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

The Danish Debt Management Office  
September 2025



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# Kingdom of Denmark – an AAA-rated issuer with strong fundamentals

## Kingdom of Denmark

### AAA-rated since 1986

Long track record of sound macroeconomy, fiscal and financial stability, reform-orientated policies, and low government debt

AAA

**Green Leadership:** Denmark is widely recognized as a global leader in green energy, with over 50% of its electricity coming from renewables - mainly wind power - and ambitious climate targets driving innovation and sustainability.

**Fixed Exchange Rate:** The Danish krone is pegged to the euro at 1 EUR  $\approx$  7.46038 DKK. Rates follow euro area, and no use quantitative easing has been conducted by the central bank.

**Strong Economic Outlook:** Continuous GDP growth (+3.7% in 2024 and projected 1.4% for 2025). Low and stable inflation (1.4% in 2024 and projected 1.7% in 2025) and large current account surpluses (12% in 2024 and projected 11% in 2025).

**Robust public finances:** Accelerating the build-up of the Danish defence can initially be financed without increasing government debt (EMU debt 31% of GDP)

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# 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

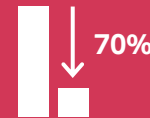
### EU Green Deal

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



## National climate targets

### Danish Climate Act



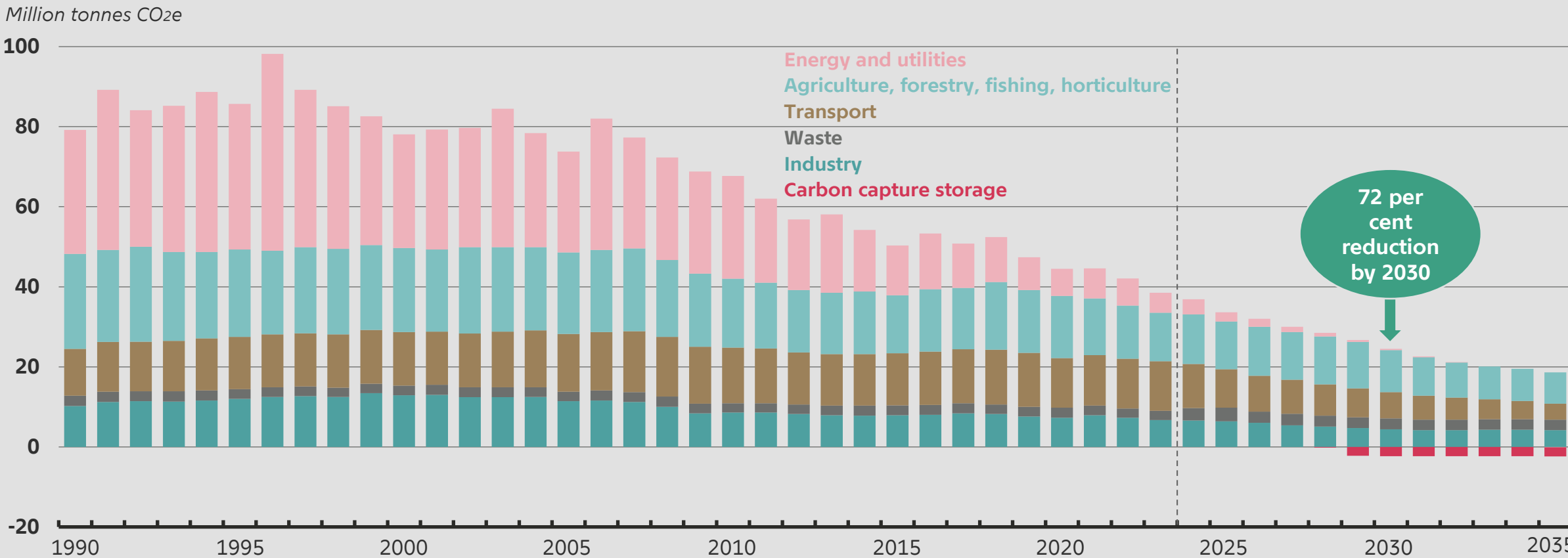
**Emission reductions by 2030  
compared to 1990-levels**



