Second-Party Opinion:

Danske Bank Group Green Finance Framework

Second-Party Opinion
Reviewed by:
MORNINGSTAR | SUSTAINALYTICS

Evaluation Summary

Evaluation Date	November 1, 2022
Issuer Location	Copenhagen, Denmark

Use of Proceeds Instruments

Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics is of the opinion that the Danske Bank Group Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021. The eligible categories for the use of proceeds – Clean Transportation; Renewable Energy; Energy and Emission Efficient Products, Solutions and Manufacturing; Green Buildings; Environmentally Sustainable Management of Living Natural Resources and Land Use; Sustainable Water and Wastewater Management; Pollution Prevention and Control; and Climate Change Adaptation – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that the eligible categories are expected to lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11, 12, 13, 14 and 15.

The UoPs contribute to the following SDGs:



Alignment with the Technical Screening Criteria of the EU Taxonomy Delegated Act

Sustainalytics has assessed the Danske Bank Group Green Finance Framework for alignment with the Technical Screening Criteria (TSC) of the EU Taxonomy. The Framework's eight use of proceeds categories map to 58 NACE activities. Sustainalytics is of the opinion that of the 58 activities, 54 align with the applicable TSC of the EU Taxonomy. Three activities were determined to be partially aligned, and one category to be not aligned. Three of the Framework's use of proceeds categories were not assessed at this time. For more details, refer to Table 1. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards. The Framework activities were not assessed for their alignment with the Do No Significant Harm (DNSH) criteria of the EU Taxonomy in this report. Nevertheless, Danske Bank has communicated to Sustainalytics that since most of the financed portfolio will be located in Nordic countries, the Bank expects to meet the respective DNSH criteria that are based on EU laws and regulations. For DNSH criteria that do not reference EU laws and regulations, there is currently insufficient information available as to how assets meet the criteria.

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Scope of Work and Limitations

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[1] opinion on the alignment of the Danske Bank Group Green Finance Framework (the "Framework") with current market standards. As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021 and Green Loan Principles 2021[2,3] (the "Principles");
- The use of proceeds criteria alignment with the Technical Screening Criteria of the EU Taxonomy June 2021 Delegated Act;[4] and
    - The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

As part of this engagement, Sustainalytics held conversations with various members of Danske Bank's management team to understand the sustainability impact of their business processes and the core components of the Framework. Danske Bank representatives have confirmed that:

(1) They understand it is the sole responsibility of Danske Bank to ensure that the information provided is complete, accurate and up to date;

(2) They have provided Sustainalytics with all relevant information; and

(3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Danske Bank.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Upon twenty-four (24) months following the evaluation date set stated herein, Danske Bank is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

For use of proceeds instruments, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics' expertise as an ESG research provider. The Second-Party Opinion:

- addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.
- opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond or loan proceeds towards eligible activities

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Danske Bank has made available to Sustainalytics for the purpose of this Second-Party Opinion.

[1] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.
[2] The Green Bond Principles and Guidelines are administered by the International Capital Market Association and are available at: https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/
[3] The Green Loan Principles and Guidelines are administered by the Loan Market Association and Loan Syndications and Trading Association, and are available at: https://www.lsta.org/content/?_industry_sector=guidelines-memos-primary-market
[4] EU, "Commission Delegated Regulation (EU) 2021/2139", (2021), at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139&from=EN

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Introduction

Danske Bank Group ("Danske Bank", the "Bank", the "Issuer" or the "Group") provides various banking services and products to small and medium enterprises and personal, corporate and institutional clients. Headquartered in Copenhagen, Denmark, the Bank operates 245 branches in Nordic countries, the United Kingdom and internationally.

Danske Bank has developed the Danske Bank Group Green Finance Framework dated November 2022 (the "Framework"), under which its subsidiaries, Danske Bank A/S, Realkredit Denmark A/S, Danske Hypotek AB and Danske Mortgage Bank Plc, intend to issue green finance instruments, which may include senior unsecured debt, non-preferred senior debt, covered bonds, medium-term notes and commercial papers. The proceeds will be used to finance or refinance, in whole or in part, existing or future projects that are expected to reduce GHG emissions, limit pollution and enhance resilience to climate change in Nordic countries. The Framework defines eligibility criteria in eight green areas:

1. Clean Transportation
2. Renewable Energy
3. Energy and Emission Efficient Products, Solutions and Manufacturing
4. Green Buildings
5. Environmentally Sustainable Management of Living Natural Resources and Land Use
6. Sustainable Water and Wastewater Management
7. Pollution Prevention and Control
8. Climate Change Adaptation

Danske Bank engaged Sustainalytics to review the Framework, which is an update of its Green Bond Framework dated June 2021, and to provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)[5] and the Green Loan Principles 2021 (GLP).[6] The Framework will be published in a separate document.[7]

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of the Framework with Relevant Market Standards

Alignment of bonds and loans with Use of Proceeds Principles

Sustainalytics is of the opinion that the Danske Bank Group Green Finance Framework is credible, impactful and aligns with the Green Bond Principles 2021 and Green Loan Principles 2021 (the "Use of Proceeds Principles"). For detailed information, please refer to Appendix 3 Green Finance/Green Finance Programme External Review Form. Sustainalytics highlights the following elements of the Framework.



Use of Proceeds

Overall Assessment of Use of Proceeds

Under the Framework, Danske Bank intends to use proceeds for project-based lending, only in selected cases, and on a limited basis may provide general-purpose loans for pure-play businesses that derive 90% of their revenue from activities identified in the eligible categories. Sustainalytics acknowledges that the GBP favour

[5] The Green Bond Principles are administered by the International Capital Market Association and are available at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf

[6] The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: https://www.lsta.org/content/green-loan-principles/

[7] Danske Bank, "Danske Bank Group Green Bond Framework", (2022), at: https://danskebank.com/sustainability.

project-based lending and financing, which generally provide more transparency than non-project-based lending, but notes that financing pure-play companies through green bonds is commonly accepted in the market as an approach that can generate positive impact.

Use of Proceeds	Activity	Classification	Sustainalytics' Assessment
Clean transportation	Low carbon transportation	Green	- Financing of low-carbon transport, including: (i) fully electrified buses, trucks, trains, personal mobility devices and cars; (ii) personal transportation vehicles with an emissions threshold of <50 gCO_2/km until December 2025 - Sustainalytics notes that transportation activities that are dedicated to the transport of fossil fuels are excluded from the Framework. This is in line with market practice.
	Inland Water Passenger Water Transport	Green/Transition	- Inland passenger vessels with zero direct (tailpipe) CO_2 emissions. This is in line with market practice. - Until 31 December 2025, hybrid and dual-fuel vessels that derive at least 50% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operations - Sustainalytics classifies the financing of inland passenger water vessels that are powered at least partially by fossil fuels as a transition activity and recognizes that the financing of less emission-intensive vessels contributes to reducing emissions in comparison with traditional water transport vessels. - Furthermore, Sustainalytics notes that Danske Bank's criteria under this category are aligned with the TSC of the EU Taxonomy Climate Delegated Act for inland passenger water transport'.
	Low-carbon transportation infrastructure	Green	- Low-carbon transport infrastructure such as electric-vehicle charging stations, hydrogen-based fuelling stations and electrified railways that enable the use of electric or hydrogen-powered private, public and freight transportation - This is in line with market practice.
	Manufacture of low-carbon vehicles	Green	- Manufacture of fully electrified transport modes such as electric buses, trucks, vessels, trains, personal mobility devices or passenger cars - This is in line with market practice.
	Manufacture and retrofit of sea and coastal vessels	Transition	- Investments in the manufacture of sea and coastal vessels with a dual-fuel engine not dedicated to transporting fossil fuels and that are designed for operation with hydrogen or hydrogen-derived synthetic fuels such as methanol or ammonia - Sustainalytics notes that Danske Bank will finance low-carbon fuel ships, which ensures compliance with the TSC for the 'manufacture of low-carbon technologies for transport.[8]
Renewable energy	Wind energy	Green	- Investment in offshore and onshore wind energy generation projects - This is in line with market practice.
	Solar energy	Green	- Financing of solar photovoltaic and concentrated solar power (CSP) projects - Sustainalytics notes that more than 85% of electricity generated from CSP will be sourced from solar energy. - This activity is aligned with market practice.
	Hydro power	Green	- Investment in hydropower projects with: (i) run-of-river facilities without an artificial reservoir; (ii) a power density

[8] European Commission, "ANNEX to the Commission Delegated Regulation (EU)", (2021), at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

			above 5 W/m^2; or (iii) life cycle emissions below 100 gCO_2e/kWh - Sustainalytics encourages Danske Bank to favour projects with an emissions intensity below 50 gCO_2e/kWh. Given the longevity of hydropower assets, newly constructed facilities effectively lock in energy generation for an extended period, and it is desirable to have a threshold lower than 100 gCO_2e/kWh for new facilities. - Sustainalytics notes that the financing of hydropower projects will be restricted to the Nordic region, and new hydropower projects will be subject to an environmental and social risk assessment that ensures no significant risk, negative impact or controversy related to the projects that are identified. - This activity is in line with market practice.
	Bio energy	Green	- Financing of facilities that produce bioenergy[9] for transport with a life cycle emissions threshold that is at least 65% lower than fossil fuel baselines[10] - Financing of facilities that utilize bioenergy to generate electricity or heat that are limited to thresholds outlined by the EU Taxonomy Climate Delegated Act - Sustainalytics notes that the Framework excludes biomass derived from sources of high biodiversity, competing with food production or depleting carbon pools. Sustainalytics notes that the Framework indicates a preference for loan recipients to demonstrate supply chain certifications, including the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), the Sustainable Biomass Partnership (SBP) or the Roundtable on Sustainable Biomass (RSB). - This is in line with market practice.
	Geothermal energy	Green	- Financing of geothermal power plants and geothermal heating or cooling systems with life cycle emissions lower than 100 gCO_2/kWh - This is in line with market practice.
	Ocean energy	Green	- Financing of wave or tidal energy facilities - This is in line with market practice.
	Ambient and waste energy	Green	- Investment in the installation and operation of electric heat pumps and the production of heating and cooling using waste heat - Danske Bank has confirmed to Sustainalytics the exclusion of waste heat derived from fossil fuel operations. - This is in line with market practice.
	Hydrogen	Green	- Financing the production of green hydrogen and green hydrogen-based synthetic fuels. Danske Bank has confirmed to Sustainalytics that the production will be limited to one of the following: (i) by electrolysis powered by renewables; (ii) using 100% sustainably sourced biomass; or (iii) using CO_2 sourced from non-fossil fuel operation. - This activity is aligned with market practice.
	Energy transmission	Green	- Financing of the following energy transmission infrastructure: o Infrastructure dedicated to the transmission of renewable electricity from the production facility to the electric grid o Electric grids that: (i) are a part of the interconnected European power grid and its subordinate systems; (ii) have an average

[9] Refers to biofuel or biogas.

[10] Fossil fuel baseline set out in Annex V to Directive (EU) 2018/2001.

			emissions threshold below 100 gCO_2e/kWh; or (iii) have two-thirds of newly connected generation capacity below the emissions threshold over a five-year rolling period. ○ Smart grids, storage facilities, metering systems and other intelligent electricity systems that can be employed to manage the intermittency of renewable energy production ○ Infrastructure to improve the cross-border connection of national power systems to increase the utilization of renewable electricity generated ○ Tools to measure and reduce energy losses and increase system security ○ District heating and cooling infrastructure where the distribution network is primarily (>50%) powered by renewables, waste heat or both ○ Infrastructure dedicated to the transmission of hydrogen, including the conversion of existing natural gas networks - For investments in transmission and distribution systems, the Framework intends to finance either specific projects with quantifiable energy efficiency benefits[11] or systems that comply with the criteria of the EU Taxonomy.[12] Sustainalytics considers the expansion and maintenance of resilient electricity grids broadly to be supportive of positive environmental outcomes and recognizes that Danske Bank's criteria align with the EU Taxonomy. Nevertheless, Sustainalytics views that it has become common practice in the market to finance the transmission and distribution of assets employed predominantly to transmit or enable the use of renewable energy. Therefore, not requiring assets to align with emissions intensity thresholds or transition trajectories represents a deviation from common practice that may allow for the financing of the transmission of carbon-intensive energy. However, financing will be mainly in Nordic countries, where electricity production is two-thirds renewable. - For expenditures related to distribution networks dedicated to hydrogen,[13] financing will include the conversion and repurposing of existing natural gas pipelines to 100% hydrogen with leak detection and repair to reduce methane leakage[14]. Sustainalytics notes that this is aligned with the TSC of the EU Taxonomy Climate Delegated Act.
	Energy storage	Green	- Energy storage solutions for electricity, thermal energy and hydrogen, which may include: (i) battery systems, (ii) pumped hydrogen storage through electrolysis powered by renewables, (iii) underground thermal energy storage, or (iv) conversion of existing underground gas storage facilities to dedicated hydrogen-storage solutions. - This is in line with market practice.

[11] Benefits will include reduced technical losses and improved energy efficiency. Sustainalytics encourages Danske Bank to report on the quantitative benefits achieved with the financing.

[12] As per the EU Taxonomy Delegated Act, grids must either: (i) have an emissions intensity of more than 67% of newly enabled generation capacity not exceeding 100 gCO_2e/kWh; (ii) have an average system grid emission factor that does not exceed 100 gCO_2e/kWh; or (iii) be part of the interconnected European system.

[13] Danske Bank has confirmed to Sustainalytics that pipelines financed under the Framework will no longer be used for the distribution of fossil fuels including natural gas.

[14] The repurposed pipelines will not used for the distribution of natural gas but synthetic methane that will be used as a carrier for green hydrogen.

