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# **Kingdom of Denmark European Green Bond Factsheet Booklet**

The Danish Debt Management Office  
September 2025



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**Management of proceeds and reporting**



**Issuance of DGB EuGB**



# Denmark's climate strategy

# Denmark has set ambitious goals for its own greenhouse gas emissions



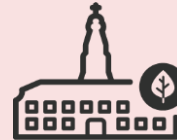
## International climate commitments

### Paris Agreement

Limiting the global temperature rise to  
**1.5 °C**  
compared to pre-industrial levels

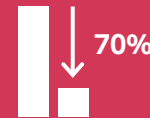
### EU Green Deal

Reduction of greenhouse gas emissions by  
**55%**  
in 2030 compared to 1990 levels



## National climate targets

### Danish Climate Act



**Emission reductions by 2030  
compared to 1990-levels**



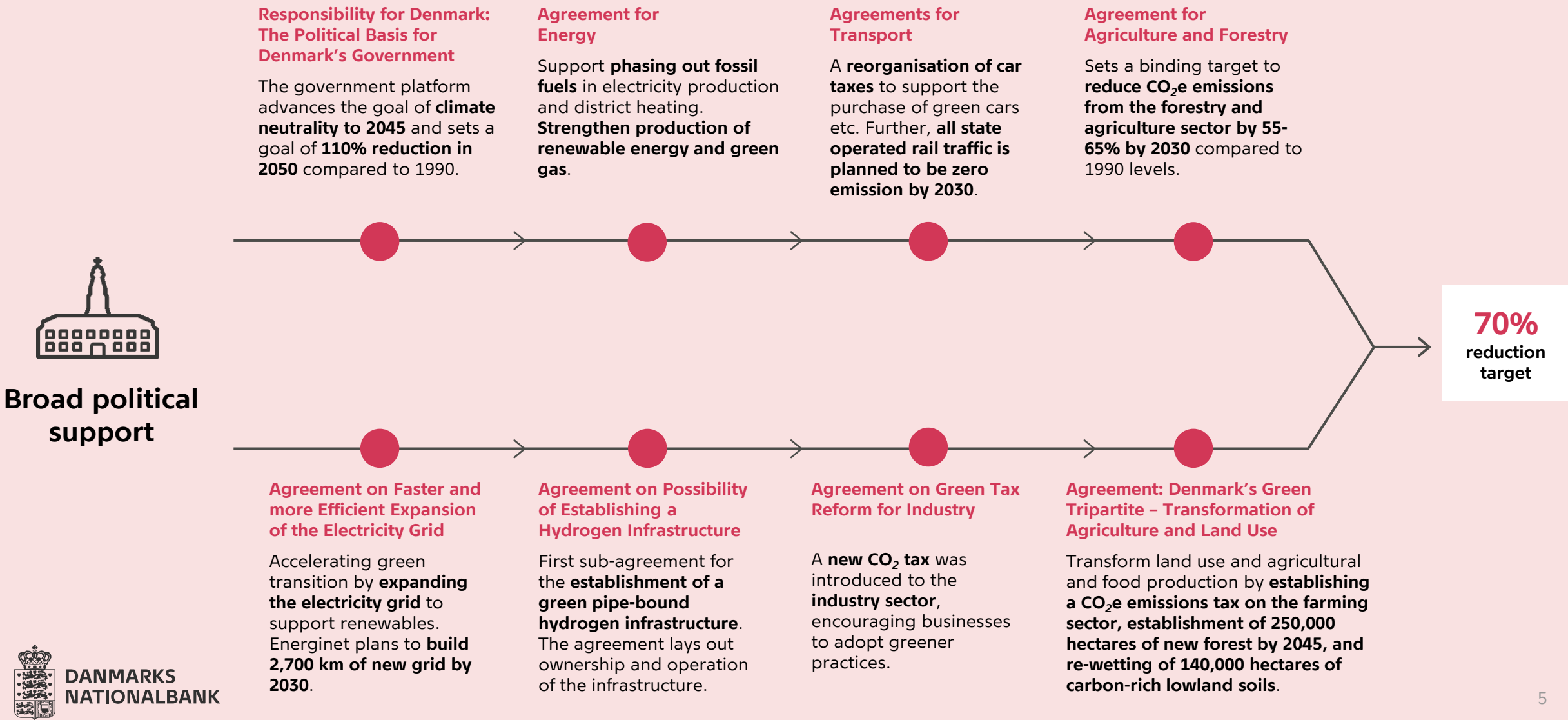
**Climate neutrality  
by 2050**

This deadline is supported by a concrete policy roadmap consisting of several initiatives, which form part of the government's climate programme



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# The transition is supported by a long list of tangible initiatives by the former and current governments...



# ... with well-defined focus areas in the pipeline (2023-2026)



## Energy and Utilities



## Industry



## Agriculture



## Transportation



## Transversal



### Renewables on land

Follow-up on the tender related to Nordsø energy island

Follow-up on the sub-agreement on more green heating and phase-out of natural gas



### Offshore wind ambitions towards 2050



### Faster expansion and better utilisation of the electricity grid

Revisit the Agreement on Green Tax Reform for Industry

Implementation of the Transition Support

### Political Agreement on the Implementation of a Green Denmark



Final report from expert group on Green Tax Reform

Report from expert group on restoration of wetlands

Proposal on green aviation

Status on Green Road Transport in Denmark

**All state operated rail traffic to be zero emission by 2030\***



Revisit initiatives to achieve the 2025 target

New EU 2040 climate target

Set 2035 target for greenhouse gas emissions reduction

Revisit initiatives to achieve 2030 target

Follow-up on the Climate Plan for a green waste sector and circular economy

Note: The marking of the focus areas as part of Kingdom of Denmark's European Green Bond Factsheet is carried out by the Debt Management Office in Danmarks Nationalbank.

