

Climate Policy

Purpose

This policy sets the framework for the Export and Investment Fund of Denmark's (EIFO) climate efforts and the efforts to achieve the organization's climate neutrality objectives. This policy will support EIFO's activities in relation to achieving the goals of the Paris Agreement and Denmark's climate ambitions and -targets.

Background

The objects of Denmark's Export and Investment Fund are to create the maximum possible social return by, among other things, contributing to a sustainable and green transition of society, cf. the Act on Denmark's Export and Investment Fund. Through EIFO's financing and business activities, the objective is to contribute to achieving the temperature targets defined in the Paris Agreement and contribute to achieving Denmark's climate ambitions. On this basis, EIFO's management and Board of Directors have decided that the organization will work to achieve climate neutrality (*net zero*) by 2045.

Scope of application

This policy applies to all EIFO's employees and activities across all EIFO's business areas and the organization.

EIFO's strategic goals and commitments

Climate change is a great challenge facing our planet and the international community. Globally, efforts seek to promote the transition to a more sustainable economy, including phasing out the use of fossil fuels and reducing greenhouse gas emissions. The transition to a low-carbon economy requires a shift in financing flows and creates new opportunities for Danish businesses which possess important competencies and technologies in support of the climate transition. EIFO's climate efforts are carried out in conjunction and compliance with EIFO's credit policy. EIFO can play a role in promoting the development of new sustainable solutions, supporting Danish businesses' transition to a low-carbon economy, and Danish companies' businesses activities within climate technologies internationally.

Activities that EIFO prioritizes in its efforts to achieve the climate goals include the following:

1. Emission targets and the road towards *net zero*

EIFO calculates and report on the organization's combined greenhouse gas emissions. This implies an assessment of the organization's *scope* 1, 2, and 3 emissions as well as the financed emissions related to EIFO's total portfolio. In line with the developments of GHG-accounting, EIFO will work to improve the quality and transparency of our accounting.

To monitor the organization's progress towards *net zero* greenhouse gas emissions by 2045, EIFO will set and monitor sector-based interim emission targets for the portfolio. The interim targets will be set in accordance with the industry progress and the developments within climate science.

2. Business efforts

Exclusion of support for fossil fuels in the energy sector

EIFO is subject to the Danish government's decision to end public financing and export promotion for fossil fuels in the energy sector abroad. EIFO has chosen to extend the ban to cover all EIFO's business activities including domestic business activities.

Facilitate climate transition through business operations

EIFO will engage in dialogue with customers and partners regarding the opportunities to support the customers' climate transition and decarbonization. This objective may be achieved by creating financial incentives or products within the national and international frameworks of EIFO.

Long-term goals and climate transition

The climate transition is dependent on resilient supply chains, which includes critical minerals and other hard-to-abate sectors. As a public financial institution, EIFO is committed to support the long-term transition, including businesses related to national security and geopolitical priorities.

Reducing EIFO's impact on climate

EIFO will work on developing and implementing measures across the organization that contribute to reducing the organization's own greenhouse gas emissions.

3. Climate risk management

On the transactional level, EIFO identifies ESG risks, including climate-related risks, in the due diligence work based on individual transactions. EIFO conducts ESG due diligence in accordance with EIFO's Policy on ESG and Sustainability. At the portfolio level, EIFO will aim to strengthen the coverage of the overall exposure to climate-related risks to assess the future climate resilience of the portfolio.

4. Climate leadership

EIFO actively contributes to national and international forums and negotiations to establish common, ambitious frameworks for public financing related to climate, that align with the Danish government's climate ambitions and contributes to ensure a level playing field for Danish businesses internationally. EIFO has joined the climate alliance *Net-Zero Export Credit Agencies Alliance* (NZECA) and will work to create a common international framework for climate transition among export credit agencies.

Reporting

EIFO aims to be transparent towards our customers, owner, and other external stakeholders regarding our climate activities, including how EIFO's portfolio impacts the climate. EIFO reports in line with current legislation and commitments and will work to continuously strengthen climate reporting as the organization's climate efforts develops. EIFO's Board of Directors annually receives a climate report in conjunction with EIFO's annual report, in addition to other relevant climate updates.

References for EIFO's climate work

- [Act on Denmark's Export and Investment Fund](#)
- [Policy for ESG and sustainability \(in Danish\)](#)
- [Factsheet: Denmark ends public finance and export promotion for fossil fuels in the energy sector abroad](#)
- [NZECA Commitment Document](#)

Update

This policy is approved by EIFO's Board of Directors. The policy is reviewed and updated by the department for International Regulation.