	Manufacture of renewable energy technologies	Green and Transition	- Manufacture of renewable energy technologies, which may include: (i) equipment for renewable energy generation, (ii) equipment dedicated to the production and use of hydrogen and hydrogen-based fuels, or (iii) rechargeable batteries, battery packs and accumulators for transport, storage and other industrial processes. - Danske Bank has clarified that the Bank does not exclude financing the manufacture of batteries and accumulators specifically designed for heavy industries. Sustainalytics considers such expenditure to be suitable for transition finance. - Danske Bank has confirmed the exclusion of the manufacture of batteries and accumulators dedicated for use by fossil fuel operations. Sustainalytics notes that this is aligned with the TSC of the EU Taxonomy Climate Delegated Act.
Energy and emission efficient products, solutions and manufacturing	Manufacturing of building energy efficiency equipment and solutions	Green	- Financing of building envelope components including: (i) windows and doors that meet the insulation requirements specified in the EU Taxonomy Climate Delegated Act; (ii) household appliances, such as cooling, household heating, ventilation or hot-water systems that comply with the top two EU energy efficiency classes; (iii) electric heat pumps and district heating exchangers; or (iv) energy-efficient building automation, metering, thermostat and control solutions - Sustainalytics notes that Danske Bank's reliance on EU energy labels to define eligibility in this category is consistent with the EU Taxonomy Climate Delegated Act.
	Data management and solutions	Green	- Financing the energy-efficient operation of data centres according to the European Code of Conduct on Data Center Energy Efficiency. Sustainalytics notes that although the European Code of Conduct on Data Center Energy Efficiency defines power usage effectiveness (PUE) of data centres as a KPI that should be reported on for energy use and environmental data, it does not set minimum PUE targets. Sustainalytics views PUE values to be important for assessing environmental performance of data centres and considers PUE below 1.5 to be a credible target for the financing of data centres. - Financing of ICT solutions used for the provision of data and analytics that enable GHG emission reduction - Sustainalytics notes that data centres are inherently energy intensive and that Danske Bank intends to finance the installation of energy-efficient systems, hardware and technologies in data centres with the purpose of reducing overall GHG emissions and improving energy performance. Sustainalytics encourages the Bank to monitor and report on improvements in energy carbon performance that results from such installations. - Sustainalytics notes that Danske Bank's criteria under this category are aligned with the EU Taxonomy Climate Delegated Act.
	Manufacturing of Cement	Transition	- Investment in the manufacture of cement using carbon capture and storage technology. - Danske Bank intends to finance carbon-neutral manufacturing processes and will ensure compliance with TSC of the EU Taxonomy Climate Delegated Act for the manufacture of cement.[15]

[15] European Commission, "ANNEX to the Commission Delegated Regulation (EU)", (2021), at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

			- Sustainalytics views the financing of facilities that comply with credible decarbonization pathways throughout the entire lifetime of the facility as a credible transition activity.[16] Sustainalytics further notes that assurance of the credible transition of these activities lies with the entities carrying out the activity and, therefore, encourages the Issuer to have clear processes in place to engage with recipients of such support to ensure that they have a credible transition strategy and pathway in place.
	Manufacturing of Aluminium	Green	- Investment in the manufacturing of secondary aluminium - This is aligned with market practice. - Sustainalytics notes that Danske Bank's criteria are aligned with the TSC of the EU Taxonomy Climate Delegated Act for the manufacture of aluminium.[17]
	Manufacturing of Iron and Steel	Green	- Investment in the manufacture of steel using green hydrogen. Danske Bank has confirmed to Sustainalytics that financing will be limited to steel production through direct reduced iron (DRI) using renewable biogas or green hydrogen with an electric arc furnace (EAF), which Sustainalytics notes as appropriate for green financing. - Danske Bank's criteria are limited to steel production using green hydrogen, and activities financed will align with the TSC of the EU Taxonomy Climate Delegated Act for the manufacture of iron and steel.[18]
	Manufacturing of Anhydrous Ammonia	Green	- Investment in the manufacture of ammonia produced from hydrogen through electrolysis powered by renewables - This is in line with market practice.
	Manufacturing of Plastics	Green	- Manufacturing of plastics from fully mechanically recycled plastic waste or renewable feedstock, such as certified biomass, industrial or municipal bio-waste - Sustainalytics notes that financing under this category may include consumer products intended for single use, which represents a deviation from what Sustainalytics considers to be good practice for the manufacture of plastic products. - Additionally, Sustainalytics notes that Danske Bank's criteria are aligned with the TSC of the EU Taxonomy Climate Delegated Act for the manufacture of plastics.[19]
Green buildings	Construction of new buildings	Green	- The construction of new buildings that have received or are expected to achieve one of the following: o LEED Gold, BREEAM Excellent, Miljöbyggnad Silver, DGNB Gold, The Nordic Swan Ecolabel certification or RTS 3 stars or o The net primary energy demand is at least 10% lower than the primary energy demand resulting from the relevant Nearly Zero Energy Buildings (NZEB) requirements or the national building code for jurisdictions where the NZEB thresholds are not yet defined. - This is in line with market practice.
	Acquisition and ownership of buildings	Green	- The acquisition and ownership of buildings that comply with one of the following: o For buildings built after 31 December 2020, the net primary energy demand is at least 10% lower than the primary energy demand resulting from the relevant NZEB requirements or the national

[16] Transition Pathway Initiative, "Cement", at: https://www.transitionpathwayinitiative.org/sectors/cement
[17] European Commission, "ANNEX to the Commission Delegated Regulation (EU)", (2021), at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf
[18] Ibid.
[19] Ibid.

			building code for jurisdictions where the NZEB thresholds are not yet defined. ○ Buildings built before 31 December 2020 that have an Energy Performance Certificate (EPC) rating of A or are otherwise deemed to belong to the top 15% of energy-performing buildings in the relevant area or ○ The building has received or is expected to achieve LEED Gold, BREEAM Excellent, Miljöbyggnad Silver, DGNB Gold, Nordic Swan Ecolabel certification or RTS 3 stars - This is in line with market practice.
	Major renovations	Green	- Major renovations or retrofits that lead to at least a 30% reduction in the primary energy demand per heated square metre per year (kWh/m^2/year).[20] - This is in line with market practice.
	Individual installations	Green	- Financing of individual installations related to energy-efficient equipment, building envelope components, on-site renewable energy generation, electric-vehicle charging stations or equipment used to monitor energy performance - This activity is aligned with market practice.
Environmentally sustainable management of living natural resources and land use	Forests, forestry and wetlands	Green	- Financing of forest land certified by recognized third-party certification schemes, including the FSC or the PEFC - Sustainalytics is of the opinion that the certification schemes selected for forestry are robust and credible and that this activity is aligned with market practice.
	Agriculture	Green	- Financing of organic agriculture - Sustainalytics notes Danske Bank's reliance on the EU organic label (2018/848) to define eligible organic agriculture under this activity as aligned with market practice.
	Fishery and aquaculture	Green	- Financing of fisheries certified by recognized third-party certification schemes, including the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC) or Global G.A.P. Aquaculture certification. - Sustainalytics is of the opinion that the above certification schemes selected for fisheries are robust and credible and that this activity is aligned with market practice.
	Alternative Proteins	Green	- Investment in the production of plant-based or fermented meat and R&D on cultivated meat - Danske Bank has confirmed to Sustainalytics that under the Framework, Danske Bank will limit financing to activities according to the following eligibility criteria: (i) evidence of life cycle GHG emissions being significantly lower than their meat counterparts; and (ii) production that procures raw materials from certified sustainable sources. - Investment in the production of fermented meat with significantly lower GHG emissions compared to plant and animal production - Danske Bank has confirmed that R&D on cultivated meat will be limited to 10% of net proceeds per issuance. - This is in line with market practice.
Sustainable water and wastewater management	Water and Wastewater infrastructure	Green	- Financing the improvement of water quality or water efficiency through the distribution, conservation and treatment of water, rainwater or wastewater - Sustainalytics notes that Danske Bank has confirmed that treatment of wastewater from fossil fuel operations is excluded. - This is in line with market practice.

[20] The baseline used for project appraisal will refer to the annual consumption before the renovation or retrofit was undertaken.

Pollution prevention and control	Waste management	Green	- Financing of the following waste management activities: o Recycling of non-hazardous waste with the purpose of reuse o Material recovery that converts at least 50% of collected and separated non-hazardous waste into secondary raw materials o Remediation and decommissioning activities o Anaerobic digestion of biowaste,[21] sewage sludge and composting of biowaste utilized for the production of biogas or chemicals or o Facilities dedicated to the pyrolysis of biological waste to produce biochar - Sustainalytics notes that the anaerobic digestion of biowaste excludes waste derived from fossil fuel operations. - Regarding remediation and decommissioning activities, Danske Bank has clarified to Sustainalytics that the activities financed will not be related to the contamination or negative environmental externality from the borrowers' own activities. - This is aligned with market practice.
	Emissions management	Transition	- Financing dedicated to the transport and storage of captured CO_2 where: (i) the CO_2 transported from the installation where it is captured to the injection point does not lead to CO_2 leakages above 0.5% of the mass of CO_2 transported; (ii) the CO_2 is delivered to a permanent CO_2 storage site that meets the criteria for underground geological storage of CO_2 or to other transport modalities which lead to permanent CO_2 storage site that meet those criteria; and (iii) appropriate leak detection systems are applied and a monitoring plan is in place, with the report verified by an independent third party - Sustainalytics notes that Danske Bank's criteria are aligned with the TSC of the EU Taxonomy Climate Delegated Act for the transport of CO_2 and underground permanent geological storage of CO_2.
Climate change adaptation	Climate Change Adaptation	Green	- Financing of projects that aim to reduce the adverse impacts of climate change by advancing adaptive capacity and resilience. Projects may include climate monitoring technologies and information support systems or infrastructure designed to provide protection against flooding, such as storm-water management, retention berms, reservoirs or sluice gates. - Sustainalytics notes that the Bank will conduct adequate climate change vulnerability assessments and develop necessary adaption plans prior to implementing any project. - This is in line with market practice.



Project Evaluation and Selection

- Potential green loans are evaluated either through an automated process if they meet predefined criteria, or by Danske Bank's sustainability experts who assess their alignment with the green loan categories and environmental benefits.
- The final decision on the selection of green loans is made by Danske Bank's Green Bond Committee (GBC), which approves green loans, excludes green loans that no longer meet the eligibility criteria or are associated

[21] Biowaste is defined according to the EU Waste Framework Directive.
European Commission, "Waste Framework Directive" at: https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

with controversies, monitors the allocation of green bond net proceeds and maintains and updates the Danske Bank Group Green Finance Framework. Moreover, the GBC takes the EU Taxonomy-linked DNSH criteria into account on a best-effort basis throughout the evaluation process. The GBC, chaired by the Danske Bank Group Head of Treasury, consists of representatives from the Bank's Sustainable Finance, Societal Impact and Sustainability and Risk Management functions and meets on a bi-monthly basis. Sustainalytics considers representation on Danske Bank's GBC from key sustainability departments to be an advantage.

- Regarding its lending activities, Danske Bank applies an ESG risk assessment. At the customer level, this assessment is conducted by relationship managers using a digital system to identify each customer's ESG risk level. At the portfolio level, the risk assessment is carried out through defined limits and tolerances. For additional details, please see Section 2.
- Based on the establishment of a formal committee and risk management processes, Sustainalytics considers this process to be in line with market practice.



Management of Proceeds

- An amount of green loans equivalent to or exceeding the net proceeds from its outstanding green bonds will be earmarked for eligible projects. Danske Bank uses dedicated green registries to keep track of the green loans per issuing entity and net proceeds from the respective entities' green bond issuance on a portfolio basis. The Group's treasuries will be responsible for overseeing this process.
- The proceeds from the instruments issued under the Framework will be used to finance green loans or repay green bonds across Danske Bank's entities. Pending allocation, unallocated proceeds will be invested in Danske Bank's treasury liquidity portfolio in cash or other short-term and liquid instruments. Danske Bank intends to allocate all proceeds at the time of issuance.
- Based on the use of an internal tracking register and the oversight of the management of green loans, Sustainalytics considers this process to be in line with market practice.



Reporting

- Danske Bank intends to report annually and per issuing entity on the allocation of proceeds on its website until the issuing entity's green bonds have matured. The allocation reporting will include a summary of general green bond developments, the outstanding amount of green bonds, the total allocation of green bond net proceeds to each green loan category, the balance of green loans in the green registries and the estimated EU Taxonomy Climate Delegated Act eligibility and alignment of green loans.
- In addition, Danske Bank is committed to reporting on relevant environmental impact metrics, including the number of low-carbon vehicles, GHG savings (in tonnes per year), renewable energy generation (in MWh per year), installed renewable energy capacity (in MW), energy transmitted (in MWh per year), amount of enabled energy savings of manufactured components, forest areas (in hectares) and obtained certification schemes. For a complete list of impact indicators, please refer to Appendix 3 Green Bond/Green Bond Programme External Review Form.
- Based on the commitments to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Technical Screening Criteria of the EU Taxonomy Climate Delegated Act and Minimum Safeguards

Sustainalytics has assessed each of the Framework's eligible green use of proceeds criteria against the relevant TSC in the EU Taxonomy and determined their alignment with each of the taxonomy's three sets of requirements. The results of this assessment are as follows:

1. Technical Screening Criteria (TSC)
   - Sustainalytics assessed the eligible green criteria outlined in the Framework, mapping them to 58 NACE activities (see Table 1 below). Among those, 54 activities were determined to be aligned with the applicable TSC of the EU Taxonomy. Three activities were assessed to be partially aligned and one activity to be not aligned.
   - The criteria in three other categories in Danske Bank's Framework were not assessed at this time.
2. Do No Significant Harm (DNSH) criteria
   - The Framework's activities were not assessed for their alignment with the DNSH of the EU Taxonomy in this report. Nevertheless, Danske Bank has communicated to Sustainalytics that, that since most of the financed portfolio will be located in Nordic countries, the Bank expects to meet the respective DNSH where the criteria are based on EU laws and regulations. For DNSH criteria that do not reference EU laws and regulations, there is currently insufficient information available on how assets meet respective criteria.
3. Minimum Safeguards
   - Based on a consideration of the policies and management systems applicable to Framework criteria and the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.
   - For Sustainalytics' assessment of alignment with the Minimum Safeguards, see Section 2 below.

Table 1 below provides an overview of the alignment of the Danske Bank Group Green Finance Framework with the TSC criteria for the corresponding NACE activities in the EU Taxonomy.