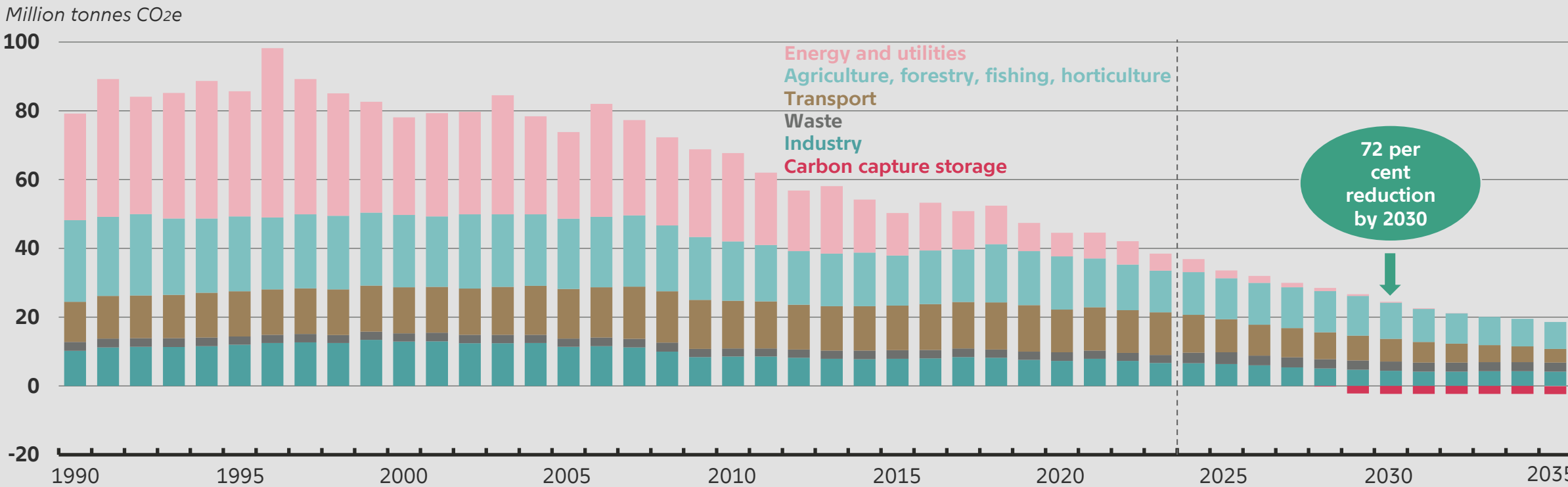
\*The agreement is made before 2023, and it is currently under implementation. Hence, it is not part of the pipeline for 2023-2026.

Source: Denmark's Climate Program 2024, Danish Ministry of Climate, Energy and Utilities and Danmarks Nationalbank.



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# Greenhouse gas emissions have been reduced by 51 per cent in 2023 and are expected to be reduced by 72 per cent by 2030...