**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

# 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 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.



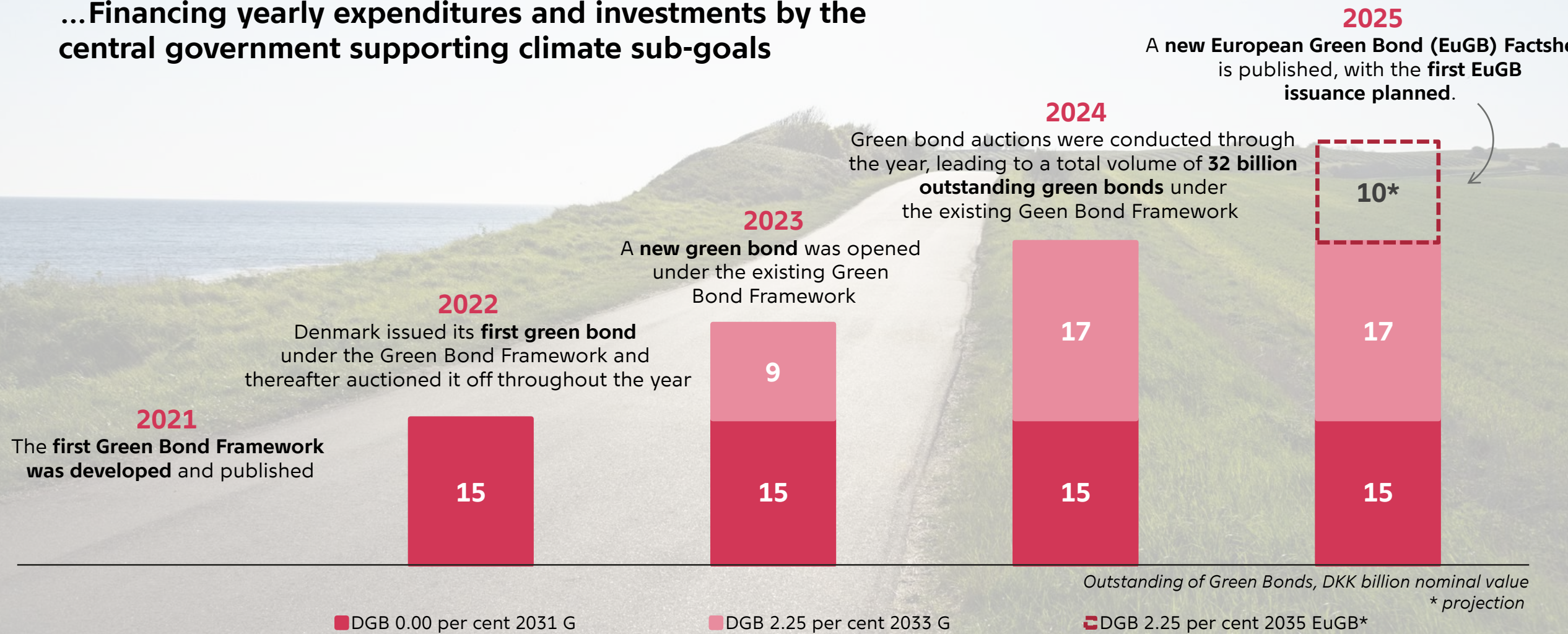
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# How EuGBs support the green transition in Denmark and promote greener financial markets



# Kingdom of Denmark has been issuing green bonds since 2022...

...Financing yearly expenditures and investments by the central government supporting climate sub-goals



# 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**
- ✓ 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**
- ✓ Pre- and post issuance review



# ... financing the sectors that will drive the green transition



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Note: An amount equal to the proceeds from the issuance of green bonds will be allocated to green expenditures and investments by the central government in the sectors outlined in the Kingdom of Denmark's European Green Bond Factsheet.

# **EuGB Factsheet**

## **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 factsheet are aligned with the EuGB Standard:

### EU Taxonomy alignment:

- ✓ Substantially contribution
- ✓ DNSH
- ✓ Minimum safeguards

### Transparency

- ✓ Pre- and Post issuance reporting
- ✓ Impact reporting

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 and 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 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 will be allocated to annual public expenditures

Category	Activity	Expenditure Description	Indicative result indicators and impact metrics	Expenditures from 2024 to be refinanced in 2025 (DKK million)
<b>Environmentally Sustainable Management of Living Natural Resources and Land Use</b>     	1.1: Afforestation	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	39
	2.1: Restoration of wetlands	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	1,209
<b>Renewable Energy</b>  	4.1: Electricity generation using solar photovoltaic technology	Subsidies for electricity generation using solar photovoltaic technology.		300
		Taxation of electricity (exemption for own consumption of electricity from solar energy).		176
	4.3: Electricity generation from wind power	Subsidies for electricity generation from small wind turbines used in residential applications.	MW capacity or production subsidized, Mt CO <sub>2</sub> e	68
	4.3: Electricity generation from wind power	Subsidies for electricity generation using onshore and offshore wind power.		1,224
		On-lending to state-owned Energinet for investment in the Danish electricity transmission infrastructure.		6,245
<b>Clean Transportation</b>   	4.9: Transmission and distribution of electricity	Rail infrastructure operation, renovation, and maintenance, rail infrastructure investment projects (including electrification of the rail infrastructure).	Km of railway track maintained and Km of electrified railway track added, Mt CO <sub>2</sub> e	6,563
		On-lending to state-owned Femern Landanlæg A/S for rail infrastructure in the Fehmarnbelt Fixed Link between Denmark and Germany.		2,433

Note: An amount equal to the proceeds from the issuance of green bonds will be allocated to green expenditures and investments by the central government in the sectors outlined in the Kingdom of Denmark's European Green Bond Factsheet. 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.