Table 01: Summary of Alignment of Framework criteria with the Technical Screening Criteria of the EU Taxonomy

Activity	Alignment with Technical Screening Criteria
	Mitigation
Passenger interurban rail transport	■
Freight rail transport	■
Urban and suburban transport, road passenger transport	■
Operation of personal mobility devices, cycle logistics	■
Transport by motorbikes, passenger cars and light commercial vehicles	■
Freight transport services by road	■
Inland passenger water transport	■
Sea and coastal passenger water transport	■
Infrastructure for personal mobility, cycle logistics	■

Infrastructure for rail transport	■
Infrastructure enabling low-carbon road transport and public transport	■
Infrastructure enabling low carbon water transport	■
Manufacture of low carbon technologies for transport	■
Electricity generation from wind power	■
Electricity generation using solar energy	■
Electricity generation using concentrated solar power (CSP)	■
Electricity generation from ocean energy technologies	■
Electricity generation from hydropower	■
Manufacture of biogas and biofuels for use in transport and of bioliquids	■
Cogeneration of heat/cool and power from bioenergy	■
Production of heat/cool from geothermal energy	■
Cogeneration of heat/cool and power from geothermal energy	■
Production of heat/cool from geothermal energy	■
Installation and operation of electric heat pumps	■
Production of heat/cool using waste heat	■
Manufacture of hydrogen	■
Transmission and distribution of electricity	■
Transmission and distribution networks for renewable and low-carbon gases	■
District heating/cooling distribution	■
Storage of electricity	■
Storage of thermal energy	■
Storage of hydrogen	■
Manufacture of renewable energy technologies	■
Manufacture of equipment for the production and use of hydrogen	■
Manufacture of batteries	■
Manufacture of energy efficiency equipment for buildings	■
Data processing, hosting and related activities	■
Data-driven solutions for GHG emissions reduction	■
Manufacture of cement	■
Manufacture of aluminium	■

Manufacture of iron and steel	■
Manufacture of anhydrous ammonia	■
Manufacture of plastics in primary form	■
Construction of new buildings	◘
Acquisition and ownership of buildings	◘
Renovation of existing buildings	■
Installation, maintenance and repair of energy efficiency equipment	■
Installation, maintenance and repair of charging stations for electric vehicles	■
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	■
Installation, maintenance and repair of renewable energy technologies	■
Collection and transport of non-hazardous waste in source segregated fractions	◘
Anaerobic digestion of sewage sludge	■
Anaerobic digestion of bio-waste	■
Composting of bio-waste	■
Material recovery from non-hazardous waste	■
Transport of CO_2	■
Underground permanent geological storage of CO_2	■
Environmentally sustainable management of living natural resources and land use	Not assessed at this time with the exception of Forest management[22]
Forest management	☒
Sustainable water and wastewater management	Not assessed at this time[23]
Climate change adaptation	Not assessed at this time [24]

[22] The Framework includes eligibility criteria for agriculture, fishery, aquaculture and alternative proteins. Sustainalytics notes that, as of October 2022, with the exception of forest management, there are no TSC for activities related to these activities and hence no assessment was provided.

[23] For the activities including water and wastewater infrastructure, Danske Bank has opted to not have these areas assessed at this time for alignment with the TSC of the EU Taxonomy Delegated Act for Climate Change Mitigation as these projects are rather aimed at having a positive environmental impact on sustainable water management.

[24] Danske Bank has indicated that it will use the criteria for climate change adaptation in the EU Taxonomy Climate Delegated Act as a reference for eligibility under this category, however, the Bank has not yet identified eligible projects to include in its portfolio. Sustainalytics notes that large infrastructure projects such as flood risk prevention and storm-water management are not covered under the EU Taxonomy Climate Delegated Act. Therefore, Sustainalytics has not assessed this category against the EU Taxonomy Climate Delegated Act.

Legend	
Aligned	■
Partially aligned	◘
Not aligned	☒
No applicable criteria for this Objective and/or Activity	–

Section 2: Assessment of Danske Bank's Sustainability Strategy

Credibility of Danske Bank's Sustainability Strategy

Danske Bank has developed a Group Sustainability Strategy that guides its approach to doing business in a sustainable manner, with the aim to foster sustainable progress and a positive impact in the markets where it operates. The strategy identifies six focus areas: (i) sustainable finance, (ii) entrepreneurship, (iii) financial confidence, (iv) governance and integrity, (v) employee well-being and diversity, and (vi) environmental footprint.[25]

Accelerating sustainable finance is at the core of Danske Bank's efforts to advance sustainability.[26,27] In this regard, the Bank integrates sustainability factors into its own finance and investment processes, as outlined by its Sustainable Finance Policy and Responsible Investment Policy.[28,29] Danske Bank has also developed position statements on how to support sustainability across a range of thematic issues, including agriculture, climate change and forestry.[30] As part of its 2023 targets, Danske Bank aims to increase the volume of sustainable finance, including granted green loans and arranged sustainable bonds above more than DKK 300 billion (EUR 40 billion).[31] Moreover, as part of its 2030 targets, Danske Bank aims to invest DKK 150 billion (EUR 20 billion) in funds with sustainable investment objectives.[32]

Furthermore, Danske Bank has set carbon emission reduction targets related to its lending, asset management and asset ownership activities. By 2030, the Bank aims to reduce carbon emissions in its lending portfolio for shipping by 20-30% per unit transported, for oil and gas production by 50%, and for utilities by 30% per kWh of power and heat generation against a 2020 baseline.[33,34] In support of its commitment towards becoming net zero by 2050 or sooner, Danske Bank joined the Net Zero Asset Owner Alliance in June 2020, the Net-Zero Asset Managers Initiative in March 2021 and the Net-Zero Banking Alliance in October 2021.[35]

Sustainalytics is of the opinion that the Framework is aligned with Danske Bank's overall sustainability objectives and targets and will further the Bank's action on its key environmental priorities.

Danske Bank's Environmental and Social Risk Management

Sustainalytics recognizes that an amount equivalent to the net proceeds from the green financing instruments issued under the Framework will be allocated to eligible projects that are anticipated to have a positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key

[25] Danske Bank, "Sustainability Report", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/2/sustainability-report-2021.pdf?rev=e0836930aaac4023b6c3f6ee664dc9e2.
[26] Ibid.
[27] Danske Bank, "Sustainable finance" at: https://danskebank.com/sustainability/sustainable-finance.
[28] Danske Bank, "Sustainable Finance Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/11/sustainable-finance-policy.pdf?rev=0546316b3ff94e278b97073b0a03844c.
[29] Danske Bank, "Responsible Investment Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2016/10/responsible-investment-policy.pdf?rev=17788c01593e4b598867cb0d368181cd.
[30] Danske Bank, "Publications & Policies" at: https://danskebank.com/sustainability/publications-and-policies.
[31] Danske Bank, "Sustainable finance" at: https://danskebank.com/sustainability/sustainable-finance.
[32] Ibid.
[33] Danske Bank, "Danske Bank sets 2030 targets for CO_2 reduction in loan portfolio", (2022), at: https://danskebank.com/news-and-insights/news-archive/press-releases/2022/pr02022022.
[34] Danske Bank, "Sustainability Report", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/2/sustainability-report-2021.pdf?rev=e0836930aaac4023b6c3f6ee664dc9e2.
[35] Ibid.

environmental and social risks possibly associated with the eligible projects could include financial risks related to predatory lending and financial crime; the labour and environmental practices of the borrowers; land use and biodiversity loss; disruption of ecosystems; effluents and waste generated in construction; pollutants to land, air and water; occupational health and safety (OHS); and community relations.

Sustainalytics is of the opinion that Danske Bank is able to manage and mitigate potential risks by implementing the following:

- Tackling financial risks, land use and biodiversity loss, disruption of ecosystems, effluents and waste generated in construction, pollutants to land, air and water, OHS and community relations, Danske Bank's investment and financing activities are required to align with the Sustainable Finance Policy.[36,37] The Sustainable Finance Policy lays out principles for sustainable finance and governs the Bank's efforts to meet the strategic ambitions on sustainability laid out in the Sustainability Strategy.[38]
- Regarding the labour and environmental practices of borrowers, land use and biodiversity loss, disruption of ecosystems, effluents and waste generated in construction, pollutants to land, air and water, OHS and community relations, Danske Bank enhanced its risk management framework in 2021 in order to reflect the converging management of sustainability and to outline roles and responsibilities in accordance with the principles of the three-lines-of-defence model.[39] In this context, Danske Bank assesses ESG risks pertinent to its business customers, as part of its lending activities, both at the individual and the portfolio level. Moreover, in cases where the assessment shows non-compliance with corporate policies, an engagement process is launched which is aimed at achieving compliance with Group standards.[40] Should the recipient of a loan not remediate the deficiencies, the Bank reserves the right to terminate the credit agreement. The Bank's position statements related to climate change, agriculture, forestry and human rights outline additional measures specific to each thematic issue. Additionally, these position statements outline key expectations of customers, including the expectation that clients conduct environmental impact assessments when securing financing for large-scale projects.
- Addressing land use and biodiversity loss, disruption of ecosystems, effluents and waste generated in construction, and pollutants to land, air and water, Danske Bank applies a climate-related risk assessment in line with the climate scenario analysis recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD).[41,42] As part of this approach, Danske Bank assesses physical and transition risks, analyzes related risk data, identifies financial impacts and develops risk management actions.[43] Furthermore, Denmark, Finland, Norway, Sweden and the UK are classified as Designated Countries by the Equator Principles, implying the presence of robust environment and social governance systems, legislation and institutional capacity for protecting the environment and communities.[44]

Additionally, Sustainalytics notes that Danske Bank faced allegations that it violated anti-money laundering (AML) rules in its Estonian operations during the 2007-15 period, which is further outlined in the EU Taxonomy's Minimum Safeguards section below.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Danske Bank is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible category.

[36] Danske Bank, "Responsible Investment Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2016/10/responsible-investment-policy.pdf?rev=17788c01593e4b598867cb0d368181cd.
[37] Danske Bank, "Sustainable Finance Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/11/sustainable-finance-policy.pdf?rev=0546316b3ff94e278b97073b0a03844c.
[38] Danske Bank, "Strategic direction", at: https://danskebank.com/sustainability/strategic-direction
[39] Danske Bank, "Risk Management", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/2/risk-management-2021.pdf?rev=4e2c05257a3b48fb81fe8b4ba3f50bae.
[40] Danske Bank, "Position Statement Climate Change", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/5/danske-bank-position-statement-climate-change.pdf?rev=a658653e8d7843ff898ea590b4fcf24f.
[41] TCFD, "Recommendations of the Task Force on Climate-related Financial Disclosures", (2017), at: https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf
[42] Danske Bank, "Climate and TCFD progress update", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2021/6/climate-and-tcfd-progress-update---june-2021.pdf?rev=ef353f19f899462eb861c16dbbe123e5&hash=AE2E67322BE2FE0392BC6D6DC4C1125C.
[43] Ibid.
[44] Equator Principles, "Designated & Non-Designated Countries", at: https://equator-principles.com/designated-countries/

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that organizations have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should be in compliance with the International Labour Organization Declaration on Fundamental Rights and Principles at Work.

Human and Labour Rights

Danske Bank has implemented the following policies and procedures aimed at ensuring human and labour rights:

- As outlined in the Bank's Responsible Investment Policy, Danske Bank's lending practices incorporate international principles to encourage the safeguarding of human and labour rights: (i) the 2030 Agenda and the UN Sustainable Development Goals, (ii) the UN Global Compact, (iii) the OECD Guidelines for Multinational Enterprises, (iv) the UN Guiding Principles on Business and Human Rights, (v) the UN-supported Principles for Responsible Investments (UNPRI), (vi) the UN Environmental Program Finance Initiative (UNEP FI), (vii) the Universal Declaration of Human Rights, and (viii) the ILO Declaration of Fundamental Principles of Rights at Work.[45]
- The Bank has developed two position statements that address human rights and modern slavery specifically. The approach towards human rights outlined in the position statements is to identify, assess and address potential and actual adverse human rights impact, and tackle human rights risks related to employees, suppliers, customers and investments.[46] Danske Bank recognizes the UK Modern Slavery Act 2015 and supports its objective to eradicate forced labour and human trafficking by improving business practices, such as lending, investments, procurement and compliance to combat modern slavery.[47]
- Danske Bank has established a Whistleblowing Policy enabling all persons in scope, such as employees, customers and stakeholders to report any breach of laws or regulations applicable to Danske Bank, as well as the Bank's internal policies and standards.[48]
- Throughout its risk management process, Danske Bank assesses potential ESG risks related to its lending activities, both at an individual level through an ESG risk assessment performed by relationship managers and on a portfolio level based on risk reviews and risk appetite. A digital system assists relationship managers in identifying each customer's ESG risk level, which serves as an input factor in the overall credit decision process. Industries more exposed to ESG risks are subject to stricter requirements, as outlined in Danske Bank's policies and position statements. Moreover, in case of non-compliance with its own corporate policies, an engagement process is launched that is aimed at achieving compliance with Group standards.[49,50]
- Furthermore, Danske Bank has a Code of Conduct Policy in place, which includes a zero-tolerance approach to all forms of discrimination, disrespectful behaviour, bullying and harassment towards employees, customers, business partners or any other persons connected to the Bank. Examples of discriminatory behaviour may include a person's race, skin colour, ethnicity, political view, religion or belief, disability, health status, gender, age or sexual

[45] Danske Bank, "Responsible Investment Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2016/10/responsible-investment-policy.pdf?rev=17788c01593e4b598867cb0d368181cd.
[46] Danske Bank, "Human rights position statement", (2019), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2018/9/danske-bank-position-statement-human-rights.pdf?rev=ac694638ac7d40e0950172f3aed1aaec.
[47] Danske Bank, "Statement on Modern Slavery Act", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/2/statement-on-modern-slavery-act-2021.pdf?rev=29885a894abf4fb0b78f90e656265d9f.
[48] Danske Bank, "Whistleblowing Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/9/whistleblowing-policy.pdf?rev=cb664025686f4589b50acddd08f26f93&hash=2D0CC5D278BCCA16B7B4688BE47E0257#:~:text=A%20Whistleblower%20can%20submit%20a,danskebank.whistleblowernetwork.net%2F.&text=Email.By%20sending%20an%20email%20to%20Whistleblowing%20Operations%20in%20Group%20Compliance.
[49] Danske Bank, "Risk Management", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/2/risk-management-2021.pdf?rev=4e2c05257a3b48fb81fe8b4ba3f50bae
[50] Danske Bank has shared information on the due diligence process directly with Sustainalytics for assessment on a confidential basis.

orientation. Furthermore, Danske Bank does not tolerate human trafficking, child labour or any forced labour against a person's will or choice.[51]

Based on the work of its research services and its ESG Risk Rating assessment, Sustainalytics has evaluated the performance of Danske Bank in the areas of human and labour rights and has not detected involvement in any significant controversies that would suggest that the above policies are not being implemented effectively. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human and labour rights in relation to the activities of the Framework.

