

Monday January 8th 2018

Danske Bank acknowledge that the financial sector plays a role in facilitating a transition to a low-carbon and sustainable economy – both directly through our own operations and indirectly through our business relationships with customers, portfolio companies and business partners.

Climate change is a challenge for society as a whole, and consequently we collaborate with the investment community in order to leverage our impact. As a result, we are signatories of several international initiatives within the climate area.

We furthermore provide sustainable investment opportunities for our customers, and measure climate footprint and carbon intensity for selected funds as well as publishing the general ESG rating for funds in general. This give our investors an insight into the overall sustainability foot-print of their investments. As a signatory to the Montreal Carbon Pledge, we are committed to publish the carbon footprint of our investment funds, which is why we disclosed the first report last year with focus on our restricted equity funds and our European Sustainable Corporate Bonds fund, see <https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/2/carbon-footprint-measurements-on-selected-funds-2016-results.pdf>. Going forward we expect to broaden the scope as data quality increases and business standards emerge.

Danske Bank has been carbon neutral since 2009 which we achieve by working on limiting our CO₂ emissions and purchasing renewable electricity as well as carbon credits. Further, we have through our Treasury department invested almost DKK 2 billion in green bonds and this year we became the second largest green bond arranger in Sweden. Danica Pension, Danske Bank Group's pension company, invests significantly in solar energy.

As pointed out in the report, client demand for climate friendly funds is increasing, but according to Swedwatch too slow. This is a challenge for the fund industry, as fund company investments to a large extend is a mirror of client demand. Funds have strict limits to the extend reallocation of investments can take place. E.g. it's imperative to invest within the fund rules, and if these are changed investors can leave the fund. That said - we see an increased client demand for sustainability, which we welcome.

We agree to the fact the ambitions needs to be high, and we will increase our focus on climate impact in our investments decisions during 2018 with several initiatives, which fits with our ambitions as well as the Swedwatch recommendation to do more.