# 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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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.



# 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.



# Strategy for issuance of Kingdom of Denmark European Green bonds



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# Inaugural EuGB to be opened in the near future

## Strategy for 2025

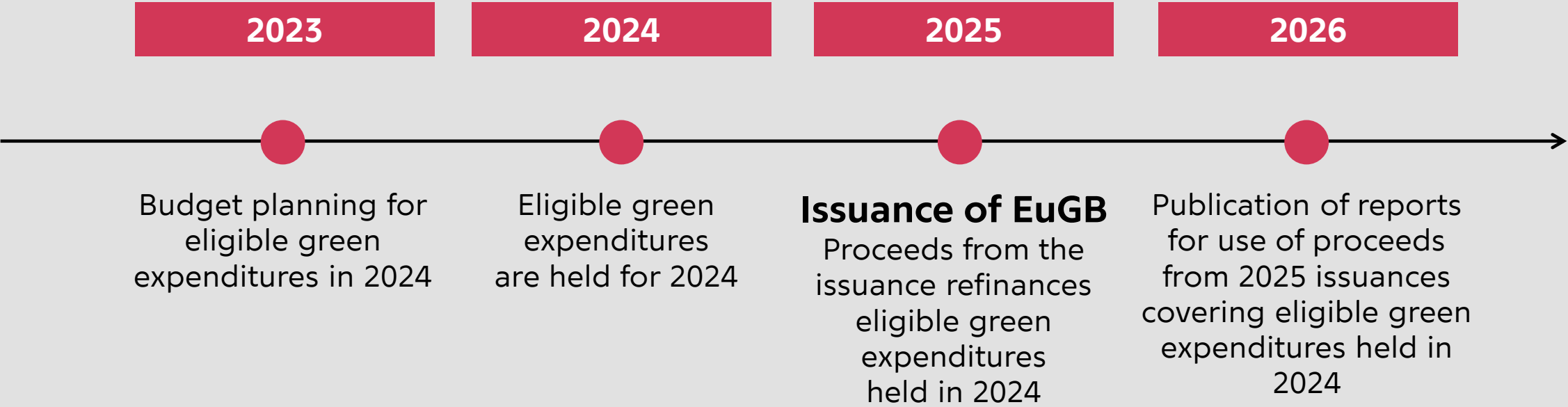
- Kingdom of Denmark's inaugural EuGB 10 year
- The EuGB are issued as **twin bond** to 10-year benchmark bond: DGB 2.25 percent (DK0009924961)
- The new EuGB will be **launched via syndication**
- The bond will afterwards be **regularly offered through auctions**
- Up to **DKK 10 billion** at market value can be issued in 2025.
- The EuGB Factsheet can be used for **multiple issuances**. The ISIN of bonds covered by the Factsheet can be found on the DMO's webpage ([link](#)).

