

## UN Global Compact Communication on Progress Danske Bank Group 2010

The Danske Bank Group is a Nordic bank with a European reach and an international outlook. With headquarters in Copenhagen, the Bank serves more than 5 million retail customers in 15 countries.

The most important guidelines for our decision making are the internationally recognised principles in the areas of human rights, employee rights, the environment and anti-corruption that are formulated in the UN Global Compact. The Danske Bank Group has supported Global Compact since 2007, and its ten principles lay the foundation for several of our policies, including the Group CR policy, the policy for socially responsible investment (SRI) and our new supplier policy, which was approved in November 2010.

Our commitment to responsible business practices means dealing with issues every day that are not black and white. We aim to consider all facts and viewpoints in order to be able to make the best possible decisions for our customers, employees and other stakeholders – as well as for our business. Having a clear understanding of the issues at hand also helps us in our continuing efforts to adhere to the principles of the Global Compact.

The overall responsibility for the Group's Corporate Responsibility policies and programmes lies with the Group CR Board, which makes corporate responsibility decisions at a strategic level. CR work at the major country units is managed by local executives who supervise the implementation of Group CR policies and strategies at the units. In 2010, a local CR organisation was also established at our Baltic business units, with the appointment of a Baltic CR manager and day-to-day coordinators in Estonia and Lithuania.

Our Communication on Progress covers the calendar year 2010. It consists of Danske Bank Group's Corporate Responsibility 2010 report and this document, which presents brief descriptions of the Group's policies, programmes, activities and future targets that help promote the principles of the Global Compact. The activities and targets are organised under the principles of the Global Compact that they apply to. More information on these activities can be found on the Group's website and in the Corporate Responsibility 2010 report.

Sincerely,  
Danske Bank Group



PETER STRAARUP  
CHAIRMAN OF THE EXECUTIVE BOARD

1. Businesses should support and respect the protection of internationally proclaimed human rights.

## ACTIVITIES

### Financial literacy

The Universal Declaration of Human Rights, Article 26, stresses the importance of education in the development of the human personality and the strengthening of respect for human rights and fundamental freedoms. At the Danske Bank Group, we are convinced that financial education and sound advice are crucial for personal prosperity and healthy economic growth in society.

Financial education has therefore taken priority with us since 2007, when we launched the Financial Literacy Programme. The programme includes developing new products, advisory services, educational materials, events and grants to stimulate financial skills and knowledge. We also develop surveys and research on an ongoing basis to gain a better understanding of the challenges and opportunities related to financial literacy.

In 2010, we launched the advisory website Mind Your Money for 18-27 year-olds in Denmark, Finland, Sweden and Norway. The website is intended to improve the financial skills of young adults by providing financial information closely related to relevant life situations, such as travelling, starting studies, starting a home and having children. Mind Your Money includes interactive tools such as budget modules, calculators and visualisations. To support this effort and advance the dialogue with young adults, the Group has also launched a Mind Your Money advisory forum on Facebook (in Danish only). The forum is run by four young advisers from 21 to 27 years of age.

## TARGETS

In 2011, we will develop a new initiative for 16-18 year-olds under the Group's Financial Literacy programme and continue to conduct activities to raise awareness of financial literacy issues.

Also, in Denmark we will co-operate with The National Union of Students in Denmark to develop debt advisory services for students with financial problems.

### Ethical guidelines

Also in 2010, we gathered together various guidelines and principles that ensure that we conduct our business with integrity and professionalism. The Danske Bank Group's "Ethical Guidelines" and general code of conduct are intended to make certain that external stakeholders know what to expect from the Group and employees know what the Group expects from them. The guidelines apply to all the Group's employees, and each manager must set an example through his or her behaviour and make sure that employees are familiar with the guidelines.

## LINKS

Read more about [the Financial Literacy Programme](#)

Read the [Ethical Guidelines](#)

2. Businesses should make sure that they are not complicit in human rights abuses.

## ACTIVITIES

### SRI

In 2008, the Group introduced a policy for socially responsible investment (SRI) to ensure that customers' funds are not placed in companies that violate internationally recognised standards in such areas as human rights.

We conduct a stringent screening process to determine whether to exclude individual companies. The screening process is based on the internationally recognised guidelines of the UN Global Compact (1999), OECD Guidelines for Multinational Enterprises (1976) and a number of international conventions reflecting the development of the SRI field since 2003. The SRI screening is performed by Ethix SRI Advisors.

In January 2010, the Danske Bank Group became a signatory to the UN Principles for Responsible Investment (PRI).

### TARGETS

In 2011, the Group will report to UN PRI for the first time.

### RESPONSIBLE SOURCING

In 2010, we expanded our supplier standards by formulating a new responsible sourcing policy and establishing an overall framework for responsible sourcing in order to identify social, ethical and environmental risks across the supply chain. The framework allows us to actively promote our suppliers' compliance with international standards and guidelines and to limit our own business risks. The step is thus consistent with our Global Compact commitment to promote human rights, labour standards, environmental concerns and anti-corruption principles.

We also established a Responsible Sourcing Board to ensure a systematic review of the Group's suppliers.

### TARGETS

In 2011, we will screen all the suppliers managed by the Group Procurement Department.

Also in 2011, we wish to become even more deeply involved in international networks that work to develop solutions to meet the global challenges of responsible sourcing.