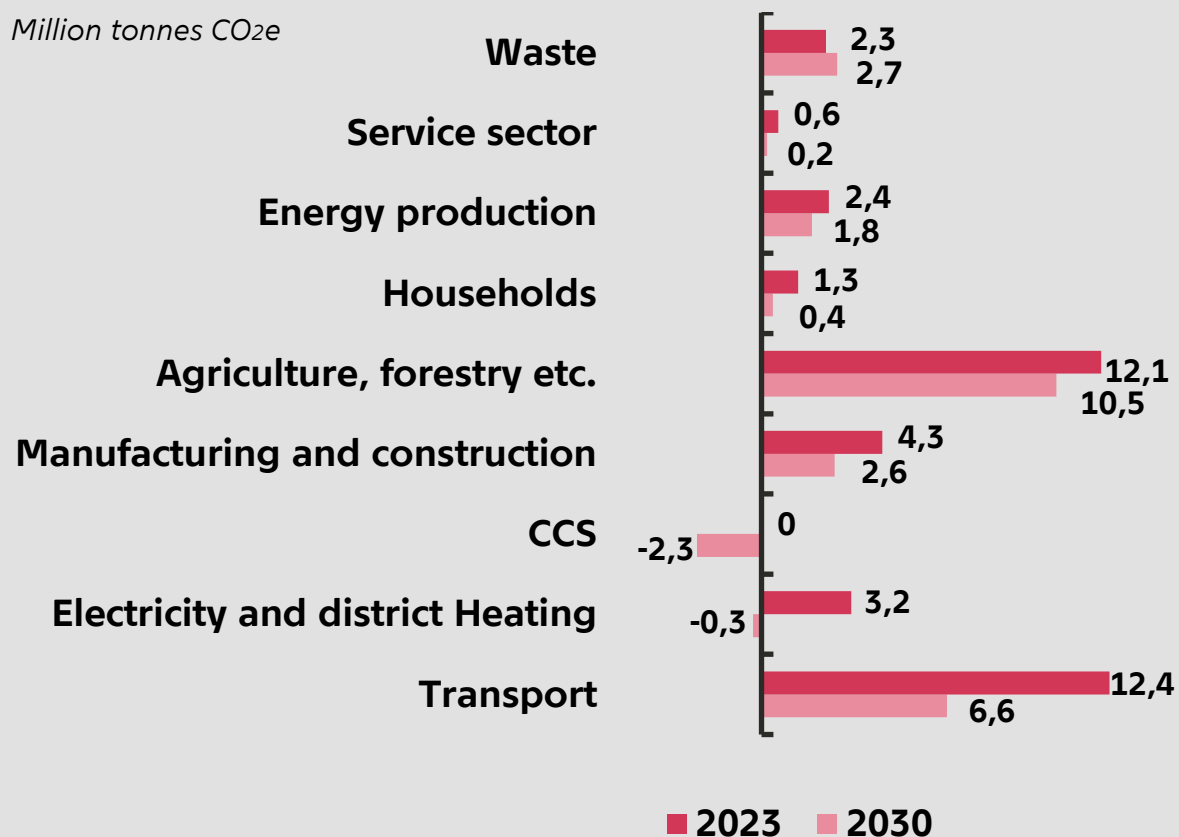


Note: The chart covers all greenhouse gas emissions, measured in CO<sub>2</sub> equivalents. The years 2024-2035 are based on a "frozen policy" simulation.  
Source: Denmark's Climate Status and Outlook 2025, Danish Ministry of Climate, Energy and Utilities.

# ... with different sectors enhancing emission reductions

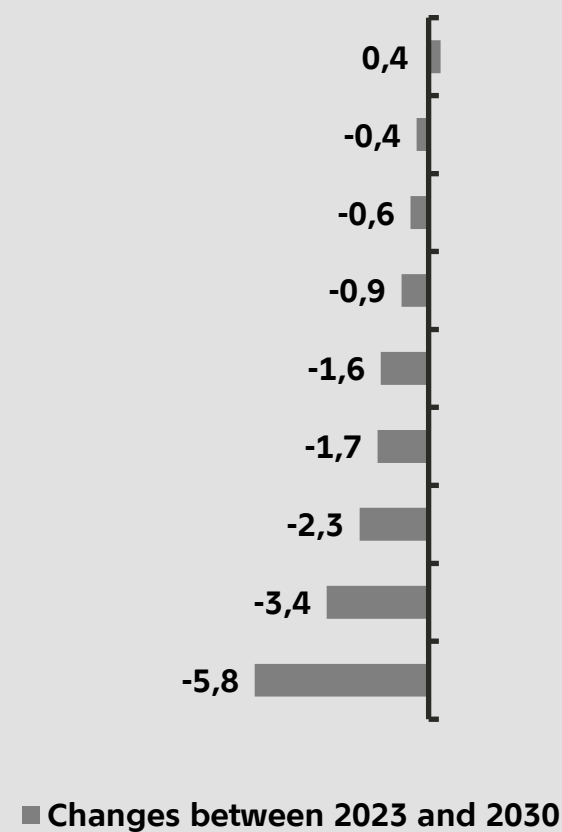
## Sector emissions in 2023 and 2030

Million tonnes CO<sub>2</sub>e



## Expected development in sector emissions by 2030

Million tonnes CO<sub>2</sub>e





# How EuGBs support the green transition in Denmark and promote greener financial markets

# Kingdom of Denmark's European Green Bond Factsheet intends to support the government's overarching climate goals...



## Motivation

The European Green Bond Factsheet financially **supports climate sub-goals** within energy, transport, and land use ...

...promotes the continued **development of green financial markets**...

...and adds critical mass with a high-quality **AAA-rated EuGB**.

