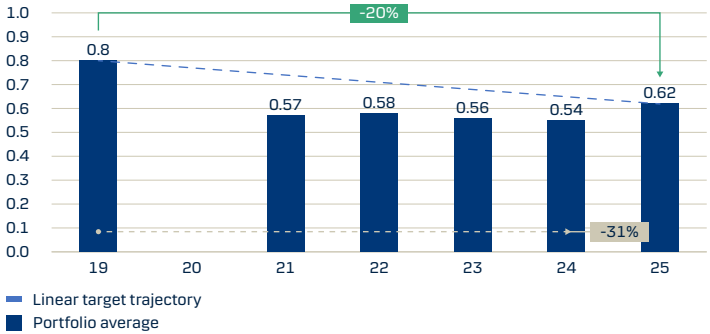
tCO_2e/t crude steel



Cement

Status ●

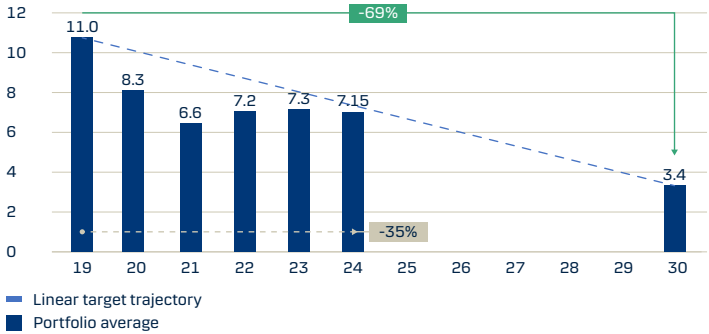
tCO_2e/t cement



Real estate

Status ●

$kgCO_2e/m^2$

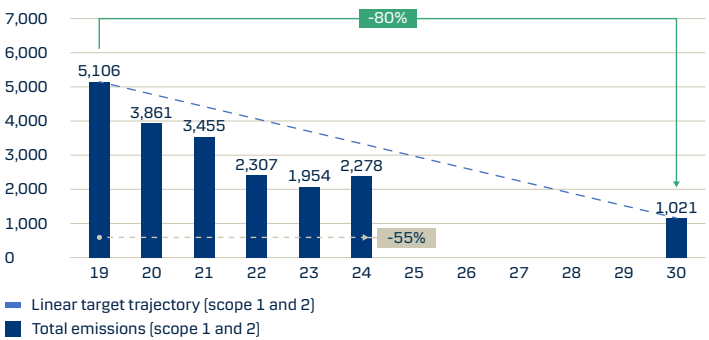


Own operations – Danske Bank net-zero pathway

Own operations - scope 1 and 2

Status ●

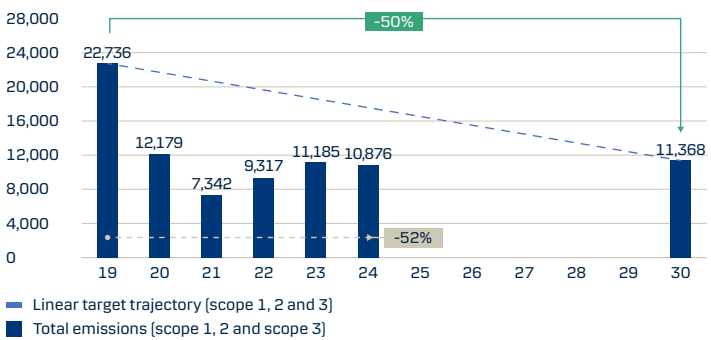
tCO_2e



Own operations – scope 1, 2 and 3

Status ●

tCO_2e



● Below or within a 5% deviation from our linear target trajectory ● 5-10% above our linear trjectory ● More than 10% above our linear target trajectory

Lending

Lending

As a financial institution, a central function that we perform is the maturity transformation of funds, which entails turning short-term deposits into long-term loans and funding. When we do this, it is important that we allocate capital towards projects and companies that are financially viable and that create sustainable growth to preserve long-term financial stability within society.

For our customers and for us as a business, the societal transformation required to tackle climate change involves risks but also offers opportunities.

Risks for our customers include transition risks, such as failing to transition quickly enough and becoming irrelevant. Opportunities for our customers and for us as a business arise from the potential to proactively address and finance the challenges and the needed transition. These opportunities have the potential to create additional business volumes and ensure long-term viability of business models.

In order to capture the commercial opportunities arising from the transition, our Large Corporates & Institutions business unit is seeking to support companies that have credible transition plans in high-emitting sectors by facilitating increased financing. While this may lead to a short-term increase in financed emissions, we believe that supporting the capital-intensive transition of companies in these sectors is aligned with our role in supporting climate transition.

To address our impacts and to identify transition-related risks, we have set emission reduction targets for relevant and high-emitting sectors within our lending portfolio. To avoid limiting activities in society or limiting our ability to pursue and support transition-related opportunities, our climate targets are primarily set as intensity targets that focus on the carbon-efficient production of goods such as steel, cement and energy.[11] The rationale for this is to focus on supporting our customers in adopting carbon-efficient solutions, which in turn can lead to a low-carbon society and a net-zero economy by 2050 or sooner.

Previously, we set emission reduction targets for the high-emitting sectors in our lending portfolio, including shipping, oil and gas, power generation, cement, steel, and commercial real estate. All of these sectors play a critical role in the decarbonisation of our society.
In addition, we have set an emission reduction target for personal mortgages as these constitute a large part of our lending exposure.

In 2024, political ambitions for the sustainable development of agriculture in Denmark were formalised, and we have therefore now also set an emission reduction target for our agriculture portfolio of more than 30% reduction in our emission intensity by 2030.

Our climate targets within lending now cover around 51% of our scope 1 and 2 measured financed emissions.

The two main factors that affect the development of our emission reduction targets are either changes in our customers' emission profile or changes in our exposures to our customers. Consequently, our ability to deliver on these climate targets is highly dependent on a strong collaboration with our customers.

Nature and biodiversity
In 2023, we carried out an analysis of potential biodiversity impacts within our portfolio. Our analysis identified sectors and customers with whom it would be relevant for us to engage in dialogue about biodiversity-related impacts, risks and opportunities. In September 2023, we set engagement targets based on our findings, and we engaged with the targeted customers throughout 2024. These engagements have increased our understanding of the biodiversity-related challenges in specific sectors. We will work to continuously develop our understanding of how we can support our customers in addressing the risks and opportunities within this agenda, which is highly interlinked with the climate change agenda.

The progress we have made with our climate targets and biodiversity engagements for our lending activities is described in more detail in the following sections, which also provide insights into the actions we are taking to achieve our targets.

[11] *Our financed emissions target for the oil and gas sector is an exemption to this because for these specific activities we aim to reduce absolute emissions*

Shipping

Sector	Share of measured financed emissions (customers' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target	Target year	2023[12] status (2022)	Target-setting methodology and benchmark
Shipping	13%	Alignment delta	Scope 1, upstream scope 3	2020	25.8%	0%	2030	2023: 25.7% (2022: 33.7%)	SDA/Poseidon Principles/ IMO 'striving for' curve

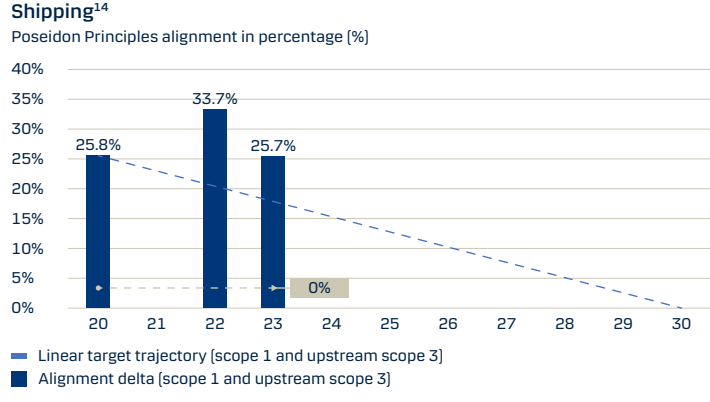
Shipping remains a challenging sector to decarbonise due to the absence of scalable solutions for long freight routes. In 2023, we revised our shipping climate target and started reporting against the International Maritime Organization's (IMO) 'striving for' decarbonisation trajectory, which incorporates full fuel lifecycle emissions and includes all greenhouse gases within the target emission boundary. The introduction of the 'striving for' trajectory is a result of the IMO's July 2023 revision of its GHG strategy, which is key to defining decarbonisation ambitions for global shipping. The revised IMO strategy prompted a significant update of the Poseidon Principles framework, with the new IMO trajectories being incorporated into Poseidon Principles' disclosures.[13] The Poseidon Principles are a framework for assessing and disclosing the climate alignment of ship finance portfolios by establishing common global baselines to qualitatively assess and disclose whether lending portfolios are in line with adopted climate ambitions.

In light of the developments that occurred in 2023, the primary motivation behind our revision of our target was to maintain alignment with the reporting methods in the Poseidon Principles and sector decarbonisation ambition. We are aware that the new 'striving for' trajectory is only close to a 1.5˚C trajectory but is not fully 1.5˚C-aligned, and we will continue to monitor the development of target-setting methodologies for the shipping sector, with the intent to improve our own methodology as these become available.

Nature and biodiversity

The shipping sector has also been recognised as one of the sectors with the greatest potential negative impact on nature and biodiversity within our portfolio, and during 2024 we engaged with 16 shipping customers on identified nature and biodiversity indicators. The insights gained from these engagements will inform our way forward, including the potential of setting more specific nature and biodiversity targets in future.

Figure 4: Decarbonisation trajectory – shipping



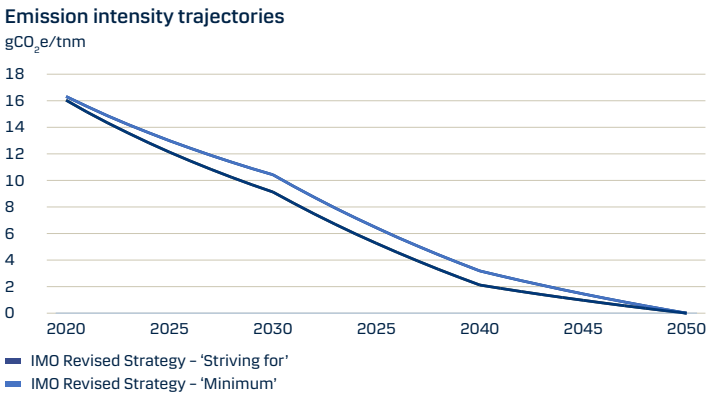
[12] Only 2023 status is available for shipping as reporting is done in accordance with Poseidon Principles reporting.
[13] The IMO's revised strategy sets increased decarbonisation ambitions to achieve net-zero greenhouse gas emissions in the shipping industry by around 2050, with indicative checkpoints set for 2030 and 2040. By 2030, the IMO aims to have reduced emissions by a minimum of 20% (striving for 30%), and by 2040, the IMO aims to have reduced emissions by a minimum of 70% (striving for 80%). Following the IMO's decision, the Poseidon Principles framework started to report against a second and a third emission reduction trajectory developed in line with the IMO's 'minimum' and 'striving for' ambitions. An in-depth description of methodological considerations is available at https://www.poseidonprinciples.org/finance/.
[14] No status for 2021 as the reporting trajectory has been updated in 2022 and 2023.

Development

- We remain dedicated to decarbonising our shipping portfolio and endeavour to fully align with the updated 'striving for' emission trajectory, which corresponds to the IMO's goal of reducing carbon emissions by 30% by 2030.

- In 2023, our portfolio alignment against the 'striving for' curve was 25.7% (see figure 5). This means that, on average, the vessels pledged to Danske Bank as part of loans or other credit facilities were 25.7% above their decarbonisation trajectories.

Figure 5: IMO Emission intensity trajectories – shipping



- The improvement in our portfolio alignment from 33.7% in 2022 confirms that supporting shipowners continuously working to improve efficiency of their fleet through operational improvements, retrofits and fleet renewal helps us to reduce the emissions from our shipping portfolio.

- We recognise that our portfolio performance is still significantly above the trajectory, which is somewhat explained by how the Poseidon Principles methodology treats shuttle tankers and the impact of using well-to-wake emissions for car and LNG carriers, and also by the industry-wide challenges reflected in the fact that most banks are tracking above the required trajectory.[15] In particular, the very limited availability of cost-competitive low-carbon fuels is key to the shipping sector's slow rate of decarbonisation.

- We are committed to improving our relative position within the shipping sector and are actively working with our customers to accelerate the transition towards more sustainable maritime operations.

Actions[16]

- Our work towards decarbonising the shipping sector and developing more accurate methodologies and ambitious trajectories with other banks and organisations in line with the Poseidon Principles is ongoing. Furthermore, we are also a member of the Getting to Zero Coalition.[17]

- We continue to follow the development of our Poseidon Principles portfolio in our decision-making and have made a strategic choice to increase shipping financing outside the Nordic countries, which we have assessed will support the portfolio alignment.

- During 2024, we actively engaged with our customers in discussions about climate transition and potential biodiversity impacts of the shipping sector.

Outlook

- The decarbonisation of the shipping sector remains a challenge. We recognise that the transition is heavily dependent on the accelerated development and availability of green fuels. Additionally, a successful transition of the sector depends on international collaboration, innovation and significant investments in technology and infrastructure to develop a robust green fuel supply chain. We continue to follow our customers' transition journeys closely, and we expect the shipping companies we finance to continue their decarbonisation efforts.

- We monitor the IMO Marine Environment Protection Committee (MEPC) sessions with regard to mid-term measures such as global carbon pricing or fuel emission intensity regulation, which in turn could help support the uptake of low-carbon fuels. These measures include assessing the impact of the EU's inclusion of shipping in the EU Emissions Trading System (ETS) in 2024 and the rollout in 2025 of the FuelEU Maritime Regulation covering emission intensity. We recognise that current regulation does not necessarily correspond to the global nature of the sector.

[15] A full annual disclosure report with reflections on performance is available at https://www.poseidonprinciples.org/finance/.
[16] See appendix 2 for a comprehensive list of our actions taken.
[17] The Getting to Zero Coalition is a global initiative launched in 2019, aiming to decarbonise the maritime industry by 2050. It involves various stakeholders, including companies and governments, working together to develop sustainable technologies and fuels.

Oil and gas

Sector	Share of measured financed emissions	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Oil and gas – exploration and production	1%	Financed emissions million tCO_2e	Scope 1, 2 and 3	2020	5.0	2.5 (-50%)	2030	1.3 (2.9)	SBTi absolute contraction approach
Oil and gas – downstream refining	1%	Financed emissions thousand tCO_2e	Scope 1, 2	2020	115.8[18]	86.8 (-25%)	2030	101.2 (83.7)	SBTi absolute contraction approach
	1%	gCO_2e/MJ	Scope 3	2020	70.9	53.2 (-25%)	2030	58 (61.6)	SBTi absolute contraction approach

The International Energy Agency (IEA) and other organisations emphasise the need to phase out oil and gas gradually from the global energy system in order to achieve the goals of the Paris Agreement. However, oil and gas will remain part of the global energy mix during this transition.

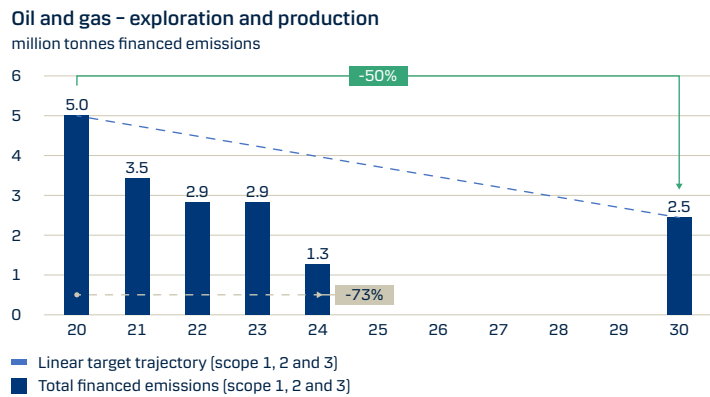
At Danske Bank, we are committed to supporting the transformation in the oil and gas sector. To mitigate negative impacts on our society and to manage our long-term credit risk, we want to limit the provision of capital towards exploration and production companies that lock in increased fossil fuel production. Contrary to other climate targets, our oil and gas exploration and production target and downstream refining target for scope 1 and 2 emissions are based on reducing absolute financed emissions rather than on emission intensity.

The scope 3 target for downstream refining is, however, based on emission intensity.

Development

- Since 2020, our financed emissions from the exploration and production segment that includes both on- and off-balance exposure decreased to 1.3 million tCO_2e in 2024 (2.9 million tCO_2e in 2023), corresponding to a 73% decrease since 2020. In 2020, financed emissions stood at 5.0 million tCO_2e.
- The decrease was largely attributable to our decision to reduce exposures towards exploration and production companies that lack credible transition plans.

Figure 6: Decarbonisation – oil and gas



[18] *Baseline for financed emissions adjusted due to model update in financed emission calculation (previously 116.8 thousand tCO_2e), additional information on model changes is provided in appendix 3.*

- Our financed emissions from downstream refining that include both on- and off-balance exposure increased to 101.2 thousand tCO_2e in 2024 (83.7 thousand tCO_2e in 2023) due to increased lending exposure towards downstream refining. Despite the increase in 2024, we have seen an overall reduction of 13% since our 2020 baseline of 115.8 thousand tCO_2e.

- In 2024, the portfolio intensity average (scope 3 emissions) from the downstream refining segment decreased to 58 gCO_2e/MJ from 70.9 gCO_2e/MJ in our 2020 baseline year, which corresponds to an 18% decrease. This decrease was primarily driven by the changes made in our portfolio composition, but it was also supported by our customers' execution of their own transition plans (see figure 9).

- For all the three targets we have set for the oil and gas sector, we are tracking below linear trajectories towards our 2030 targets.

Actions[19]

- Our Position Statement on Fossil Fuels communicates publicly the credit policy governing our involvement in the oil and gas sector, particularly in relation to exploration and production activities. The position statement stipulates that we will not offer long-term financing to any oil and gas exploration and production company that does not set a credible transition plan in line with the Paris Agreement. This includes a long-term 2050 net-zero goal, ambitious short- and medium-term reduction targets on scope 1 and 2 emissions as well as a material scope 3 emission reduction target. This additionally includes a commitment to not expand the supply of oil and gas beyond that which had been approved for development by 31 December 2021. Because few exploration and production customers comply with our no expansion policy, we have discontinued some business relationships, consequently reducing our financed emissions.

- We will continue to follow the progress in the scope 3 portfolio intensity average for downstream refining.

Outlook

- We expect to see a significant drop in our financed emissions from oil and gas exploration and production in 2026 when large existing loan exposures mature.

- We will continue to follow the development of financed emissions in the oil service and offshore segments along with sectoral target-setting guidance, but we have not yet set targets for this area.

Figure 7: Decarbonisation – oil and gas

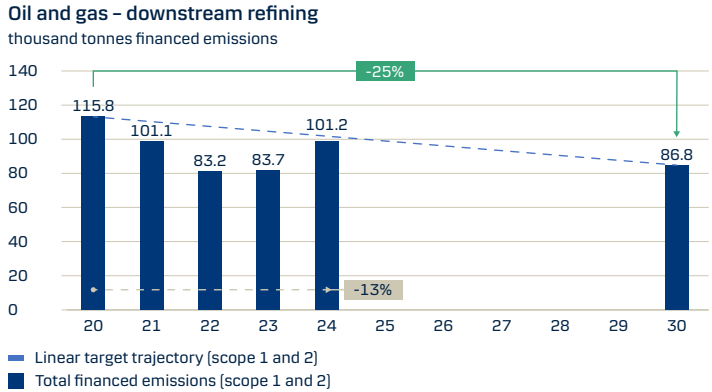


Figure 8: Decarbonisation – oil and gas

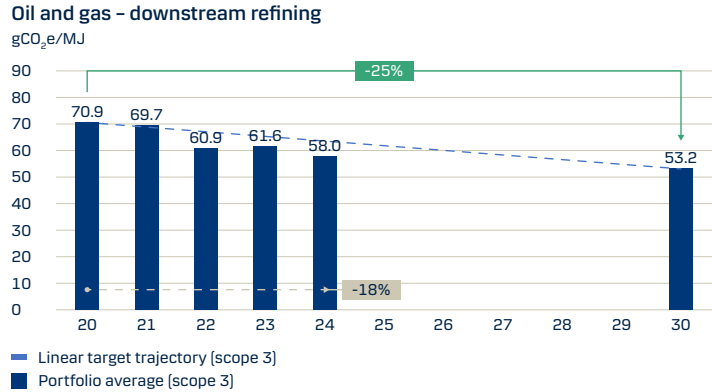
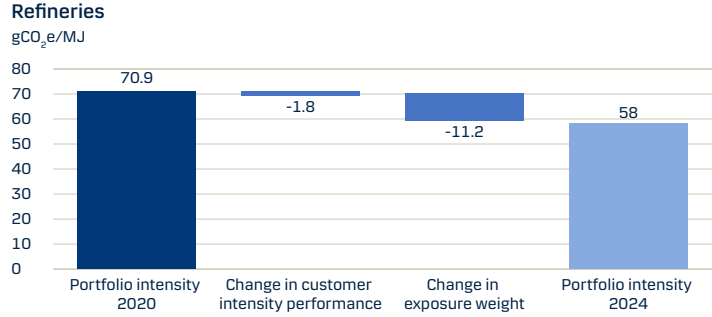


Figure 9: Attribution of portfolio intensity change from 2020 to 2024 – downstream refining



[19] *See appendix 2 for a comprehensive list of our actions taken.*

Power generation

Sector	Share of measured financed emissions (customers' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Power Generation	2%	$kgCO_2e/MWh$	Scope 1	2020	108.4	54.2 (-50%)	2030	56.5 (63.8)	SDA/SBTi (world) 1.5°C scenario

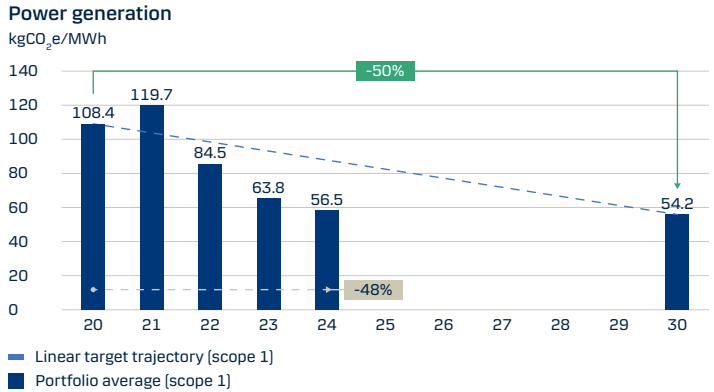
Power generation remains a key sector for decarbonisation and has been designated as a priority sector by the Science Based Targets initiative (SBTi), the Net-Zero Banking Alliance and the UNEP FI Guidelines for Climate Target Setting for Banks.