### LINKS

[Read more about socially responsible investment](#)

[Read more about responsible sourcing](#)

## LABOUR STANDARDS

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**3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

### ACTIVITIES

In September 2008, the Danske Bank Group signed an agreement with UNI Finance, a part of the international labour union, UNI Global Union. The framework agreement describes the Group's commitment to ensuring fundamental employee rights, including freedom of association and collective bargaining. The agreement also ensures that fundamental human rights are observed in countries with a history of child labour or forced labour.

### LINKS

[Read more about the agreement](#)

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**4. Businesses should uphold the elimination of all forms of forced and compulsory labour.**

See principle 3.

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**5. Businesses should uphold the effective abolition of child labour.**

See principle 3.

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**6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.**

### ACTIVITIES

The Danske Bank Group works to ensure that it does not discriminate against employees because of ethnic background, gender, age, sexual orientation or religion. We believe that diversity is a strength that helps to ensure the Group's access to the most talented employees. We therefore work deliberately to promote inclusion.

The Group introduced a senior policy in 2006 to assist employees in managing the concluding stage of their careers.

Since 2007, the Group has carried out a programme to prepare women for management positions and increase attention on the management potential of the Group's female staff.

In 2010, we signed the Danish Charter for more women in management, which was founded by the Minister for Gender Equality. Also in 2010, we joined an initiative to bring more women on to company boards of directors. In 2010, women constituted 33% of the Danske Bank Group's Board.

### TARGETS

By signing the Danish Charter for more women in management, the Group commits itself to developing a strategy for putting more women in leadership positions, setting specific targets for such appointments and preparing a baseline report. We will carry out these measures in 2011.

## ENVIRONMENT

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**7. Businesses should support a precautionary approach to environmental challenges.**

### ACTIVITIES

The Danske Bank Group's Climate Change Strategy, developed in 2007 and updated in 2009, is an example of how the Group exercises a precautionary approach to environmental and climate challenges. The climate strategy commits the Group to take action against climate change.

### TARGETS

In late 2010, the Group set a target to reduce electricity consumption by 20% from 2009 to 2014.

### LINKS

[Read the climate strategy](#)

[Read the Group's environmental policy](#)

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**8. Businesses should undertake initiatives to promote greater environmental responsibility.**

### ACTIVITIES

The Danske Bank Group gives much consideration to environmental factors in its choice of suppliers and products. We have developed business procedures and environmental standards for suppliers and selected products, and suppliers must make a commitment to live up to our requirements.

We also promote environmental responsibility among our customers. For example, the Group's leasing company, Nordania Leasing, offers an environmental programme in its corporate car leasing business. The programme includes reporting on emissions from cars, environmental ratings of cars, and advice on how to set up an environmentally friendly car policy.

To show our support for the development of a financial infrastructure that supports the transformation to a low-carbon economy, we signed the 2010 Global Investor Statement on Climate Change, sponsored by UNEP-FI and UN PRI.

In 2010, Fokus Bank, Norway, decided to become certified by the "Eco Lighthouse Programme". In September the head office became the first unit to achieve certification. The certification of branch offices will continue in 2011.

### TARGETS

[Complete "Eco Lighthouse" certification in Norway.](#)

### LINKS

[Read the Group's environmental policy](#)

[Read about supplier standards](#)

[Read about Nordania Greenfleet](#)

**9. Businesses should encourage the development and diffusion of environmentally friendly technologies.**

### ACTIVITIES

We strive to make our customers aware of opportunities to reduce their energy consumption. Since we finance the purchase and renovation of homes, it makes sense for us to promote knowledge about energy-saving home improvements.

The Group also offers a range of investment options that take defined codes of ethics into consideration and contribute to the development of environmentally friendly technologies.

In April 2010, the Group's mortgage provider co-founded the Danish Green Building Council, which is affiliated with a worldwide environmental organisation. The purpose of the council is to develop a certification for sustainable buildings. Since currently there is no standard definition of this status, it is difficult for owners to get a premium price for environmentally friendly properties. Certification would enable the market to recognise the value of environmentally favourable features of properties – and thereby help the diffusion of environmentally friendly technologies in buildings.

### LINKS

Read about [climate-friendly homes](#)

Read about [investing in climate](#)

## ANTI-CORRUPTION

**10. Businesses should work against corruption in all its forms, including extortion and bribery.**

### ACTIVITIES

The Group has developed a code of conduct on corruption and bribery. The code presents a set of guidelines to ensure that the Group and its employees avoid corruption in all its forms, including extortion and bribery.

Read the [business ethics](#) (part of the Ethical Guidelines)

We also try to diminish money laundering in cooperation with the authorities.  
Read about [money laundering](#)

As part of its good corporate governance practices, the Danske Bank Group gives employees the opportunity to be whistleblowers. If an employee has any knowledge of irregularities, they must be reported. The Group wants to establish and maintain an environment that encourages the free flow of information. This also means ensuring the security of employees who report a suspicion and protecting them from retaliatory measures. Reports and questions that are received through the whistleblower system are therefore treated confidentially. The responsibility for managing whistleblowing in the Group lies with the heads of the legal and internal audit departments.

Read about [whistleblowing](#)

Finally, we have established a function to assist the management in ensuring that the Group complies with laws, regulations and ethical standards.

[Read about compliance](#)

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February 10, 2011