## Follows the highest market standards

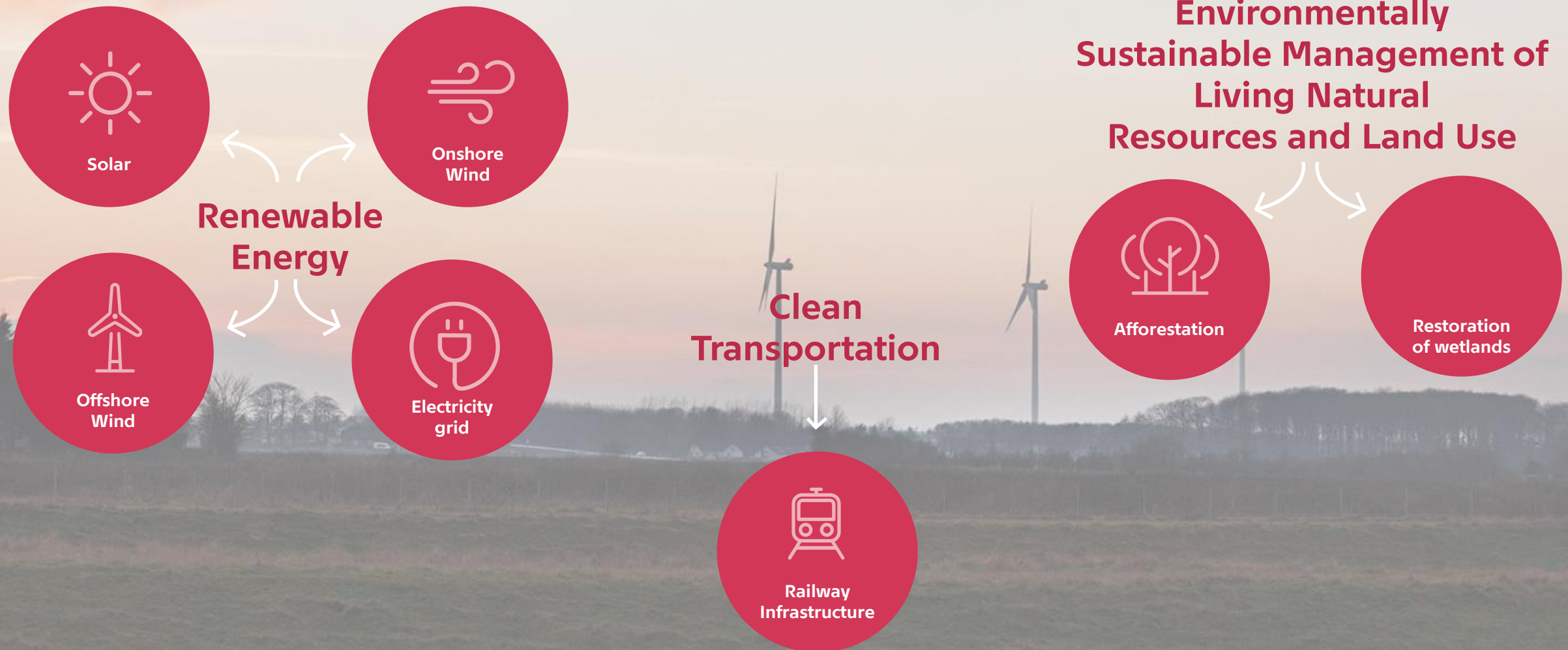
To support regulation that **enhances transparency**, which is essential for further growth of the green financial markets.

To establish a **best practice Factsheet** which is at the forefront of regulation and can serve as guidance for other issuers in the market.

- ✓ All use of proceeds are **aligned with the EU Taxonomy**
- ✓ **EuGB Standard** in combination with **ICMA Green Bond Principles** is considered **gold standard for green bonds**
- ✓ Expenditures have a **clear link** to the government's Budget Act, overseen by the Inter-Ministerial Working Group that **ensures a strong governance structure**
- ✓ **Allocation and impact reporting**



... by financing the sectors that drive the green transition



Note: Sectors and public expenditures that are a part of Kingdom of Denmark's European Green Bond Factsheet.

# European Green Bond Documents Overview



## Kingdom of Denmark European Green bond Factsheet

Includes all relevant information from the EuGBS Regulation template, such as Denmark's environmental strategy, rationale, intended allocation, and environmental impact of bond proceeds. Governs issuances with an EuGB designation.



## Annex I Selection and Evaluation of Eligible Green Expenditures and Management of Proceeds

More comprehensive overview of the governance and selection process for Eligible Green Expenditures and management of proceeds.



## Annex II DNSH Alignment

Information on how all relevant EU Taxonomy substantial contribution and DNSH criteria are met for each eligible expenditure.



## Annex III Minimum Safeguards Compliance

Overview of how the Kingdom of Denmark demonstrates compliance with the EU Taxonomy on minimum safeguards.



## Annex IV Projected Eligible Green Expenditures

Identified and expected amount of Eligible Green Expenditures for 2024 by EU Taxonomy Activity that will be refinanced by issuances in 2025.



# Use of proceeds - Allocation and impact



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# Kingdom of Denmark's European Green Bond Factsheet: Transparent, aligned, and recognized as best market practices

1

## Alignment with the EuGB Standard

Recognizing the importance of a common definition of sustainable economic activities and enhanced transparency, the eligible green expenditures are aligned with the EuGB Standard and, thereby, the EU Taxonomy:

- ✓ Substantially contribute to at least one of the six environmental objectives
- ✓ Do no significant harm to any of the other five environmental objectives
- ✓ Comply with minimum safeguards
- ✓ External verification

2

## Alignment with ICMA Green Bond Principles

The Factsheet is aligned with the Green Bond Principles published by ICMA and follows the four core components, including the additional recommendation to appoint an external reviewer:

- ✓ Use of proceeds
- ✓ Process for project evaluation and selection
- ✓ Management of proceeds
- ✓ Reporting & External review

3

## A Factsheet of the highest standard - reviewed by Sustainable Fitch

*"We consider transaction(s) under this EuGB factsheet to be aligned with the Regulation (EU) 2023/2631 and the use of proceeds (UoP) to be aligned with Regulation (EU) 2020/852."*

*"...the EuGB Factsheet is aligned with eligible categories in the ICMA Green Bond Principles"*



ICMA Green  
Bond Principles



# European Green Bond Factsheet overview



## Use of proceeds

Eligible green expenditures are focused on climate change mitigation and include:

- Renewable energy
- Clean transportation
- Environmentally sustainable management of living natural resources and land use



## Intended allocation

The Kingdom of Denmark is allocating the proceeds according to the gradual approach.

100% of the proceeds will be allocated to environmentally sustainable activities (i.e., no use of flexibility pocket).



## Management of proceeds

An inter-ministerial working group (IMWG) manages the selection, evaluation, and allocation of eligible green expenditures.

Proceeds are monitored closely and managed according to the regular treasury policy by Danmarks Nationalbank.