Anti-bribery and anti-corruption

Danske Bank has implemented the following policies and procedures on anti-bribery and anti-corruption:

- According to Danske Bank's Compliance Policy, each business unit, group function and subsidiary is expected to evaluate the impact of their activities on the risk profile of the Bank and take effective measures to ensure alignment with the Bank's risk-taking approach for regulatory compliance and financial crimes such as money laundering, fraud and bribery and corruption.[52]
- Danske Bank has developed a Financial Crime Policy that sets principles to manage risk and compliance associated with money laundering, terrorist financing, sanctions, bribery, corruption, fraud, tax evasion and facilitation of tax evasion in the Group. Moreover, the policy incorporates applicable laws and regulations in relation to financial crime compliance and a model of three lines of defence to ensure effective governance and oversight of financial crime risks.[53]
- Danske Bank has established a Whistleblowing Policy enabling employees, customers and stakeholders to report any breach of laws or regulations applicable to Danske Bank or of the Bank's internal policies and standards.[54]
- Danske Bank expresses its zero-tolerance stance on bribery and corruption in its Code of Conduct Policy.[55] Additionally, the Bank has developed a Conflicts of Interest Policy, laying out principles to identify conflicts of interest and take reasonable steps to avoid, manage, disclose and document such conflicts.[56]

Sustainalytics recognizes that Danske Bank faced allegations that it violated AML rules in its Estonian operations through the local unit's non-resident banking portfolio during the 2007-15 period. In this regard, Sustainalytics acknowledges that Danske Bank closed its Estonian non-resident portfolio and has made significant investments in resources and governance structures, a comprehensive overview of which is available on the Bank's website and its sustainability report.[57,58] Danske Bank has strengthened its compliance and AML controls as of 2019, including investing additional resources in risk and compliance and establishing a joint venture with Swedish banks and the police for financial crime prevention and mitigation. Furthermore, Danske Bank has established a financial crime team dedicated to the financial crime prevention agenda and a financial crime

[51] Danske Bank, "Code of Conduct Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2021/2/code-of-conduct-policy.pdf?rev=f7299a2491b44387858d55e26761d5a8#:~:text=The%20objective%20of%20the%20Code,right%20thing%20in%20every%20situation.

[52] Danske Bank, "Group Compliance Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/5/compliance-policy.pdf?rev=187f28aa7eb449c59ef6e9276b34e9f4.

[53] Danske Bank, "Financial Crime Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2021/5/financial-crime-policy.pdf?rev=4130dcbbd85247fcaaa1c23012fc716a.

[54] Danske Bank, "Whistleblowing Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/9/whistleblowing-policy.pdf?rev=cb664025686f4589b50acddd08f26f93&hash=2D0CC5D278BCCA16B7B4688BE47E0257#:~:text=A%20Whistleblower%20can%20submit%20a,danskebank.whistleblowernetwork.net%2F.&text=Email.By%20sending%20an%20email%20to%20Whistleblowing%20Operations%20in%20Group%20Compliance.

[55] Danske Bank, "Code of Conduct Policy", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2021/2/code-of-conduct-policy.pdf?rev=f7299a2491b44387858d55e26761d5a8#:~:text=The%20objective%20of%20the%20Code,right%20thing%20in%20every%20situation.

[56] Danske Bank, "Conflicts of Interest Policy", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2016/1/conflict-of-interest-policy.pdf?rev=14ce9cf0cccd4104abe86da7d3202db7#:~:text=In%20the%20course%20of%20Danske,working%20against%20the%20interests%20of.

[57] Danske Bank, "The investigations relating to Danske Bank's Estonian branch", at: https://danskebank.com/about-us/corporate-governance/investigations-on-money-laundering.

[58] Danske Bank, "Sustainability Report", (2021), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/2/sustainability-report-2021.pdf?rev=e0836930aaac4023b6c3f6ee664dc9e2.

steering committee to provide governance structure and delivery oversight of the Bank's financial crime plan.[59] Additionally, Danske Bank has developed a conduct and compliance committee to oversee the Bank's management of conduct and reputational risk, compliance, financial crime and other matters delegated by its board.[60] In terms of regulatory engagement, the Danish Financial Supervisory Authority FSA and other authorities in Estonia have carried out AML inspections and supervisory oversight linked to the Bank's financial crime progress and remediation work.[61] Sustainalytics notes that risks related to money-laundering activities are common for large diversified financial institutions such as the Bank and acknowledges the enhanced focus of the Bank on compliance issues.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Danske Bank's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics focuses below on two whose impact is specifically relevant in the local context.

Importance of renewable energy in Nordic countries and the UK

All Nordic countries have committed to becoming fossil fuel free by 2050 through ambitious energy and climate policies and programmes.[62] While Sweden, Denmark and Norway are committed to 100% renewable energy use, Finland has a target of 80-95% compared to 1990 levels. Most of these fossil fuel-free policies rely on promoting renewable energy and energy-efficient technologies.[63]

As of 2018, the energy sector in Denmark was one of the two primary drivers of carbon emissions, accounting for approximately 20-25% of Denmark's total CO_2 emissions.[64] Denmark is dedicated to increasing the share of renewable energy to 55%, focusing on wind, biofuels and solar energy in its total energy use and phasing out coal in the energy supply by 2030.[65] In the long term, electricity, heating, industry and transport energy are targeted to be provided entirely by renewable sources.[66] The Swedish government has set specific targets, including ensuring 100% renewable energy production by 2040.[67] Finland is committed to ensuring that 51% of its gross final energy consumption is sourced from renewable sources by 2030, with a focus on wind energy and biomass.[68] In 2020, renewable energy in Finland's total energy consumption surpassed fossil fuel and peat.[69] Norway has one of the highest shares of renewable energy in the energy supply among International Energy Agency

[59] Danske Bank, "Debt Investor Update – First quarter results 2022", (2022), at: https://danskebank.com/-/media/danske-bank-com/file-cloud/2022/4/debt-investor-update---q1-2022.pdf?rev=aae7ddf0b7ba408ab985ecc83725fd26.
[60] Ibid.
[61] Ibid.
[62] European Commission, "Science for Environment Policy", at: http://ec.europa.eu/environment/integration/research/newsalert/pdf/nordic_countries_demonstrate_potential_of_low_carbon_energy_policies_494na4_en.pdf.
[63] Ibid.
[64] Danish Energy Agency, "Denmark's Climate and Energy Outlook", (2020), at: https://ens.dk/sites/ens.dk/files/Basisfremskrivning/deco_2020_27082020.pdf.
[65] Ibid.
[66] MarketWatch, "Denmark Renewable Energy Market Size Outlook, Share and Growth Stance Forecast 2022-2031", (2022), at: https://www.marketwatch.com/press-release/denmark-renewable-energy-market-size-development-status-emerging-technologies-regional-trends-and-comprehensive-research-study-2022-2031-2022-09-08?mod=search_headline
[67] Ministry of the Environment, "Sweden's long-term strategy for reducing greenhouse gas emissions", (2020), at: https://unfccc.int/sites/default/files/resource/LTS1_Sweden.pdf.
[68] Ministry of Economic Affairs and Employment, "Finland's Integrated Energy and Climate Plan", (2019), at: https://energy.ec.europa.eu/system/files/2020-01/fi_final_necp_main_en_0.pdf

[69] Statistics Finland, "Total energy consumption decreased and consumption of renewable energy grew by one percent in 2019", (2020), at: https://www.stat.fi/til/ehk/2019/ehk_2019_2020-12-21_tie_001_en.html.

member countries.[70] In 2020, 70% of Norway's energy came from renewable energy.[71] The UK aims to have 40 GW of offshore wind capacity by 2030.[72]

Sustainalytics believes that Danske Bank's financing of renewable energy will support Nordic countries and the UK in achieving their GHG emission-reduction targets by improving clean energy generation and further the transition towards a low-carbon economy.

Contribution of green buildings to climate change mitigation in Nordic countries and the UK

Building codes have been progressively strengthened in Nordic countries and the UK in order to boost energy efficiency and reduce emissions from the residential building sector.[73] Sweden aims to decrease its total energy use per heated unit area in buildings by 50% in 2050 compared to 1995.[74] Despite Norway not being a EU member, the Government of Norway has decided to incorporate the EPBD into its agreement into the EEA Agreement with the EU, having set a national goal for energy efficiency in 2016, targeting an overall energy intensity reduction of 30% until 2030.[75] Tackling in particular heating energy use of buildings, Finland aims to achieve energy savings of 16% in 2030, 30% in 2040 and 42% in 2050 compared to a 2020 baseline.[76] Denmark's climate policy embraces the EU-wide 2030 targets and is committed to reducing 70% of GHG emissions compared to 1990 levels by 2030.[77] The Danish government requires measures to enhance energy efficiency, such as establishing more-efficient heating systems in existing buildings and increasing the share of renewable energy sources in both new and existing buildings.[78] The Government of the UK aims to achieve net zero emissions by 2050 with intermediate emission reduction goals of 68% by 2030 and 78% by 2035 compared to 1990 levels.[79] Since these emission reduction targets would require the UK to significantly reduce design-related and operating emissions from buildings, existing buildings will require deep energy retrofits and new buildings will have to meet increasingly stringent standards during the development phase, including strategies to reduce construction impacts, reduce operational energy use and increase energy efficiency.[80]

Based on the above, Sustainalytics is of the opinion that Danske's Bank's financing of green buildings will contribute to emissions reduction in the building sector in Nordic countries and the UK and further support in achieving these countries' climate targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The Danske Bank Group Green Finance Framework is expected to help advance the following SDGs and targets:

[70] IEA, "Norway 2017 Review", (2017), at: https://iea.blob.core.windows.net/assets/7113f933-b252-434c-aa15-67c460475bc3/EnergyPoliciesofIEACountriesNorway2017.pdf.
[71] Our World in Data, "Norway: Energy Country Profile", (2020), at: https://ourworldindata.org/energy/country/norway#how-much-of-the-country-s-energy-comes-from-renewables.
[72] Government of the UK, "New plans to make UK world leader in green energy", (2020), at: https://www.gov.uk/government/news/new-plans-to-make-uk-world-leader-in-green-energy.
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Use of Proceeds Category	SDG	SDG Target
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy and emission efficient products, solutions and manufacturing	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Environmentally sustainable management of living natural resources and land use	14. Life Below Water	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
	15. Life on Land	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Pollution Prevention and Control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Climate Change Adaptation	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Conclusion

Danske Bank has developed the Danske Bank Group Green Finance Framework, under which its subsidiaries, Danske Bank A/S, Realkredit Denmark A/S, Danske Hypotek AB and Danske Mortgage Bank Plc, intend to issue green finance instruments.

The Group may issue green senior unsecured debt, non-preferred senior debt, covered bonds, medium-term notes and commercial papers and the proceeds to finance green projects such as clean transportation projects, renewable energy projects, green buildings projects, sustainable water projects and pollution prevention projects. Sustainalytics considers that the projects funded by the use of proceeds instruments are expected to provide positive environmental impacts.

The Danske Bank Group Green Finance Framework outlines a process for tracking, allocating and managing proceeds and makes commitments for Danske Bank to report on their allocation and impact. Furthermore, Sustainalytics believes that the Danske Group Green Finance Framework is aligned with the overall sustainability strategy of the Group and that the proceeds is expected to contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11, 12, 13, 14 and 15.

Additionally, Sustainalytics is of the opinion that Danske Bank has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Sustainalytics has assessed Danske Bank Group's Green Finance Framework for alignment with the Technical Screening Criteria of the EU Taxonomy. The Framework's eight use of proceeds categories map to 58 NACE activities. Sustainalytics is of the opinion that of the 58 activities, 54 align with the applicable TSC in the EU Taxonomy. Of the remaining four activities, three were determined to be partially aligned and one to be not aligned. Three of the Framework's use of proceeds categories were not assessed at this time. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards. The Framework's activities were not assessed for their alignment with the Do No Significant Harm criteria of the EU Taxonomy in this report. Nevertheless, Danske Bank has confirmed to Sustainalytics that since most of the financed portfolio will be located in Nordic countries, Danske Bank expects to meet the respective DNSH criteria where they are based on EU laws and regulations. For DNSH criteria that do not reference EU laws and regulations, there is currently insufficient information available on how assets meet the criteria.

Based on the above, Sustainalytics is confident that Danske Bank is well positioned to issue green use of proceeds finance instruments and that the Framework is in alignment with the Green Bond Principles 2021 and the Green Loan Principles 2021.

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy Technical Screening Criteria

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant NACE[81] activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable Technical Screening Criteria (TSC). Sustainalytics' assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable NACE activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one NACE activity and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a NACE activity. In such cases, Sustainalytics has mapped to the NACE activity that is most relevant with respect to the primary environmental objective and impacts.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the Taxonomy, and some categories which are traditionally included in green bonds and loans may not be associated with a specific economic activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

The outcome of Sustainalytics' mapping process for the Framework is shown below.

2. Determining Alignment with EU Taxonomy Technical Screening Criteria and Minimum Safeguards

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the TSC criteria is usually based on the specific criteria contained in the issuer's Framework and may in many cases also be based on management systems and processes and/or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds, as well as examining the regulatory context in the geographical location in which the issuer will finance activities and projects. (This assessment is included in Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant TSC.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

[81] The EU Taxonomy is based on economic activities defined in NACE (Nomenclature des Activités Économiques dans la Communauté Européenne). The Taxonomy currently lists 70 economic activities which have been chosen due to their ability to substantially contribute to climate change mitigation or adaptation.