Our emission intensity baseline and our 2030 target both reflect the predominantly Nordic composition of our portfolio. The Nordic region is characterised by a high degree of low-carbon electricity supply and a high coverage of district heating networks, and in comparison to other world economies, Nordic economies have generally progressed further with the decarbonisation journey of the power generation sector. Our target is significantly below the SBTi 1.5°C world sector pathway's 100 $kgCO_2e/MWh$ for 2030.[20]

Development

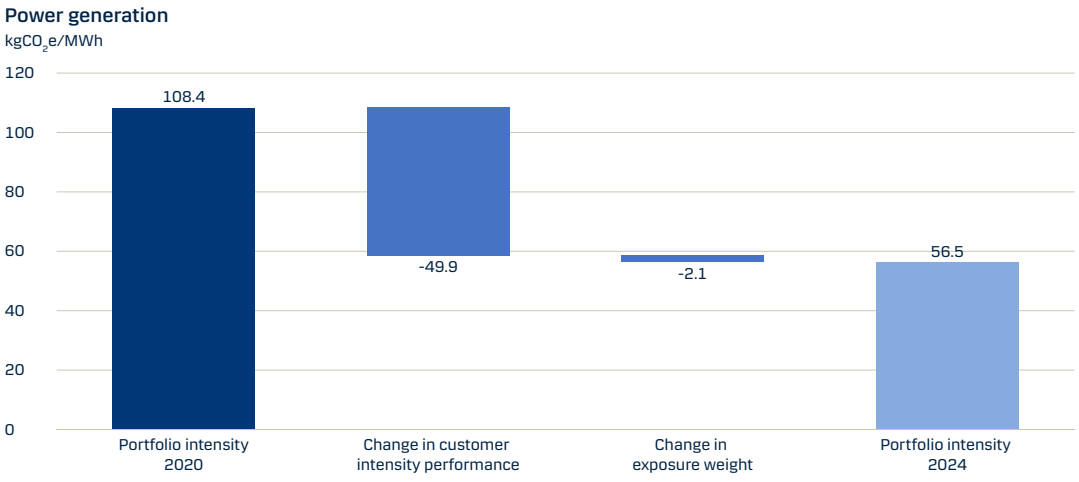
- Following a thorough review and to reflect improved data quality, we revised our baseline to 108.4 $kgCO_2e/MWh$ from the previous 76.9 $kgCO_2e/MWh$. Our existing target remains ambitious, aiming for a 50% reduction, which gives a revised 2030 target at 54.2 $kgCO_2e/MWh$ (from the previous 38.4 $kgCO_2e/MWh$).
- In 2024, the portfolio intensity average for our power generation portfolio decreased to 56.5 kg CO_2e/MWh.
- This decrease was driven by the effective progress made by our customers with their own transitions and was supported by the strategic changes we made in portfolio composition and by the increased capital we provided to renewables (see figure 9).

Figure 10: Decarbonisation – power generation



[20] *SBTi Corporate Near-Term tool, available at https://sciencebasedtargets.org/sectors/power#resources*

Figure 11: Attribution of portfolio intensity change from 2020 to 2024 – power generation



Actions[21]

- In line with our Forward '28 corporate strategy, we continued to strengthen our renewable energy and project finance setup. We saw continued activity in renewable energy and hard-to-abate sectors, which is expected to further drive down our emission intensity and accelerate progress towards our 2030 target.
- We are closely following the transition of our largest corporate customers within the power generation sector to ensure we can provide the best ways to support them while remaining on track to reach our climate target.

Outlook

- The emission intensity of our portfolio is now considerably below the SBTi 1.5°C world sector pathway. This reflects the fact that our portfolio predominantly comprises companies from the Nordic power generation sector, where substantial decarbonisation has already taken place.
- We expect the emission intensity of our portfolio to continue its downward trend, which aligns with our commitment to support the transition of power generation towards a more sustainable future.

[21] *See appendix 2 for a comprehensive list of our actions taken.*

Steel and cement

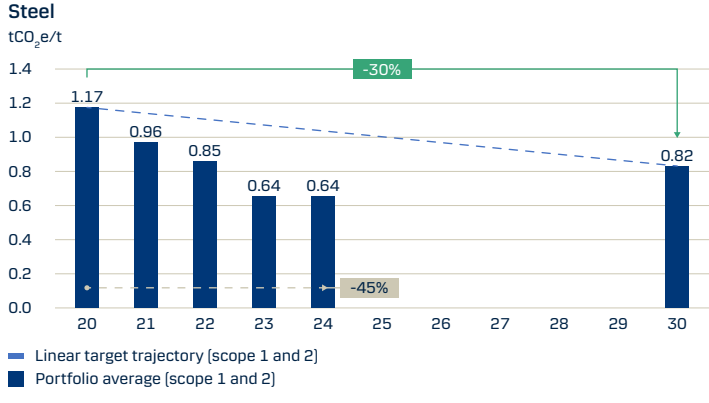
Sector	Share of measured financed emissions (customers' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Steel	0.3 %	tCO_2e/t	Scope 1, 2	2020	1.17	0.82 (-30%)	2030	0.64 (0.64)	SDA/TPI (world) 1.5°C scenario
Cement	1%	tCO_2e/t	Scope 1, 2	2020	0.64	0.48 (-25%)	2030	0.60 (0.60)	SDA/SBTi (world) 1.5°C scenario

Transitioning the steel and cement sectors is an important part of transitioning our society. The steel and cement sectors are fossil-intensive and so-called hard-to-abate sectors, and they will remain an important part of building societal infrastructures, including the expansion of renewable energy infrastructure.

Development

- In 2023, our emission intensity in the steel sector reached a notable milestone by decreasing to 0.64 tCO_2e/t, which meant we achieved our 2030 target well ahead of schedule. Status for 2024 showed that the intensity remained at 0.64 tCO_2e/t steel. This corresponds to a 45% decrease in relation to our 2020 baseline.
- The decrease was primarily driven by strategic changes in our portfolio composition, for example our participation in the financing of the world's first large-scale green steel plant in Boliden, Sweden, for Stegra.
- The changes in portfolio composition were further supported by our customers' steady progress in reducing their emission intensities (see figure 14).
- The emission intensity of our cement portfolio remained steady at 0.60 tCO_2e/t during 2024, tracking slightly above a linear trajectory towards the 2030 target. This not only reflects ongoing efforts and enhancements in operational efficiencies among our customers but also reflects the non-linear nature of the sectors' decarbonisation efforts.
- In the cement sector, the portfolio composition remained somewhat constant, and the decrease in portfolio average intensity has primarily been driven by the decarbonisation efforts of our customers (see figure 15).

Figure 12: Decarbonisation – steel



Actions[22]

- Through our strengthened renewable energy and project finance setup, we have been able to improve our participation in hard-to-abate sectors.
- We continue to follow the transition of our customers in the steel and cement sectors to ensure we can provide the best ways to support them while remaining on track towards reaching our climate targets.

Outlook

- Looking ahead, we anticipate further reductions in emission intensity within our steel and cement portfolios.
- We are closely monitoring the evolution and role of carbon capture and storage (CCS) technologies within the cement sector. These technologies represent a key element in ensuring our progress towards our target.

Figure 13: Decarbonisation – cement

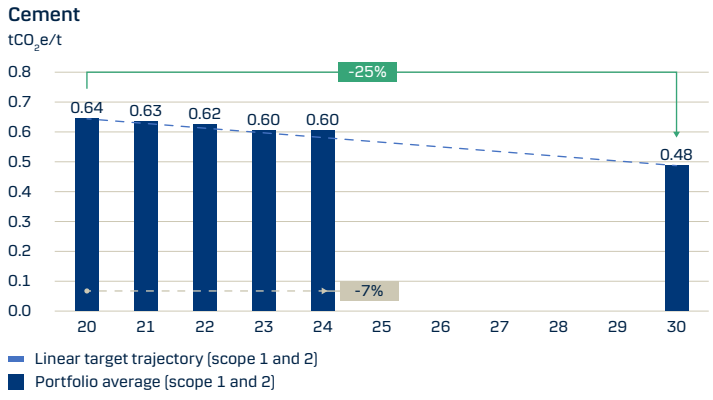


Figure 14: Attribution of portfolio intensity change from 2020 to 2024 – steel

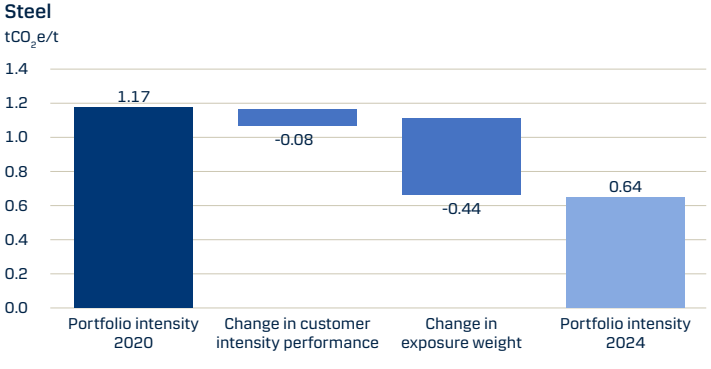
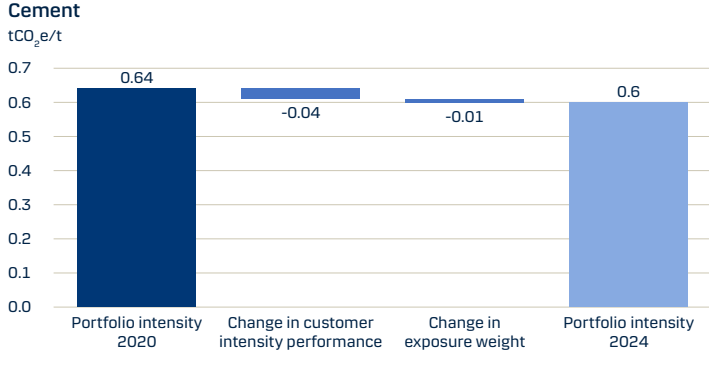


Figure 15: Attribution of portfolio intensity change from 2020 to 2024 – cement



[22] *See appendix 2 for a comprehensive list of our actions taken.*

Agriculture – Nordic portfolio

Sector	Share of measured financed emissions (customers' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Agriculture	21%	Financed emissions tCO_2e/mDKK	Scope 1	2020	25.8	18.1 [>-30%]	2030	23.9 [23.9]	Danish national sector target/SBTi FLAG tool
	N/A	Number of engagements	N/A	2023	0	Engage with 300+ customers	2024	348	Internal benchmark

Stable and sustainable agricultural production is vital for ensuring that sufficient food can be supplied to an ever-growing global population. However, one of the key challenges for the sector is its impact on climate and biodiversity. As well as being responsible for around 25%[23] of global GHG emissions, the agricultural sector also depletes natural resources and degrades biodiversity through its extensive use of land.

Customers operating in the agricultural sector face both physical and transition risks due to climate change and shifts towards a low-carbon economy, but these challenges also present opportunities for improved agricultural practices.

As a large Nordic bank, we have an important role to play in supporting our agriculture customers by providing advisory services and products aimed at helping these customers to navigate nature- and climate-related impacts, risks and opportunities.

Lending to agriculture accounts for a significant part of our measured scope 1 and 2 financed emissions (21%), primarily represented by customers in Denmark.

In 2021, the Danish government approved a binding target of a 55-65% GHG emission reduction from the agriculture and forestry sector by 2030 against a 1990 baseline. In June 2024, the government reached a historic tripartite agreement on a green transition of the Danish agricultural sector (*Aftale om et Grønt Danmark)*, which sets a preliminary roadmap for reaching the sector's GHG reduction target and includes a carbon tax. This tripartite agreement also addresses the protection and restoration of natural environments. A new ministry has been established to ensure the effective implementation of the green tripartite agreement.

The green tripartite agreement underwent political processing and was adopted by the Danish Parliament in November 2024.

There is now a clearer path forward for the agricultural sector, despite uncertainties related to the development and maturation of new climate technologies, the documentation of reduction effects, data quality and the implementation pace of the new agreement. Based on this clearer path forward, we have now chosen to set a climate target for the Group's agriculture lending portfolio.[24]

Our target ambition reflects the Danish national sector ambition recalculated to a 2020 baseline using the most recent data from Denmark's Climate Status and Outlook 2024[25] report and draws on SBTi's Forest, Land and Agriculture Target-Setting Guidance.[26] Our ambition is to reduce emissions intensity by 2030 by more than 30% for our Group portfolio in relation to 2020 levels.

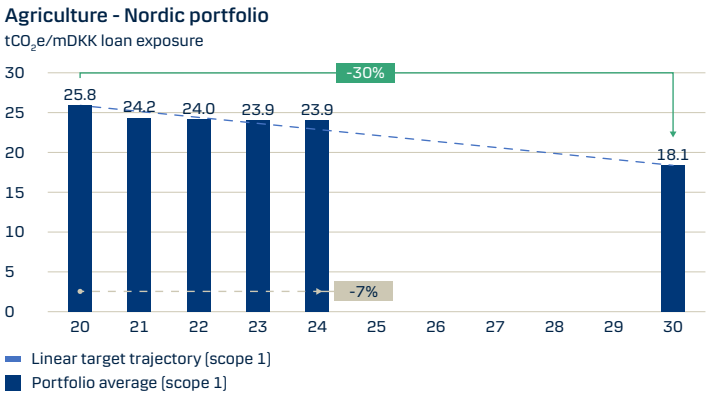
[23] *Our World in Data: Food production is responsible for one-quarter of the world's greenhouse gas emissions - Our World in Data*
[24] *Covering Denmark, Sweden, Norway and Finland*
[25] *Klimastatus og -fremskrivning 2024: Klimastatus og -fremskrivning 2024 (*kefm.dk*)*
[26] *The SBTi's Forest, Land and Agriculture Target-Setting Guidance: SBTiFLAGGuidance.pdf (sciencebasedtargets.org)*

With agriculture identified as one of the sectors that has the highest potential negative impact on nature and biodiversity, we set a goal in September 2023 to engage with more than 300 agriculture customers in Denmark on the topic of climate and biodiversity before the end of 2024.

Development

- Since our baseline year of 2020, the emissions intensity within our agriculture portfolio covered by our reduction target has decreased from 25.8 tCO_2e/mDKK in 2020 to 23.9 tCO_2e/mDKK in 2024, which corresponds to a 7% reduction. The observed reduction in emission intensity is limited, reflecting a constant level of carbon emissions in Denmark's agricultural sector. The results of carbon reduction efforts are expected to become evident in the future.

Figure 16: Decarbonisation – agriculture



Actions[27]

- In late 2023, we implemented a transition risk assessment to steer engagements with customers and equip advisers to engage in meaningful transition dialogues. Monthly feedback sessions were facilitated throughout 2024 to ensure knowledge sharing and collation of the information learned.

- Since the end of 2023, we have engaged with more than 300 customers from our Danish agriculture portfolio on the topic of climate and biodiversity.

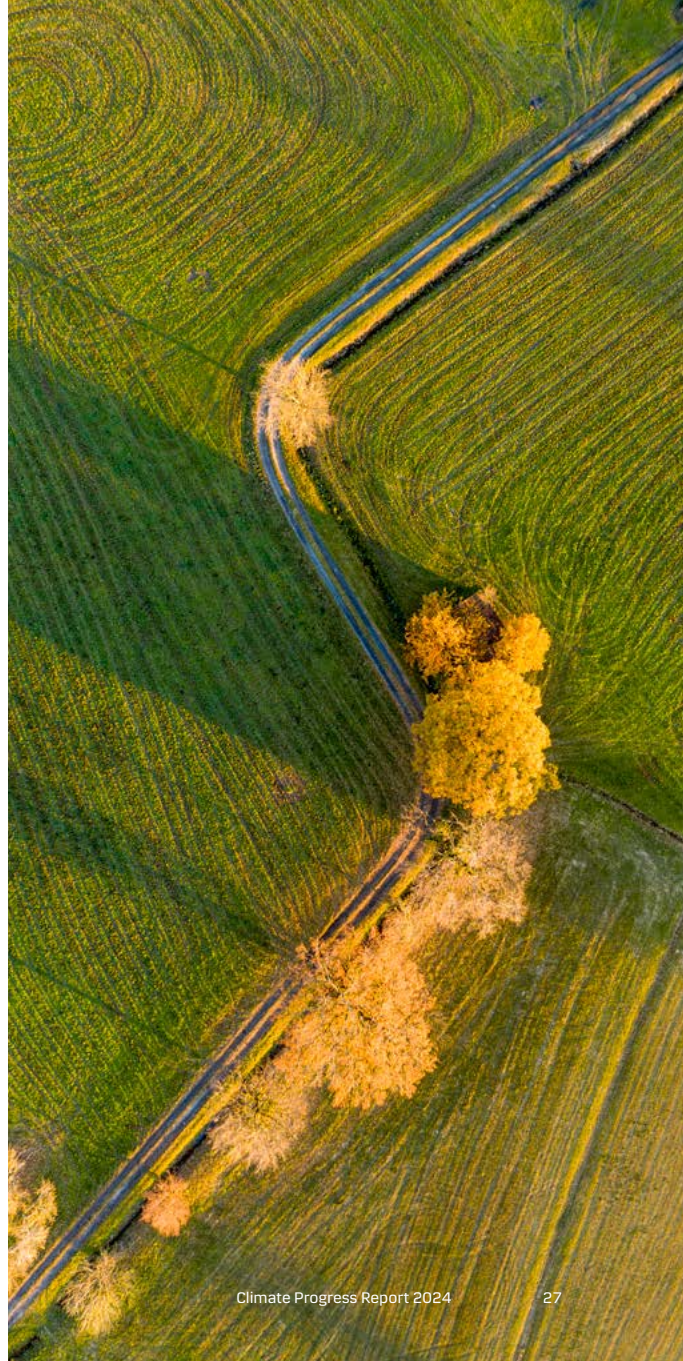
Outlook

- We plan to analyse the data collected from the transition risk assessment during 2025. The results will enhance our understanding of where our customers are in their climate transition and nature journeys and provide us with farm-specific operational data. By identifying key challenges, risks and opportunities, we can focus our efforts more effectively and refine our customer interactions to have the greatest positive impact.

- We will continue to engage with our customers, focusing on those with the biggest potential impact, and we will develop and adjust our initiatives based on the implementation of the green tripartite agreement.

- Our ability to reach our 2030 target depends heavily on the implementation of the green tripartite agreement for the Danish agricultural sector.

[27] *A comprehensive list of the actions taken by us is provided in appendix 2.*



Commercial real estate – Nordic portfolio

Sector	Share of measured financed emissions (customers' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Commercial real estate – Nordic portfolio	3%	$kgCO_2e/m^2$	Scope 1, 2	2020	13.5	6.1 (-55%)	2030	12.5 (12.6)	SDA/SBTi (company) 1.5 °C scenario (scope 1)[28]

The building sector plays a pivotal role when it comes to meeting the EU's energy and climate objectives. The European Commission reports that approximately 40% of energy consumption in the EU is attributable to buildings.[29] More than a third of the EU's energy-related greenhouse gas (GHG) emissions originate from this sector, primarily as a result of construction, heating, cooling, renovation and demolition activities. It is therefore essential to address the commercial real estate sector because this sector also has substantial societal impacts. This sector also presents risks and opportunities for our customers and for our business.

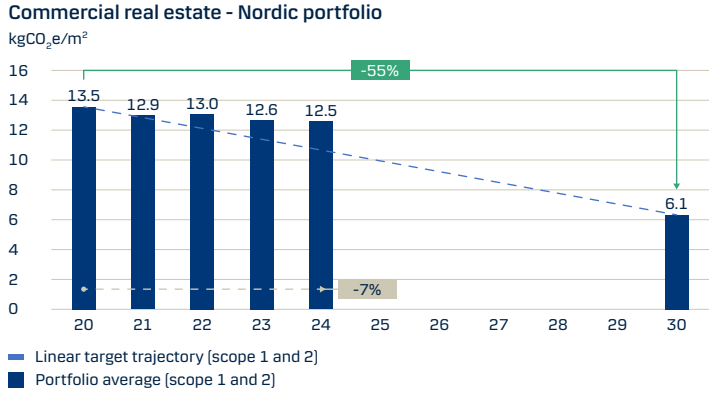
Development

- Emission intensity per square meter decreased 7.4%, from 13.5 $kgCO_2e/m^2$ in 2020 (baseline year) to 12.5 $kgCO_2e/m^2$ in 2024 (2023: 12.6 $kgCO_2e/m^2$).
- Progress was mainly driven by improved energy performance of buildings in our portfolio, particularly in Denmark, where there was a clear trend toward fewer buildings with low energy efficiency ratings (categories D-G) from 2020 to 2024. For low energy efficiency ratings ranging from D to G, there has been an approximately one-third reduction within this period, assessed at property level.[30]
- We are currently tracking above a linear trajectory towards our 2030 target of 6.1 $kgCO_2e/m^2$ by 2030.

Actions[31]

- To support commercial real estate customers in reducing their CO_2 emissions, Danske Bank entered into two partnerships in 2024: with Sweco, one of Europe's largest architecture and engineering consultancies, and with comundo, a climate tech company. These collaborations facilitate automated energy data collection, real-time monitoring and tailored action plans for energy improvements. Both partnerships were launched across our four Nordic markets on 5 September 2024.

Figure 17: Decarbonisation – commercial real estate



[28] Our 55% emission reduction targets for commercial real estate has been benchmarked against a scope 1 trajectory due to initial limitations in distinguishing between scope 1 and 2 emissions within our data and the SBTi tool. In our next target review cycle, we aim to integrate more refined tools to align our scope 1 and 2 targets with trajectories covering both scope 1 and 2.
[29] Energy Performance of Buildings Directive (europa.eu)
[30] When a single property comprises multiple buildings with varying energy efficiency ratings, the conservative approach of assigning the lowest energy rating to the entire property is used.
[31] A comprehensive list of the actions taken by us is provided in appendix 2.

- When we have identified investment opportunities with our customers, we offer green loans for buildings in accordance with our Green Finance Framework. As well as covering the financing of energy improvements, this framework also covers the construction and commissioning of new green buildings and acquisition and ownership of existing green properties.

- In Denmark, we are actively engaged in the Real ESG – The Real Estate Reporting Framework project. This initiative aims to enhance sector-specific ESG reporting and facilitate direct comparison of sustainability data.

Outlook

- To achieve our emission reduction targets, we depend on a broader change within the utilities sector, including transitioning from fossil fuel-based heating to more sustainable alternatives. District heating is already prevalent in commercial real estate, and the change required involves transitioning the sources of power and heat generation. We engage with our utilities customers to support and finance this transition.

- The Energy Performance of Buildings Directive (EPBD) holds substantial potential to enhance the energy efficiency of buildings. The revised EPBD entered into force in all EU countries on 28 May 2024, and although local implementation details are still pending, the EPBD is expected to be an important driver for improving the energy performance of buildings. The EPBD offers opportunities for further progress and financing demand, but it may also present risks for some of our customers, and we will proactively engage with these customers to mitigate these.

- Efforts to improve the coverage and quality of data are ongoing and include collaboration with data providers such as e-nettet in partnership with other Danish financial institutions. Such efforts help us to track specific building data, and in future we will be able to more proactively engage with relevant customers about improving energy efficiency in commercial properties.

- Electricity and heating systems have been substantially decarbonised over the past years in the real estate sector. The Danish share of our measured emissions intensity within our commercial real estate portfolio accounts for the largest proportion, and it is currently based on emission factors published by the Danish Energy Agency in 2019. Utilising recently published statistics from the Danish Energy Agency and conducting an internal analysis suggest a decrease in the emission factors for Danish electricity, district heating and natural gas. This reduction would position our performance below the linear trajectory line.

Personal mortgages – Nordic portfolio

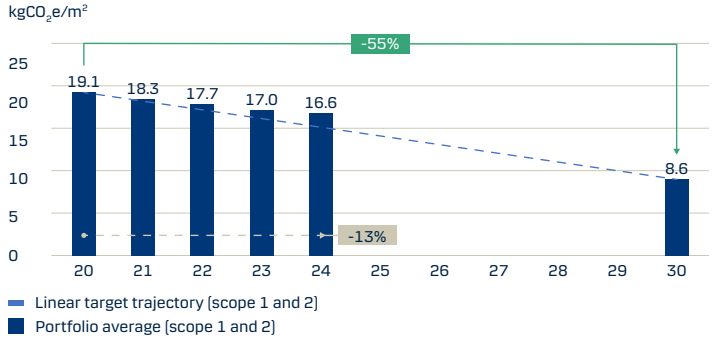
Sector	Share of measured financed emissions (customers' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Personal mortgages – Nordic portfolio	10%	$kgCO_2e/m^2$	Scope 1, 2	2020	19.1[32]	8.6 (-55%)	2030	16.6 (17.0)	SDA/SBTi (company) 1.5 °C scenario (scope 1)[33]

Reducing greenhouse gas emissions from our personal mortgage portfolio is important because the housing sector is a significant contributor to carbon emissions within society, as also stated in the previous section on commercial real estate. As well as through energy consumption for heating, cooling, and electricity, this sector has a climate impact through the construction materials and construction processes employed.