## Environmental impact

Eligible green expenditures are selected for their contribution to climate change mitigation, and, as such, their main environmental impact is expected to be CO<sub>2</sub>e reductions, though several activities are expected to have environmental co-benefits.



## Reporting

Allocation reports are updated annually.











Impact reports will also be updated based on annual allocations.

A third-party audit of the allocation report will also be made publicly available.





# Use of proceeds will be allocated to annual public expenditures...

Category	Activity	NACE	Expenditure Description	UN SDGs	Indicative result indicators and impact metrics
Renewable Energy	4.1: Electricity generation using solar photovoltaic technology	D35.11	Subsidies for electricity generation using solar photovoltaic technology. Taxation of electricity (exemption for own consumption of electricity from solar energy).	 	MW capacity or production subsidised, Mt CO <sub>2</sub> e
	4.3: Electricity generation from wind power	D35.11	Subsidies for electricity generation from small wind turbines used in residential applications. Subsidies for electricity generation using onshore and offshore wind power.		MW capacity subsidised, Mt CO <sub>2</sub> e
	4.9: Transmission and distribution of electricity	D35.12 and D35.13	On-lending to state-owned Energinet for investment in the Danish electricity transmission infrastructure.		MW capacity and/or km grid added or renewed, Mt CO <sub>2</sub> e
Clean Transportation	6.14: Infrastructure for rail transport	F42.12, F42.13, H49.10, and H49.2.0	Rail infrastructure operation, renovation, and maintenance. Rail infrastructure investment projects (including electrification of the rail infrastructure). On-lending to state-owned Femern Landanlæg A/S for rail infrastructure in the Fehmarnbelt Fixed Link between Denmark and Germany.	  	Km of railway track maintained and Km of electrified railway track added, Mt CO <sub>2</sub> e
Environmentally Sustainable Management of Living Natural Resources and Land Use	1.1: Afforestation	A2	Subsidies for projects involving the establishment of forests on privately owned agricultural land and projects involving the establishment of forests on areas owned by municipalities.	    	Number of hectares planted, Mt CO <sub>2</sub> e sequestered
	2.1: Restoration of wetlands	N/A	Funding of projects to rewet carbon-rich lowland soils and stop agricultural use of the land. This is done by closing of ditches etc., which in result rewet the land to restore the natural hydrology to the greatest extent possible.		Number of hectares (carbon-rich lowland and peripheral areas) taken out of agricultural use and rewetted, Mt CO <sub>2</sub> e

Note: The allocation will have a preference for expenditures falling under activities 1.1., 2.1., 4.1., 4.3., and 4.9., whereafter remaining proceeds will be allocated to activity 6.14.



# ... and comply with *do no significant harm* (DNSH) and *minimum safeguards*

## DNSH

Activity:	Climate Change Mitigation (EO1)	Climate Change Adaptation (EO2)	Sustainable use and protection of Water and Marine Resources (EO3)	Transition to a Circular Economy (EO4)	Pollution Prevention and Control (EO5)	Protection and restoration of Biodiversity and Ecosystems (EO6)
Renewable Energy	4.1: Electricity generation using solar photovoltaic technology	✓	NA	✓	NA	✓
	4.3: Electricity generation from wind power	✓	✓	✓	NA	✓
	4.9: Transmission and distribution of electricity	✓	NA	✓	✓	✓
Clean Transportation	6.14: Infrastructure for rail transport	✓	✓	✓	✓	✓
Natural Resources and Land Use	1.1: Afforestation	✓	✓	NA	✓	✓
	2.1: Restoration of wetlands	✓	✓	✓	✓	✓

Note: NA denotes instances, where the DNSH-compliance is not relevant for the given expenditure.

## Minimum safeguards

Kingdom of Denmark Compliance

### 1 General sovereign level

1.a The sovereign shall demonstrate that relevant conventions and treaties related to business and human rights have been signed by the sovereign.



1.b The sovereign shall demonstrate a quantitative score in a minimum of two relevant indicators reflecting adherence to human rights and low corruption level, respectively.

### 2 International guidelines for corporates

The sovereign shall formally adhere to the OECD Guidelines for Multinational Enterprises and/or demonstrate commitment to the implementation of the UN Guiding Principles on Business and Human rights.



### 3 Expectations on corporates

The sovereign shall demonstrate that legislation has been implemented, or expectations are set, for corporates active in the country. It should regard that corporates act in line with the OECD Guidelines for Multinational Enterprises and/or the UN Guiding Principles on Business and Human Rights.



# Use of proceeds – case studies



# Case study 1

## Electrification of the Danish state railway network (part 1)

Electrified railways have clear environmental benefits and contribute to a more stable train service and shorter travel times, making public transport an attractive alternative to private transportation.

01

Primary  
environmental objective



Climate change mitigation

02

Institution



Banedanmark

03

Output/environmental indicators



Reduction of annual greenhouse gas emissions  
(CO<sub>2</sub>e) from electrification

Km of electrified railway tracks

### Full electrification of the Danish state railway network

By 2030, the entire trackside infrastructure will be **either electrified or readied for battery train operation**, with electrified line tracks taking up approximately 80 per cent of the network length, and battery-operated line tracks taking up the remaining 20 per cent.

→ A total of 1,350 kilometers of track needs to be electrified.

