

THE DANISH PENSION FUNDS HAVE ONGOING GREEN INVESTMENTS OF NEARLY \$19BN, A FURTHER \$5BN RESERVED FOR PLANNED GREEN PROJECTS AND A CONDITIONAL COMMITMENT OF ANOTHER \$50BN IN NEW GREEN INVESTMENTS BY 2030.

Ongoing green investments comprise:

\$4.8bn in green shares, e.g. Vestas and Ørsted.

\$1.0bn in green bonds, e.g. AAA-rated Dutch sovereign green bonds.

\$8.0bn in green energy infrastructure in OECD countries, e.g. offshore wind farms like Burbo Bank Extension in the UK.

\$0.4bn in green energy infrastructure in emerging markets, e.g. Lake Turkana wind farm in Kenya.

\$3.9bn in energy efficient construction, e.g. new buildings for Slagelse Hospital with a DGNB Gold sustainability certification, and the UN building in Copenhagen, which is Platinum LEED-certified.

\$0.6bn in other types of investments, e.g. forests in the US, Australia and Latin America.

Background

Insurance & Pension Denmark (IPD) is the trade association of Danish insurance firms and industry-wide pension funds. Most life insurance firms and industry-wide pension funds operating in the Danish market are members of the IPD.

IPD has asked the pension industry to assess their current, ongoing green investments, funding earmarked for planned green projects and expected additional green investments by 2030.

The assessment is based on UN's SDG 7, Affordable and clean energy, which concerns the dissemination of renewable energy, energy efficiency and the development of related downstream systems. Examples hereof include investments in wind and solar power, investments in improved energy efficiency in construction and investments in electrification and grids. There is no concise, official definition of green assets yet.

The pension industry's conditional commitment for 2030 is the sum of each pension fund's projection of their expected green investments. It is contingent upon market-specific, political and firm-specific circumstances not departing significantly from assumptions made. The pension industry's primary purpose remains to provide financial security in retirement for Danish pensioners.



TODAY
\$19BN

in green investments, and further **\$5bn**
in reserved funds for green projects



IN 2030
+\$50BN

in new green investments

What about investments in CO2-emitting industries?

The transformation of the global energy landscape from fossil-fueled to sustainable is a long-term process, which is already unfolding in the portfolios of the pension industry. However, this transformation cannot be accomplished instantaneously, it will require an adaptation period for most industries. Several Danish pension funds have excluded shares in fossil firms from their portfolios, and many funds engage in ongoing dialogue with large greenhouse gas emitters to push them in a more sustainable direction. The pension industry has set out on a path toward cleaner, greener energy.

The majority of IPD's members are part of Climate Action 100+, an initiative that unites investors in demanding more sustainability from systemically important greenhouse gas emitters. This involves active ownership, where investor groups engage in dialogue with emitters to mitigate climate change and align with the Paris Agreement.