Table 02: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU / NACE Activity	NACE Code	Primary EU Environmental Objective	Refer to Table
Clean Transportation	Low carbon transport	6.1 Passenger interurban rail transport	H49.10 and N77.39	Mitigation	Table 03
		6.2 Freight rail transport	H49.20 and N77.39		Table 04
		6.3 Urban and suburban transport, road passenger transport	H49.31, H49.3.9, N77.39 and N77.11		Table 05
		6.4 Operation of personal mobility devices, cycle logistics	N77.11 and N77.21		Table 06
		6.5 Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39 and N77.11		Table 07
		6.6. Freight transport services by road	H49.4.1, H53.10, H53.20 and N77.12		Table 08
		6.7 Inland passenger water transport	H50.30		Table 09
		6.11 Sea and coastal passenger water transport	H50.10, N77.21 and N77.34		Table 10
		6.13 Infrastructure for personal mobility, cycle logistics	F42.11, F42.12, F43.21, F71.1 and F71.20		Table 11
	Low carbon transport infrastructure	6.14 Infrastructure for rail transport	F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		Table 12
		6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.1 and F71.20		Table 13
		6.16. Infrastructure enabling low carbon water transport	F42.91, F71.1 or F71.20		Table 14
	Manufacture of low carbon vehicles	3.3 Manufacture of low carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15 and C33.17		Table 15

Renewable Energy	Wind energy	4.3 Electricity generation from wind power	D35.11 and F42.22	Mitigation	Table 16
	Solar energy	4.1 Electricity generation using solar photovoltaic technology	D35.11 and F42.22		Table 17
		4.2 Electricity generation using concentrated solar power (CSP) technology	D35.11 and F42.22		Table 18
	Ocean energy	4.4 Electricity generation from ocean energy technologies	D35.11 and F42.22		Table 19
	Hydropower	4.5 Electricity generation from hydropower	D35.11 and F42.22		Table 20
	Bioenergy	4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids	D35.21		Table 21
		4.20 Cogeneration of heat/cool and power from bioenergy	D35.11 and D35.30		Table 22
		4.24 Production of heat/cool from geothermal energy	D35.30		Table 23
	Geothermal energy	4.18 Cogeneration of heat/cool and power from geothermal energy	D35.11 and D35.30		Table 24
		4.22 Production of heat/cool from geothermal energy	D35.30		Table 25
	Ambient and waste energy	4.16 Installation and operation of electric heat pumps	D35.30 and F43.22		Table 26
		4.25 Production of heat/cool using waste heat	D35.30		Table 27
	Hydrogen	3.10 Manufacture of hydrogen	C20.11		Table 28
	Energy transmission	4.9 Transmission and distribution of electricity	D35.12 and D35.13		Table 29

		4.14 Transmission and distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50		Table 30
		4.15 District heating/cooling distribution	D35.30		Table 31
	Energy storage	4.10 Storage of electricity	No dedicated NACE code		Table 32
		4.11 Storage of thermal energy	No dedicated NACE code		Table 33
		4.12 Storage of hydrogen	No dedicated NACE code		Table 34
	Manufacture of renewable energy technologies	3.1 Manufacture of renewable energy technologies	C25, C27 and C28		Table 35
		3.2 Manufacture of equipment for the production and use of hydrogen	C25, C27 and C28		Table 36
		3.4 Manufacture of batteries	C27.2 and E38.32		Table 37
Energy and Emission Efficient Products, Solutions and Manufacturing	Manufacturing of building energy efficiency equipment and solutions	3.5 Manufacture of energy efficiency equipment for buildings	C16.23, C23.11, C23.20, C23.31, C23.32, C23.43, C.23.61, C25.11, C25.12, C25.21, C25.29, C25.93, C27.31, C27.32, C27.33, C27.40, C27.51, C28.11, C28.12, C28.13 and C28.14	Mitigation	Table 38
	Data management and solutions	8.1 Data processing, hosting and related activities	J63.11		Table 39
		8.2 Data-driven solutions for GHG emissions reduction	J61, J62 and J63.11		Table 40
	Emission efficient manufacturing of basic materials	3.7 Manufacture of cement	C23.51		Table 41
		3.8 Manufacture of aluminium	C24.42 and C24.53		Table 42
		3.9 Manufacture of iron and steel	C24.10, C24.20, C24.31, C24.32, C24.33, C24.34, C24.51 and C24.52		Table 43

		3.15 Manufacture of anhydrous ammonia	C20.15		Table 44
		3.17 Manufacture of plastics in primary form	C20.16		Table 45
Green Buildings	Construction of new buildings	7.1 Construction of new buildings	F41.1, F41.2	Mitigation	Table 46
	Acquisition and ownership of buildings	7.7 Acquisition and ownership of buildings	L68		Table 47
	Major renovations	7.2 Renovation of existing buildings	F41, F43		Table 48
	Individual installations	7.3. Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22 and C33.12		Table 49
		7.4 Installation, maintenance and repair of charging stations for electric vehicles	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28		Table 50
		7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings			Table 51
		7.7 Installation, maintenance and repair of renewable energy technologies	L68		Table 52
Pollution Prevention and Control	Waste management	5.5 Collection and transport of non-hazardous waste in source segregated fractions	E38.11	Mitigation	Table 53
		5.6 Anaerobic digestion of sewage sludge	E37.00 and F42.99		Table 54
		5.7 Anaerobic digestion of bio-waste	E38.21 and F42.99		Table 55
		5.8 Composting of bio-waste			Table 56
		5.9 Material recovery from non-hazardous waste	E38.32 and F42.99		Table 57
	Emissions management	5.11 Transport of CO_2	F42.21 and H49.50	Mitigation	Table 58

		5.12 Underground permanent geological storage of CO_2	E39.00		Table 59
Environmentally Sustainable Management of Living Natural Resources and Land Use	Forests, forestry and wetlands	1.3 Forest management	A2 and II 02.10	Mitigation	Table 60

Appendix 2 Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of Issuer's Framework criteria with the EU Taxonomy's TSC and DNSH criteria for the relevant NACE activity.

Table 03

Framework Activity assessed	Clean Transportation		
EU Activity	6.1 Passenger interurban rail transport		
NACE Code	H49.10 and N77.39		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one of the following criteria: a) the trains and passenger coaches have zero direct (tailpipe) CO_2 emissions; b) the trains and passenger coaches have zero direct (tailpipe) CO_2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).	Under the Framework, Danske Bank intends to finance fully electric passenger trains.	Aligned

Table 04

Framework Activity assessed		Clean Transportation	
EU Activity		6.2 Freight rail transport	
NACE Code		H49.20 and N77.39	
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1) The activity complies with one or both of the following criteria: a) the trains and wagons have zero direct tailpipe CO_2 emission; b) the trains and wagons have zero direct tailpipe CO_2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode). 2) Trains and wagons are not dedicated to the transport of fossil fuels	Under the Framework, Danske Bank intends to finance only fully electric freight rail. Additionally, the Framework criteria excludes transportation activities that are dedicated for the transportation of fossil fuels.	Aligned

Table 05

Framework Activity assessed		Clean Transportation	
EU Activity		6.3 Urban and suburban transport, road passenger transport	
NACE Code		H49.31, H49.3.9, N77.39 and N77.11	
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with the one of following criteria: a) the activity provides urban or suburban passenger transport, and its direct (tailpipe) CO_2 emissions are zero; b) until 31 December 2025, the activity provides interurban passenger road transport using vehicles designated as categories M2 and M3 that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type	Under the Framework, Danske Bank intends to finance only fully electric urban and suburban transportation vehicles.	Aligned

	of vehicle. Where such standard is not available, the direct CO_2 emissions of the vehicles are zero.		

Table 06

Framework Activity assessed	Clean Transportation		
EU Activity	6.4 Operation of personal mobility devices, cycle logistics		
NACE Code	N77.11 and N77.21		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1) The propulsion of personal mobility devices comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. 2) The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians.	Under the Framework, Danske Bank intends to finance only fully electric personal mobility devices or those that come from the physical activity of the user. Danske Bank has confirmed to Sustainalytics that personal mobility devices financed under the Framework will be allowed to be operated on the same public infrastructure as bikes or pedestrians.	Aligned

Table 07

Framework Activity assessed	Clean Transportation		
EU Activity	6.5 Transport by motorbikes, passenger cars and light commercial vehicles		
NACE Code	H49.32, H49.39 and N77.11		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with the following criteria: a) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: i) until 31 December 2025, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO_2/km (low- and zero-emission light-duty vehicles); ii) from 1 January 2026, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero. b) for vehicles of category L, the tailpipe CO_2 emissions equal to 0g CO_2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.	Under the Framework, Danske Bank intends to finance fully electric motorbikes, passenger cars and light commercial vehicles and up until 2025 passenger vehicles with emissions lower than 50gCO_2/km.	Aligned

Table 08

Framework Activity assessed	Clean Transportation		
EU Activity	6.6. Freight transport services by road		
NACE Code	H49.4.1, H53.10, H53.20 and N77.12		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1) The activity complies with one of the following criteria: a. vehicles of category N1 have zero direct (tailpipe) CO2 emissions; b. vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242; c. vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7,5 tonnes are one of the following: (i) 'zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242; (ii) where technologically and economically not feasible to comply with the criterion in point (i), 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of that Regulation. 2) Vehicles are not dedicated to the transport of fossil fuels.	Under the Framework, Danske Bank intends to finance only fully electric freight vehicles. Additionally, the Framework criteria excludes transportation activities that are dedicated for the transportation of fossil fuels.	Aligned

Table 09

Framework Activity assessed	Clean Transportation		
EU Activity	6.7 Inland passenger water transport		
NACE Code	H50.30		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one of the following criteria: a. the vessels have zero direct (tailpipe) CO_2 emissions;	Under the Framework Danske Bank intends to finance passenger water transport where either, i) he vessels have zero direct tailpipe CO_2 emissions or ii) up until 31 December 2025, hybrid and dual fuel vessels that derive at least 50% of their energy from zero direct tailpipe CO_2 emission fuels or plug-in power for their normal operations.	Aligned

	b. until 31 December 2025, hybrid and dual fuel vessels derive at least 50% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation.		

Table 10

Framework Activity assessed	Clean Transportation		
EU Activity	6.11 Sea and coastal passenger water transport		
NACE Code	H50.10, N77.21 and N77.34		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one or more of the following criteria: a. the vessels have zero direct (tailpipe) CO_2 emissions; b. where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, hybrid and dual fuel vessels derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports; c. where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10% below the EEDI requirements applicable on 1 April 2022, if the vessels are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources.	Under the Framework Danske Bank intends to finance passenger water transport where either, i) the vessels have zero direct tailpipe CO_2 emissions or ii) up until 31 December 2025, hybrid and dual fuel vessels that derive at least 50% of their energy from zero direct tailpipe CO_2 emission fuels or plug-in power for their normal operations.	Aligned

Table 11

Framework Activity assessed	Clean Transportation		
EU Activity	6.13 Infrastructure for personal mobility, cycle logistics		
NACE Code	F42.11, F42.12, F43.21, F71.1 and F71.20		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refuelling installations for personal mobility devices.	Danske Bank has confirmed to Sustainalytics that financing under the Framework for infrastructure for personal mobility, cycle logistics will comply with the TSC for this activity.	Aligned

Table 12

Framework Activity assessed	Clean Transportation		
EU Activity	6.14 Infrastructure for rail transport		
NACE Code	F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1) The activity complies with one of the following criteria: a) the infrastructure (as defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council) is either: i) electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797; ii) new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO_2 emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797;	Danske Bank has confirmed to Sustainalytics that only activities meeting these criteria will be financed under the Framework. Additionally, the Framework excludes transportation activities dedicated to the transport or storage of fossil fuels.	Aligned

	iii) until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network and its indicative extensions to third countries, nor any nationally, supranationally or internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797; b) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; c) infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail. 2) The infrastructure is not dedicated to the transport or storage of fossil fuels.		

Table 13

Framework Activity assessed	Clean Transportation		
EU Activity	6.15 Infrastructure enabling low-carbon road transport and public transport		
NACE Code	F42.11, F42.13, F71.1 and F71.20		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1) The activity complies with one or more of the following criteria: a. the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO_2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); b. the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; c. the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.	Danske Bank has confirmed to Sustainalytics that only activities meeting these criteria will be financed under the Framework. Additionally, the Framework excludes transportation activities dedicated to the transport or storage of fossil fuels.	Aligned

	2) The infrastructure is not dedicated to the transport or storage of fossil fuels.		

Table 14

Framework Activity assessed	Clean Transportation		
EU Activity	6.16. Infrastructure enabling low carbon water transport		
NACE Code	F42.91, F71.1 or F71.20		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1) The activity complies with one or more of the following criteria: a) the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO_2 emissions: electricity charging, hydrogen-based refuelling; b) the infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth; c) the infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO_2 emissions; d) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods. 2) The infrastructure is not dedicated to the transport or storage of fossil fuels.	Danske Bank has confirmed to Sustainalytics that only activities meeting these criteria will be financed under the Framework. Additionally, the Framework excludes transportation activities dedicated to the transport or storage of fossil fuels.	Aligned

Table 15

Framework Activity assessed	Clean Transportation		
EU Activity	3.3 Manufacture of low carbon technologies for transport		
NACE Code	C29.1, C30.1, C30.2, C30.9, C33.15 and C33.17		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The economic activity manufactures, repairs, maintains, retrofits, repurposes or upgrades: a. trains, passenger coaches and wagons that have zero direct (tailpipe) CO_2 emissions; b. trains, passenger coaches and wagons that have zero direct tailpipe CO_2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode); c. urban, suburban and road passenger transport devices, where the direct (tailpipe) CO_2 emissions of the vehicles are zero; d. until 31 December 2025, vehicles designated as categories M2 and M3 that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 of the European Parliament and of the Council and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Commission Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle. Where such standard is not available, the direct CO_2 emissions of the vehicles are zero; e. personal mobility devices with a propulsion that comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity; f. vehicles of category M_1 and N_1 classified as light-duty vehicles with: i. until 31 December 2025: specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 of the	Danske Bank has confirmed to Sustainalytics that only activities meeting the below criteria will be financed under the Framework. a. trains, passenger coaches and wagons that have zero direct (tailpipe) CO_2 emissions; b. trains, passenger coaches and wagons that have zero direct tailpipe CO_2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode); c. urban, suburban and road passenger transport devices, where the direct (tailpipe) CO_2 emissions of the vehicles are zero; d. N/A e. personal mobility devices with a propulsion that comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity; f. vehicles of category M1 and N1 classified as light-duty vehicles with: i. until 31 December 2025: specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 of the European Parliament and of the Council, lower than 50gCO2/km (low- and zero-emission light-duty vehicles); ii. N/A g. vehicles of category L with tailpipe CO2 emissions equal to 0g CO2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 of the European Parliament and of the Council;	Aligned