Development

- The sale of Danske Bank's Norwegian mortgage portfolio was finalised before the end of 2024, and the Norwegian portfolio has accordingly been removed from our reporting and the baseline has been adjusted.
- The average emission intensity of our Nordic personal mortgage portfolio, which includes Denmark, Sweden and Finland, has been reduced by 13% in relation to our 2020 baseline.
- For 2024, the average emission intensity decreased to 16.6 $kgCO_2e/m^2$, which is slightly above our trajectory towards our 2030 target but in line with the past years' incremental decreases.
- Although we can see improvements in energy performance certificate (EPC) ratings in our Danish portfolio in relation to 2020, progress is slow because EPC labels have a duration of 10 years and are most often renewed only when a property is put up for sale.
- In our Danish portfolio, we see a shift away from fossil fuel-based heating systems, such as oil and natural gas, towards more sustainable sources such as district heating or electricity (see figure 19). This is an important contributor to the positive trends observed in the Danish portfolio.

Figure 18: Decarbonisation – personal mortgages



[32] *Updated baseline excluding Norwegian portfolio*
[33] *Our 55% emission reduction targets for personal mortgages has been benchmarked against a scope 1 trajectory due to initial limitations in distinguishing between scope 1 and 2 emissions within our data and the SBTi tool. In our next target review cycle, we aim to integrate more refined tools to align our scope 1 and 2 targets with trajectories covering both scope 1 and 2.*

Actions[34]

- Sustainability training is important for us to be able to offer our customers value-adding advisory services. In 2023 and 2024, we have built a foundation with mandatory and tailored business-specific sustainability training for advisers and managers in Denmark. Through access to the Sustainability Unlocked[35] learning platform, which was launched in 2024, advisers, leaders and relevant support functions in our Personal Customers business unit across Denmark, Sweden and Finland have had the opportunity to further strengthen their knowledge and understanding of the work being undertaken and the development within the sustainability agenda.

- In Sweden, we further developed our holistic advisory concept called *Hållbar privatekonomi* (sustainable personal finances) in 2024 by working and training on methodology to gain a deeper understanding of our customers' needs and preferences regarding sustainability-related risks and opportunities.

- In Denmark, we have broadened our customer offerings by introducing loans tailored to financing home climate adaptation measures to mitigate risks from impacts such as flooding and heavy rain. We also focused our collaboration with a consulting engineer partner to provide customers with guidance about which measures to take.

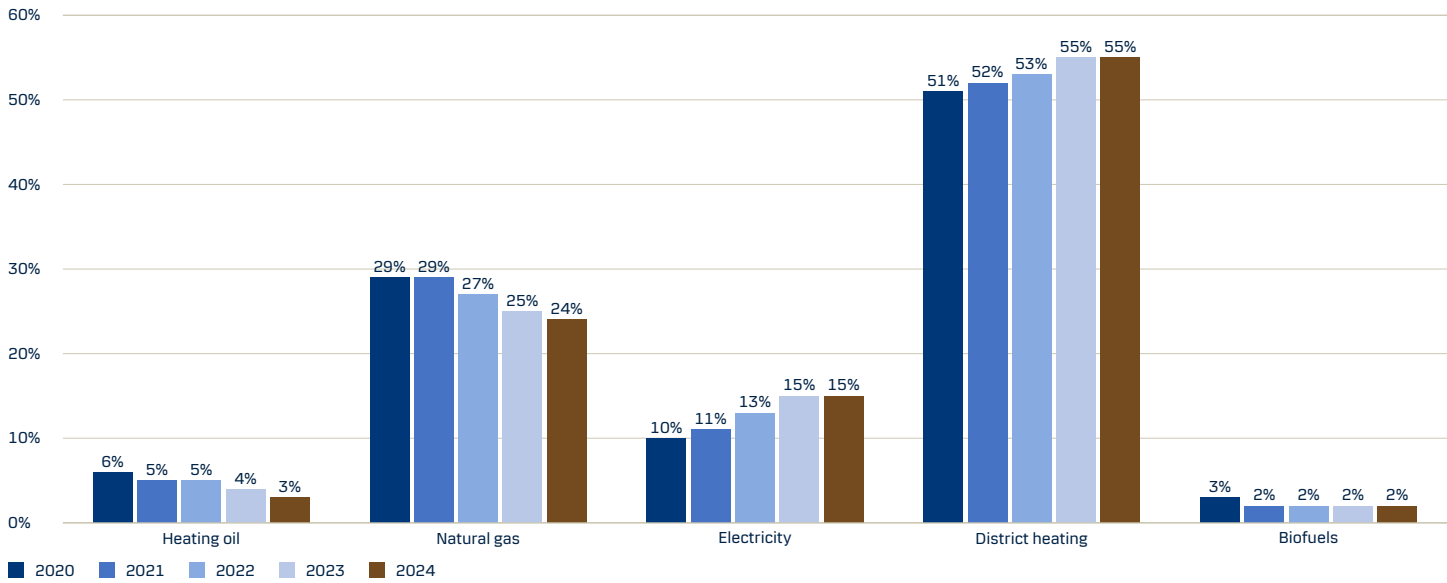
Outlook

- Our ability to achieve our 55% reduction target is heavily influenced by external factors and relies especially on ensuring CO_2 reductions in our Danish portfolio. The ongoing expansion of district heating continues to be a cornerstone of Denmark's energy system, and the success of this is key to ensuring that households in Denmark have a cleaner energy mix. Achieving this is a significant contributory factor in ensuring we can successfully reach our reduction target.

- Over the past years, electricity and heating systems have been substantially decarbonised in the real estate sector. However, we do not see significant progress towards our reduction target as we use the emission factors from The Danish Energy Agency's guide used for EPC labelling (*Energihåndbogen*) as the basis for our calculation for the Danish portfolio – which accounts for the largest proportion of our portfolio. These emission factors have not been updated since 2019. Utilising recently published statistics from the Danish Energy Agency and conducting an internal best-effort analysis suggests a decrease in the emission factors in Denmark for electricity, district heating, and natural gas, which would significantly position our portfolio below the linear trajectory line.

- The Energy Performance of Buildings Directive (EPBD), which aims to enhance the energy performance of buildings in the EU, will be transposed into national legislation. At Danske Bank, we will analyse how to support our customers in this transition to mitigate risks and pursue opportunities.

Figure 19: Distribution of on-balance loans and lines of credit secured by properties categorised by heating sources – personal mortgages (DK)



[34] *See appendix 2 for a comprehensive list of our actions taken.*
[35] *In May 2024, we initiated a partnership with Sustainability Unlocked, a provider of foundational sustainability content for financial institutions through an innovative on-demand video platform offering a self-paced learning experience with modules created and curated by global industry experts and Danske Bank's own sustainability experts.*

Investments

Investments

When customers entrust us with their assets and savings for investment, it is our duty to serve our customers' best interests by providing investment solutions that aim to deliver competitive and long-term performance. An integral part of this duty is investing responsibly. As a responsible investor, we are mindful of not only how investment performance is affected by sustainability factors such as climate change but also the impact on society that our investments may cause.

We believe that attentiveness to sustainability dimensions, such as climate change, when investing is a cornerstone of our fiduciary duty to create value for customers and to create a responsible investment product offering that supports the transition to a more sustainable society. We consider inclusion, active ownership and exclusion when we address real-world climate impacts, taking into account our fiduciary duty. We also assess how companies manage climate issues and participate in the green transition, and we actively engage with companies to gain better insights and support them in curbing their contribution to climate change. In certain situations, we manage our principal adverse impacts through exclusions, which means that we exclude activities that result in a significant negative impact on climate.

To guide our efforts in relation to climate, we have established specific climate-related targets. As part of our commitment to the Net Zero Asset Managers initiative, we in 2021 set a carbon-weighted average intensity target. In relation to our net-zero commitment, we have also set an engagement target through which we have committed to engage with the 100 largest emitters in our investment portfolios by 2025. To further complement our net-zero targets, we have set temperature rating approach targets, which are more forward-looking in nature.

The climate agenda is deeply interconnected with the nature and biodiversity agenda. At Danske Bank, we have started to map our investments' potential exposure to biodiversity risks, and we have integrated biodiversity considerations into the Group's sustainability strategy. We also follow industry progress through our participation in investor initiatives such as the FAIRR Initiative, the Finance for Biodiversity Pledge, the Partnership for Biodiversity Accounting Financials (PBAF) and Nature Action 100. We have also started to integrate biodiversity considerations through a biodiversity assessment framework that guides our engagements efforts on biodiversity. Through our enhanced sustainability standards in our screening process, we exclude certain companies on the basis of biodiversity impacts, including threatening endangered species, deforestation, water pollution and damage to world heritage sites. Across our asset management and life insurance and pension activities, we have committed to engage with 30 large global investee companies that all have a potential significant impact on nature and biodiversity and to do so before the end of 2025. We want to enhance our understanding of the impacts and dependencies on nature of our investee companies and the potential risks that can result from these. Through our engagement, we can create awareness of the importance of sufficiently managing impacts and related risks, which in turn can help to address some of the associated risks and contribute to safeguarding the value of our customers' investments. We acknowledge that these are only preliminary steps, and we are committed to expanding our efforts as better data becomes available and stronger frameworks are introduced.

	Sector	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Investments – asset management (investment funds and managed accounts)	All sectors	°C	Scope 1, 2	2020	2.75	2.1	2030	2.36	1.5°C-aligned SBTi Temperature Rating Approach
	All sectors	°C	Scope 1, 2, 3	2020	2.94	2.2	2030	2.70	1.5°C-aligned SBTi Temperature Rating Approach
	All sectors	Weighted average carbon intensity (tCO_2e/mDKK revenue)	Scope 1, 2	2020	14.3 tCO_2e/ mDKK revenue	7.2 tCO_2e/mDKK revenue (-50%)	2030	8.3 (7.7)	Net Zero Investment Framework and the Net-Zero Asset Owner Alliance's Target-Setting Protocol/IPCC
	All sectors	Number of engagements	Scope 1, 2, 3	2021	0	Engagement with the 100 largest emitters	2025	76 (47)	Net Zero Investment Framework and the Net-Zero Asset Owner Alliance's Target-Setting Protocol/IPCC
Investments – life insurance and pension (Danica Balance, Danica Traditionel, Danica Link, Tidspension)[36]	All sectors	°C	Scope 1, 2	2020	2.50	2.0	2030	2.43 (2.45)	1.5°C-aligned SBTi Temperature Rating Approach
	All sectors	°C	Scope 1, 2, 3	2020	2.80	2.2	2030	2.72 (2.71)	1.5°C-aligned SBTi Temperature Rating Approach
	Energy	gCO_2e/MJ	Scope 1, 2, 3	2019	72.6	61.7 (-15%)	2025	69.67 (69.4)	SDA/TPI/OECM
	Utilities	tCO_2e/MWh	Scope 1	2019	0.37	0.24 (-35%)	2025	0.18 (0.31)	SDA/TPI/OECM
	Transportation: **Shipping**	gCO_2e/tKM	Scope 1	2019	7.0	5.6 (-20%)	2025	6.09 (6.2)	SDA/TPI/OECM
	Transportation: **Aviation**	gCO_2e/RTK	Scope 1	2019	885.6	752.8 (-15%)	2025	749.54 (929.4)	SDA/TPI/OECM
	Transportation: **Automotive**	gCO_2e/km	Scope 3	2019	144.6	101.2 (-30%)	2025	124.77 (130)	SDA/TPI/OECM

[36] *Our sector targets for Danica were set in 2021 in advance of the launch of our Climate Action Plan in January 2023. Consequently, the baseline and target years differ from our other targets. In the upcoming target review cycle, we will align target years to the largest extent possible.*

	Sector	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Investments – life insurance and pension (Danica Balance, Danica Traditionel, Danica Link, Tidspension)[37]	Steel	tCO_2e/t crude steel	Scope 1, 2	2019	2.03	1.6 (-20%)	2025	1.22 (1.29)	SDA/TPI/OECM
	Cement	tCO_2e/t cement	Scope 1	2019	0.78	0.62 (-20%)	2025	0.54 (0.56)	SDA/TPI/OECM
	Real estate portfolio (Danish)	$kgCO_2e/m^2$	Scope 1, 2, 3	2019	11	3.4 (-69%)	2030	7.15[38] (7.3)	Internal benchmark
Investments – asset management & life insurance and pension	All sectors	Number of engagements	N/A	2023	0	Engagement with 30 large global companies that all have a significant potential impact on nature and biodiversity	2025	27 (8)	Internal benchmark

Development

Intensity targets

- We observe that our weighted carbon intensity for our asset management activities increased to 8.3 tCO_2e/mDKK revenue in 2024 from 7.7 tCO_2e/mDKK in 2023. Despite the increase in our weighted carbon intensity in 2024, we are still tracking well below a linear trajectory towards our 2030 target of a 50% reduction as we have observed a 42% reduction in weighted carbon intensity in comparison to our 2020 baseline of 14.3 tCO_2e/mDKK. There are multiple factors explaining the decline, including portfolio allocation changes, exclusion of certain high carbon intensity companies, and changes in the underlying company carbon data.

- There has been positive development and momentum in relation to our life insurance and pension sector targets, particularly in the steel and cement sectors. However, many sectors are facing multiple challenges that are affecting their ability to reduce emissions. In the energy sector, progress is hampered by slowed transitions and limited investments in renewable resources, influenced by fluctuating interest rates. In relation to transportation, car manufacturing is struggling with the availability of infrastructure and raw materials necessary for eco-friendly production. Despite these challenges, we continue to focus on achieving our sector decarbonisation targets through a combination of reallocating investments, exercising active ownership, and applying exclusions.

- **Energy (life insurance and pension):** In 2024, emission intensity from life insurance and pension increased to 69.7 gCO_2e/MJ (2023: 69.4 gCO_2e/MJ), corresponding to a 4% decrease from our 2019 baseline and tracking above a linear trajectory towards our 2025 target.

- **Utilities (life insurance and pension):** In 2024, emission intensity from utilities decreased to 0.18 tCO_2e/MWh (2023: 0.31 tCO_2e/MWh), corresponding to an 51% decrease from our baseline figure and tracking below a linear trajectory towards our 2025 target.

- **Transportation (life insurance and pension):** In 2024, emission intensity from shipping decreased to 6.09 gCO_2e/tKM (2023: 6.2 gCO_2e/tKM), corresponding to a 13% decrease from our baseline figure. Emission intensity from the automotive segment decreased to 124.8 gCO_2e/km (2023: 130 gCO_2e/km), corresponding to a 14% decrease from our baseline figure. Emission intensity from the aviation segment decreased to 749.54 gCO_2e/RTK (2023: 926.4 gCO_2e/RTK), corresponding to a 15% decrease from our baseline figure. Combined, our transportation intensities are tracking above a linear trajectory towards our 2025 target.

[37] Our sector targets for Danica were set in 2021 in advance of the launch of our Climate Action Plan in January 2023. Consequently, the baseline and target years differ from our other targets. In the upcoming target review cycle, we will align target years to the largest extent possible.
[38] Note that the real estate portfolio status is measured from Q3 2023 to Q3 2024.

- **Steel (life insurance and pension):** In 2024, emission intensity from steel decreased to 1.22 tCO_2e/t crude steel (2023: 1.29 tCO_2e/t crude steel), corresponding to a 40% decrease from our 2019 baseline figure and tracking below a linear trajectory towards our 2025 target.

- **Cement (life insurance and pension):** In 2024, emission intensity from cement decreased to 0.54 tCO_2e/t cement (2023: 0.56 tCO_2e/t cement), corresponding to a 31% decrease from our 2019 baseline figure and tracking below a linear target trajectory.

- **Real estate portfolio (life insurance and pension):** As at October 2024[39], Danica Ejendomme had reduced its emission intensity from its Danish real estate portfolio to 7.15 $kgCO_2e/m^2$ corresponding to an approximate reduction of 35% from our 2019 baseline and tracking below a linear target trajectory. The reduction was primarily attributable to a decrease in the CO_2 emission factor for heating in the main area of Copenhagen.

Temperature rating targets

- In 2024, we recalculated temperature baselines for Investments to reflect updated calculation methodology assumptions and parameters, resulting in none-material changes to the temperature rating approach baselines.

- For our asset management activities, our implied temperature rating covering scope 1 and 2 decreased to 2.36°C from our 2020 baseline of 2.75°C, and our implied temperature rating covering scope 1, 2 and 3 decreased to 2.70°C from 2.94°C in the 2020 baseline year.

- For our life insurance and pension activities, the implied temperature rating covering scope 1 and 2 decreased to 2.43°C from 2.50°C in the 2020 baseline year, and the implied temperature rating covering scope 1, 2 and 3 decreased to 2.72°C from 2.80°C in the 2020 baseline year.

- While we observe progress on all four targets, three out of four are above a linear trajectory towards our intermediate 2030 targets.

Figure 20: Weighted average carbon intensity trajectory

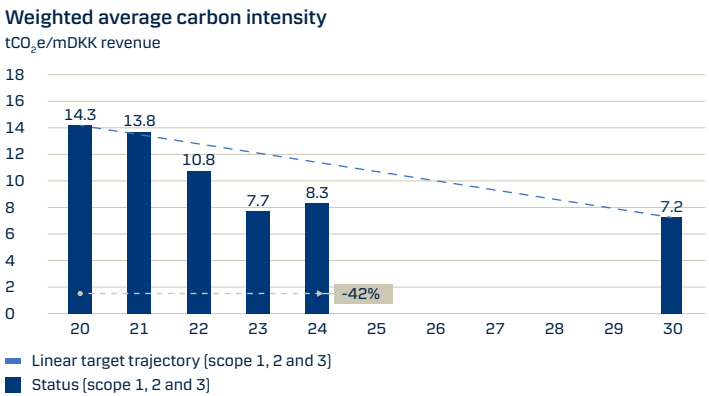


Figure 21: Temperature rating – asset management

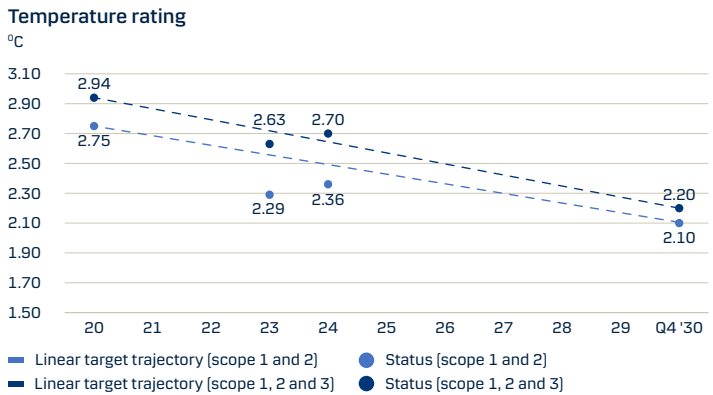
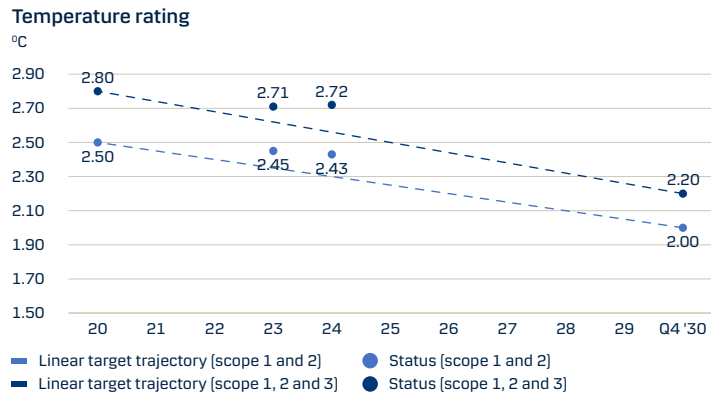


Figure 22: Temperature rating – life insurance and pension



[39] *Note that the real estate portfolio status is measured from Q3 2023 to Q3 2024.*

Engagement targets

- Engaging with companies is becoming an increasingly crucial element to help us deliver on our climate targets. For our asset management activities we have set a target to engage with the 100 largest emitters.

- In addition, for our asset management and life insurance and pension activities we have set a target to engage with 30 global companies that have a high impact on biodiversity by 2025.

- We are on track to meet the engagement targets. Attributing the prospective improvements made by companies to our individual engagements poses challenges because other investors and stakeholders are also engaging with these same companies. For this reason, we undertake a baseline study, leveraging for example CDP data, and we then repeat this periodically to track progress. Here, we utilise relevant CDP data, such as data on business strategy and emission reduction initiatives, in line with the Net Zero Investment Framework of the IIGCC (Institutional Investors Group on Climate Change).

Figure 23: Engagement with the largest emitters – asset management

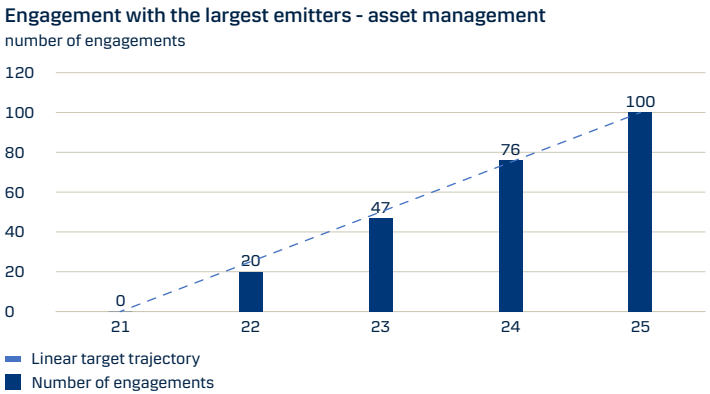
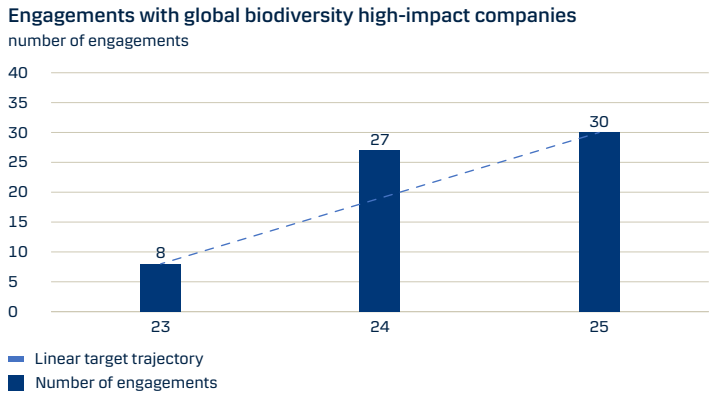


Figure 24: Engagements with global biodiversity high-impact companies



Actions[40]

- **New fossil fuel strategy introduced.** A majority of our investment strategies at Danske Bank will only invest in fossil fuel companies that have Paris Agreement-aligned transition plans. This approach is based on our belief that companies actively transitioning towards net-zero emissions are likely to be more relevant and attractive long-term investments. Our new fossil fuel policy includes three key elements: prioritising investment in companies working towards net zero, enhancing our active ownership and excluding companies deemed not to be in transition. This policy is supported by Danske Bank's proprietary Net-Zero Pathway Framework, details of which can be found on our website.[41] Implementation of the new fossil fuel strategy will follow a phased approach.

- **Engagement guidelines introduced.** In 2024, we introduced engagement guidelines that detail the engagement scope and outline the process for engagements. These guidelines aim to enhance transparency and support our active ownership and responsible investment policies.

- **Company engagement and voting.** In 2024, we initiated engagements with 29 of our 100 largest emitters within our asset management portfolios, and we have now held meetings with 76 companies since the target was set in 2021.

