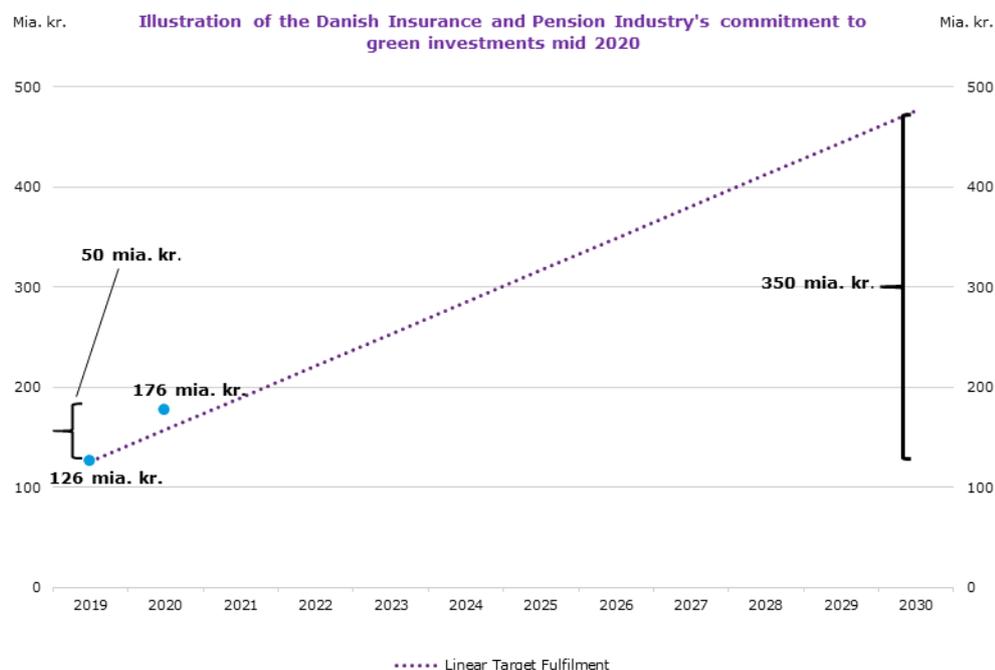


2020 report on the Danish pensions industry’s pledge of an additional DKK 350 billion for green investments by 2030

The 2020 report has been drawn up by Insurance & Pension Denmark to show the industry's compliance with its commitment to green investments, made at the New York climate summit in September 2019.

The statement shows an increase in green investments by DKK 50 billion since September 2019. This is considerably more than the “linear target fulfilment” of DKK 32 billion, cf. the figure below.



The Danish pensions industry is well on track to fulfil its commitment. This is remarkable for a year dominated by the corona pandemic and large fluctuations in the financial markets.

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This means that by mid-2020, Danish pension companies will have made green investments totalling DKK 176 billion.

Ongoing green investments, mid-2020 (DKK billion)	
Equity investments	42.0
Green energy infrastructure – Emerging Markets	11.9
Green energy infrastructure – OECD	50.5
Green bonds	27.5
Climate-friendly investments in properties, etc.	38.6
Other investments	5.7
Total	176.2

Examples of specific green investment projects implemented in 2020 are shown in the table below.

Examples of green investment projects (DKK billion)	
Production and transmission of offshore wind energy in the German North Sea	2.0
Establishment of approx. 900 hectare solar park in the USA	1.7
Establishment of a wind farm with 65 land-based wind turbines in the USA	1.2
Establishment of an offshore wind farm in Taiwan	1.0
Energy optimisation of 15,200 m ² office property for BR18 and DGNB Guld	0.3

Background

The industry's statement of green investments is based on a definition of green energy transition in accordance with the UN's Sustainable Development Goal 7, "Affordable and clean energy", which relates to the spread of renewable energy, energy efficiency and the development of related downstream systems.

It is not exhaustively clarified which assets can be included in the definition. But there is a clear pattern in companies stating, e.g., investments in wind energy, solar energy, biomass and the like, energy efficiency in buildings and energy transmission, etc.

Therefore, the companies' figures for investments are the actual statements of the investments that the companies describe as green, based on the stated definition.

The majority of the companies have calculated the figures as of 30 June in connection with the half-yearly statements. Some companies may deviate from this, possibly in relation to individual, specific assets.

The commitment of DKK 350 billion towards green investments by 2030 is conditional. Partly in terms of market conditions and partly in terms of company-specific and political circumstances.

- The market conditions include the existence of green investment opportunities as we move toward 2030 that provide sensible returns and that there are enough green assets to meet demand.
- The company-specific conditions include the (continued) support from members of the individual companies for green investment; that the development in pension contributions and benefits continues to roughly match the expected scope; that the number of products guaranteeing the size of returns do not inhibit the company's ability to make long-term investments in unlisted assets (matching the pension obligations)
- The political conditions include that the socio-economic framework conditions continue to support the green transition, making green investments relatively attractive, to include being less risky. A further condition is the continued support from the European Insurance and Occupational Pensions Authority in terms of long-term investments.

Significant deviations from the conditions mentioned above from what is expected may influence the possibility of reaching the target set. Based on the 2020 report, however, the prospects for achieving the target are very good.