#### Benefits from electrification:



Reduced **CO<sub>2</sub> emissions** and particle pollution



Reduced **travel time**, as electric trains can travel at a higher speeds (160-250 km/h) and accelerate and brake faster



Reduced operation and maintenance **costs**



Increased **stability** of the overall train service



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# Case study 1

## Electrification of the Danish state railway network (part 2)

Electrified railways have clear environmental benefits and contribute to a more stable train service and shorter travel times, making public transport an attractive alternative to private transportation.

01

Primary  
environmental objective



Climate change mitigation

02

Institution



Banedanmark

03

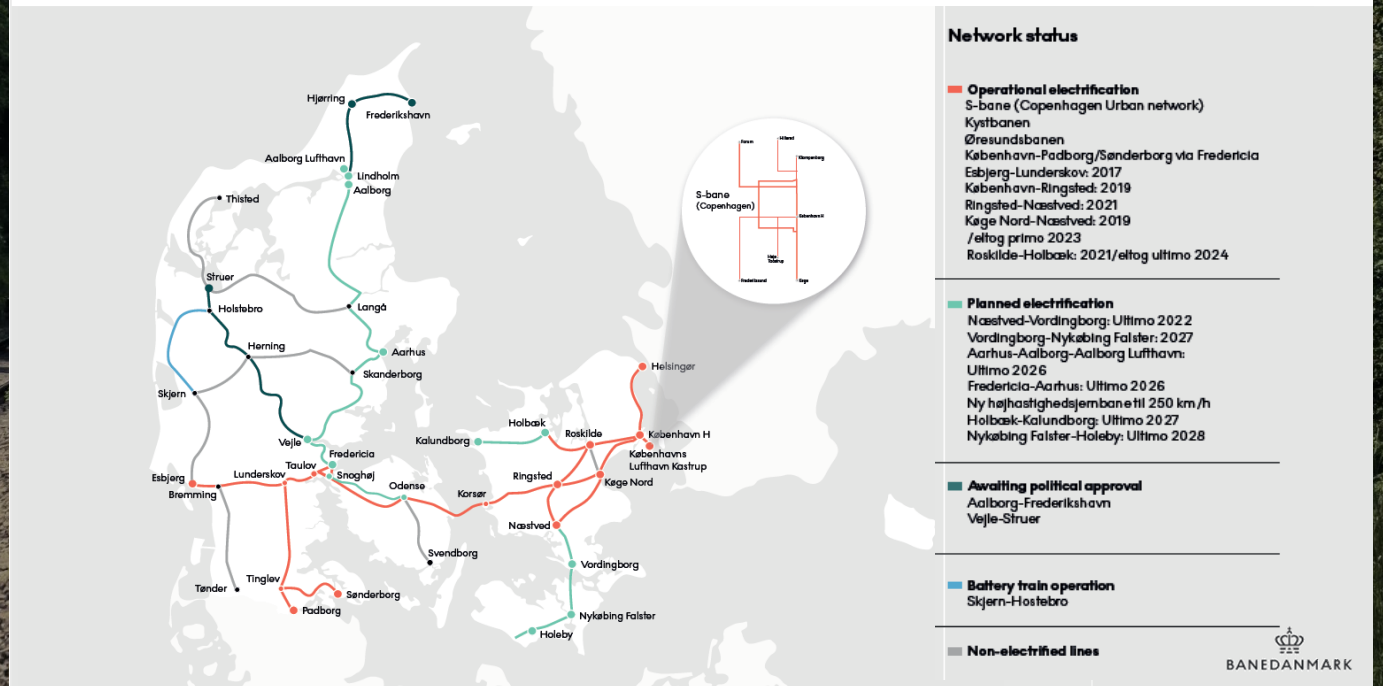
Output/environmental indicators



Reduction of annual greenhouse gas emissions  
(CO<sub>2</sub>e) from electrification

Km of electrified railway tracks

### Full electrification of the Danish railway network



Source: Banedanmark.



# Case study 2

## Electricity transmission – enabling power from wind and solar

Ensuring the transition of the electricity systems to run on green energy, while maintaining a high level of supply security and ensuring that it remains affordable for consumers and the Danish society.