We engage with companies that operate in sectors such as energy, steel and shipping – all of which are important for the sustainability transition. Our engagements typically focus on the company's decarbonisation strategy and how it intends to invest in climate solutions that can enable the company's transition. We also engage with a number of major global banks that are involved in supporting the expansion of activities by financing oil and gas corporations that have not demonstrated a credible transition strategy. Our joint efforts with other investors successfully led certain banks to discontinue direct financing of new oil and gas projects. Our engagement and voting activities are described in more detail in our Active Ownership Report.

In 2024, we also engaged with an additional 19 global companies that have a high impact on biodiversity, bringing to 27 the total number of company engagements initiated since the target for this area was set in 2023.

- **Tool development.** We are continually integrating climate-related data into our proprietary ESG analysis tool, mDASH®, which follows the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. As well as helping investment teams to assess industry-specific climate risks and opportunities, the mDASH® tool also enables us to track companies' net-zero alignment and evaluate their low-carbon transition management quality based on the Transition Pathway Initiative (TPI) framework.

- **Enhancement of our Sustainable Investment Houseview model**. In 2024, we enhanced our Sustainable Investment Houseview model to better evaluate how a company's products and operations align with the 17 UN Sustainable Development Goals (SDGs). The updated model now includes more comprehensive data, covers approximately 25,000 companies and provides a deeper analysis of companies' contributions to and potential impact on the SDGs.

- **Investments in the green transition.** At year-end 2024, we had invested DKK 57.4 billion (2023: DKK 55.4 billion) in the green transition within our life insurance and pension activities. In 2024, we updated our criteria for assessing investments in the green transition according to guidelines from Forsikring & Pension. Now, listed assets, alternative Investments and real estate are evaluated based on the EU Taxonomy criteria for climate and environment. Green government and mortgage bonds, which are not covered by the EU Taxonomy, are assessed in line with Article 2.17 of the Disclosure Regulation and must comply with ICMA environmental standards to be included in the assessment.

- **Energy efficiency and renewables.** Within our life insurance and pension activities, we are actively reducing CO_2 emissions and enhancing energy management in our real estate portfolio through various strategies. These include purchasing more green power, signing an agreement with a solar park and using advanced data systems to optimise energy use in selected properties. Innovations including a pilot carbon capture facility in Aarhus are also being planned.

- **Sector focus within life insurance and pension.** A dedicated working group has been established to continuously work on reducing CO_2 emissions from the portfolio. In 2024, the Group focused on the hard-to-abate energy and transportation sectors, in which target progress has been challenging. In the energy sector, emphasis was on initiating implementation of the Group's

[40] See appendix 2 for a comprehensive list of our actions taken.
[41] [Net-Zero Pathway Framework for investee companies]

new fossil fuel strategy and on targeted active ownership in the form of engagement with companies and voting on tangible action plans. In the transportation sector, there was progress in the aviation segment due to shifts in investment allocations. However, the automotive segment faced ongoing challenges. The focus here remained on active ownership activities and exploring potential investment reallocations. Additionally, conversations with subject matter experts in the transportation sector were initiated to improve efforts in reducing emissions.

- **Increased focus on nature and biodiversity.** The nature and biodiversity agenda is crucial to the climate agenda, with both elements playing key roles in relation to ecological health and climate change mitigation and adaptation. To enhance our understanding in this area, we collaborated with Impact Institute during 2023 and used ENCORE data to evaluate biodiversity risks, impacts and dependencies in our investment portfolios. We have also developed an internal biodiversity assessment framework to assess companies' biodiversity strategies, set transition expectations and monitor progress. This framework also guides our biodiversity engagement targets. We published two biodiversity- related whitepapers in 2024: *Navigating Biodiversity: A review of 100 Nordic Companies* and *Welcome to the Jungle: An impact analysis of the EU Deforestation regulation on listed Nordic companies*. Both of these are available on our website. In addition to the 2025 biodiversity engagement target covering 30 large global companies, we are now incorporating biodiversity considerations into our life insurance and pension real estate portfolio and have an aim to be nature-positive by 2030. Each year, three to five nature-enhancing projects are launched, with a biodiversity baseline established for each to identify improvements and set future urban biodiversity performance targets.

Outlook

- As an asset manager and owner, we are committed to protecting and growing our customers' investments while aligning with their preferences. When customers entrust us with their assets, it is our duty to serve our customers' best interests by providing investment solutions that aim to deliver competitive and long-term performance. Our customers across the Nordic region have diverse values and needs, and we aim to meet their expectations by continually integrating sustainability dimensions into investment processes, infrastructure, data, and product thresholds.

- Over recent years, incorporating sustainability – including climate considerations – into investment processes has been central to addressing the demands of investors and pension holders. For our asset management activities and our life insurance and pension activities, we have established robust frameworks to integrate sustainability into decision-making, engage with issuers on climate-related issues and, when necessary, exclude issuers that fail to meet certain criteria. From a fiduciary perspective, climate risk is assessed alongside other financial risks.

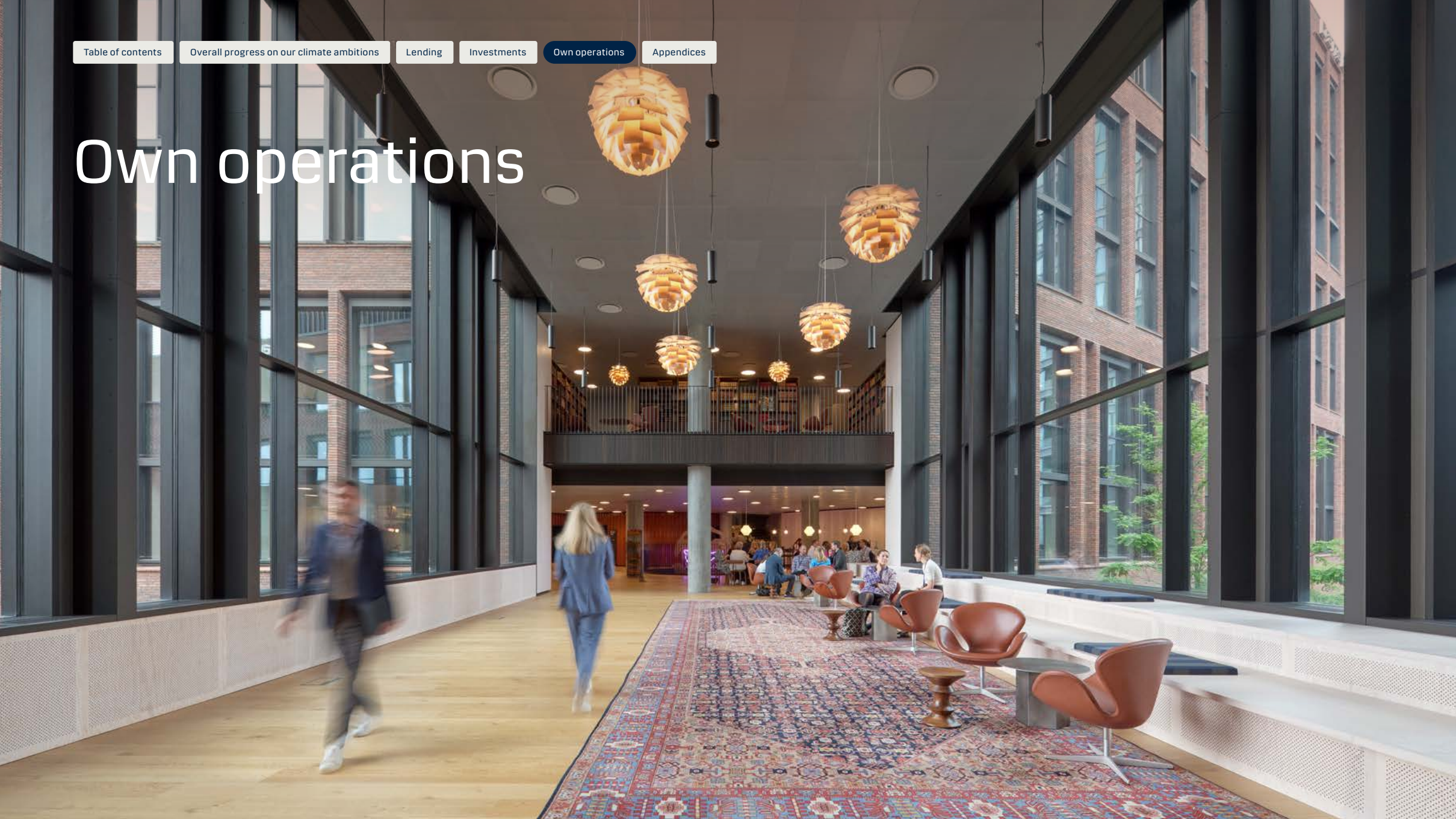
- We have during the last few years also launched new investment products designed to cater to customers that have high sustainability preferences. These products focus on sustainable investments, actively supporting the transition to a low-carbon economy by reducing greenhouse gas (GHG) emissions. We will continue to enhance our product offerings to meet our customers' sustainability preferences and will empower our customers to invest in the transition.

- Looking ahead, we believe our contribution to a low-carbon economy should extend beyond achieving climate-neutral portfolios. While portfolio decarbonisation can be achieved by divesting from high-GHG sectors, this approach risks underweighting sectors critical to developing the solutions needed for transition in the real economy. Simply reducing GHG emissions in portfolios does not necessarily advance the broader climate transition.

- Our greatest challenge lies in balancing climate targets with staying invested in hard-to-abate sectors. These sectors play a key role in the transition and have the potential for meaningful impact reduction. Achieving our climate goals while fulfilling our fiduciary duties requires progress from both society and our investee companies.

- We recognise that the path to a low-carbon economy will be shaped by complex challenges, including energy crises, inflation, geopolitical tension, change in political sentiment and a lack of scalable climate solutions. To address these obstacles, we remain committed to enhancing our processes and models – as we did this year by introducing our Net-Zero Pathway Framework and by further improving our stewardship efforts – because we believe active ownership is the most effective tool for driving corporate climate action. By engaging with energy-intensive companies and exercising our voting rights, we aim to support and accelerate companies' transition efforts.

Own operations



Own operations

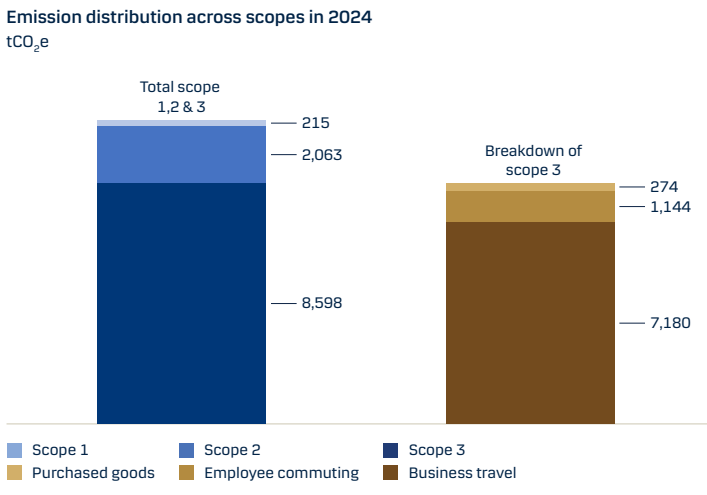
Sector	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Own operations	tCO_2e	Scope 1, 2, currently measured scope 3 categories	2019	22,736[42]	11,368[43] (-50%)	2030	10,876 (11,185)	SBTi absolute contraction approach
	tCO_2e	Scope 1, 2	2019	5,106	1,021 (-80%)	2030	2,278 (1,954)	SBTi absolute contraction approach

Although emissions from our own operations represent only a small portion (0.1%) of Danske Bank's total carbon footprint, these emissions are more directly within our control, and by reducing these emissions we can lead by example.

Development

- In 2024, we updated our methodology for estimating Scope 3.6 business travel by air emissions. As a result, air travel emissions increased by about 73% in the baseline year and increased overall across all years. Consequently, also our total scope 1, 2, and currently measured scope 3 emissions saw an approximate 31% increase in the baseline year and overall across all years.
- During 2024, scope 1 and 2 emissions from our own operations increased to 2,278 tCO_2e (2023: 1,954 tCO_2e), driven mainly by heat consumption. Our scope 1,2 and currently measured scope 3 emissions decreased to 10,876 tCO_2e (2023: 11,185 tCO_2e), driven mainly by decrease in air travel.
- In 2024, we revised our 2030 target for our scope 1, 2 and currently measured scope 3 emissions from the previous 60% reduction target to the current 50% reduction target. This revision is due to adjusted expectations regarding the pace of emissions reductions within the aviation sector.
- We remain committed to reaching net zero by 2050 or sooner, and the updated 50% reduction target is aligned with an SBTi absolute contraction approach.
- Operational emissions cover emissions stemming from our daily global operations, such as energy for running our premises, business travel and emissions relating to employees working from home across all countries. Business travel by air and road, purchased heat, and purchased electricity (reported as zero in the market-based reporting) are the categories within our own operations that have the highest emissions, with business travel accounting for 66% of total emissions (scope 1, 2 and 3) in 2024 (2023: 69%).

Figure 25: Emission distribution across scopes in 2024 (in tCO_2e and %)



[42] *Updated baseline due to air travel model changes*
[43] *Revised from previously 60%*

Scope 1

- Direct emissions from Danske Bank Group facilities from on-site heating increased to 209 tCO_2e in 2024 from 194 tCO_2e in 2023. All stand-alone branches in Northern Ireland have transitioned from fossil fuel to electric heating. We are currently reviewing how the two remaining properties in Northern Ireland still using fossil fuel-based heating sources could potentially be converted to a fossil fuel-free heating source. In Denmark, biogas certificates of origin have been purchased for the premises that rely on heating from gas.

- Direct emissions from company vehicles remained stable at 6.7 tCO_2e in 2024, marginally increasing by 1% from 6.6 tCO_2e in 2023.

Scope 2

- Following the sale of Danske IT, our former fully owned subsidiary in India, on 1 September 2023, and changes in the 2024 emission factor library versus the 2023 library from the IEA, our total emissions from purchased electricity decreased to 2,607 tCO_2e in 2024 (2023: 4,552 tCO_2e). Emissions reductions are visible in our location-based reporting only. This is because in our market reporting purchased electricity is reported as 'zero emissions' due to our purchase of renewable energy certificates.

- Emissions from purchased heating and cooling increased to 2,063 tCO_2e in 2024 (2023: 1,753 tCO_2e), corresponding to a 18% increase mainly due to developments in Sweden.

Scope 3

- Emissions from business travel by air decreased to 5,213 tCO_2e in 2024. This is a 6% decrease from 2023 emissions of 5,553 tCO_2e in 2023, and it is well below our 2019 baseline of 12,919 tCO_2e.

- Business travel by road decreased marginally in 2024 to 1,967 tCO_2e (2023: 2,176 tCO_2e), this represents a reduction of 50% in relation to 2019 levels.

- In 2024, emissions from employees working from home (reported in the category 3.7 employee commuting) amounted to 1,144 tCO_2e, which is 13% lower than 2023 levels (2023: 1,314 tCO_2e). This can be explained by an increase in office-based working encouraged by Danske Bank policy following the first years of the COVID-19 pandemic.

- Emissions in 2024 from purchased goods (paper consumption) increased to 274 tCO_2e, (2023: 188 tCO_2e) which is a 46% increase. This increase was due to changes in emission factor values.

Since our baseline year of 2019, we have reduced total measured emission from our own operations from 22,736 tCO_2e to 10,876 tCO_2e corresponding to a 52% reduction, and we are tracking below linear trajectories for both of our absolute emission reduction targets, as can be seen from figure 26 and 27.

Figure 26: Decarbonisation pathway – own operations (scope 1 and 2)

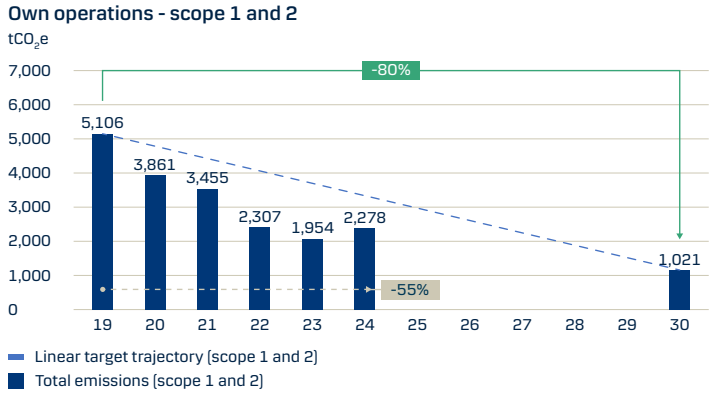
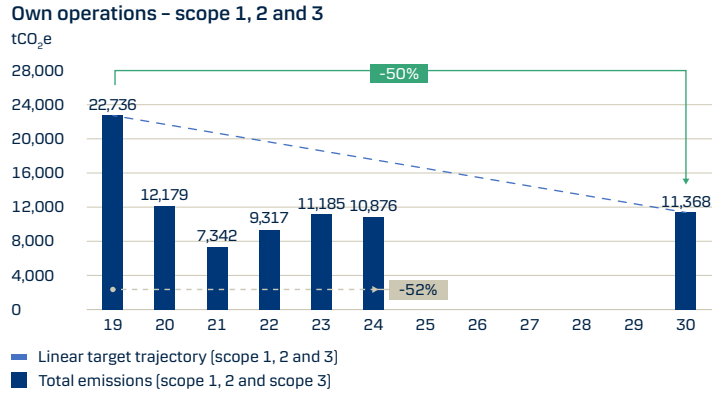


Figure 27: Decarbonisation pathway – own operations (scope 1, 2 and 3)



Actions[44]

- **Air travel budgets and policy.** To reduce emissions from business travel, we implemented Group-level air travel carbon budgets in 2024, in line with our 2030 climate targets with organisational-level quotas. To help the different business units keep track of their CO_2e levels and to better understand their CO_2e drivers, we developed an internal CO_2e travel dashboard. We also updated our company travel policy, moving from a solely cost-focused approach towards an increased focus on more sustainable travel options.

- **Company car policy.** Having already updated our company car policy in Denmark to initiate a shift towards a fleet consisting of 100% electric cars, we introduced measures in September 2023 requiring that all company cars ordered must be electric vehicles.

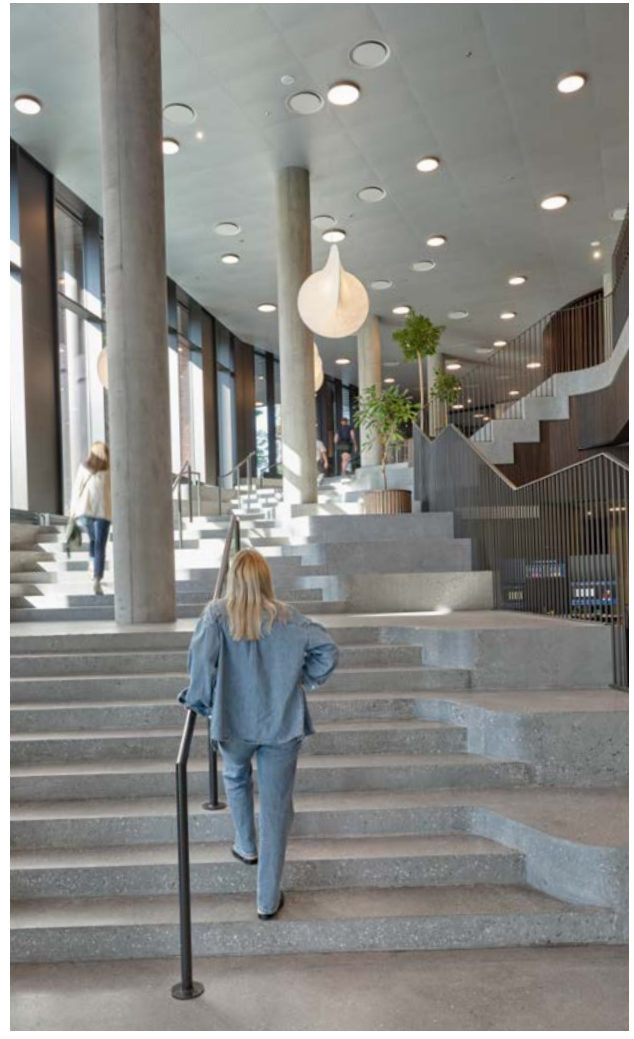
- **Sustainable supply chain initiatives.** Through our procurement policy, we are committed to responsible sourcing of all products and services. By taking such an approach, we can support our suppliers in enhancing their ESG-related performance, which in turn supports a sustainable global supply chain.

- **Carbon offsetting.** Reducing emissions from our own operations remains a priority. We purchase carbon offset certificates in the form of carbon removal projects to offset operational emissions that are unavoidable and operational emissions that require a long time horizon to be eliminated completely. Danske Bank has been offsetting operational emissions since 2009 and continued to do so in 2024. Offsetting ensures that every tonne of emitted CO_2e is compensated for by removing one tonne of CO_2e from the atmosphere. The majority of these offsets are invested in nature-based solutions such as reforestation, and a smaller proportion is invested in technology-based solutions that employ new methods of carbon removal. 100% of our emission offsets from our own operations are sourced through verified carbon removal projects.

Outlook

- With the opening of our new head office premises in Copenhagen in the spring of 2024, employees have had increased access to state-of-the-art telepresence facilities. Such technologies make it easier for employees to hold productive meetings via a virtual setup.

- To further reduce purchased heat and electricity emissions, we will continue focusing on energy-efficient solutions for our premises and on utilising available floorspace in an optimal way. We are also looking into biogas and hydrogen as a means to reduce emissions from company facilities in Northern Ireland. With our CO_2e emissions from our own operations decreasing from 2023 levels, we remain positive that our 2024 initiatives will contribute to keeping us on track towards achieving our 2030 targets.



[44] *See appendix 2 for a comprehensive list of our actions taken.*

Appendices

Appendix 1 – Overview of Danske Bank's climate targets

Table 1: Overview of lending climate targets

	Sector	Share of measured financed emission (customers'/ investee companies' scope 1 and 2)	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Lending	Shipping	13%	Alignment delta	Scope 1, upstream scope 3	2020	25.8%	0%	2030	2023: 25.7% (2022: 33.7%)[45]	SDA /Poseidon Principles/IMO 'striving for' curve
	Oil and gas – exploration and production	1%	Financed emissions million tCO_2e	Scope 1, 2, 3	2020	5.0	2.5 (-50%)	2030	1.3 (2.9)	SBTi absolute contraction approach
	Oil and gas – downstream refining	1%	Financed emissions thousand tCO_2e	Scope 1, 2	2020	115.8	86.8 (-25%)	2030	101.2 (83.7)	SBTi absolute contraction approach
	Oil and gas – downstream refining	1%	gCO_2e/MJ	Scope 3	2020	70.9	53.2 (-25%)	2030	58 (61.6)	SBTi absolute contraction approach
	Power generation	2%	$kgCO_2e/MWh$	Scope 1	2020	108.4	54.2 (-50%)	2030	56.5 (63.8)	SDA/SBTi (world) 1.5°C scenario
	Steel	0.3%	tCO_2e/t	Scope 1, 2	2020	1.17	0.82 (-30%)	2030	0.64 (0.64)	SDA/TPI (world) 1.5°C scenario
	Cement	1%	tCO_2e/t	Scope 1, 2	2020	0.64	0.48 (-25%)	2030	0.60 (0.60)	SDA/SBTi (world) 1.5°C scenario
	Agriculture	21%	$tCO_2e/mDKK$	Scope 1	2020	25.8	18.1 (>-30%)	2030	23.9 (23.9)	Danish national sector target/ SBTi FLAG tool
	Commercial real estate – Nordic portfolio (residential and non-residential)	3%	$kgCO_2e/m^2$	Scope 1, 2	2020	13.5	6.1 (-55%)	2030	12.5 (12.6)	SDA/SBTi (company) 1.5 °C scenario (scope 1)[46]
	Personal mortgages – Nordic portfolio	10%	$kgCO_2e/m^2$	Scope 1, 2	2020	19.1	8.6 (-55%)	2030	16.6 (17)	SDA/SBTi (company) 1.5 °C scenario (scope 1)[46]
	Shipping & forestry, pulp and paper	N/A	Number of engagements	N/A	2023	0	Engage with 50+ customers	2024	55	Internal benchmark
	Agriculture	N/A	Number of engagements	N/A	2023	0	Engage with 300+ customers	2024	348	Internal benchmark

[45] Only 2023 status is available for shipping because reporting is done in accordance with Poseidon Principles reporting.
[46] Our 55% emission reduction targets for personal mortgages and commercial real estate has been benchmarked against a scope 1 trajectory due to initial limitations in distinguishing between scope 1 and 2 emissions within our data and the SBTi tool. In our next target review cycle, we aim to integrate more refined tools to align our scope 1 and 2 targets with trajectories covering both scope 1 and 2.