	European Parliament and of the Council, lower than 50gCO_2/km (low- and zero-emission light-duty vehicles); ii. from 1 January 2026: specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero; g. vehicles of category L with tailpipe CO_2 emissions equal to 0g CO_2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 of the European Parliament and of the Council; h. vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7,5 tonnes that are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242 of the European Parliament and of the Council; i. vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7,5 tonnes that are zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or 'low-emission heavy-duty vehicles' as defined in Article 3, point (12) of that Regulation; j. inland passenger water transport vessels that: i. have zero direct (tailpipe) CO_2 emissions; ii. until 31 December 2025, are hybrid and dual fuel vessels using at least 50% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation; k. inland freight water transport vessels, not dedicated to transporting fossil fuels, that: i. have zero direct (tailpipe) CO_2 emission; ii. until 31 December 2025, have direct (tailpipe) emissions of CO_2 per tonne kilometre (gCO_2/tkm), calculated (or estimated in case of new vessels) using the Energy Efficiency Operational Indicator, 50% lower than the average reference value for emissions of CO_2 defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; l. sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities, that are not dedicated to transporting fossil fuels, that: i. have zero direct (tailpipe) CO_2 emissions;	h. vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7,5 tonnes that are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242 of the European Parliament and of the Council; i. vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7,5 tonnes that are zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or 'low-emission heavy-duty vehicles' as defined in Article 3, point (12) of that Regulation; j. inland passenger water transport vessels that: i. have zero direct (tailpipe) CO2 emissions; ii. until 31 December 2025, are hybrid and dual fuel vessels using at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation; k. inland freight water transport vessels, not dedicated to transporting fossil fuels, that: i. have zero direct (tailpipe) CO2 emission; ii. until 31 December 2025, have direct (tailpipe) emissions of CO2 per tonne kilometre (gCO2/tkm), calculated (or estimated in case of new vessels) using the Energy Efficiency Operational Indicator(85), 50 % lower than the average reference value for emissions of CO2 defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; l. sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities, that are not dedicated to transporting fossil fuels, that: i. have zero direct (tailpipe) CO2 emissions; ii. until 31 December 2025, are hybrid and dual fuel vessels that derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or	

	ii. until 31 December 2025, are hybrid and dual fuel vessels that derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports; iii. until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have direct (tailpipe) CO_2 emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI), 50% lower than the average reference CO_2 emissions value defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; iv. until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10% below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO_2 emission fuels or on fuels from renewable sources; m. sea and coastal passenger water transport vessels, not dedicated to transporting fossil fuels, that: i. have zero direct (tailpipe) CO_2 emissions; ii. until 31 December 2025, hybrid and dual fuel vessels derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports; iii. until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10% below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO_2 emission fuels or on fuels from renewable sources.	plug-in power for their normal operation at sea and in ports; iii. until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have direct (tailpipe) CO2 emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI)(86), 50 % lower than the average reference CO2 emissions value defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; iv. until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022(87) if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources (88); m. sea and coastal passenger water transport vessels, not dedicated to transporting fossil fuels, that: i. have zero direct (tailpipe) CO2 emissions; ii. until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports; iii. until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources.	

Table 16

Framework Activity assessed	Renewable Energy		
EU Activity	4.3 Electricity generation from wind power		
NACE Code	D35.11 and F42.22		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity generates electricity from wind power.	Eligible by default.	Aligned

Table 17

Framework Activity assessed	Renewable Energy		
EU Activity	4.1 Electricity generation using solar photovoltaic technology		
NACE Code	D35.11 and F42.22		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity generates electricity using solar PV technology.	Eligible by default.	Aligned

Table 18

Framework Activity assessed	Renewable Energy		
EU Activity	4.2 Electricity generation using concentrated solar power (CSP) technology		
NACE Code	D35.11 and F42.22		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity generates electricity using CSP technology.	Eligible by default.	Aligned

Table 19

Framework Activity assessed	Renewable Energy		
EU Activity	4.4 Electricity generation from ocean energy technologies		
NACE Code	D35.11 and F42.22		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity generates electricity from ocean energy.	Eligible by default.	Aligned

Table 20

Framework Activity assessed	Renewable Energy		
EU Activity	4.5 Electricity generation from hydropower		
NACE Code	D35.11 and F42.22		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with either of the following criteria: a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; b) the power density of the electricity generation facility is above 5 W/m^2; c) the life cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO_2e/kWh. The life cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life cycle GHG emissions are verified by an independent third party.	The Framework specifies that hydropower projects will be limited to one of the following: Danske Bank has confirmed that the projects under this activity will meet either of the mentioned mitigation criteria. a) run-of-river facilities without an artificial reservoir b) facilities with a power density for electricity generation above 5W/m^2 c) facilities with life-cycle GHG emissions from electricity generation lower than 100g CO_2e/kWh Danske Bank has confirmed to Sustainalytics that when relying on the life cycle GHG emissions criteria, the life cycle GHG emissions will be calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life cycle GHG emissions will be verified by an independent third party.	Aligned

Table 21

Framework Activity assessed	Renewable Energy		
EU Activity	4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids		
NACE Code	D35.21		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. Agricultural biomass used for the manufacture of biogas or biofuels for use in transport and for the manufacture of bioliquids complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the manufacture of biogas or biofuels for use in transport and for the manufacture of bioliquids complies with the criteria laid down in Article 29, paragraphs 6 and 7 of the Directive. Food-and feed crops are not used for the manufacture of biofuels for use in transport and for the manufacture of bioliquids. 2. The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport and from the manufacture of bioliquids are at least 65% in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001. 3. Where the manufacture of biogas relies on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable. 4. Where the CO2 that otherwise would be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of the EU Taxonomy Delegated Act document.	Danske Bank has confirmed that the projects under this activity will comply with the listed criteria.	Aligned

Table 22

Framework Activity assessed		Renewable Energy		
EU Activity		4.20 Cogeneration of heat/cool and power from bioenergy		
NACE Code		D35.11 and D35.30		
EU Technical Screening Criteria			***Alignment with Technical Screening Criteria***	
Mitigation	1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. 2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least 80 % in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001. 3. Where the cogeneration installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of the EU Taxonomy Delegated Act document , as applicable. 4. Points 1 and 2 do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 23

Framework Activity assessed		Renewable Energy		
EU Activity		4.24 Production of heat/cool from Bioenergy		
NACE Code		D35.30		
EU Technical Screening Criteria			***Alignment with Technical Screening Criteria***	
Mitigation	1. Agricultural biomass used in the activity for the production of heat and cool complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive. 2. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG emission saving methodology and relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

	3. Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of the EU Taxonomy Delegated Act document, as applicable. 4. Points 1 and 2 do not apply to heat generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.		

Table 24

Framework Activity assessed	Renewable Energy		
EU Activity	4.18 Cogeneration of heat/cool and power from geothermal energy		
NACE Code	D35.11 and D35.30		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	• The life cycle GHG emissions from the combined generation of heat/cool and power from geothermal energy are lower than 100gCO_2e per 1 kWh of energy output from the combined generation. • Lifecycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. • Quantified life cycle GHG emissions are verified by an independent third party.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 25

Framework Activity assessed	Renewable Energy		
EU Activity	4.22 Production of heat/cool from geothermal energy		
NACE Code	D35.30		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The life cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO_2e/kWh. Lifecycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.	Danske Bank has confirmed that all the relevant projects under this activity will meet all the mentioned mitigation criteria.	Aligned

	Quantified life cycle GHG emissions are verified by an independent third party.		

Table 26

Framework Activity assessed	Renewable Energy		
EU Activity	4.16 Installation and operation of electric heat pumps		
NACE Code	D35.30 and F43.22		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The installation and operation of electric heat pumps complies with both of the following criteria: a) refrigerant threshold: Global Warming Potential does not exceed 675; b) energy efficiency requirements laid down in the implementing regulations188 under Directive 2009/125/EC are met.	Danske Bank has confirmed that all the relevant projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 27

Framework Activity assessed	Renewable Energy		
EU Activity	4.25 Production of heat/cool using waste heat		
NACE Code	D35.30		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity produces heat/cool from waste heat	Eligible by default.	Aligned

Table 28

Framework Activity assessed	Renewable Energy		
EU Activity	3.10 Manufacture of hydrogen		
NACE Code	C20.11		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	• The activity complies with the life cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life cycle GHG emissions lower than $3tCO_2e/tH_2$] and 70% for hydrogen-based	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

	synthetic fuels relative to a fossil fuel comparator of 94g CO_2e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001. • Lifecycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018 or ISO 14064- 1:2018. • Quantified life cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party. • Where the CO_2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO_2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex		

Table 29

Framework Activity assessed	Renewable Energy		
EU Activity	4.9 Transmission and distribution of electricity		
NACE Code	D35.12 and D35.13		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one of the following criteria: 1. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria: a) the system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems; b) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO_2e/kWh	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

	measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO_2e/kWh measured on a life cycle basis is not compliant. Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant. 2. The activity is one of the following: a) construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO_2e/kWh measured on a life cycle basis to a substation or network; b) construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to compliance with the technical screening criteria under the transport Section of the EU Taxonomy Delegated Act document; c) installation of transmission and distribution transformers that comply with the Tier 2 (1 July 2021) requirements set out in Annex I to the Commission Regulation (EU) No 548/2014178 and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588-1. d) construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation; e) installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including: i. sensors and measurement tools (including meteorological sensors for forecasting renewable production); ii. communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).		

	f) installation of equipment such as, but not limited to future smart metering systems or those replacing smart metering systems in line with Article 19(6) of Directive (EU) 2019/944 of the European Parliament and of the Council, which meet the requirements of Article 20 of Directive (EU) 2019/944, able to carry information to users for remotely acting on consumption, including customer data hubs; g) construction/installation of equipment to allow for exchange of specifically renewable electricity between users; h) construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant. For the purposes of this Section, the following specifications apply: a) the rolling five-year period used in determining compliance with the thresholds is based on five consecutive historical years, including the year for which the most recent data are available; b) a 'system' means the power control area of the transmission or distribution network where the infrastructure or equipment is installed; c) transmission systems may include generation capacity connected to subordinated distribution systems; d) distribution systems subordinated to a transmission system that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation; e) to determine compliance, it is possible to consider a system covering multiple control areas which are interconnected and with significant energy exchanges between them, in which case the weighted average emissions factor across all included control areas is used, and individual subordinated transmission or distribution systems within that system is not required to demonstrate compliance separately; f) it is possible for a system to become non-compliant after having previously been compliant. In systems that become non-compliant, no new transmission and distribution activities are compliant from that moment onward, until the system complies again with the threshold (except for those activities that are always compliant, see above). Activities in subordinated systems may still be compliant, where those subordinated systems meet the criteria of this Section;		

	g) a direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or to the network.		

Table 30

Framework Activity assessed	Renewable Energy		
EU Activity	4.14 Transmission and distribution networks for renewable and low-carbon gases		
NACE Code	D35.22, F42.21 and H49.50		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. The activity consists in one of the following: a) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low carbon gases; b) conversion/repurposing of existing natural gas networks to 100% hydrogen; c) retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system; 2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 31

Framework Activity assessed	Renewable Energy		
EU Activity	4.15 District heating/cooling distribution		
NACE Code	D35.30		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one of the following criteria: a) for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU;	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

	b) for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network; c) the activity is the following: i. modification to lower temperature regimes; ii. advanced pilot systems (control and energy management systems, Internet of Things).		

Table 32

Framework Activity assessed	Renewable Energy		
EU Activity	4.10 Storage of electricity		
NACE Code	No dedicated NACE code		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	• The activity is the construction and operation of electricity storage including pumped hydropower storage. • Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the criteria for manufacturing of the corresponding product specified in Sections 3.7 to 3.17 of the EU Taxonomy Delegated Act document. In case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in Section 3.10 of the EU Taxonomy Delegated Act document, re-electrification of hydrogen is also considered part of the activity.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 33

Framework Activity assessed	Renewable Energy		
EU Activity	4.11 Storage of thermal energy		
NACE Code	No dedicated NACE code		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity stores thermal energy, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES).	Eligible by default.	Aligned

Table 34

Framework Activity assessed	Renewable Energy		
EU Activity	4.12 Storage of hydrogen		
NACE Code	No dedicated NACE code		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity is one of the following: a) construction of hydrogen storage facilities; b) conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; c) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in Section 3.10. of the EU Taxonomy Delegated Act document.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 35

Framework Activity assessed	Renewable Energy		
EU Activity	3.1 Manufacture of renewable energy technologies		
NACE Code	C25, C27 and C28		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The economic activity manufactures renewable energy technologies.	Eligible by default.	Aligned

Table 36

Framework Activity assessed	Renewable Energy		
EU Activity	3.2 Manufacture of equipment for the production and use of hydrogen		
NACE Code	C25, C27 and C28		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The economic activity manufactures equipment for the production of hydrogen compliant with the Technical Screening Criteria set out in Section 3.10 of this Annex and equipment for the use of hydrogen.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 37

Framework Activity assessed	Renewable Energy		
EU Activity	3.4 Manufacture of batteries		
NACE Code	C27.2 and E38.32		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	• The economic activity manufactures rechargeable batteries, battery packs and accumulators (and their respective components), including from secondary raw materials, that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications. • The economic activity recycles end-of-life batteries.	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

Table 38

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	3.5 Manufacture of energy efficiency equipment for buildings		
NACE Code	C16.23, C23.11, C23.20, C23.31, C23.32, C23.43, C.23.61, C25.11, C25.12, C25.21, C25.29, C25.93, C27.31, C27.32, C27.33, C27.40, C27.51, C28.11, C28.12, C28.13 and C28.14		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The economic activity manufactures one or more of the following products and their key components: a) windows with U-value lower or equal to 1,0 W/m^2K; b) doors with U-value lower or equal to 1,2 W/m^2K; c) external wall systems with U-value lower or equal to 0,5 W/m^2K; d) roofing systems with U-value lower or equal to 0,3 W/m^2K;	Danske Bank has confirmed that the projects under this activity will meet all the mentioned mitigation criteria.	Aligned

	e) insulating products with a lambda value lower or equal to 0,06 W/mK; f) household appliances falling into the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and delegated acts adopted under that Regulation; g) light sources rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; h) space heating and domestic hot water systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; i) cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; j) presence and daylight controls for lighting systems; k) heat pumps compliant with the technical screening criteria set out in Section 4.16 of the Climate Delegated Annex; l) façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation; m) energy-efficient building automation and control systems for residential and non-residential buildings; n) zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings, and sensoring equipment; o) products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building, and for central heating systems; p) district heating exchangers and substations compliant with the district heating/cooling distribution activity set out in Section 4.15 of the Climate Delegated Annex; q) products for smart monitoring and regulating of heating system, and sensoring equipment.		

