



Climate Strategy

Towards a low-carbon economy

At Danske Bank, we acknowledge that climate change is a global challenge that poses major environmental, economic and societal risks worldwide. According to the UN's Intergovernmental Panel on Climate Change (IPCC), the average surface temperature has risen by between 0.7 to 1.1 degrees Celsius worldwide over the past century, and consequences have already been observed across continents and oceans. Scientists and organisations such as the IPCC believe that only substantial and sustained reductions in greenhouse gases will stop global warming.

Our approach

We believe that reducing emissions can not only reduce the risks of climate change but also create new, sustainable growth and development. It is imperative that global warming be limited to less than 2 degrees Celsius, and we have endorsed this position in our commitment to the Paris Pledge for Action.

We acknowledge that the financial sector plays a role in facilitating the transition to a low-carbon economy - both directly through our own operations and indirectly through our investment, lending and procurement activities.

To support the transition to a net-zero carbon economy, we have implemented a number of measures, as listed below.

- *We are guided by international standards and principles:* Our business conduct is guided by a number of international standards and principles¹ related to climate and environmental issues.
- *We support the Task Force on Climate-related Financial Disclosures:* We are committed to integrating climate considerations into our governance, strategy, risk management, metrics, as well as into our external reporting.





- *We reduce our own carbon footprint:* Since 2009, Danske Bank has been carbon neutral, and we continue to reduce our negative impact on the environment through our environmental management system. We adjust our operations to make them more energy efficient, we purchase renewable electricity for our operations and we have joined RE100. To offset the emissions that we cannot eliminate, we purchase carbon credits.
- *We invest in green bonds and energy efficiency:* We invest in green bonds through Danske Bank Group Treasury, and we invest in energy efficiency in Danica Pension's property portfolio.
- *We consider environmental risks:* We analyse and consider environmental, social and governance (ESG) risks in our investment, lending and procurement activities.
- *We expect companies we lend to and invest in to follow international guidelines:* We expect these companies to follow internationally recognised guidelines² that specifically relate to climate change and the environment whenever relevant.
- *We provide sustainable finance opportunities:* We provide opportunities for investors to allocate capital to sustainable products and provide expertise and advice to issuers of and investors in green, social and sustainability bonds.
- *We collaborate with the finance community:* We aim to support regulators and authorities in adapting the financial regulatory frameworks and implementing relevant standards and benchmarks that facilitate the transition towards a low-carbon economy. We also support long-term international climate-related policies that cultivate a stable investment environment for a low-carbon economy.

¹ The international standards and principles are "UN Global Compact", "OECD Guidelines for Multinational Enterprises", "UN Framework Convention on Climate Change", "The Kyoto Protocol", "Rio Declaration on Environment and Development", "The Montreal Protocol on Substances that Deplete the Ozone Layer", "UNESCO World Heritage List", "Ramsar Convention", "Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)", "UN Convention on Biological Diversity" and the related "Nagoya Protocol" and "Cartagena Protocol".

² For more information on these guidelines, please refer to Danske Bank's "Climate Change Position Statement".