Table 2: Overview of investments climate targets

	Sector	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Investments – asset management (investment funds and managed accounts)	All sectors	°C	Scope 1, 2	2020	2.75	2.1	2030	2.36	1.5°C-aligned SBTi Temperature Rating Approach
	All sectors	°C	Scope 1, 2, 3	2020	2.94	2.2	2030	2.70	1.5°C-aligned SBTi Temperature Rating Approach
	All sectors	Weighted average carbon intensity (tCO_2e/mDKK revenue)	Scope 1, 2	2020	14.3 tCO_2e/ mDKK revenue	7.2 tCO_2e/mDKK revenue (-50%)	2030	8.3 (7.7)	Net Zero Investment Framework and the Net-Zero Asset Owner Alliance's Target-Setting Protocol/IPCC
	All sectors	Number of engagements	Scope 1, 2, 3	2021	0	Engagement with the 100 largest emitters	2025	76 (47)	Net Zero Investment Framework and the Net-Zero Asset Owner Alliance's Target-Setting Protocol/IPCC
Investments – life insurance and pension (Danica Balance, Danica Traditionel, Danica Link, Tidspension)[47]	All sectors	°C	Scope 1, 2	2020	2.50	2.0	2030	2.43 (2.45)	1.5°C-aligned SBTi Temperature Rating Approach
	All sectors	°C	Scope 1, 2, 3	2020	2.80	2.2	2030	2.72 (2.71)	1.5°C-aligned SBTi Temperature Rating Approach
	Energy	gCO_2e/MJ	Scope 1, 2, 3	2019	72.6	61.7 (-15%)	2025	69.67 (69.4)	SDA/TPI/OECM
	Utilities	tCO_2e/MWh	Scope 1	2019	0.37	0.24 (-35%)	2025	0.18 (0.31)	SDA/TPI/OECM
	Transportation: **Shipping**	gCO_2e/tKM	Scope 1	2019	7.0	5.6 (-20%)	2025	6.09 (6.2)	SDA/TPI/OECM
	Transportation: **Aviation**	gCO_2e/RTK	Scope 1	2019	885.6	752.8 (-15%)	2025	749.54 (929.4)	SDA/TPI/OECM
	Transportation: **Automotive**	gCO_2e/km	Scope 3	2019	144.6	101.2 (-30%)	2025	124.77 (130)	SDA/TPI/OECM

[47] Our sector targets for Danica were set in 2021 in advance of the launch of our Climate Action Plan in January 2023. Consequently, the baseline and target years differ from our other targets. In the upcoming target review cycle, we will align target years to the largest extent possible.

Table 2: Overview of investments climate targets – continued

	Sector	Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
Investments – life insurance and pension (Danica Balance, Danica Traditionel, Danica Link, Tidspension)[48]	Steel	tCO_2e/t crude steel	Scope 1, 2	2019	2.03	1.62 (-20%)	2025	1.22 (1.29)	SDA/TPI/OECM
	Cement	tCO_2e/t cement	Scope 1	2019	0.78	0.62 (-20%)	2025	0.54 (0.56)	SDA/TPI/OECM
	Real estate portfolio (Danish)	$kgCO_2e/m^2$	Scope 1, 2, 3	2019	11	3.4 (-69%)	2030	7.15 (7.3)	Internal benchmark
Investments – asset management & life insurance and pension	All sectors	Number of engagements	N/A	2023	0 (2023 baseline)	Engagement with 30 large global companies that all have a significant potential impact on nature and biodiversity	2025	27 (8)	Internal benchmark

Table 3: Overview of own operations climate targets

Metric	Emission scope	Baseline year	Baseline value	Target (% reduction)	Target year	2024 status (2023)	Target-setting methodology and benchmark
tCO_2e	Scope 1, 2, measured scope 3 categories	2019	22,736	11,368 (-50%)	2030	10,876 (11,185)	SBTi absolute contraction approach
	Scope 1, 2	2019	5,106	1,021 (-80%)	2030	2,278 (1,954)	SBTi absolute contraction approach

[48] *Our sector targets for Danica were set in 2021 in advance of the launch of our Climate Action Plan in January 2023. Consequently, the baseline and target years differ from our other targets. In the upcoming target review cycle, we will align target years to the largest extent possible.*

Appendix 2 – Actions

At Danske Bank, we have initiated actions that support us in meeting our climate targets. The main actions undertaken during 2024 to support our set climate targets and the transitioning of our customers and investee companies are specified in each section of this progress report. The overview below shows an expanded, though non-exhaustive list and contains multi-year actions from the previous year's report that are likely to be featured again in future publications, as well as including new actions that will evolve as the sustainability agenda evolves. Each action is a means to deliver on our sustainability ambitions and we are connecting them to our four key enablers: People, culture & competencies; Policies, leadership & governance; ESG data & digital enablement; and Reporting & stakeholder engagement.

Table 4: List of actions that support our climate targets for lending and investments

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
People, culture & competencies	Strategic integration	Strategy execution	Sustainable progress and transition have been embedded into Danske Bank's strategic purpose and into our Forward '28 commercial strategy. Throughout 2024, execution of activities in the strategic focus area of Sustainability continued to progress, with quarterly status updates being provided to Danske Bank's Business Integrity Committee.	We will continue to execute on our planned sustainability activities and develop solutions to support a sustainable transition.	Enable Danske Bank to support customers in their transitions while ensuring a robust and resilient bank and managing our societal impacts.
	Remuneration	Incentive schemes	In 2024, as was also the case in 2023, the ESG KPI for members of the ELT constituted 10% in the short-term incentive (STI) programme, of which progress on Danske Bank's Climate Action Plan constituted 30%. For employees who are included in the management programme, the same KPI was applied with a weighting of 10%, of which progress on Danske Bank's Climate Action Plan also constituted 30%.	We will continue to integrate our Climate Action Plan targets and required actions into our incentive schemes.	Align management incentives with climate objectives, ensuring prioritisation and execution.
	Capacity building	eLearning platform	In May 2024, we initiated a partnership with Sustainability Unlocked, a provider of foundational sustainability content for financial institutions through an innovative on-demand video platform. Sustainability Unlocked offers a self-paced learning experience with modules created and curated by global industry experts and Danske Bank's own sustainability experts.	We will continue to develop and provide sustainable finance-related learning offerings to the entire organisation. We will increase our focus on training employees who have frontline contact with customers and investee companies to ensure sound engagement with our stakeholders in relation to sustainable finance and climate transition.	Build capacity among our employees so they can better engage with our customers and investee companies about climate transition and advise on and encourage sustainable transition of the real economy.

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
People, culture & competencies	Capacity building	Tailored training sessions	We also offer tailored business unit-specific sustainability training programmes, including internal training and topical webinar sessions.	We will continue to develop and provide sustainable finance-related learning offerings to the entire organisation. We will increase our focus on training employees who have frontline contact with customers and investee companies to ensure sound engagement with our stakeholders in relation to sustainable finance and climate transition.	Build capacity among our employees so they can better engage with our customers and investee companies about climate transition and advise on and encourage sustainable transition of the real economy.
	Capacity building	ESG certifications	We offer the European Federation of Financial Analysts (EFFAS) Certified ESG Analyst® (CESGA) programme to selected employee groups. As at year-end 2024, we have 154 Certified ESG Analysts educated across the Danske Bank Group.	We will continue to develop and provide sustainable finance-related learning offerings to the entire organisation. We will increase our focus on training employees who have frontline contact with customers and investee companies to ensure sound engagement with our stakeholders in relation to sustainable finance and climate transition.	Build capacity among our employees so they can better engage with our customers and investee companies about climate transition and advise on and encourage sustainable transition of the real economy.
	New capabilities	Project & Renewable Energy Finance	We strengthened the Project & Renewable Energy Finance team with additional FTEs to further be able to cover and penetrate the Danish and other core markets. The Renewable Energy Corporate Finance team was established in 2024.	We will continue to develop our Project & Renewable Energy Finance offering to best serve our customers with the aim of building a leading Nordic franchise.	Provide focused advisory services and targeted financing to support the development of a more sustainable energy supply through financing of renewable energy projects and bespoke financing of green transitional projects, not least within hard-to-abate sectors.
Policies, leadership & governance	Policy and positions	Sustainability policy	In 2024, our previous Sustainable Finance Policy was replaced by our Sustainability Policy, which was approved by the Board of Directors in November 2024. The policy defines Danske Bank's overall approach to the sustainability agenda and describes our sustainability governance.	We will continue to expand our sustainability governance processes with clear objectives, roles and responsibilities, taking a strategic approach to managing our most material commercial opportunities, business risks and societal impacts.	Further integrate sustainability and climate into our governance processes, which will enhance our ability to execute consistently on our climate ambitions.
	Policy and positions	Position Statement on Fossil Fuels	Our involvement in the oil and gas sector, particularly in oil and gas exploration and production, is guided by our Position Statement on Fossil Fuels, which stipulates that we will not offer long-term financing to any oil and gas exploration and production company that does not set a credible transition plan in line with the Paris Agreement. This includes a long-term 2050 net-zero goal, ambitious short- and medium-term reduction targets for scope 1 and 2 emissions as well as a material scope 3 emission reduction target. In addition, this includes a commitment to not expand the supply of oil and gas beyond that which had been approved for development by 31 December 2021.	We will continue to follow the scientific scenarios for an orderly transition towards a carbon efficient economy and will update our position accordingly.	Ensure that we do not expand supply of fossil fuels beyond what is needed for an orderly transition, and manage our risks by reducing the risk of stranded assets.

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
Policies, leadership & governance	Policy and positions	Update to the Sustainability Risk Integration Instruction	Financial risks associated with assets under management (AuM) are governed by Danske Bank's Sustainability Risk Integration Instruction in relation to the impacts that sustainability factors may have on the performance of managed assets. The measurement of these risks is based on a proprietary model, to which we in 2024 made further refinements in relation to methodologies applicable to illiquid investments.	We will review and develop the Sustainability Risk Integration Instruction on an ongoing basis to ensure an effective operationalisation of Danske Bank's commitment to integrate sustainability risks in investment management processes.	Ensure an effective operationalisation of Danske Bank's commitment to integrate sustainability risks into investment management processes.
	Process integration	ESG risk assessments	92% of LC&I's lending portfolio has been assessed (as at year-end 2024 and measured by limit exposure).	We will maintain above 90% assessment rate of LC&I's relevant corporate lending exposure.	Use ESG risk assessment of our customers help us to define where we accept credit risk in relation to sustainability risk and the associated ESG events and/or conditions that drive them. This will enable us to better understand the ESG profile of our customers and use this information in credit-decision processes.
	Process integration	Transition plan assessments	In 2024, we continued developing our approach to assessing companies' transition plans, and we had assessed 89% of high-emitting companies in the LC&I lending portfolio (as at year-end 2024 and measured by limit exposure).	We will finalise and maintain initial assessments of high-emitting companies that are in scope.	Use our transition risk assessment methodology to help us understand if our customers are aligned to a net-zero pathway and the execution risk of their ambitions. We can then identify transition 'leaders' and 'laggards' and use this information in credit-decision processes.
	Process integration	Sustainability-related performance	In 2024, a new Sustainability Portfolio Construction Standards (SPCS) framework was launched, the purpose of which is to enhance the monitoring and control environment in relation to sustainability performance for Asset Management. The SPCS framework has introduced a scoring methodology and thresholds for sustainability performance that help in quantifying and assessing the sustainability attributes of investment portfolios.	We will review and develop the Sustainability Portfolio Construction Standards on an ongoing basis and as required to support the monitoring and control environment in relation to sustainability performance for our asset management activities.	Establish a robust monitoring and control environment in relation to sustainability performance for Asset Management that will ultimately support us in delivering on our climate targets.
	Process integration	Enhanced Sustainable Investment Houseview framework	In 2024, we updated our UN SDG (Sustainable Development Goals) model, including incorporating a new dataset for sustainability-labelled bonds and reviewing qualitative assessments performed. The SDG model serves as a main building block for our sustainable investment Houseview framework, used to determine whether an investment qualifies as a sustainable investment.	We will review and develop the Sustainable Investment Houseview framework on an ongoing basis and as required given that sustainability data is dynamic and that corporate disclosures are continually improving.	Support internal investment decision-making and reporting requirements by having in place a robust framework for determining which investments are deemed sustainable. Through reporting on the aggregate SDG (UN Sustainable Development Goals) contributions for investment portfolios leveraging the model, investors can see the extent to which their investments make a positive contribution to the SDGs.

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
ESG data & digital enablement	Mobile banking	Sustainability overview	A new sustainability feature was launched in our mobile banking solution, Danske Mobile Banking, making it possible for personal customers and private banking customers in Denmark, Sweden and Finland with investments to get insights into various sustainability aspects of their investment portfolio. This feature not only enhances transparency but further creates customer value in relation to the responsible investment agenda.	We plan to further develop our sustainable investment overview in Danske Mobile Banking to enable our customers to make informed decisions according to their preferences, for example preferences for a high share of female board members or low CO_2 emissions.	Help customers make better-informed and more sustainable investment decisions by providing sustainability insights about their investments through Danske Mobile Banking, in line with their preferences.
	Data gathering	Real ESG	A framework standardising ESG reporting within commercial real estate in Denmark was launched in 2024.	We will look into digitalisation and into expanding to other markets outside Denmark.	Assist companies in understanding their baseline and to initiate their sustainability transitions by providing accessible tools and streamlined processes. The framework also aims to ensure comparability of data across the sector.
	Data gathering	ESG Profilen	Ongoing improvements of ESG Profilen to ensure relevance.	We will continue to develop tools that support our customers' transition efforts.	Support SMEs in gaining insights into their ESG initiatives, data and prioritisation of initiatives.
	Data gathering	ESG data vendors	During 2024, ESG data contracts with three data vendors used within our investment activities were renewed.	We will continue to review and make necessary adjustments to our ESG Data platform to ensure it reflects all relevant needs. We will remain mindful of how investment performance is affected by sustainability factors (financial materiality) and also the positive and negative impact on society that our investment decisions may cause (societal materiality).	Integrate double materiality considerations across all our investment management activities. By employing several specialised ESG data vendors with different types of use-cases, our ESG Data platform, which consists of material high-quality ESG data, supports our integrated approach and enhances our investment teams' ability to make better-informed investment decisions.
	Tools	luca-web development	In addition to fundamental ESG risk analysis and carbon intensity and temperature scores, we are now also able to run EIOPA stress tests in luca-web as part of our Sustainability Portfolio Construction Standards.[49]	We will continue to enhance our fundamental company ESG analysis and portfolio tracking capabilities by further leveraging climate related data as data and research develops.	Enable inclusion of ESG considerations in investment decisions and improve our active ownership engagements to drive transformation within investee companies.
	Tools	mDASH® development	In 2024, we implemented further improvements to our proprietary analysis tool mDASH®. In addition to several improvements related to how data and information are presented, we also integrated additional climate-related and Sustainable Investment Houseview (SDG) data for companies. Furthermore, we introduced a portfolio simulator functionality.	We will continue to enhance our mDASH® ESG analysis tool by integrating climate related data as data and research develops.	Enable inclusion of ESG considerations in investment decisions and improve our active ownership engagements with the aim of driving investee company transformation.

[49] luca-web is an internal Danske Bank investment portfolio analysis tool. EIOPA (The European Insurance and Occupational Pensions Authority) carries out climate stress test to gain insights into the effects of environmental risks on the European occupational pension sector (Climate stress test for the occupational pensions sector 2022 - EIOPA (europa.eu)).

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
ESG data & digital enablement	Tools	Sustainability decomposition tool introduced	In 2024, we introduced a new sustainability decomposition tool, which breaks down the sustainability performance of investments, providing clear insights into their individual ESG components. This tool enhances our ability to assess and communicate the sustainability impacts of our portfolios.	We will review and make necessary adjustments to our sustainability decomposition tool on an ongoing basis to ensure it reflects all relevant needs.	Enhance our ability to assess and communicate the sustainability impacts of our portfolios, including individual components' relative impact on carbon performance.
Reporting & stakeholder engagement	Engagements	Engagement guidelines	In 2024, we introduced engagement guidelines detailing the engagement scope and outlining the process for engagements with investee companies under the Active Ownership Instruction. The engagement scope, which will be calculated on an annual basis, identifies issuers that will be prioritised for engagement on the basis of thematic-related commitments (e.g. climate, biodiversity and human rights) and event-related issues (e.g. enhanced sustainability standards and weak sustainability performance, as defined under the Sustainable Investment Houseview model).	We update our active ownership instructions each year and will continue to integrate new research, data and expectations into our voting activities.	Support the green transition through our active ownership activities.
	Engagements	Engaging with high-emitting investee companies	In 2024, we engaged with an additional 29 of our 100 largest investee company emitters and have now engaged with 76 of these largest emitters in total.	We will engage with all 100 of our high-emitting investee companies by 2025 and will allocate more resources to our engagement activities.	Support investee companies in their green transitions.
	Engagements	Collaborative engagement initiatives	In 2024, we participated in nine collaborative engagement initiatives. These initiatives aimed at supporting enhanced management practices and performance across a variety of topics, including climate change, biodiversity, human rights and children's rights.	We will continue to utilise the knowledge, research and data that we gain from initiatives such as Climate Action 100+, ShareAction, PCAF, IIGCC.	Have a stronger voice when we engage with companies by working in collaborative efforts.
	Engagements	Voting	The majority of proposals voted on concerned governance issues, with a little under 1.5% of the proposals voted on relating to matters classified as environmental and/or social. Danske Bank Asset Management supported 29% of all environmental proposals in 2024.	Each year, we update our voting guidelines and review our expectations in relation to companies' climate efforts, and we expect to increase our expectation levels over time.	Support the green transition through our voting activities.
	Engagements	Biodiversity investee company engagements	Biodiversity stocktake: 27 meetings held (to date).	Before the end of 2025, we will engage in dialogue with 30 global companies that have a high impact on biodiversity.	Support portfolio companies in their transition.

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
Reporting & stakeholder engagement	Engagements	Engagements with large corporate customers	Throughout 2024, we continued to engage with companies. With regard to climate, our main engagement topics were our targets, our transition towards net zero and our assessment of customers' ESG risks. Furthermore, to increase awareness of the importance of nature-related impacts and risks among our customers and as per our Biodiversity target, we engaged with 55 customers operating in sectors that are deemed to have the highest potential negative impact on nature and biodiversity.	We will continue to engage with our customers about their climate and transition performance – including nature- and biodiversity-related impacts and risks. We also aim to excel in our third-party customer satisfaction survey on sustainable finance advisory services.	Identify where our financial solutions can play a pivotal role in fostering sustainable progress and to engage with our customers to enable credible transition action plans, not least in high-impact sectors.
	Engagements	Agriculture	We engaged with 348 customers identified as a material part of our agriculture portfolio to assess transition risk.	Data gathering is a key step towards strong advisory capabilities, transition dialogues and for monitoring actions and progress related to our climate target and nature and biodiversity, and we will continue to collect relevant data on our portfolio.	Identify risks, challenges and opportunities to enable us to provide targeted advisory services to our customers and support the transition of the sector by establishing reporting on key climate and nature metrics within agriculture.
	Advocacy efforts	National and international alliances	To develop best practices for supporting the needed transition toward a low-emission economy, we continued to engage nationally and internationally in alliances throughout 2024. Through these alliances, we have built an understanding of effective target setting and customer engagements. We have also been active in political debates, highlighting the sector challenges and the need for political support as well as advocating for Paris-aligned ambitions across high-emitting sectors and the wider society.	We will continue to allocate resources for our engagement in knowledge-sharing initiatives. We will also continue to develop best practices and engage in political discussions.	Promote a successful transition through collaboration and knowledge sharing within and across sectors as well as across businesses, academia and in the political sphere.
	Partnerships	Commercial real estate (energy)	We have partnered with Sweco (a leading European architecture and engineering consultancy) and comundo (a climate tech company) to help us work towards reducing our customers' CO_2 emissions. Among other things, these partnerships, enhanced by our financial and ESG advisory, facilitate automated real-time energy data and the creation of energy improvement plans. Launch of the partnerships included training of around 200 advisers.	We will continue to leverage the two partnerships with Sweco and comundo and build awareness of the comprehensive support we can offer our customers through these partnerships.	Help our customers to reduce CO_2 emissions from their properties.

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
Reporting & stakeholder engagement	Products	Sustainable bonds volumes (green, social, sustainability and sustainability-linked bonds)	In 2024 our sustainable bonds volume (league tables) was DKK 89.7 billion.	Our goal is to continue to be a leading Nordic arranger of green loans and green social and sustainability bonds.	Channel proceeds from green, social and sustainability bonds to exclusively finance projects that have a expected positive environmental and/or social impact.
	Products	Green loans	In 2024, Danske Bank's Green Loan portfolio grew to DKK 49.4 billion, of which 52% was allocated to green buildings, making it the largest green loan category. The equivalent figures in Realkredit Denmark were DKK 29 billion and 70%.	We will aim to extend and expand our green loan offerings to secure growing volumes.	Provide green loans to incentivise green activities that support the green transition and the development of the green bond market.
	Products	Mobility	Danske Bank offers favourable loans in Denmark for electric and plug-in hybrid vehicles.	We will work to make our customers aware of the more sustainable opportunities and benefits they have access to as a Danske Bank customer by including this topic as a part of our customer dialogues.	Make it easy and accessible for our customers to choose a more sustainable option for their mobility needs.
	Products	Energy renovation	We continued to engage with customers to inform them about non-fossil heating alternatives and home energy savings through favourable financing options. We also adjusted our partnership offerings, which now also provide customers with an easier way to get started on getting expert guidance about energy and home improvements.	As technological developments progress, we will expand the list of energy-efficiency improvements that are covered by our loans for energy improvements.	Support the sustainable transition by providing favourable financing options for energy upgrades of homes.
	Products	Climate adaptation	In 2024, we expanded our loan for energy improvements to also cover measures for climate adaptation such as the establishment of perimeter drains or anti-flood valves. Through our partnership with engineering consultants, customers can also get advice from construction advisers about how to best protect their home against risk of flooding, heavy rainfall, storm surge etc.	We will work to increase awareness among customers of the more sustainable opportunities and benefits they have access to as a Danske Bank customer, including this as natural part of the customer dialogue.	Help customers finance improvements to protect their homes against the increase in heavy rains and flooding caused by climate change.
	Products	European Investment Fund (EIF) guarantees to green financing of assets	The European Investment Fund (EIF) guarantees have been implemented in Finland, and the first deal was completed in 2024.	Because EIF guarantees facilitate easier access for companies seeking financing for product development and sustainable investments, we will continue to build on the information we have learned from Finland to explore implementation of EIF guarantees across other Nordic countries.	Support the availability of bank financing for investments that promote renewal and growth.