Table 39

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	8.1 Data processing, hosting and related activities		
NACE Code	J63.11		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. The activity has implemented all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC document CLC TR50600-99-1 "Data centre facilities and infrastructures - Part 99-1: Recommended practices for energy management". The implementation of those practices is verified by an independent third-party and audited at least every three years. 2. Where an expected practice is not considered relevant due to physical, logistical, planning or other constraints, an explanation of why the expected practice is not applicable or practical is provided. Alternative best practices from the European Code of Conduct on Data Centre Energy Efficiency or other equivalent sources may be identified as direct replacements if they result in similar energy savings. 3. The global warming potential (GWP) of refrigerants used in the data centre cooling system does not exceed 675.	Danske Bank confirms that all relevant projects which are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation. Danske Bank has communicated to Sustainalytics that it will ensure compliance with the TSC as a part of its due diligence process.	Aligned

Table 40

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	8.2 Data-driven solutions for GHG emissions reduction		
NACE Code	J61, J62 and J63.11		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. The ICT solutions are predominantly used for the provision of data and analytics enabling GHG emission reductions. 2. Where an alternative solution/technology is already available on the market, the ICT solution demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative solution/technology. Life-cycle GHG emissions and net emissions are calculated using Recommendation 2013/179/EU or,	Danske Bank confirms that all relevant projects which are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation. Danske Bank has communicated to Sustainalytics that it will ensure compliance with the TSC as a part of its due diligence process.	Aligned

	alternatively, using ETSI ES 203 199, ISO 14067:2018 or ISO 14064-2:2019. 3. Quantified life-cycle GHG emission reductions are verified by an independent third party which transparently assesses how the standard criteria, including those for critical review, have been followed when the value was derived.		

Table 41

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	3.7 Manufacture of cement		
NACE Code	C23.51		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity manufactures one of the following: a. grey cement clinker where the specific GHG emissions are lower than 0,722 tCO_2e per tonne of grey cement clinker; b. cement from grey clinker or alternative hydraulic binder, where the specific GHG emissions from the clinker and cement or alternative binder production are lower than 0,469 tCO_2e per tonne of cement or alternative binder manufactured. Where CO_2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO_2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of this Annex.	Under the Framework Danske Bank intends to finance facilities with installed carbon capture and storage dedicated to supporting innovative manufacturing technologies that enable significant GHG-reductions compared to traditional methods. Danske Bank will ensure that minimum criteria outlined in the EU Taxonomy will be met as part of its project selection process.	Aligned

Table 42

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	3.8 Manufacture of aluminium		
NACE Code	C24.42 and C24.53		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity manufactures one of the following: a. primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025: i. the GHG emissions do not exceed 1,484 tCO_2e per ton of aluminium manufactured: ii. the average carbon intensity for the indirect GHG emissions does not exceed 100g CO2e/kWh; iii. the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al. b. secondary aluminium.	Under the Framework Danske Bank intends to finance the manufacture of secondary aluminium.	Aligned

Table 43

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	3.9 Manufacture of iron and steel		
NACE Code	C24.10, C24.20, C24.31, C24.32, C24.33, C24.34, C24.51 and C24.52		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	

Mitigation	The activity manufactures one of the following:
	a. iron and steel where GHG emissions, reduced by the amount of emissions assigned to the production of waste gases in accordance with point 10.1.5(a) of Annex VII to Regulation (EU) 2019/331 do not exceed the following values applied to the different manufacturing process steps:
	i. hot metal = 1,331 tCO_2e/t product;
	ii. sintered ore = 0,163 tCO_2e/t product;
	iii. coke (excluding lignite coke) = 0,144 tCO_2e/t product;
		Under the Framework Danske Bank intends to finance the production of steel using green hydrogen dedicated to supporting innovative manufacturing technologies that enable significant GHG-reductions compared to traditional methods. Danske Bank will ensure that minimum criteria outlined in the EU Taxonomy will be met as part of its project selection process.	Aligned

	iv. iron casting = 0,299 tCO_2e/t product;
	v. electric Arc Furnace (EAF) high alloy steel = 0,266 tCO_2e/t product;
	vi. electric Arc Furnace (EAF) carbon steel = 0,209[117] tCO_2e/t product.
	b. steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel, as defined in Commission Delegated Regulation (EU) 2019/331 and where the steel scrap input relative to product output is not lower than:
	i. 70 % for the production of high alloy steel;
	ii. 90 % for the production of carbon steel.
	
	Where the CO_2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO_2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of this Annex.		

Table 44

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	3.15 Manufacture of anhydrous ammonia		
NACE Code	C20.15		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one of the following criteria: a. ammonia is produced from hydrogen that complies with the technical screening criteria set out in Section 3.10 of this Annex (Manufacturing of hydrogen); b. ammonia is recovered from waste water.	Under the Framework Danske Bank intends to finance the manufacturing of ammonia using green hydrogen dedicated to supporting innovative manufacturing technologies that enable significant GHG-reductions compared to traditional methods. Danske Bank will ensure that minimum criteria outlined in the EU Taxonomy will be met as part of its project selection process.	Aligned

Table 45

Framework Activity assessed	Energy and Emission Efficient Products, Solutions and Manufacturing		
EU Activity	3.17 Manufacture of plastics in primary form		
NACE Code	C20.16		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity complies with one of the following criteria: a. the plastic in primary form is fully manufactured by mechanical recycling of plastic waste; b. where mechanical recycling is not technically feasible or economically viable, the plastic in primary form is fully manufactured by chemical recycling of plastic waste and the life-cycle GHG emissions of the manufactured plastic, excluding any calculated credits from the production of fuels, are lower than the life-cycle GHG emissions of the equivalent plastic in primary form manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. c. derived wholly or partially from renewable feedstock and its life-cycle GHG emissions are lower than the life-cycle GHG emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. Agricultural biomass used for the manufacture of plastics in its primary form complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the manufacture of plastics in its primary form complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive.	Under the Framework Danske Bank intends to finance the manufacturing plastics from fully mechanically recycled plastic waste or from renewable feedstock such as certified biomass, industrial or municipal bio-waste. Danske Bank will ensure that minimum criteria outlined in the EU Taxonomy will be met as part of its project selection process.	Aligned

Table 46

Framework Activity assessed	Green Buildings		
EU Activity	7.1 Construction of new buildings		
NACE Code	F41.1, F41.2		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	Constructions of new buildings for which: 1. The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as built Energy Performance Certificate (EPC). 2. For buildings larger than 5000 m^2, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. 3. For buildings larger than 5000 m^2, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.	1. Danske Bank may finance the construction of new buildings where (i) the net primary energy demand is at least 10% lower than the primary energy demand resulting from the relevant Nearly Zero Energy Buildings requirements, or (ii) the building achieves or is expected to achieve an eligible green building certification. In markets where NZEB requirements are not yet legally defined, the Bank will reply on national building codes as a proxy. Sustainalytics notes that financing the construction of buildings which have received an eligible green building certification, without assurance that the construction also results a net primary energy demand at least 10% lower than the primary energy demand resulting from the relevant Nearly Zero Energy Buildings requirements, is not aligned with the TSC. 2. Danske Bank currently provides loans to select projects larger than 5000m^2 and may finance such buildings in the future. Danske Bank considers existing building regulation on air-tightness and thermal insulation in Finland, Sweden, Norway and Denmark to be robust and expects projects to meet conditions of this criteria. However, the Bank is unable to guarantee that all projects will meet this criterion for TSC. 3. Danske Bank was unable to confirm the calculation of the life-cycle Global Warming Potential will be conducted for all assets larger than 5000m^2. Danske Bank expects that majority of portfolio assets to be financed will fulfill the criterion (1) under the construction of new buildings of the TSC. Given the limitation of green building certifications to demonstrate alignment with the EU TSC on confirmation on life-cycle Global Warming Potential analysis for all assets larger than 5000m^2, Sustainalytics considers these criteria to be partially aligned with the TSC of EU taxonomy.[82]	Partially Aligned

[82] Sustainalytics notes that as of September 2022, the EU Taxonomy has not specified the conditions on which green building certification aligns with the TSC.

Table 47

Framework Activity assessed	Green Buildings		
EU Activity	7.7 Acquisition and ownership of buildings		
NACE Code	L68		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. 2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition: i. Confirm that the Primary Energy Demand (PED) is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) Directive. Energy performance is certified using an as built Energy Performance Certificate (EPC). ii. For buildings larger than 5000 m^2, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. iii. For buildings larger than 5000 m^2, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.	1. For buildings built before 31st of December 2020, Danske Bank may finance the acquisition of buildings which have an (i) Energy Performance Certificate (EPC) rating of A or (ii) is otherwise deemed to belong to the top 15% of energy performing buildings in the relevant area which is distinguishes by residential or non-residential building type 2. For buildings built after the 31st of December 2020, Danske Bank may finance the acquisition of buildings where the net primary energy demand is at least 10% lower than the primary energy demand resulting from the relevant NZEB requirements. i. Sustainalytics notes that the Bank may finance the acquisition of buildings which are located in regions where NZEB requirements have not yet been adopted by local law such as Norway and the UK and will rely on National building codes as a proxy in such cases. ii. Danske Bank considers existing building regulation on air-tightness and thermal insulation in Finland, Sweden, Norway and Denmark to be robust and expects projects to meet conditions of this criteria. However, the Bank is unable to guarantee that all projects will meet this criterion for TSC. iii. Danske Bank was unable to confirm the calculation of the life-cycle Global Warming Potential will be conducted for all assets larger than 5000m^2. Danske Bank may also finance the acquisition of buildings that achieves or is expected to achieve an eligible green building certification. Sustainalytics notes that financing the acquisition of buildings which have received an eligible green building	Partially Aligned

	3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.	certification, without assurance that the building falls within the top 15% or have an EPC rating A is not aligned with the TSC. 3. Sustainalytics notes that for larger construction projects, energy efficiency monitoring systems will be standard practice in all buildings Danske Bank acquires. Given that majority of the portfolio to be financed will fulfil the TSC criteria under this activity and the limitations of green building certifications to demonstrate alignment with the TSC, Sustainalytics considers this UoP category to be partially aligned.[83]	

Table 48

Framework Activity assessed	Green Buildings		
EU Activity	7.2 Renovation of existing buildings		
NACE Code	F41, F43		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The building renovation complies with the applicable requirements for major renovations. Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30%.	Danske Bank has confirmed that all relevant projects under the Framework will meet the criteria on major renovations and lead to a reduction of primary energy demand of at least 30%.	Aligned

Table 49

Framework Activity assessed	Green Buildings		
EU Activity	7.3 Installation, maintenance and repair of energy efficiency equipment		
NACE Code	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22 and C33.12		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance	Danske Bank plans to finance the installation, maintenance and repair of on-site renewable energy generation facilities. Danske Bank has confirmed to Sustainalytics that all relevant projects to be financed under this activity will meet TSC criteria for climate change mitigation.	Aligned

[83] Sustainalytics notes that as of September 2022, the EU Taxonomy has not specified the conditions on which green building certification aligns with the TSC.

	with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation: a) addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive); b) replacement of existing windows with new energy efficient windows; c) replacement of existing external doors with new energy efficient doors; d) installation and replacement of energy efficient light sources; e) installation, replacement, maintenance and repair of heating, ventilation and airconditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies; f) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E of the Climate Delegated Annex and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow		

Table 50

Framework Activity assessed	Green Buildings		
EU Activity	7.4 Installation, maintenance and repair of charging stations for electric vehicles		
NACE Code	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	Installation, maintenance or repair of charging stations for electric vehicles.	Eligible by default.	Aligned

Table 51

Framework Activity assessed	Green Buildings		
EU Activity	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		
NACE Code	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	Confirm that the activity consists in one of the following individual measures: a) installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including. motion and day light control; b) installation, maintenance and repair of building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS); c) installation, maintenance and repair of smart meters for gas, heat, cool and electricity; d) installation, maintenance and repair of façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation	Danske Bank plans to finance the installation of energy performance measuring and controlling equipment. Danske Bank confirms that all relevant projects that are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation.	Aligned

Table 52

Framework Activity assessed	Green Buildings		
EU Activity	7.6 Installation, maintenance and repair of renewable energy technologies		
NACE Code	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity consists in one of the following individual measures, if installed on-site as technical building systems: a) installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment; b) installation, maintenance and repair of solar hot water panels and the ancillary technical equipment; c) installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment;	Danske Bank plans to finance the installation, maintenance and repair of on-site renewable energy generation facilities. Danske Bank confirms that all relevant projects that are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation.	Aligned

	d) installation, maintenance and repair of wind turbines and the ancillary technical equipment; e) installation, maintenance and repair of solar transpired collectors and the ancillary technical equipment; f) installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment; g) installation, maintenance and repair of high efficiency micro CHP (combined heat and power) plant; h) installation, maintenance and repair of heat exchanger/recovery systems.		

Table 53

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.5 Collection and transport of non-hazardous waste in source segregated fractions		
NACE Code	E38.11		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	All separately collected and transported non-hazardous waste that is segregated at source is intended for preparation for reuse or recycling operations.	Danske Bank has communicated to Sustainalytics that efforts will be taken for segregation and transportation of non-hazardous waste financed under this activity, which further aims to support activity 5.9 on 'material recovery from non-hazardous waste'. Given that majority of the portfolio to be financed will fulfill the TSC and the non-hazardous waste will be intended for preparation for reuse or recycling operations, Sustainalytics considers this activity under the Framework to be partially aligned with the TSC of the EU Taxonomy.	Partially Aligned

Table 54

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.6 Anaerobic digestion of sewage sludge		
NACE Code	E37.00, F42.9, E38.21, F42.99, E38.21, F42.99		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. A monitoring and contingency plan is in place in order to minimize methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry.	• Danske Bank confirms that it requires projects to have a monitoring and contingency plan in place to minimize methane leakage at facilities it may finance. • Additionally, Danske Bank confirms that the biogas produced under the anaerobic digestion of sewage sludge will be directly used for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry.	Aligned

Table 55

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.7 Anaerobic digestion of bio-waste		
NACE Code	E37.00, F42.9, E38.21, F42.99, E38.21, F42.99		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. A monitoring and contingency plan is in place in order to minimise methane leakage at the facility. 2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry. 3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately. 4. The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment. 5. In the dedicated bio-waste treatment plants, the share of food and feed crops used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock.	Danske Bank confirms that all relevant projects which are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation.	Aligned

Table 56

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.8 Composting of bio-waste		
NACE Code	E37.00, F42.9, E38.21, F42.99, E38.21, F42.99		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. The bio-waste that is composted is source segregated and collected separately. 2. The compost produced is used as fertiliser or soil improver and meets the requirements for fertilising materials set out in Component Material Category 3 in Annex II to Regulation (EU) 2019/1009 or national rules on fertilisers or soil improvers for agricultural use.	Danske Bank confirms that all relevant projects which are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation.	Aligned

Table 57

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.9 Material recovery from non-hazardous waste		
NACE Code	E37.00, F42.9, E38.21, F42.99, E38.21, F42.99		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	The activity converts at least 50 %, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes.	Danske Bank confirms that all relevant projects which are planned and expected to be financed under this Activity will meet TSC criteria for climate change mitigation.	Aligned

Table 58

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.11. Transport of CO_2		
NACE Code	F42.21 and H49.50		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. The CO_2 transported from the installation where it is captured to the injection point does not lead to CO_2 leakages above 0.5 % of the mass of CO2 transported. 2. The CO_2 is delivered to a permanent CO_2 storage site that meets the criteria for underground geological storage of CO_2 set out in Section	Danske Bank confirms that all relevant projects which are planned and expected to be financed under this activity will meet TSC criteria for climate change mitigation.	Aligned

	5.12 of this Annex; or to other transport modalities, which lead to permanent CO_2 storage site that meet those criteria. 3. Appropriate leak detection systems are applied and a monitoring plan is in place, with the report verified by an independent third party. 4. The activity may include the installation of assets that increase the flexibility and improve the management of an existing network.		