01

Primary environmental objective



Climate change mitigation

02

Institution



Energinet

03

Output/environmental indicators



MW capacity and/or  
km grid added or renewed, Mt CO<sub>2e</sub>

### The electricity grid plays a central role in the green transition

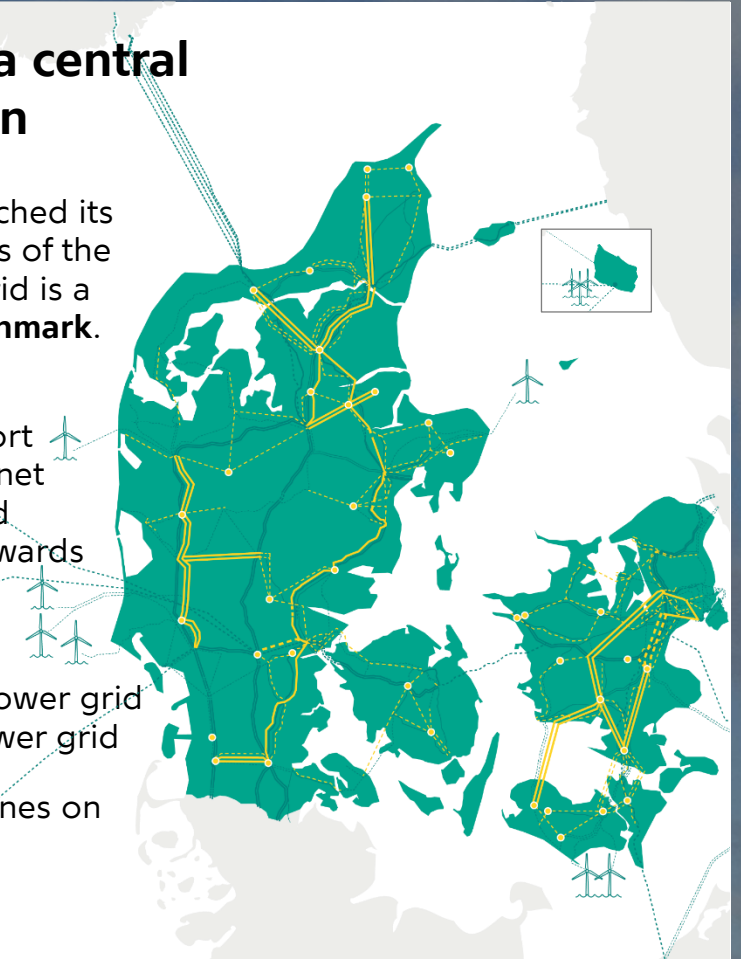
- Today, the electricity grid has reached its maximum capacity in several parts of the country. Expanding the energy grid is a **key driver of electrification of Denmark**.
- By constructing and operating transmission systems that transport the electricity in Denmark, Energinet will enable **increased capacity** and thereby support the transition towards increased renewable electricity.

#### Goals:

**2030:** Construction of 2,700 km power grid

**2050:** Further 3,000–4,000 km power grid

These correspond to the yellow lines on the map.





# Case study 3

## Afforestation and restoration of wetlands

Subsidies for afforestation and restoration of wetlands on agricultural land for private and public landowners.

01

Primary environmental objective



Climate change mitigation

02

Institution



Ministry of Green Transition

03

Output/environmental indicators



Number of hectares planted, Mt CO<sub>2</sub>e sequestered

Number of hectares (carbon-rich lowland and peripheral areas) taken out of agricultural use and rewetted, Mt CO<sub>2</sub>e

### Subsidies for afforestation on agricultural land and rewet carbon-rich lowland soils

- The purpose of subsidies for **establishment of forests on private- and state-owned land** is to achieve a reduction in CO<sub>2</sub> emissions while also supporting other priorities related to nature and the environment.

#### Goals by 2045:

- 250,000 hectares of new forest  
(+40% increase of Danish forest area)
- Of this, 100,000 ha untouched
- Of this, 20,000 ha state-owned

- The purpose of subsidies to **rewet carbon-rich lowland soils** and stop agricultural use of the land is to reduce GHG emissions by restoring the land's natural hydrology. Over time, this will lead to a significant increase in carbon storage, effectively rebuilding the land's carbon stock and benefiting the climate.

#### Goals by 2030:

140,000 hectares of rewetted of carbon-rich agricultural land incl. peripheral areas



# Management of proceeds and reporting

# Institutional setup supports a strong governance structure

## Ministry of Finance

Project coordinator and overall responsible for the development and management of the Factsheet and reporting on allocation and impact from the issuance of green bonds.

## The inter-ministerial working group (IMWG)

### Members of the inter-ministerial working group



Ministry  
of Transport



Ministry of  
Green Transition



Ministry of  
Climate, Energy  
and Utilities



Ministry  
of Finance



Ministry  
of Taxation

### Observer and responsible for EuGB issuance



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Nationalbank

The members of the IMWG are responsible for the identification, screening, and assessment of new and existing eligible green expenditures and for providing input for allocation- and impact reporting.



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# Strong processes in place for the management of proceeds

Proceeds from the issuance of EuGBs form part of the overall funding of the Kingdom of Denmark and are managed by Danmarks Nationalbank in line with the regular treasury policy.



## Close monitoring

Danmarks Nationalbank issues EuGBs on behalf of the Ministry of Finance and may only issue EuGBs corresponding to an amount less than the identified eligible green expenditures.

Proceeds are **monitored** and **mapped** against the amount of eligible green expenditures defined in the Factsheet and reported in the annual allocation report.



## Safety margin

Within a given year, Danmarks Nationalbank's issuance of EuGBs will refinance identified eligible green expenditures from the previous year.

Danmarks Nationalbank may **only issue EuGBs corresponding to an amount less than the identified eligible green expenditures.**



## Allocation

The proceeds from the issuance of EuGBs will be **allocated towards eligible green expenditures** identified in the Factsheet.

A third-party audit of the allocation report will be provided by an **independent reviewer** and made **publicly available** on the websites of the Ministry of Finance and Danmarks Nationalbank.



## No risk of double-counting

Expenditures are only included, when there is **no risk of 'double-counting'**.

Eligible green expenditures include expenditures towards government agencies and state-owned companies.

Expenditures that are financed by **dedicated funding**, including expenditures from Denmark's Recovery and Resilience Plan, are excluded.