Table 4: List of actions that support our climate targets for lending and investments – continued

Enabler	Category	Initiative	Development 2024	Planned action towards 2030	Expected impact
Reporting & stakeholder engagement	Products	Develop ESG product offering further	In 2024, we launched green guarantees to broaden our ESG-related product offering.	We will continue to develop our ESG-labelled product offering to best match our customers' needs.	Further incentivise and support more sustainable business models, technologies and practices among our customers.
	Products	Green transition investments (Danica only)	In 2024, Danica increased its investments in the green transition to DKK 57.4 billion. (2023 DKK 55.4 billion)	We aim to have invested DKK 100 billion in the green transition by 2030.	Promote the green transition through our investments.
	Products	Danica Balance Responsible Choice (DBRC)	Assets under management in Danica Balance Responsible Choice (DBRC) amounted to DKK 6.4 billion at year-end 2024, which is an increase of 31% from 2023. The number of policies in DBRC increased 23% in 2024.	Danica will continue to actively market Danica Balance Responsible Choice to customers.	Enable our customers to invest in the green transition through their pension savings.

Table 5: List of actions that support climate targets for our own operations

Scope	Sub-scope	Initiative/Action	Development	Planned action towards 2030	Expected impact	Emissions distribution
General		**Supplier assessment (Group)** Maintain supply chain ESG compliance visibility and engage suppliers in dialogue	Currently, we have close to 100% ESG risk visibility of Danske Bank supplier base. 30% of these suppliers represent low risk, and 5% are in high-risk categories. We are working to develop a customised ESG risk assessment and mitigation plan for high-risk suppliers.	Automate supplier segmentation based on inherited risk profile, integrate ESG assessment in contract workflow and enhance visibility of supplier compliance for reporting purposes.	More dialogue-based supplier development and risk mitigation plans in place.	Not quantifiable in CO_2e
		Sustainability awareness (Group) Increase general sustainability awareness and knowledge among contract owners and other stakeholders	Sustainability@Core, a Group-wide initiative has been launched and divided into workstreams focusing on awareness, communication, and data and dashboards.	Introducing customised training paths for different stakeholders and functions within the Group.	Increased employee engagement in relation to sustainability.	Not quantifiable in CO_2e
Scope 1		**On-site heating (Northern Ireland)** Transition from fossil fuel heating across Northern Ireland portfolio	Considering options (e.g. biogas and hydrogen) for two remaining offices. Electric heating solutions are also being explored.	Continue exploration of alternatives. Exploring options (e.g. biogas and hydrogen) for two remaining offices. Electric heating solutions are also being explored.	100% emission reduction in market-based reporting. Biogenic emissions reported outside scopes.	<2%

Table 5: List of actions that support climate targets for our own operations – continued

Scope	Sub-scope	Initiative/Action	Development	Planned action towards 2030	Expected impact	Emissions distribution
Scope 1		**On-site heating (Denmark)** Transition to district heating across DK portfolio	One site has transitioned to district heating.	Dependent on municipalities. Ongoing discussions with landlords, awaiting municipality action on district heating transition, currently no short-term plans.	100% emission reduction of scope 1, emission increase from district heating scope 2.	<1%
		On-site heating (Denmark) 100% biogas solution for Denmark	Purchase of guarantees of origin (GoOs) for biogas in place.	Purchase of GoOs for biogas will continue until the remaining sites have transitioned to district heating.	100% emission reduction in market-based reporting. Biogenic emissions reported outside scopes.	<1%
Scope 2		**Purchased electricity (Group)** 100% renewable electricity across portfolio	Energy Attribute Certificates. Europe: EKOenergy certified, UK: REGO.	In 2025, we will review our position on buying energy attribute certificates.	100% emission reduction in market-based reporting.	19% (0% in market-based reporting, 19% in location-based reporting)
		Purchased heating and electricity (Group) Footprint management – energy-efficient buildings and efficient use of office spaces	Ongoing work with footprint optimisation and more energy-efficient buildings. Energy optimisations e.g. through LED lights, motion sensors and footprint optimisation.	Continue to focus on identifying more energy-efficient solutions for our premises and optimising the use of available floor space. Expected minor emissions reductions as the parallel consumption associated with the relocation to our new head office Copenhagen is completed.	Emissions savings dependent on project.	19% for electricity (0% in market-based reporting, 19% in location-based reporting) 18% for heating
Scope 3	Scope 3.1	**Purchased goods and services, paper (Group)** We continue our transition towards more digitalised ways of working aimed at reducing paper printing	Existing digitalisation focus.	Ongoing digitalisation focus.	Emissions from paper use have declined 29% since 2019 baseline year.	<3%
	Scope 3.1	**Purchased goods and services, other (Group)** We maintain an active dialogue with our suppliers to understand potential emission reduction areas	Efforts throughout 2024 have been directed towards understanding emissions in the supply chain. A preliminary measurement has been established to estimate CO_2e emissions from the supply chain on a spend-based methodology.	Ongoing work to establish a robust methodology, process and baseline for emissions from purchased goods.	We expect an increase in scope 3 supply chain-related emissions reported as we include more purchased products in our scope.	To be determined

Table 5: List of actions that support climate targets for our own operations – continued

Scope	Sub-scope	Initiative/Action	Development	Planned action towards 2030	Expected impact	Emissions distribution
Scope 3	Scope 3.6	**Business travel, air (Group)** Active management of business travel	At Group level, we introduced an air travel carbon budget to reduce CO_2e emissions from business travel, in line with 2030 climate targets. Furthermore, we developed an internal dashboard to help business units keep track of their CO_2e emissions.	We have updated our company travel policy, which encourages employees to travel less and provides recommendations on how to reduce number of trips and reduce CO_2e impact when travelling.	Lower air travel-related CO_2e emissions in line with 2030 climate targets.	48%
	Scope 3.6	**Employee cars (Group)** Enable electric company benefit cars	We are exploring the possibility of replacing existing benefit cars to electric vehicles outside Denmark. We cannot influence employees' private cars used for business trips.	Move towards electric cars used for business travel by road.	Reduce emissions from business travel by road.	18%
	Scope 3.6	**Employee cars (Denmark)** Enabling 100% electric company benefit cars	Introduced company car policy in Denmark that permits only electric cars to be chosen as a company car.	Electric company car fleet transition to happen gradually over the years as current lease agreements end.	Reduce emissions from business travel by road.	15%
	Scope 3.7	**EV charging stations** Implement EV charging infrastructure at office sites.	In 2024, we implemented EV charging stations at more of our Danish premises to align with regulations and to facilitate commuting for employees who own electric cars.	The plan is to ensure our building landlords comply with national and international regulations, and to increase number of EV charging stations at our office facilities.	Impact from electric vehicle charging stations not tracked.	Not currently estimated

Appendix 3 – Lending

Financed emissions

Emissions associated with the activities of the companies Danske Bank provides financing to are classified as financed emissions and are attributable to Danske Bank. These financed emissions are not additional to the emissions already produced in society and reported by our customers; they merely mirror those emissions. We can influence these financed emissions indirectly by supporting our customers in their own transitions.

Table 6 below displays financed emissions within our emission measured lending activities, exposure-weighted average PCAF data quality scores and development since 2020[50] – all listed in relation to our key segments.[51] The uncertainty related to current estimation approaches of companies' scope 3 emissions is so significant and non-transparent that we will only be disclosing financed emissions related to customers' scope 3 emissions if it has a PCAF data quality score of 1 or 2, i.e. that the emissions have been reported by the customers themselves. The only exception is for the subsector related to oil and gas exploration and production (part of the oil, gas and offshore industry in table 6) where a small share of the included scope 3 emission is associated with estimates (less than 10%). This aligns the emission coverage with the oil and gas exploration and production target measure.

Table 6: Development of financed emissions from 2020 to 2024

	Baseline (2020)			2022			2023			2024		
Industry	**Customer scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**	**Customer scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**	**Customer scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**	**Customer scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**
Agriculture	1,597	3	4.0	1,320	4	4.1	1,257	16	4.1	1,248	14	4.1
Commercial property	199		4.3	148		4.0	138		4.0	141		3.9
Construction and building materials	451	88	4.0	387	1,357	3.7	219	2,128	3.8	210	3,114	3.6
Metals and mining	105	28	3.6	98	0	4.0	67	0	4.1	118	251	3.5
Oil, gas and offshore	456	2,636	2.1	276	2,521	2.2	256	2,064	2.6	279	1,718	2.8
Shipping	2,017	18	1.9	1,177	0	1.6	1,051		1.5	957		1.8
Utilities and infrastructure	587	411	3.3	619	2,059	3.4	430	1,926	3.6	444	1,948	3.7
Pulp and paper, Chemicals	306	50	3.5	247	19	2.8	228	13	2.8	261	7	2.9
Other corporates	938	7,323	3.9	839	14,391	3.5	778	2,342	3.6	855	7,071	3.6
Total – corporates	**6,654**	**10,558**	**3.9**	**5,112**	**20,351**	**3.7**	**4,423**	**8,488**	**3.7**	**4,513**	**14,123**	**3.7**
Personal mortgages	765		3.9	595		3.7	584		3.7	560		3.7
Total	**7,420**	**10,558**	**3.9**	**5,707**	**20,351**	**3.7**	**5,007**	**8,488**	**3.7**	**5,074**	**14,123**	**3.7**

[50] *Our portfolio and exposures as at the end of September 2024 have been used as proxy for 2024 in all lending portfolio figures.*
[51] *See the subsequent paragraph on industry definition for further details.*

Within our lending activities, total customer scope 1 and 2 financed emissions decreased by 32% in 2024 to 5,074 $ktCO_2e$ from 7,420 $ktCO_2e$ in 2020.

The decrease was largely driven by financed emissions reductions in the shipping sector primarily caused by decreased shipping exposure and increased market value of large vessels since 2020, which affected the attribution factors in the financed emission calculation. However, financed emissions reductions achieved in the majority of our other sectors also contributed to the overall decrease in scope 1 and 2 emissions.

The PCAF data quality scores have remained relatively stable over the years but saw a slight improvement from 3.9 to 3.7 for scope 1 and 2 emissions.[52] Because our lending portfolio covers many non-listed companies, which often do not report emissions, the PCAF data quality score is generally worse for the lending portfolio than for the investment portfolios.

A simplified measure that can be applied to our development in emissions is to look at our financed emissions against our on-balance exposure. Figure 28 shows that our financed emissions intensity has reduced from 5.7 $ktCO_2e$/mDKK to 3.9 $ktCO_2e$/mDKK since 2020. This is primarily driven by a decrease in on-balance exposure to some of the high emission-intensity sectors, such as shipping; agriculture; and oil, gas and offshore.

The reported (i.e. PCAF data quality score 1 and 2) customer scope 3 financed emissions fluctuate significantly within several of our portfolios. These fluctuations are expected to continue for the foreseeable future as companies' own estimation approaches mature and best-practice standards develop further. It is also worth noting that, depending on the year, only around 6-8% of the emission measured lending exposure (excluding commercial property and personal mortgages) is currently covered by reported scope 3 emissions.

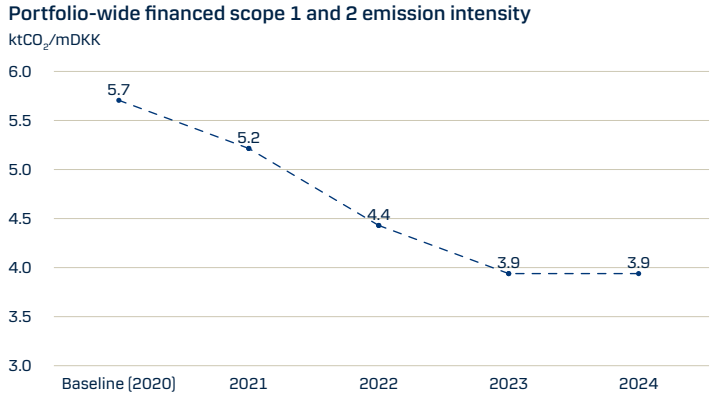
Accounting principles and methodological considerations

The financed emission calculation of the Group's lending portfolio relies on a combination of internally developed models and external emission data sources. Generally, the setup follows the industry-wide standard set by the Partnership for Carbon Accounting Financials (PCAF)[53] and additional guidance developed by Finance Denmark.[54] Some deviations have been implemented when considered appropriate, as detailed below.

In line with general efforts to increase data quality and data coverage and to reflect evolving industry practices, the carbon emission models are subject to continual improvements and updates. In accordance with our recalculation policy, as detailed below, every model change has been applied to previous years' estimates and restated in this report. This is a natural consequence of model improvements and causes some of the historical emission figures to change in relation to previous reporting.

Significant changes and revisions made since the publication of our previous 2023 progress report are listed in table 7.

Figure 28: Portfolio-wide scope 1 and 2 financed emission intensity



[52] *When the PCAF data quality score between scope 1 and 2 differs at a customer level, an emission-weighted average has been used to represent the combined scope 1 and 2 data quality score for that given customer.*
[53] *The Global GHG Accounting and Reporting Standard for the Financial Industry (carbonaccountingfinancials.com).*
[54] *CO_2 model (finansdanmark.dk)*

Table 7: Main model changes since our 2023 Climate Action Plan Progress Report

Model change	Description
Inflation-adjusted emission factors	A significant share of the corporate portfolio's financed emissions is estimated using revenue- or asset-emission factors from Exiobase. These factors are currently based on 2019 economic data, and as recommended by PCAF an inflation adjustment from Exiobase's 2019 baseline year has been implemented. The adjustment is based on country-specific consumer price index (CPI)[55] development in all main countries the Group operates in (i.e. Denmark, Sweden, Norway, Finland and the UK) and with an average CPI development applied to the small remaining part related to other countries.
Changes to the attribution factor	Improvements to the data extraction of customers' financial statement data have been implemented, particularly relating to the extraction of data from agriculture customers. This affects the debt level applied in the equity-plus-debt calculation in the denominator of the attribution factor. These now more accurately reflect the total debt level.
Updates to the agriculture emission data source	The farm-specific emission estimates obtained from ConTerra have been updated to reflect the most recent study of peatland emissions in Denmark.
Inclusion of customers' scope 3 emissions with PCAF data quality score 1 or 2	Financed emissions from customers' reported scope 3 emission have been included for all sectors except commercial property and personal mortgages. These are based on either own or third-party-collected company-reported figures. However, estimated scope 3 emissions are accepted for the subsector related to oil and gas exploration and production.

Most climate targets for lending are based on physical intensity measures and are therefore not directly influenced by model changes related to financed emissions. Exceptions are the two oil and gas targets associated with absolute financed emissions and the new agriculture emission-intensity target. Any changes in relation to previously stated figures are highlighted in the respective sections of this report.

The financed emissions calculation applies the most recently available information associated with the reporting year at the time of calculation. For instance, the following applies to reporting of financed emissions for 2024: the portfolio and exposures data used in the calculation is from 2024, customers' financial data or asset values are based on data from 2024 or earlier, and the emissions data used is from 2023 or earlier. This can result in situations where the exposure, financial data (used in the denominator of the attribution factor) and the year of emissions are temporally misaligned. However, the calculation represents our most updated estimate given the current setup and available data.

Baseline recalculation policy – To consistently track and ensure relevance of the reported GHG emissions data and progress made on our climate targets, we recalculate baseline-year emissions if there are significant developments relating to the following:

- Structural changes in our organisation, such as mergers, acquisitions, divestments, outsourcing and insourcing
- Changes in calculation methodologies, improvements in data accuracy or discovery of significant errors
- Changes in the categories or activities included in the scope 3 inventory

We apply a minimum threshold of 5% for determining significance, triggering automatic recalculations of baseline values. This threshold applies to total absolute emissions and target-specific emissions or emission intensities. Significant changes result not only from single large changes but also from several small changes that are cumulatively significant. The baseline revision policy applies for increases and decreases in emissions, and we may choose to revise our baseline values in relation to changes that are below the threshold to ensure consistency, comparability and relevance in our reported emissions data and climate target progress over time.

[55] *Extracted from the International Monetary Fund (IMF)*

Baseline change – The 2020 baseline has been recalculated due to the the aforementioned model changes. In addition, we have used a slightly different industry split in this year's disclosure. Table 8 provides a comparison between the 2020 baseline figures used in the 2023 Climate Action Plan Progress Report and the current revised baseline figures.

In terms of customers' scope 1 and 2 emissions, the main change comes from the agriculture segment, where the baseline has been reduced by 1,076 $ktCO_2e$ in relation to the 2023 report. This stems from a combination of updates to the attribution-factor calculation (through improvements in the extraction of customers' financial data) and an update to the underlying emission source after a recent study of peatland emissions in Denmark. The change in the oil, gas and offshore sector is mainly related to offshore, which was also affected by the updates to the attribution-factor calculation, although the change was much more pronounced for agriculture. The small drop in financed emissions from our personal mortgages segment is because of the 2024 divestiture of our Norwegian personal customers portfolio, which has meant that financed emissions related to Norwegian personal mortgages have been removed from all previous years' emission calculations. The remaining scope 1 and 2 changes are a mix of the stated model updates combined with slight updates of the available 2020 customers' financial data since the baseline calculation in the 2023 report.

In previous disclosures, customers' scope 3 emissions were included only in the two subsectors related to oil and gas exploration and production and oil and gas downstream refining, which is part of the broader oil, gas and offshore sector. Both reported and estimated scope 3 emissions were included. However, in this disclosure we only accept estimated scope 3 emissions in the oil and gas exploration and production subsector, while also including reported scope 3 emissions for all the other subsectors. These additional reported scope 3 emissions have caused the slight increase in customers' scope 3 emissions in the oil, gas and offshore sector. Customers' reported scope 3 emissions in all other sectors are reported for the first time in this disclosure.

Table 8: Overview of baseline changes

	Customer scope 1 and 2 ($ktCO_2e$)			Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2 in updated baseline[56]	
Industry	**2020 old baseline**	**2020 updated**	**Change**	**2020 old baseline**	**2020 updated**
Agriculture	2,673	1,597	-40%		3
Commercial property	199	199	0%		
Construction and building materials	463	451	-3%		88
Metals and mining	113	105	-8%		28
Oil, gas and offshore	397	456	15%	2,599	2,636
Shipping	1,982	2,017	2%		18
Utilities and infrastructure	599	587	-2%		411
Pulp and paper, Chemicals	303	306	1%		50
Other corporates	1,080	938	-13%		7,323
Total – corporates	**7,811**	**6,654**	**-15%**	**2,599**	**10,558**
Personal mortgages	777	765	-1%		
Total	**8,588**	**7,420**	**-14%**	**2,599**	**10,558**

[56] *Estimated scope 3 emissions, i.e. PCAF data quality score 3, 4 or 5, are also accepted for the subsector related to oil and gas exploration and production (part of the broader oil, gas and offshore industry)*

Customers' scope 3 emissions – Although all financed emission estimates are inherently associated with significant uncertainties, customers' scope 3 emissions warrant a particular cautionary disclaimer. Even companies' own reported scope 3 emissions have been observed to fluctuate widely year on year. This can be due to actual changes in a company's value chain but is much more likely to stem from the company's own maturing estimation approaches, as well as the inclusion of additional value chain categories. These fluctuations and the general higher uncertainty associated with scope 3 emissions are expected to continue for the foreseeable future. This uncertainty is not reflected well by the PCAF data quality score because reported scope 3 emissions still receive a data quality score of 1 or 2 almost irrespective of which approach the companies have applied.

Portfolio scope – Most of our corporate lending portfolio falls under the PCAF's business loan asset class category, for which we cover on-balance sheet loans and lines of credit for general purposes. We currently also classify project finance as business loans. However, for loans secured by vessels eligible under the Poseidon Principles, we apply the shipping finance approach by Finance Denmark's Framework for Financed Emissions Accounting for the scope 1 financed emission estimates. Scope 2 and 3 emissions are covered by the business loan approach applied to the associated shipping company. Based on 2024 figures, approximately 89% of total on-balance corporate credit exposure is covered by a financed emission calculation.[57] The main parts not covered are associated with leasing and general-purpose loans to commercial property not secured by a property.

Commercial property and personal mortgages cover on-balance loans and lines of credit secured by real estate collateral. Other general-purpose loans to commercial property or consumer loans to personal customers are currently not covered. Note that loans granted by Realkredit Danmark are recognised at fair value instead of at amortised cost. Based on 2024 figures, the financed emission calculations covered approximately 90% and 94% of total on-balance credit exposure to commercial property and personal customers respectively.

Customer segments currently not covered by a financed emissions calculation:

- Financial institutions
- Public institutions
- Private housing cooperatives and non-profit associations
- Customers outside Danske Bank's main business units (i.e. outside Large Corporates & Institutions, Business Customers, Personal Customers or Northern Ireland)
- Customers with unknown industry activity

Product types not covered:

- Leasing
- Holdings
- Offers
- Trading facilities
- General-purpose loans in the commercial property portfolio
- Consumer loans in the personal customer portfolio

Deviations from the PCAF standard – Although the setup is designed to follow the industry-wide standard, some deviations have been implemented to match the Group's internal data structure and data availability, or to lower the expected volatility and complexity of calculating financed emissions over time. The most notable deviations from the PCAF standard, and the PCAF secretariat's recommendations, are the following:

- Attribution factors for properties and large vessels (ships) are based on the market value of the asset at reporting date instead of value at origination.
- Attribution factors for listed companies are mainly based on total equity plus debt (or total assets) from their balance sheet instead of enterprise value including cash (EVIC).
- In most cases, the sub-sector and national level Exiobase emission factors have been applied instead of the PCAF secretariat's recommendation of using emission factors on a less granular sector and regional level.
- If financial statement data is not available for a corporate customer, and the financed emission calculation is not covered by one of the models related to properties or large vessels, the financed emission estimate is based on extrapolations from the Group's emission-covered portfolio instead of Exiobase asset-emission factors. These extrapolations are assigned a PCAF data quality score of 5.
- Customers' scope 3 emissions have been included only when company-reported figures were available. This leaves a large share of the lending portfolio without a scope 3 financed emissions calculation.

[57] *Here, we do not consider financial and public institutions, private housing cooperatives and non-profit associations as corporate exposure.*

PCAF data quality score – In line with the PCAF standard, a data quality score has been assigned to each financed emission calculation, providing an indication of the uncertainty of the calculated results. The score represents only the uncertainty related to the emission itself – to the extent that the PCAF data quality score captures this uncertainty – and does not include any uncertainties related to other necessary data inputs in the financed emission calculation. A high-level overview of the mapping between data quality score and emission source is provided in table 9, and we refer to the PCAF guidelines for further details. In general, companies' own disclosures are considered of highest quality. This is based on the assumption that the companies themselves can carry out the most accurate assessment of the emissions from their own activities. In contrast, industry averages or portfolio extrapolations are considered of lowest quality because such estimates do not take into consideration individual company characteristics other than those of the industry the company is classified under.

In some cases, a customer's total scope 3 emission is a mixture of reported and estimated values, for instance when the CDP enriches companies' reported scope 3 emissions with its own estimates to fill in gaps for relevant value chain categories. In such cases, we do not include the scope 3 emission in our reported figures.

Emission data sources and general methodologies – Table 10 below provides a high-level overview of the various emission-related data sources and the general calculational approach applied in the financed emissions calculation for the lending portfolio.