Planned issuance  
in 2025

10

DKK, billion

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



# 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

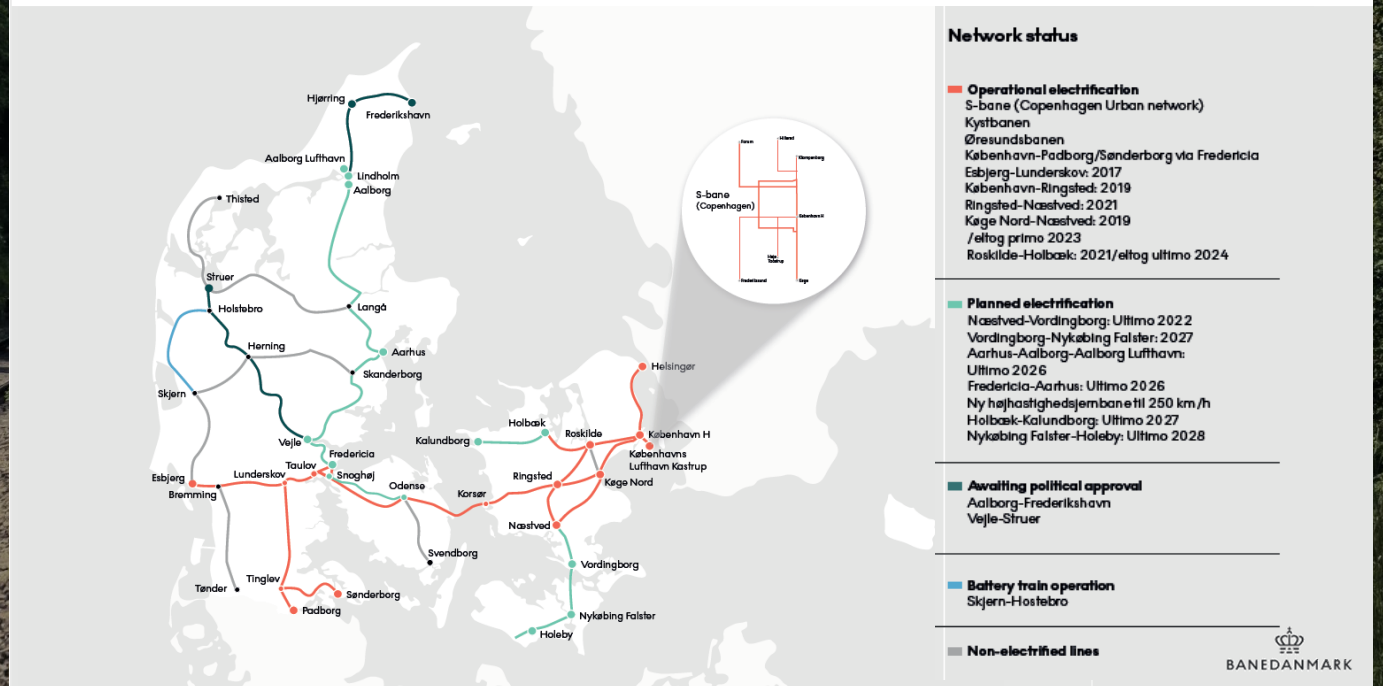
Output/environmental indicators



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

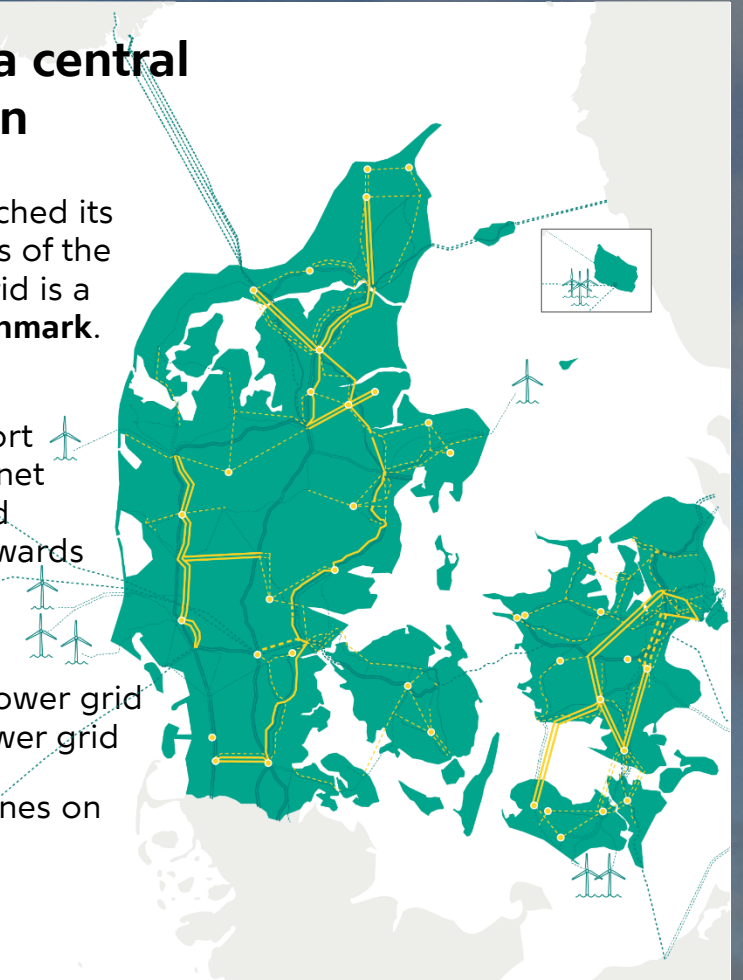
- Today, the electricity grid has reached its maximum capacity in several parts of the country. Expanding the energy grid is a **key driver of electrification of Denmark**.
- By constructing and operating transmission systems that transport the electricity in Denmark, Energinet will enable **increased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



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## Contact information

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## Useful links

**Green government bonds (Danmarks Nationalbank):**

[Green bonds \(nationalbanken.dk\)](https://nationalbanken.dk/greenbonds)

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

<https://fm.dk/arbejdsomraader/groenne-statsobligationer/>

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

<https://en.kefm.dk/>

<https://www.kefm.dk/Media/638632332369380008/Klimaprogram%202024%20-%20Digital.pdf>

[https://www.kefm.dk/Media/638816066524560592/KEFM\\_KF25\\_DEL1\\_300425\\_.pdf](https://www.kefm.dk/Media/638816066524560592/KEFM_KF25_DEL1_300425_.pdf)