# Proceeds of the issuance of EuGBs raised each year refinances eligible expenditures from the year immediately preceding

	T-2	T-1	T (issuance year)	T+1
Issuance			<div>Issuance of EuGB. Proceeds from the issuance refinances eligible green expenditures from period T-1</div>	
Expenditures	<div>Budget planning for eligible green expenditures in period T-1</div>	<div>Eligible green expenditures are held for period T-1</div>		
Reporting				<div>Report on eligible green expenditures held in period T-1 are published</div>

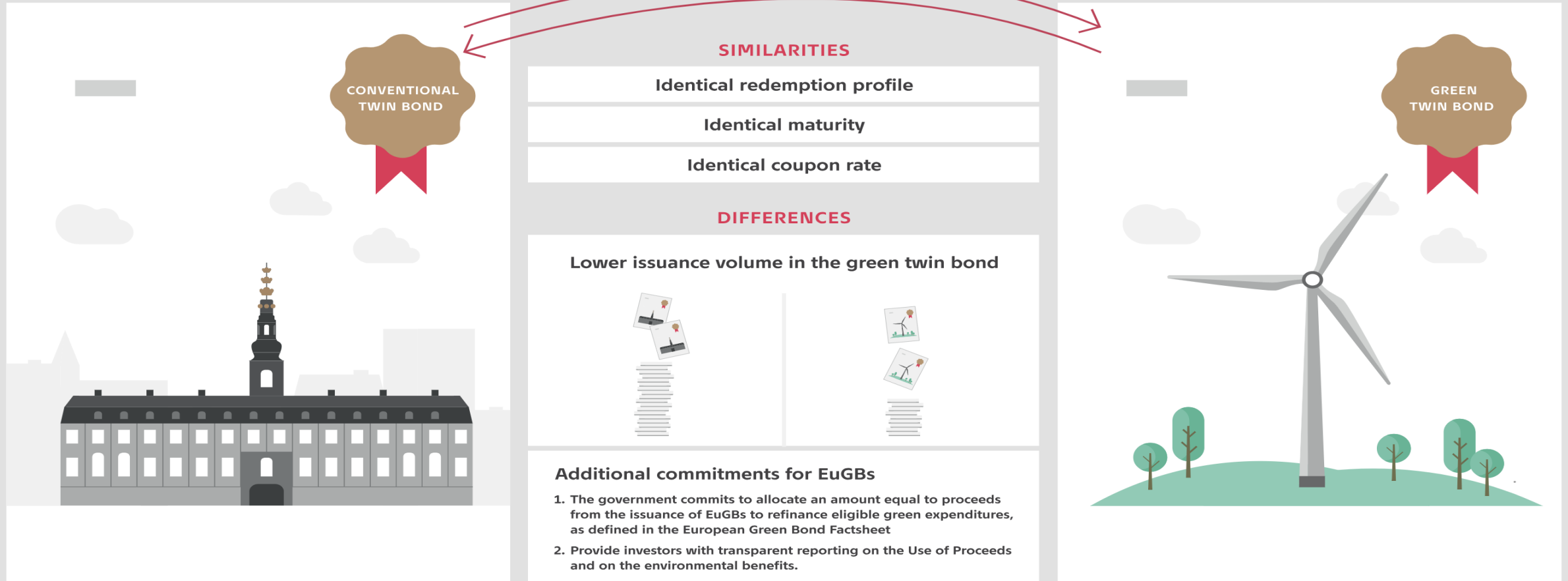
# Issuance of Kingdom of Denmark's EuGB



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# Kingdom of Denmark's EuGBs are issued as twin bonds

Investors may switch the green twin bond to the conventional twin bond one-to-one



# Regular issuance and the Twin Bond Concept enhance liquidity of Kingdom of Denmark's EuGBs

## Regular issuance

**New EuGBs are opened in tandem with new 10-year benchmark bonds**

The Factsheet will be used for multiple issuances. The ISIN of each bond covered by the Factsheet can be found on the DMO's webpage ([link](#)).

### Regularly offered at auctions

- After its opening, the on-the-run DGB EuGB will be offered regularly at auctions
- Find information on which Danish government bonds (DGB) are up for auction here: ([link auction calendar](#))

## Twin Bond Concept provides clear benefits

### Enhanced liquidity

- Investors will, at any time, have the opportunity to **switch the 10-year EuGB** to the corresponding and **more liquid** conventional 10-year twin bond, **one-to-one**.
- Investors will not be able to switch the conventional twin bond to the corresponding EuGB twin bond.

### Enhanced price transparency

- The corresponding conventional twin bond acts as a clear reference.
- The EuGB twin bond provides enhanced value from:
  - Commitment to use proceeds according to Kingdom of Denmark's European Green Bond Factsheet.
  - Commitment to provide transparent reporting on the use of proceeds and on the environmental benefits.

## Contact information

### Strategy, Funding and Investor Relations Debt Management Office

Grp\_BM\_Statsgaeld@nationalbanken.dk  
www.governmentdebt.dk

### Danmarks Nationalbank

Langelinie Allé 47  
DK-2100 Copenhagen Ø

## Useful links

### Green government bonds (Danmarks Nationalbank):

*Green Bonds*, <https://www.nationalbanken.dk/en/government-debt/funding-strategy/green-bonds>, 26-08-2025

### Green government bonds (Danish Ministry of Finance):

*Grønne statsobligationer (Green bonds)*, <https://fm.dk/arbejdsomraader/groenne-statsobligationer/>, 26-08-2025

### Danish Ministry of Climate, Energy and Utilities:

Front page of the website, <https://en.kefm.dk/>, 26-08-2025

*Klimaprogram 2024* (Climate program 2024), September 2024 ([link](#) – in Danish Only)

*Klimastatus og -fremskrivning 2025* (Climate status and projection 2025), April 2025 ([link](#) – in Danish only)



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