Table 9: PCAF data quality score overview

	Quality score	Source
Best ↑	1 or 2	Companies' own reported emissions
	2 or 3	Emission estimated from physical activity data, e.g. energy consumption or production output, combined with emission factors, e.g. tCO_2e/MWh or tCO_2e/t
	4 or 5	Emission estimated from revenue or asset factors specific to region and sector, e.g. tCO_2e/mEUR revenue or tCO_2e/mEUR of assets
Worst	5	Emission estimated from a simple exposure or sector extrapolation

Table 10: High-level overview of financed emission sources and methodologies

Segment	Emission data sources	Methodology
Large vessels (shipping)	Emission obtained through the Poseidon Principles, i.e. emission based on shipowners' reported fuel consumption	Follows the shipping finance approach from Finance Denmark's Framework for Financed Emissions Accounting. However, the denominator in the attribution-factor calculation is based on market value at reporting date instead of at origination. This approach covers the scope 1 emission associated with the vessels. In contrast to the emission used in the shipping targets alignment delta, the scope 3 emission associated with the fuel is not included here. Scope 2 and 3 financed emissions are instead covered by PCAF's business loan approach applied to the customer owning the vessels.
Agriculture	ConTerra's farm-level emission estimates on Danish farms	The farm-level estimates from ConTerra are based on size of farmland, crop type, animals, fertiliser use, manure management, etc. The same methodology and emission factors as applied in the Danish National Inventory Report. Emissions related to agriculture customers with no match in the ConTerra data are estimated using extrapolations from the ConTerra-covered part. These extrapolations are also applied to farms outside Denmark. Note that forestry is currently not included in emission data from ConTerra and is therefore not part of the financed-emission calculation for agriculture customers either. The ConTerra data covers scope 1 emissions only. Scope 2 financed emissions are primary covered by Exiobase emission factors. Attribution factors follow PCAF's business loan approach.
Commercial property	Denmark: E-nettet, Danish Energy Agency Sweden: Värderingsdata, Naturvårdsverket, Swedish Energy Agency Norway, Finland and Northern Ireland: CRREM 2020 average building emission (from the PCAF European building emission factor database)	Covers scope 1 and 2 emissions related to heating. Denmark and Sweden: Energy consumption estimated from EPC ratings, or distribution of EPC ratings from properties with similar characteristics, combined with energy and emission factors related to primary heating source. Follows the guidance from Finance Denmark's Framework for Financed Emissions Accounting with some adjustments for Sweden related to data availability. Norway, Finland and Northern Ireland: The non-residential sub-sectors are based on CRREM 2020 average building emission figures (same value used for all years), whereas the residential sub-sectors are based on intensity figures derived from the personal mortgage calculations. Attribution factors are based on property value at reporting date.

Table 10: High-level overview of financed emission sources and methodologies – continued

Segment	Emission data sources	Methodology
Personal mortgages	Denmark: e-nettet, Danish Energy Agency Sweden: Värderingsdata, Naturvårdsverket, Swedish Energy Agency Finland: CRREM 2020 average building emission (from the PCAF European building emission factor database) Northern Ireland: EPC reports	Covers scope 1 and 2 emissions related to heating. Denmark and Sweden: Energy consumption estimated from EPC ratings, or distribution of EPC ratings from properties with similar characteristics, combined with energy and emission factors related to primary heating source. Follows the guidance from Finance Denmark's Framework for Financed Emissions Accounting with some adjustments for Sweden related to data availability. Due to the recent divestiture of the Norwegian personal customers portfolio, the financed emissions of personal mortgages in Norway are no longer part of the emissions calculation. Finland: Emissions are based on CRREM 2020 average building emission figures (same value used for all years). Northern Ireland: Emissions obtained from the EPC reports, combined with simple extrapolations to fill gaps. Attribution factors are based on property value at reporting date.
All other corporate sectors	Companies own disclosed emissions CDP and ISS – collected reported emissions and CDP's/ISS's own company emission estimates Exiobase revenue- and asset-emission factors (taken from the PCAF emission-factor database) A few cases of own emission assessments for scope 1 and 2 emission related to purely renewable power generation	Follows the business loan approach from the PCAF standard with the adjustments mentioned under the section Deviations from the PCAF standard above.

Industry definitions: The financed emission industry segmentation is based on the classification principles of the Statistical Classification of Economic Activities in the European Community (NACE) standard, with a few adaptions made to accommodate the Group's business risk approach. Only the most relevant industries in terms of either exposure or scope 1 and 2 emission intensity have been explicitly shown. The remaining industries are grouped into 'Other corporates'. The details of what is covered by each industry can be seen in the industry definition overview below.

Table 11: Industry definitions overview

Industry	Main sub-sectors	NACE Rev. 2
Agriculture	Growing of crops Raising of cattle Raising of pigs and piglets Seed and feeding Mixed farming Agricultural activities n.e.c.	L2: 01 10.91, 46.11, 46.21-46.23, 46.61, 74.9 (when related to agricultural activities), 77.31
Commercial property	Residential commercial property Non-residential commercial property Covers properties used in collateral-based lending by commercial property customers in Denmark, Sweden, Norway, Finland and Northern Ireland	41.1, 68.1, 68.2 (excluding activities related to private housing cooperatives and non-profit associations)
Construction and building materials	Building materials Building materials distributors Building products Construction – Contractors Construction – Craftsmen	16.22, 16.23, 22.21, 22.23, 23.11, 23.12, 23.14, 23.19, 23.2, 23.31, 23.32, 23.42, 23.43, 23.44, 23.51, 23.52, 23.61-23.65, 23.7, 23.91, 23.99, 23.99, 25.12, 25.21, 25.72, 41.2, 42.11, 42.12, 42.13, 42.21, 42.22, 42.91, 42.99, 43.11, 43.12, 43.13, 43.21, 43.22, 43.29, 43.31-43.34, 43.39, 43.91, 43.99, 46.13, 46.73, 46.74, 47.52, 77.32
Metals and mining	Metals and mining – Extraction Metals and mining – Production and trade	5.1, 5.2, 7.1, 7.21, 7.29, 8.11, 8.12, 8.91, 8.92, 8.93, 8.99, 9.9, 19.1, 24.1, 24.2, 24.31-24.34, 24.41-24.46, 24.51-24.54, 25.61, 33.11, 38.32, 46.12, 46.72, 46.77
Oil, gas and offshore	Oil and gas – exploration and production Oil and gas – oil services Offshore – rigs/FPSO Offshore – supply	6.1, 6.2, 9.1, 19.2, 35.21, 46.71, 50.2 (when related to rigs, FPSO or offshore supply)
Shipping	Shipping	50.1, 50.2 (except rigs, FPSO or offshore supply), 50.3, 50.4, 52.29 (when related to shipping activities), 77.34
Utilities and infrastructure	Regulated utilities Unregulated utilities Transport infrastructure	35.11-35.14, 35.22, 35.23, 35.3, 36, 49.5, 52.1, 52.21 (when related to infrastructure), 52.22, 52.23, 52.24, 82.92

Table 11: Industry definitions overview – continued

Industry	Main sub-sectors	NACE Rev. 2
Pulp and paper, Chemicals	Chemicals Packaging and tissue Paper Pulp Forestry Sawmills	2.1-2.4, 16.1, 16.21, 17.11, 17.12, 17.21, 17.22, 17.23, 17.29, 20.11, 20.12, 20.13, 20.14, 20.15, 20.16, 20.17, 20.2, 20.3, 20.51, 20.52, 20.53, 20.59, 20.6, 22.19, 26.8, 46.75, 46.76
Other corporates	Automotive Capital goods Consumer goods Hotels, restaurants and leisure Pharma and medical devices Retailing Services Social services Telecom and media Transportation	All other NACE codes not covered by one of the above industries
Personal mortgages	Covers properties used in collateral-based lending by personal customers in Denmark, Sweden, Finland and Northern Ireland	NA

Target setting – methodological considerations
Our sectoral target-setting methodology and scope are aligned with the list of priority sectors included in the SBTi, the Net-Zero Banking Alliance and the Guidelines for Climate Target Setting for Banks developed by the UNEP FI.

Financial scope – Our financed emissions presented above are calculated in accordance with the PCAF standard and therefore only apply on-balance exposures in their calculation. For our sector targets, however, we include both on- and off-balance exposures. The inclusion of both on- and off-balance exposure better reflects the commitments made towards our customers and allows us to account for the risk of customers included in the targets making use of products such as revolving loans or lines of credit.

Furthermore, the financed emissions calculation measures absolute emissions, whereas most of our climate targets are intensity-based. The differences mean that, for example, our financed emissions can increase while our intensity-based metrics decrease. In those cases where climate targets are based on the financed emissions calculation, both on- and off-balance exposures have been included in the calculation, and such measures can therefore not be directly compared with the financed emissions figures presented above in, for instance table 6.

Target metric – Choosing a physical intensity metric (emissions per economic output, e.g. $kgCO_2e$/MWh) instead of having an absolute emission metric for most of our sector targets allows us to take into consideration the different pace of decarbonisation of each industry. This helps us in understanding how emission reductions take place in different industries. Moreover, using an intensity metric allows our portfolio to grow without necessarily increasing the intensity. This means that Danske Bank proactively engages with customers to support them in their transitions instead of reducing our emissions through divestment.

The sector-specific portfolio intensity averages are based on exposure-weighted emission intensities reported by our customers. As the calculation methodologies mature and data quality improves, so does the state of our annual target status.

Table 12: High-level overview of target-calculation methodologies and benchmarks

Sector	Portfolio in scope	Data and methodology	Benchmark scenario
Shipping	Large vessels collateral eligible under the Poseidon Principles	The shipping target focuses solely on vessels under the scope of the Poseidon Principles. Poseidon Principles' alignment delta refers to the distance of a vessel's emission intensity (AER, expressed as emissions per tonne transported per nautical mile) from the decarbonisation trajectory. The distance is expressed as a percentage. Latest available alignment delta is based on 2023 data.	Poseidon Principles' 'Striving for' trajectory (based on the International Maritime Organization's 'striving for' ambition to reach 30% and 80% emission reductions in shipping by 2030 and 2040 respectively).
Oil and gas – exploration and production	Customers under NACE 6.1 in Large Corporates & Institutions	The oil and gas exploration and production target for financed emissions covers on- and off-balance credit exposure of exploration and production customers and is primarily based on reported scope 1, 2 and 3 emissions of these customers. However, estimated customers' scope 3 emissions have been included in this calculation to ensure full coverage of the portfolio in scope. The latest financed emissions calculation is based on 2024 financial data and 2023 emission data.	SBTi absolute contraction approach of 4.2% annual linear reduction
Oil and gas – downstream refining	Customers under NACE 19.2 in Large Corporates & Institutions	The downstream refining target for scope 1 and 2 financed emissions covers on- and off-balance credit exposure of downstream refining customers and is mainly based on reported scope 1 and 2 emissions of these customers. The intensity-based downstream refining target for scope 3 emissions covers on- and off-balance credit exposure of downstream refining customers and is based on reported scope 3 emission intensities of these customers. The portfolio intensity is exposure weighted. The latest financed emissions calculation is based on 2024 financial data and 2023 emission data. The latest scope 3 portfolio intensity average is based on 2024 financial data and 2023 emission data.	SBTi absolute contraction approach of 4.2% annual linear reduction
Power generation	Customers under NACE 35.11 in Large Corporates & Institutions	The power generation target covers on- and off-balance credit exposure of power generation customers and is based on both reported and estimated scope 1 intensities of these customers. The portfolio intensity is exposure weighted. The latest portfolio intensity average is based on 2024 financial data and 2023 emission data.	SBTi (world) 1.5°C scenario

Table 12: High-level overview of target-calculation methodologies and benchmarks – continued

Sector	Portfolio in scope	Data and methodology	Benchmark scenario
Steel	Customers under NACE 24.1 in Large Corporates & Institutions	The steel target covers on- and off-balance credit exposure of steel production customers and is based on reported scope 1 and 2 emission intensities of these customers. The portfolio intensity is exposure weighted. The latest portfolio intensity average is based on 2024 financial data and 2023 emission data.	TPI (world) 1.5°C scenario
Cement	Customers under NACE 23.51 and 23.65 in Large Corporates & Institutions	The cement target covers on- and off-balance credit exposure of cement production customers and is based on reported scope 1 and 2 emission intensities of these customers. The portfolio intensity is exposure weighted. The latest portfolio intensity average is based on 2024 financial data and 2023 emission data.	SBTi (world) 1.5°C scenario
Commercial Real Estate – Nordic	Properties used in collateral-based lending by customers under NACE 41.1, 68.1, and 68.2 (excluding activities related to private housing cooperatives and non-profit associations) within Denmark, Sweden, Norway and Finland	Denmark: Emissions calculated using the same methodology as used for financed emissions (without applying attribution factors) and using property area to calculate the intensities. The total Danish portfolio intensity is calculated as an area-weighted average intensity. Sweden: Emissions calculated using same methodology as for financed emissions (without applying attribution factors) and using property area to calculate intensities. The total Swedish portfolio intensity is calculated as an area-weighted average intensity. Norway, Finland: CRREM 2020 emission intensities. Nordic commercial real estate intensity is calculated as an exposure-weighted average over the corresponding intensities for Denmark, Sweden, Norway and Finland. The exposure covers both on- and off-balance exposure to property-secured loans and lines of credit. Latest intensity figures are based on the 2024 portfolio and property data while using the same older heating-source specific emission factors for all years.	SBTi (company) 1.5°C scenario (scope 1)[58]

[58] Our 55% emission reduction target for personal mortgages has been benchmarked against a scope 1 trajectory due to initial limitations in distinguishing between scope 1 and 2 emissions within our data and the SBTi tool. In our next target review cycle, we aim to integrate more refined tools to align our scope 1 and 2 targets with trajectories covering both scope 1 and 2.

Table 12: High-level overview of target-calculation methodologies and benchmarks – continued

Sector	Portfolio in scope	Data and methodology	Benchmark scenario
Personal mortgages – Nordic	Properties used in collateral-based lending by personal customers within Denmark, Sweden and Finland	Denmark: Emissions calculated using same methodology as for financed emissions (without applying attribution factors) and using property area to calculate intensities. The total Danish portfolio intensity is calculated as an area-weighted average intensity. Sweden: Emission calculated using same methodology as for financed emissions (without applying attribution factors) and using property area to calculate intensities. The total Swedish portfolio intensity is calculated as an area-weighted average intensity. Finland: CRREM 2020 emission intensities. Nordic personal mortgage portfolio intensity is calculated as an exposure-weighted average over the corresponding intensities for Denmark, Sweden and Finland. The exposure covers both on- and off-balance exposure to property-secured loans and lines of credit. Latest intensity figures are based on the 2024 portfolio and property data while using the same older heating-source specific emission factors for all years.	SBTi (company) 1.5°C scenario (scope 1)[59]
Agriculture – Nordic	Customers under NACE L2: 01 (except 1.64) and 46.22, 46.23, 46.61, 74.9 (when related to agricultural activities), and 77.31 within Denmark, Sweden, Norway and Finland	The emission used in the agricultural intensity target is based on the scope 1 financed emission calculation, however, including both on- and off-balance exposure from loans and lines of credit in the calculation of the attribution factors. This is divided with the total on- and off-balance exposure to obtain a portfolio intensity in terms of tCO_2e/mDKK. The target development is primarily driven by Danish customers. They make up a large share of the portfolio, and due to data limitations, they are also used when extrapolating to the rest of the Group's agriculture portfolio in the Nordic countries. Latest intensity figures are based on the 2024 portfolio while using 2023 emission data.	Reflects the Danish national agriculture and forestry sector ambition (recalculated to a 2020 baseline) and draws on the SBTi's Forest, Land and Agriculture (FLAG) Target-Setting Tool.

[59] Our 55% emission reduction target for personal mortgages has been benchmarked against a scope 1 trajectory due to initial limitations in distinguishing between scope 1 and 2 emissions within our data and the SBTi tool. In our next target review cycle, we aim to integrate more refined tools to align our scope 1 and 2 targets with trajectories covering both scope 1 and 2.

Appendix 4 – Investments

The investment activities Danske Bank carries out in its roles as an asset manager and an asset owner result in financed emissions that are attributable to Danske Bank. These emissions are not additional to the emissions already produced in society and already reported by investee companies; they merely mirror those emissions. Consequently, we can influence these emissions indirectly by exercising active ownership and by reallocating investments within our portfolios.

Table 13 below displays measured financed emissions stemming from our investment activities, PCAF data quality scores and developments since 2020[60] – all categorised into investee companies' scope 1, 2 and 3 emissions. The uncertainty related to current estimation approaches of companies' scope 3 emissions is so significant and non-transparent that we will only be disclosing financed emissions related to customers' scope 3 emissions if the data has a PCAF data quality score of 1 or 2, i.e. that the emissions have been reported by the customers themselves.

Table 13: Development of emissions from 2020 to 2024

	Baseline (2020)			2022			2023			2024		
Investments	**Investee company scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**	**Investee company scope 1 and 2 ($ktCO_2e$)**	**Investee company scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**	**Investee company scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**	**Investee company scope 1 and 2 ($ktCO_2e$)**	**Customer scope 3 ($ktCO_2e$) – PCAF quality score 1 and 2**	**Scope 1 and 2 PCAF quality score**
Asset management	3,720	n/a	n/a	2,586	15,138	n/a	2,268	27,954	1.4	2,348	23,113	1.3
Life insurance and pension	1,122	n/a	n/a	745	4,509	n/a	953	6,629	1.4	803	5,966	1.3
Total	**4,842**	**n/a**	**n/a**	**3,331**	**19,647**	**n/a**	**3,221**	**34,583**	**1.4**	**3,151**	**29,078**	**1.3**

Financed emissions

Financed emissions from our investments, scope 1 and 2 from our investee companies, decreased from 4,842 $ktCO_2e$ in 2020 to 3,151 $ktCO_2e$ in 2024 (2023: 3,221 $ktCO_2e$), which represents a 35% reduction.

For the reporting year 2020, only a few companies disclosed their scope 3 emissions for the financial year 2018. The immaturity of these reported figures led our ESG data vendor to rely on modelled emission data for that year. Over time, ISS ESG has increasingly incorporated company-reported data where available and the quality is good enough, replacing previous estimations. Consequently, as our report includes only company-reported scope 3 emissions, these are included only from 2022 onwards.

We acknowledge that this approach does not encompass all real-world emissions because companies not reporting their scope 3 emissions are excluded from our scope 3 emissions figures.[61]

Additionally, we have observed that companies have been updating their own calculation methodologies. We expect the quality of scope 3 emissions data to improve over time. However, interpretation of scope 3 emissions should still be carried out with caution in decision-making processes.

The Partnership for Carbon Accounting Financials (PCAF) has developed a methodology whereby the quality of emission data is evaluated and ranked using a numerical score, from 1 (highest quality) to 5 (lowest quality). Company-reported emissions will receive a quality score of 1 or 2, whereas emissions estimates can have a score of 5. We expect that the average PCAF data quality score will improve as an increasing number of companies disclose their emission data.

[60] *Historical PCAF data quality scores not available.*
[61] *CDP experienced technical challenges in 2024, so only limited company data was available to our data provider, ISS. To close the data gap, ISS has been modelling emissions for these companies. These modelled emissions are not included in our reporting because the PCAF data quality score is below 2.*

Accounting principles and methodological considerations

Data source and data quality
We use various data sources to estimate the financed emissions, WACI and the temperature rating of the Group's investments within Danske Bank Asset Management and Danica.

For financed emissions and WACI, we use data from our ESG data provider, ISS ESG, as well as ISS ESG's Climate Analytics tool. To estimate our portfolio temperature rating, we use data developed collaboratively by CDP and WWF, which is further supported by emissions data from ISS ESG. The data, methodologies and tools follow industry-wide standards and are aligned with various organisations such as TCFD, PCAF, NZAM and SBTi and are aligned with guidance developed by Finance Denmark.

The data sources used are assessed by the Responsible Investment team in Danske Bank Asset Management. The assessments include, but are not limited to, assessments on data coverage, data quality, methodology, costs and other operational considerations.

No universally accepted framework (legal, regulatory, or others) currently exists in relation to sustainability-related data, information and assessments. As a financial institution investing globally in different asset classes, Danske Bank strives to the extent possible to leverage primary reported data and information.

Where such data is not available, best efforts are made to obtain data, including data estimates, information, and assessments through third-party providers or directly from investee companies, and/or by carrying out additional research or making reasonable assumptions/estimations.

Sustainability-related data, information and assessments are therefore not comparable to that of financial information. This implies a risk of misrepresentation of data on sustainability dimensions or impacts associated with an investment. Despite rigorous due diligence in the onboarding of data and other resource- and cost-proportional considerations in place to ensure the accuracy, completeness, and reliability of the data, it is not possible to verify nor guarantee, directly or indirectly, the complete correctness of the underlying data. Therefore, a certain margin of error is generally to be expected in relation to ESG data. At this point in time, it is difficult to assess the general magnitude of the margin of error associated with the reported emissions in this report, but it is expected to be substantial, especially for scope 3. For the purpose of reporting financed emissions in this Climate Progress Report, Danske Bank has therefore decided to report scope 3 emissions solely on the basis of company-reported figures with PCAF data quality score of 1-2. This may mitigate a potential estimation risk associated with scope 3 reporting, but it will imply that the actual scope 3 emissions are higher than what is outlined in this report.

The carbon emissions data and methodology used is subject to change due to ongoing improvements, in line with general efforts to increase data quality and availability and to accommodate evolving industry practices. We refer to ISS ESG and other data providers for any updates on data and methodology.

Asset Management
The Climate Progress Report covers Danske Bank Asset Management and represent the assets under management of Danske Bank A/S, Danske Invest Management A/S, Danske Bank Asset Management AS and Danske Invest Fund Management Ltd.

This scope may differ from the scope of other reports published by Danske Bank, which also reports GHG emissions. In addition, the Climate Progress Report covers Asset Management, whereas the PAI reports cover individual legal entities in scope for reporting under the SFDR regulation.

Financed emissions
For financed emissions, all assets under management are in scope, (excluding cash and FX exposures), with the reported financed emissions representing 71% of these assets. Assets under management invested in sovereign states are not part of the reported emissions. Furthermore, we do not report emission exposures from derivatives even though these investments may indirectly link to investee companies. Investments for which we do not have data coverage, including investments in private equity, do not form part of our reported figures.

Target emissions
Our net-zero targets and temperature targets cover investment funds and managed accounts. Certain investment products, including discretionary mandates, are not included in the targets and/or reporting on progress. The reason for omitting discretionary mandates at this stage is that mandates must be based on specific customer demands and contractual agreements for each mandate. In line with our commitment, we will over time engage with asset owners on this topic.

For the products in scope, the targets cover investments into:
- Equities
- Corporate bonds
- Mortgage bonds

Due to a lack of reliable data, the following asset classes are not included:

- Sovereign debt
- Unlisted companies
- Derivatives
- Cash
- Other alternatives

A number of improvements have been made to the original calculations of our climate targets as published in our Climate Action Plan from 2023. These include the following:

- Significant increase in the coverage of temperature rating data due to a modelling approach change mapping individual securities to decarbonisation targets of true parent companies. The increased coverage results in fewer companies receiving a high default temperature rating of 3.2°C, set for precautionary reasons.

For further details on the methodologies applied and data quality scores for targets see below.

Calculation of weighted average carbon intensity
To fulfil the Net Zero Asset Managers initiative commitments, Danske Bank Asset Management has leveraged the latest scientific climate research, represented by the IPCC net-zero energy system pathway, which is modelled by the International Energy Agency and used in the most relevant industry- recognised target-setting methodologies available. The ISS ESG climate emission data is from fiscal year 2022.

When we calculate our weighted average carbon intensity (WACI) and apply the ISS ESG Climate Analytics tool, 76% of the assets invested by the investment products in scope have data coverage. WACI is calculated by including scope 1 and 2 emissions from companies and then dividing this by the revenue generated by the investee companies.

In line with the PCAF standard, we have estimated an emission data quality score. The weighted emission data quality score for scope 1 and 2 is 1.3, which indicates that most of the issuers included in the estimations are on average based on companies' own reported emissions and considered to be best data quality. For further details on the PCAF emission data quality score, please table 9 in appendix 3.

Weighted average carbon intensity target setting – key methodology considerations
In its Special Report on Global Warming of 1.5˚C (2018), the IPCC provides four plausible scenarios, each consistent with net-zero emissions. Each scenario has distinct pathways and follows different assumptions about technological, economic and societal progress.