Table 59

Framework Activity assessed	Pollution Prevention and Control		
EU Activity	5.12 Underground permanent geological storage of CO2		
NACE Code	E39.00		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. Characterization and assessment of the potential storage complex and surrounding area, or exploration within the meaning of Article 3, point (8), of Directive 2009/31/EC of the European Parliament and of the Council is carried out in order to establish whether the geological formation is suitable for use as a CO_2 storage site. 2. For operation of underground geological CO_2 storage sites, including closure and post closure obligations: a. appropriate leakage detection systems are implemented to prevent release during operation; b. a monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place, with the regular reports checked by the competent national authority. 3. For the exploration and operation of storage sites within the Union, the activity complies with Directive 2009/31/EC. For the exploration and operation of storage sites in third countries, the activity complies with ISO 27914:2017 for geological storage of CO_2.	1. Danske Bank confirms that all relevant projects which are planned and expected to be financed under this Activity will be accompanied by an assessment of the potential storage complex and surrounding area or exploration in line with relevant regulation will be carried out in order to establish whether the geological formation is suitable for use as a CO_2 storage site. Furthermore, the Bank has confirmed that they will ensure compliance to the TSC as a part of its internal due diligence process. 2. For operation of underground geological CO_2 storage sites: i. Danske Bank confirms that appropriate leakage detection systems are implemented to prevent release of CO_2 during operation, and; ii. Danske Bank confirms that a monitoring plan will be in place and will be regularly checked by the competent national authority. 3. Danske Bank confirms that the exploration and operation of storage sites within the EU will comply with Directive 2009/31/EC. Furthermore, for the exploration and operation of storage sites in third countries will comply with ISO 27914:2017 for geological storage of CO_2.	Aligned

Table 60

Framework Activity assessed	Environmentally sustainable management of living natural resources and land use		
EU Activity	1.3. Forest management		
NACE Code	A2, II 02.10		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	1. Forest management plan or equivalent instrument 1.1. The activity takes place on area that is subject to a forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan'. The forest management plan or equivalent instrument covers a period of 10 years or more and is continuously updated. 1.2. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: a) management goals, including major constraints; b) general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; c) definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; d) definition of the area according to its gazetting in the land registry; e) compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; f) measures deployed to maintain the good condition of forest ecosystems; g) consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law); h) assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; i) all DNSH criteria relevant for forest management.	While Danske Bank has confirmed to finance the activities under forest management as per the Framework's eligibility criteria, but the Bank is unable to confirm compliance with the TSC criteria. Therefore, Sustainalytics has assessed this activity as not aligned.	Not Aligned

	1.3. The sustainability of the forest management systems, as documented in the plan referred to in point 1.1, is ensured by choosing the most ambitious of the following approaches: a) the forest management matches the applicable national definition of sustainable forest management; b) the forest management matches the Forest Europe definition of sustainable forest management, and complies with the Pan-European Operational Level Guidelines for Sustainable Forest Management; c) the management system in place shows compliance with the forest sustainability criteria set out in Article 29(6) of Directive (EU) 2018/2001, and as of the date of its application with the implementing act on operational guidance for energy from forest biomass adopted under Article 29(8) of that Directive. 1.4. The activity does not involve the degradation of land with high carbon stock 1.5. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010. 1.6. The forest management plan or equivalent instrument provides for monitoring which ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area. 2. Climate benefit analysis 2.1. For areas that comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity;		

	b) long-term climate benefits are considered demonstrated by proof of alignment with Article 29(7), point (b), of Directive (EU) 2018/2001. 2.2. For areas that do not comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity. b) the projected long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baseline, referred to in point 2.2, where long term corresponds to the longer duration between 100 years and the duration of an entire forest cycle. 2.3. The calculation of climate benefit complies with all of the following criteria: a) the analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The climate benefit analysis is based on transparent, accurate, consistent, complete and comparable information, covers all carbon pools impacted by the activity, including above-ground biomass, belowground biomass, deadwood, litter and soil, relies on the most conservative assumptions for calculations and includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage. b) the business-as-usual practices, including harvesting practices, are one of the following: i. the management practices as documented in the latest version of the forest management plan or equivalent instrument before the start of the activity, if any;		

	ii. the most recent business-as-usual practices prior to the start of the activity; iii. the practices corresponding to a management system ensuring that carbon stocks and sinks levels in the forest area are maintained or strengthened over the long term as set out in Article 29(7), point (b), of Directive (EU) 2018/2001. c) the resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used. d) emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance with Regulation (EU) 2020/852, provided that the climate benefit analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories regarding emissions and removals due to natural disturbances. 2.4. Forest holdings under 13ha are not required to perform a climate benefit analysis. 3. Guarantee of permanence 3.1. In accordance with national law, the forest status of the area in which the activity takes place is guaranteed by one of the following measures: a) the area is classified in the permanent forest estate as defined by the FAO; b) the area is classified as a protected area; c) the area is the subject of any legal or contractual guarantee ensuring that it will remain a forest. 3.2. In accordance with national law, the operator of the activity commits that future update to the forest management plan or equivalent instrument, beyond the activity that is financed, will continue to seek the climate benefits as determined in point 2. Besides, the operator of the activity commits to compensate any reduction in the climate benefit determined in point 2 with an equivalent climate benefit resulting from the conduct of an activity that corresponds to one of the forestry activities defined in this Regulation.		

	4. Audit Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity the substantial contribution to climate change mitigation criteria and the DNSH criteria is verified by either of the following: a) the relevant national competent authorities; b) an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder and may not be involved in the development or operation of the activity. 5. Group assessment The compliance with the criteria for substantial contribution to climate change mitigation and with DNSH criteria may be checked: a) at the level of the forest sourcing area as defined in Article 2, point (30), of Directive (EU) 2018/2001; b) at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits.		

Appendix 3 Green Finance / Green Finance Programme - External Review Form

Section 1. Basic Information

Issuer name:	Danske Bank Group
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Danske Bank Group Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November 1, 2022

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligibility categories for use of proceeds - Clean Transportation, Renewable Energy, Energy and Emission Efficient Products, Solutions and Manufacturing, Green Buildings, Environmentally Sustainable Management of Living Natural Resources and Land Use, Sustainable Water and Wastewater Management, Pollution Prevention and Control and Climate Change Adaptation - are aligned with those recognized by Green Bond Principles 2021 and Green Loan Principles 2021. Sustainalytics considers that the investments in the eligible categories are expected to lead to positive environmental impacts and advance UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11, 12, 13, 14 and 15

Use of proceeds categories as per GBP:

☒	Renewable energy	☒	Energy efficiency
☒	Pollution prevention and control	☒	Environmentally sustainable management of living natural resources and land use
☐	Terrestrial and aquatic biodiversity conservation	☒	Clean transportation
☒	Sustainable water and wastewater management	☒	Climate change adaptation
☐	Eco-efficient and/or circular economy adapted products, production technologies and processes	☒	Green buildings
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	☐	Other *(please specify)*:

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Danske Bank's sustainability experts within its lending units evaluate potential green loans, their compliance with the green loan categories and their environmental benefits. The final decision on the selection of green loans is made by Danske Bank's Green Bond Committee (GBC), which approves green loans, excludes green loans that no longer meet the eligibility criteria and/or are associated with a controversy, monitors the allocation of green bond net proceeds, and maintains and updates the Green Finance Framework. Moreover, the GBC takes the EU Taxonomy linked DNSH criteria into account on as best effort basis throughout the evaluation process. The GBC, chaired by the Danske Bank Group Head of Treasury, consists of representatives from the Bank's Sustainable Finance, Societal Impact and Sustainability and Risk Management functions, and meets on a bi-monthly basis. With regard to its lending activities, Danske Bank applies an ESG risk assessment. Based on the establishment of a formal committee and risk management processes, Sustainalytics considers this process to be in line with market practice.

Evaluation and selection

☐	Credentials on the issuer's environmental sustainability objectives	☒	Documented process to determine that projects fit within defined categories

☐ Defined and transparent criteria for projects eligible for Green Bond proceeds

☐ Documented process to identify and manage potential ESG risks associated with the project

☐ Summary criteria for project evaluation and selection publicly available

☐ Other *(please specify):*

Information on Responsibilities and Accountability

☐ Evaluation / Selection criteria subject to external advice or verification

☐ In-house assessment

☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

An amount of green loans equivalent or exceeding the net proceeds from its outstanding green bonds, will be earmarked to eligible projects. Danske Bank uses dedicated green registries to keep track of the green loans per issuing entity and net proceeds from the respective entities' green bond issuance on a portfolio basis. The Group Treasuries will be responsible for overseeing this process. The proceeds from the instruments issued under the Framework will be used to finance green loans and/or repay green bonds across Danske Bank entities. Pending allocation, unallocated proceeds will be invested in Danske Bank's treasury liquidity portfolio in cash or other short-term and liquid instruments. Danske Bank intends to allocate all proceeds at the time of issuance. Sustainalytics considers this process to be in line with market practice.

Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☐ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other *(please specify)*:

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements

☐ Allocation to a portfolio of disbursements

☒ Disclosure of portfolio balance of unallocated proceeds

☐ Other *(please specify)*:

4. REPORTING

Overall comment on section (if applicable):

Danske Bank intends to report annually and per issuing entity on the allocation of proceeds on its website, until the issuing entity's green bonds have matured. The allocation reporting will include a summary of general green bond developments, the outstanding amount of green bonds, the total allocation of green bond net proceeds to each green loan category, the balance of green loans in the green registries and estimated EU Taxonomy Climate Delegated Act eligibility and alignment of green loans. In addition, Danske Bank is committed to reporting on relevant environmental impact metrics mentioned below. Sustainalytics considers this process to be in line with market practice.

Use of proceeds reporting:

☐ Project-by-project ☒ On a project portfolio basis

☐ Linkage to individual bond(s) ☐ Other *(please specify):*

Information reported:

☒ Allocated amounts ☐ Green Bond financed share of total investment

☐ Other *(please specify):*

Frequency*:*

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☐ Project-by-project ☒ On a project portfolio basis

☐ Linkage to individual bond(s) ☐ Other (please specify):

Information reported (expected or ex-post):

☒ GHG Emissions / Savings ☒ Energy Savings

☐ Decrease in water use ☒ Other ESG indicators (please specify):

Clean transport	Low-carbon public transport and vehicles • Distance transported (pkm or tkm) • GHG savings (tonnes per year)
	Low-carbon transport infrastructure • GHG savings (tonnes per year) due to the installed technology (direct), by transferring freight or passenger transport from road to, for example, railway (indirect) or both (as applicable) • Number of units installed (if applicable)
	Manufacturing of low-carbon vehicles

	• Number of vehicles manufactured
Renewable energy	Renewable energy generation • Renewable energy generation (MWh per year) • Installed renewable energy capacity (MW) • GHG savings (tonnes per year)
	Manufacturing of renewable energy technologies • Generation capacity of manufactured components (MW) • Storage capacity of manufactured components (MW)
	Energy transmission and storage • Distance of transmission (km) • Energy transmitted (MWh per year) • Energy storage capacity (MW) • Energy savings (MWh per year) (if applicable)
Energy and emission-efficient products, solutions and manufacturing	• Amount of manufactured energy efficiency components • Amount of manufactured low-emission intensity basic materials • GHG savings (tonnes per year)
Environmentally sustainable management of living natural	Forests and forestry • Forest area (hectares) • Forestry certification scheme (if applicable) • Net carbon sequestration (tonnes per year) (if available)
	Fishery • Certification scheme • Type of fish (if available)
	Alternative proteins • Type of alternative protein technology (plant-based, fermentation-derived, cultivated) • Production volume
Green buildings	• Environmental certification or EPC (as applicable) • Reduction in energy use (MWh per year) • GHG savings (tonnes per year) • Amount of installed charging units, capacity of renewable energy installations
Pollution prevention and control	Waste management • Quantity of recycled material (tonnes per year) • Area of remediated sites (if applicable) • Amount of produced biogas, biochar (tonnes) • GHG savings (tonnes per year)
	Emissions management • Amount of captured and sequestrated carbon (tonnes per year)
Sustainable water and wastewater management	• Quantity of treated wastewater and/or supplied freshwater (cubic meters per year) • Qualitative improvements in freshwater supply and/or wastewater treatment
Climate change adaptation projects	• Type of investment and purpose

Frequency

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Means of Disclosure

☐ Information published in financial report ☐ Information published in sustainability report

☐ Information published in ad hoc documents ☒ Other (please specify): Website

☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion) ☐ Certification

☐ Verification / Audit ☐ Rating

☐ Other *(please specify):*

Review provider(s): **Date of publication:**

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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For more information, visit www.sustainalytics.com

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Climate Bonds Initiative
6TH CLIMATE BONDS AWARDS
Largest Verifier for Certified Climate Bonds in Deal volume in 2020 & Largest External Review Provider in 2020

2021 GlobalCapital Bond Awards
Most Impressive Second Opinion Provider or Rating Agency
WINNER

CLIMATE BONDS STANDARD
APPROVED VERIFIER

Environmental Finance
Bond Awards 2021
Winner
External assessment provider of the year