The Sustainable Development Scenario is the most aligned with the principles of systemic transition to a sustainable future. It is characterised by having a broad focus on sustainability, including energy intensity, human development, economic convergence and international cooperation, and it is enabled by a shift towards sustainable and healthy consumption patterns, low-carbon technology innovation and well-managed land systems with limited societal acceptability for carbon capture. Danske Bank Asset Management supports a broadly focused sustainability transition, and our WACI target is therefore anchored with this scenario. The Sustainable Development Scenario implies an approximate 50% reduction in CO_2e emissions by 2030. We have therefore set a 2030 target of reducing scope 1 and 2 of our WACI in in-scope investment products by 50% by 2030. WACI measures the carbon emission normalised by the revenue of the company, and on aggregated levels it discloses our exposure towards carbon-intensive companies. As of now, this calculation is performed by including the scope 1 and scope 2 emissions and dividing the result by the revenue generated by the investee companies.

Calculation of temperature rating
At Danske Bank Asset Management, we have set science-based targets, and we have chosen to use the SBTi temperature rating methodology developed collaboratively by CDP and WWF. The CDP-WWF temperature rating methodology translates companies' greenhouse gas emission reduction targets into a single metric called the temperature rating. This metric enables comparison of the global temperature rise associated with corporate ambition. Being a forward-looking metric, temperature rating targets supplement the engagement and intensity targets set for asset management. The temperature rating of our AuM in Asset Management is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment. The temperature rating covers 49% of our AuM in scope. For the issuers not covered, we assign a default score of 3.2, and 51% of issuers received a default score in 2024. Since the baseline year, data quality has increased significantly, and we expect this to continue over the coming years.

Temperature rating target setting – key methodology considerations

The CDP-WWF temperature rating methodology is open source and has gone through a separate consultation process. The methodology includes three steps: 1) a target protocol, which converts individual emissions targets into temperatures; 2) a company protocol, which aggregates these targets into an overall company score; and 3) a portfolio protocol, which weights these company scores across an investment portfolio. To convert individual emissions targets into temperatures, the target protocol uses the best-available scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. It generates simple regression models for estimated warming in 2100 from climate scenarios with short-, medium- and long-term trends in absolute emissions or emissions intensities. Because companies have multiple targets, the data is aggregated into company-level scores. Minimum quality criteria define a quality of target that can be included. At the portfolio level, these company scores are weighted to assess an index or portfolio of companies, such as in the context of financial portfolios. Issuers that do not have relevant publicly disclosed emissions targets are assigned a default temperature score of 3.2 by the SBTi tool, which assumes a business-as-usual temperature pathway. Issuers receive a default score because only limited and validated data sources are allowed, and some companies have not yet set intermediate emission reduction targets. The data quality is expected to improve over time as more companies set intermediate targets and publish these through well-recognised and validated data sources. This methodology enables company-by-company and portfolio comparisons to be made. SBTi criteria for setting targets to align the temperature rating of our investments in scope with the ambition of the Paris Agreement include:

Table 14: Overview of target-setting methodology

Target	Data sources	Methodology summary	Scenario
WACI	ISS	The financed carbon emissions of our AuM in Asset Management are calculated by measuring scope 1 and 2 from the companies in the investment portfolios weighted by our share of investment. The ISS ESG climate emission data is from the fiscal year of 2022.	Our WACI target is anchored with The IPCC Sustainable Development Scenario, which implies an approximate 50% reduction of CO_2 emissions by 2030. We have therefore set a 2030 target of reducing scope 1 and 2 of our weighted average carbon intensity (WACI) in our investment products in scope with 50% by 2030.
Temperature rating target	CDP, WWF, ISS	The temperature rating of our AuM in Asset Management is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment.	The methodology uses the bestavailable scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. At Danske Bank, we have chosen a 1.5°C trajectory aligned with the SBTi approach.
Engagement targets	IEA, Paris Aligned Investment Initiative, Climate Action 100+	Engage with the 100 largest emitters by communicating our expectations to investee companies.	Our target is anchored with the key cornerstones of the Net Zero Asset Managers initiative to prioritise the achievement of real-economy emission reductions.

- Aligning portfolio scope 1 and 2 temperature score with a minimum well-below 2°C scenario, and additionally aligning portfolios to a minimum 2°C scenario for scope 1, 2 and 3 by 2040. Alignment with more ambitious scenarios is encouraged. At Danske Bank, we have chosen a 1.5°C trajectory.

- Committing to reducing portfolio temperature scores such that the financial institution is on a linear path to the sated goal by 2040.

Engagement target
One of the key cornerstones of the Net Zero Asset Manager Commitment is to "prioritise the achievement of real economy emissions reductions within sectors and companies in which we invest". We believe that a strong stewardship and engagement strategy is a credible and effective way of achieving real-world impact. In order to achieve effective real-economy emissions reductions, Danske Bank has set a target of engaging, either individually or collectively, with the 100 largest emitters in our portfolio by 2025. To evaluate companies' alignment with the Paris Agreement, Danske Bank Asset Management leverages the Net Zero Investment Framework built by the Paris Aligned Investment Initiative. The framework describes a methodology for classifying companies along a Paris-alignment maturity scale. The methodology evaluates companies in a holistic manner using ten criteria. The criteria are well aligned with those of Climate Action 100+, which can be seen as the gold standard for evaluating and engaging with companies on climate. The methodology allows Danske Bank Asset Management to identify company-specific gaps in its climate strategies as a basis for effective net-zero engagement, thereby encouraging companies to climb the alignment maturity scale. To further strengthen evaluation of companies' alignment with the Paris Agreement by the Net Zero Investment Framework, Danske Bank Asset Management defines minimum sector-specific expectations against certain criteria based on the IEA's Net Zero Emissions by 2050 roadmap. Engagements are carried out by investment teams and by the active ownership team and build upon evaluating a company's climate transition strategy and communicating our expectations to investee companies to close potential gaps.

Life insurance and pension
The reported numbers on financed emissions, CO_2e sector targets and temperature rating within Danica cover the following investment products:

Danica Balance
Danica Traditionel
Danica Link
Tidspension

Danica Select is not included in the estimations. The reason for omitting Danica Select is due to the nature of the product: we do not invest on behalf of Danica Select customers as they have chosen to manage their own assets.

Together with the asset classes included in the estimation, this means that 65% of our assets under management (AuM) are in scope for our estimations of our financed emissions. This scope is different from the scope of the Principal Adverse Impacts (PAI), in which all investments are taken into account. In addition, this report is for Danica, whereas the PAI reports are for individual legal entities in scope for reporting under the SFDR regulation.

Calculation of financed emissions
The financed carbon emissions of our AuM in Danica are calculated by measuring scope 1, 2, and 3 from the companies in the investment portfolios. When applying the ISS ESG Climate Analytics tool, 95% of our AuM in scope are covered, where ISS ESG has coverage of actual or estimated data. In line with the PCAF standard, we have estimated an emission data quality score. The weighted emission data quality score for scope 1 and 2 is 1.3, which indicates that most of the issuers included in the estimations are on average based on companies' own reported emissions and considered to be best data quality. Regarding scope 3 emissions, only PCAF data quality scores 1 and 2 are included. For further details on the PCAF emission data quality score, please see appendix 3, table 9.

The CO_2e emissions from Danica's investment portfolio are calculated by determining Danica's ownership share of the underlying companies' scope 1, 2, and 3 emissions. It should be noted that in 2022 and 2023 companies' 'market cap' was wrongly used to calculate Danica's ownership share of equities. Given that Danica's portfolios and total assets under management are a mix of several asset classes, including equities and credit bonds, it is more accurate to use companies' adjusted enterprise value to determine Danica's ownership share. Therefore, the CO_2 emissions and footprints for 2022 and 2023 have been corrected to use adjusted enterprise value compared to previously published reports.

Calculation of the temperature rating
For Danica, we have set science-based targets, and we have chosen to use the SBTi temperature rating methodology, developed collaboratively by CDP and WWF. The CDP-WWF temperature rating methodology translates companies' greenhouse gas emission reduction targets into a single metric called the temperature rating. This metric enables the global comparison of the temperature rise associated with corporate ambition. The temperature rating of AuM in Danica is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment. The temperature rating covers 46% of AuM in scope, For the issuers not covered, we assign a default score of 3.2, and 54% of issuers received a default score in 2024. Since the baseline year, data quality has increased significantly, and we expect this to continue over the coming years.

Calculation of the CO_2 sector reduction target
Danica has set sector reduction targets for the investment portfolio following the Net Zero Asset Owner Alliance's (NZAOA) Target-Setting Protocol (TSP). TSP encourages members to set sector-specific targets to help transform CO_2e reductions from investment portfolios into energy-saving and CO_2e-reducing actions in the real world. Danica estimates the CO_2 intensity for the following sectors weighted by share of investments:

Energy: (gCO_2e/MJ)
Utilities: (tCO_2e/MWh electricity generation)
Steel (tCO_2e/tonne of steel)
Cement: (tCO_2e/tonne of cementitious product)
Transportation:
Aviation (gCO_2e/RTK)
Shipping (gCO_2e/tKM)
Automotive: (gCO_2e/km) (WLTP)

To calculate the CO_2e intensity for each sector, we use CO_2e intensity data from TPI and emission data from ISS ESG.

CO_2 sector reduction target setting – key methodology considerations
Target setting under NZAOA follows the Alliance's Target-Setting Protocol (TSP), which defines why, how and which targets members are required to set, track, review and report.

TSP encourages members to set sector targets to help link portfolio level emission reductions to the energy-efficiency requirements and real-world outcomes. Furthermore, sector targets are useful in informing stewardship, policy and allocation activities in these sectors. Sector-specific targets reflect the specifics of each sector, their respective energy transition trade-offs with other sectors, and the role they are expected to play in the transition to a net-zero economy. TSP advocates using intensity-based KPIs, including scope 3 emissions wherever possible, and using sectoral decarbonisation pathways to set targets. TSP allows the use of any credible, science-based sectoral model for setting targets, but specifically encourages leveraging the One Earth Climate Model (OECM). The OECM allocates the global carbon budget among various sectors in a manner that aligns with limiting global warming to 1.5°C. However, at the time of target-setting, it only covered scope 1 and 2 CO_2e emissions. Some of the priority sectors, such as the automotive sector, have a high share of overall CO_2e emissions attributed to scope 3. Therefore, Danica looked for data and models that better reflect the concentrations of emissions within scopes across sectors. The Transition Pathway Initiative (TPI) is considered by many to be one of the most advanced approaches in this respect. Among other things, TPI calculates sector-specific emission reduction pathways for priority sectors, following IEA energy transition scenarios. TPI also calculates company-specific carbon intensities against these pathways for highest emitting companies to evaluate the alignment of companies' emissions profiles and emission reduction targets. Danica leverages TPI scenarios and company data to guide the setting and calculation of baselines for its sectoral targets. Although the sectoral pathways outlined by TPI differ somewhat from those calculated using the OECM, they are conceptually aligned because both represent the dynamics of various sectors to achieve specific temperature outcomes. In order to set final sector targets, Danica compared its baseline figures against requirements of OECM and TPI scenarios and set targets that generally reflect the realities within portfolios and also reflect scientific requirements and the capability of society to transition to net zero by 2050.

Remarks on the accounting methodology for the real estate portfolio
The accounting methodology for calculating carbon emission intensity in the Danish real estate portfolio has been adjusted to follow marked standards. In previous years, the area of buildings was measured based on the heated area of a building. This year, the methodology for calculating the area of buildings has been changed to the Danish 'BBR[62]-area' methodology, which in general calculates the area of the building as being larger the heated area. This results in lower carbon emission intensity numbers, assuming all other factors remain constant. Furthermore, an increased amount of energy consumption data is now being measured using digital meters as opposed to earlier years where almost all data was derived from EPC[63] calculations. This results in higher carbon emission intensity numbers, assuming all other factors remain constant.

Emissions from Danish shopping centres are not included in the emissions data for the Danish real estate portfolio.

Table 15: Overview of target-setting methodology

Target	Data sources	Methodology summary	Scenario
CO_2 sector reduction target	Transition Pathway Initiative and ISS	Danica estimates the CO_2 intensity for specific sectors, such as energy, utilities, steel, cement, automotive and transportation, weighted by our share of investments.	Danica has set targets that follow the NZAOA and the Target-Setting Protocol (TSP). TSP encourages members to set sector targets to help link portfolio-level emission reductions to the energy-efficiency requirements and real-world outcomes. TSP allows the use of any credible, science-based sectoral model for setting targets. Danica leverages TPI scenarios and company data to guide the setting and calculation of baselines for its sectoral targets.
Temperature rating target	CDP, WWF, ISS	The temperature rating of our AuM in Asset Management is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment.	The methodology uses the best available scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. For Danica, we have chosen a 1.5°C trajectory aligned with the SBTi approach.

[62] *Bygnings- og Boligregisteret*
[63] *Energy Performance Certificate*

Appendix 5 – Own operations

Emissions from our own operations

Activities related to the day-to-day operation of our business, such as running our office buildings and business-related travel, also contribute to the generation of greenhouse gas (GHG) emissions. However, in relation to emissions generated by the companies we lend to and invest in, the level of CO_2e emissions from our own operations is minimal and accounts for 0.1% of Danske Bank's emissions total. Table 16 shows the progress we have made in relation to emissions from our own operations since 2019 – categorised into scope 1, 2 and 3.

Scope 1 and 2 emissions from our own operations have decreased by 55% since 2019, and total emissions from our own operations including scope 3 emissions decreased by 52% from 22,736 in 2019 to 10,876 in 2024 (2023: 11,185). The primary contributory factor is the reduction within our scope 3.6 - business travel accounting category. In relation to our 2019 baseline year, our own emissions from our scope 3.7 – working from home category have shown an increase as more employees have adopted flexible working practices after the COVID-19 pandemic combined with the improved technical setup at our new Copenhagen head office facilitating more virtual collaboration across our organisation.

Accounting principles and key methodological considerations

Environmental data covers the actual consumption from the Group's operations in Denmark, Finland, Ireland, Northern Ireland, Norway, Sweden and Lithuania, and it also covers the estimated consumption from the Group's remaining operations without registered data for which Danske Bank has operational control. Emissions and energy consumption from head offices, advisory centres and finance centres are included in the reporting. The reporting period for the year 2024 runs from Q4 2023 to Q3 2024. Due to Danske Bank's sale of Danske IT, a former fully owned subsidiary encompassing our Indian operations, the data includes India until the effective date of 1 September 2023. We report our CO_2e emissions based on the Greenhouse Gas Protocol, and numbers are rounded to the closest integer.

In 2024, we updated our methodology for estimating Scope 3.6 Business travel by air emissions. As a result, our total scope 1, 2, and currently measured scope 3 baseline emissions increased by 31% and increased overall across all years.

Table 16: Emissions development from 2019 to 2024

	Target	Actual			GHG emissions	
Own operations-related GHG emissions (tCO_2e)	**2030**	**Baseline year 2019**	**2023**	**2024**	**2024/2019 (abs.)**	**2024/2019 (%)**
Scope 1 and scope 2 (market-based)	1,021	5,106	1,954	2,278	2,827	-55%
Scope 1, scope 2 (market-based) and scope 3	11,368	22,736	11,185	10,876	11,860	-52%

		Actual			
Own operations-related GHG emissions (tCO_2e)		**Baseline year 2019**	**2023**	**2024**	**% 2024/2023**
Scope 1 GHG emissions					
CO_2e emissions		555	201	215	7%
Scope 2 GHG emissions					
CO_2e emissions (location-based)		14,737	6,306	4,670	-26%
CO_2e emissions (market-based)		4,550	1,753	2,063	18%
Scope 3 GHG emissions					
Total indirect (scope 3) GHG emissions		17,630	9,231	8,598	-7%
Scope 3.1 CO_2e emissions – Purchased goods (paper consumption)		385	188	274	46%
Scope 3.6 CO_2e emissions – Business travel (use of employees' cars and business travel by air)		16,855	7,730	7,180	-7%
Scope 3.7 CO_2e emissions – Working from home		390	1,314	1,144	-13%
Scope 3 estimated CO_2e from estimated countries		411	206	235	14%
Total own operations-related GHG emissions (location-based)		32,922	15,738	13,483	-14%
Total own operations-related GHG emissions (market-based)		22,736	11,185	10,876	-3%

CO_2e emissions scope 1: Scope 1 encompasses CO_2e emissions from heating using oil and gas and from the usage of Danske Bank controlled company cars. The emissions from heating are calculated on the basis of heating consumption, using specific emission factors from the Department of Environment, Food and Rural Affairs (DEFRA). In accordance with the Greenhouse Gas Protocol Guidance, the emissions from gas consumption in Denmark were omitted in scope 1 owing to the purchase of biogas certificates of origin. Biogenic emissions from use of biogas are reported outside scopes. For transport by company cars, the emissions are calculated on the basis of the mileage and litres (when available) from our leasing company Nordania and emission factors from DEFRA.

CO_2e emissions scope 2: Scope 2 encompasses CO_2e emissions from district heating, district cooling and electricity supplied by external suppliers. The emissions from district heating are calculated on the basis of heating consumption, using either specific emission factors from energy companies or average emission factors for heating for the country from IEA and DEFRA. Similarly, emissions from district cooling are calculated on the basis of district cooling consumption and the specific emissions factor used for district heating or district cooling when possible. Scope 2 emissions are reported in accordance with the market-based and location-based methodology from the Greenhouse Gas Protocol Guidance. For the location-based approach, the emission factors from electricity consumption are calculated using average emission factors for the country from the IEA. For the market-based methodology, the emissions from electricity consumption were reported as zero due to the purchase of renewable electricity certifications under guarantees of origin (GoO) and the renewable energy guarantees of origin (REGO).

CO_2e emissions scope 3: Scope 3 encompasses CO_2e emissions from Scope 3.1. Purchased goods and services (limited to paper consumption), Scope 3.6. Business travel (road and air) and Scope 3.7. Employee commuting (reported as emissions from working from home). Emissions from our financed emissions under 3.15. are not included in these figures.

Scope 3.1: The emissions from paper are calculated on the basis of paper consumption provided by the suppliers or from the Group's internal ordering system and the emission factors from DEFRA.

Scope 3.6: For business travel by road, the emissions are calculated on the basis of the mileage and fuel specific emission factors from DEFRA when fuel type is available. Mileage is provided either from registered distances from our leasing company Nordania, expense management, HR systems or allowance paid. For mileage without known fuel type, we apply emissions factor for unknown fuel from DEFRA. For business travel by air, the emissions are reported directly by our travel agency, American Express and are calculated on the basis of mileage data multiplied with emission factor from DEFRA.

Scope 3.7: Emissions from working from home are calculated based on homeworking hours per quarter per FTE and emission factors from DEFRA and IEA. FTEs' homeworking hours per quarter are established using office occupancy data per country, multiplied by working hours and FTE number as per end of each quarter.

Estimated CO_2e from operations without registered data: For operations that do not have any measured consumption, we estimate CO_2e emissions on the basis of the average number of FTEs as provided by Group Finance and the average emissions per employee in the Group.

Total CO_2e emissions: The sum of CO_2e emissions scope 1, CO_2e emissions scope 2 (market-based) and CO_2e emissions scope 3.

Outside scopes: Biogenic emissions from use of biogas is calculated on the basis of gas consumption in Denmark, for which we purchase biogas certificates, and on emissions factors from DEFRA.

Baseline recalculation policy: To consistently track and ensure relevance of the reported GHG emissions data and progress made on our climate targets, we recalculate baseline-year emissions if there are significant developments relating to the following:

- Structural changes in our organisation, such as mergers, acquisitions, divestments, outsourcing and insourcing
- Changes in calculation methodologies, improvements in data accuracy or discovery of significant errors
- Changes in the categories or activities included in the scope 3 inventory

We apply a minimum threshold of 5% for determining significance, triggering automatic recalculations of baseline values. This threshold applies to total absolute emissions and target-specific emissions. Significant changes result not only from single large changes but also from several small changes that are cumulatively significant. The baseline revision policy applies for increases and decreases in emissions, and we may choose to revise our baseline values in relation to changes that are below the threshold to ensure consistency, comparability and relevance in our reported emissions data and climate target progress over time.

Appendix 6 – Abbreviations

AER	Annual efficiency ratio
AuM	Assets under management
BBR	Bygnings og Boligregistret
BIC	Business Integrity Committee
BoD	Board of Directors
CDP	Carbon Disclosure Project
CII	Carbon intensity indicator
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CRREM	Carbon Risk Real Estate Monitor
CSRD	Corporate Sustainability Reporting Directive
DBRC	Danica Balance Responsible Choice
DEFRA	Department of Environment, Food and Rural Affairs
DK	Denmark
DKK	Danish krone
ELT	Executive Leadership Team
EPBD	Energy Performance of Buildings Directive
EPC	Energy performance certificates
ESG	Environmental, social and governance
EVIC	Enterprise value including cash
FTE	Full time equivalents
g	Gram
gCO_2e/MJ	Gram of carbon dioxide equivalent per megajoule
gCO_2e/tnm	Gram of carbon dioxide equivalent per tonne transported per nautical mile
GHG	Greenhouse gas
GoO	Guarantees of origin
Group	The Danske Bank Group
IEA	International Energy Agency
IIGCC	Institutional Investors Group on Climate Change
IMO	International Maritime Organization
IPCC	Intergovernmental Panel on Climate Change
ISS	Institutional Shareholder Services
kg	Kilogram
$kgCO_2/m^2$	Kilogram of carbon dioxide per square meter
$kgCO_2e/m^2$	Kilogram of carbon dioxide equivalent per square meter
$kgCO_2/MWh$	Kilogram of carbon dioxide per megawatt hour
$kgCO_2e/MWh$	Kilogram of carbon dioxide equivalent per megawatt hour
km	Kilometre
KPI	Key performance indicator
LC&I	Large Corporates & Institutions
mDash®	Danske Bank proprietary sustainability research platform
MJ	Megajoule
Mt	Megaton
MW	Megawatt
MWh	Megawatt hour
m^2	Square metre
NACE	Nomenclature of Economic Activities
NZAM	Net Zero Asset Managers initiative
NZAOA	Net-Zero Asset Owner Alliance
OECM	Other effective area-based conservation measures
PAI	Principal Adverse Impacts
PBAF	Partnership for Biodiversity Accounting Financials
PCAF	Partnership for Carbon Accounting Financials
PP	Poseidon Principles
REGO	Renewable energy guarantees of origin
RTK	Revenue tonne kilometres
SBTi	Science Based Targets initiative
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2	Tonnes of carbon dioxide
tCO_2e	Tonnes of carbon dioxide equivalent

$ktCO_2e$	Kilotonnes of carbon dioxide equivalent
$tCO_2e/mDKK$	Tonnes of carbon dioxide equivalent per million Danish kroner of revenue
tCO_2/t	Tonnes of carbon dioxide per tonnes
TPI	Transition Pathway Initiative
TSP	Target-Setting Protocol
UNEP FI	United Nations Environment Programme Finance Initiative
WACI	Weighted average carbon intensity
WWF	World Wide Fund for Nature

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The forward-looking statements in the publication reflect Danske Bank's current view of future events and are based on expectations, projections, assumptions and estimations, which involve uncertainties and risks, including, but not limited to, evolving science, developing methodologies and scenarios, variation in standards, future market conditions, technological developments (which vary significantly from industry to industry), challenges related to data availability, accuracy, verifiability, changes in regulation and realisation of government plans and strategic objectives.

Climate data, models and methodologies are evolving and do not yet match the standards of financial information. The forward-looking statements should not be viewed as reliable indicators of future performance or as complete or accurate accounts of actual performance. Any forward-looking statements made speak only as of the date they are made and may require future re-evaluation. Danske Bank may have to update its methodologies or adjust its approach to ESG analysis, possibly amending, updating and recalculating its targets and assessments as market practices and data quality and availability develops. Caution must therefore be exhibited when interpreting this publication. For additional important information regarding data, models and methodologies, please see this report's appendices.

Get in touch
We welcome any comments, suggestions or questions you may have regarding our Climate Progress Report. Please write to us at sustainability@danskebank.com.

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