

# CSR Report 2015



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# Executive summary

In 2015, EKF has witnessed another year of growth in our business. This means that EKF has contributed to the creation and retention of 12,300 Danish jobs. Moreover, the transactions in which we participated have contributed to the creation of 25,000 jobs in the countries where the transactions took place. This is a considerable and positive social footprint.

Throughout more than ten years, our activities in Corporate Social Responsibility (CSR) have been a key element of our business. Above all as an integral part of our process for risk assessment and monitoring of our transactions. In addition, I would like to highlight three substantial CSR areas.

## **EKF's CSR Policy reviewed**

In September 2015 EKF's Board of Directors approved the latest review of EKF's CSR Policy.

When it comes to tax planning, the review is a clarification that EKF only participates in transactions that are legal as well as standard. We wished to clarify this aspect, as we are aware that companies' tax issues play a more prominent role in CSR.

## **Stakeholder engagement**

On 21 January 2016, the Danish Parliament adopted a new Act on EKF Denmark's Export Credit Agency. The Act will be effective as of 1 July 2016. Now for the first time, CSR is mentioned explicitly in the legal basis of EKF. More than 100 stakeholders in Danish industry and civil society were invited to comment on the act. EKF's CSR Policy and risk assessment were the focus of the first reading in the Danish Parliament, and the Parliament was satisfied with the answers provided by EKF.

## **Climate finance**

In 2015, EKF continued its commitment in international fora to the development of climate finance. EKF helped launch the initiative Climate Investor One which is one of four initiatives agreed upon in the Global Innovation Lab during COP21 in Paris.

Our achievements in 2015 are presented in four areas in order to guide you through the various topics:

- › Sustainable transactions
- › Stakeholder engagement
- › Responsible workplace
- › CSR performance

Thank you for your interest in EKF and in our work with CSR.

Anette Eberhard  
CEO



# Consolidated statement



## TRANSACTION OVERVIEW 2015

	Note	2015	2014	2013	2012
Transactions (categories A, B and C)	2	100	77	180	114
Equator Principles transactions	2	10	11	10	5
Working capital guarantees	2	236	232	179	124
New customers	2	150	196	165	129

# Consolidated statement – continued



ENVIRONMENTAL IMPACTS	Note	2015	2014	2013	2012
<b>CO<sub>2</sub>e emissions</b>					
CO <sub>2</sub> e based on transactions (million tonnes for 10 years of operations)	3	30	10	30	40
CO <sub>2</sub> e based on EKF's resource consumption (tonnes/year)	4	410	440	410	340
<b>CO<sub>2</sub>e relative reduction</b>					
Relative CO <sub>2</sub> e based on transactions (in million tonnes for 10 years of operations)	3	10	10	35	25

SOCIAL IMPACTS	Note	2015	2014	2013	2012
<b>Employment generation related to transactions</b>					
Local jobs abroad (man-years for 10 years of operation)	5	25,000	10,000	40,000	20,000
Jobs in Denmark	6	12,300	10,500	16,500	17,561
Resettlement in projects (people)	7	0	5,500	206 plots	0

# Consolidated statement – continued



EMPLOYEES IN EKF	Note	2015	2014	2013	2012
Number of employees (end of year)	8	124	116	99	87
Employee turnover	8	10%	7%	10%	10%

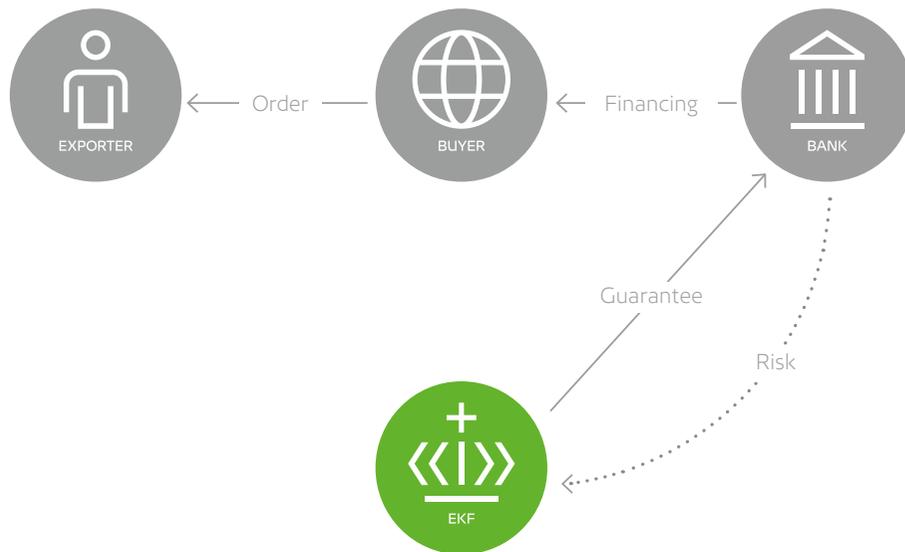
EMPLOYEE HEALTH AND SAFETY	Note	2015	2014	2013	2012
Average number of days lost through short term illness per employee	9	3.9	4.1	4.7	3.7
Average number of days lost through long term illness (> 30 days) per employee	9	1.9	1.3	9.7	2.8

EMPLOYEE COMPETENCY DEVELOPMENT	Note	2015	2014	2013	2012
Training and education (average number of days per employee)	10	4.0	4.2	1.3	1.6
Training and education (average amount per employee in DKK)	10	18,330	19,346	16,413	20,593

# What is EKF?

*EKF is the Danish export credit agency.*

Export credit agencies provide financial insurance and guarantee solutions in connection with export of capital goods and services. EKF helps Danish exporters by offering a range of financial solutions, often by guaranteeing the risk of the financial institution(s) involved in a specific transaction.



*The range of financial solutions that EKF offers to Danish exporters and their customers fall within three categories (click the icon for further description):*



› Financing for foreign buyer



› Greater security for Danish Companies



› Financing for Danish companies

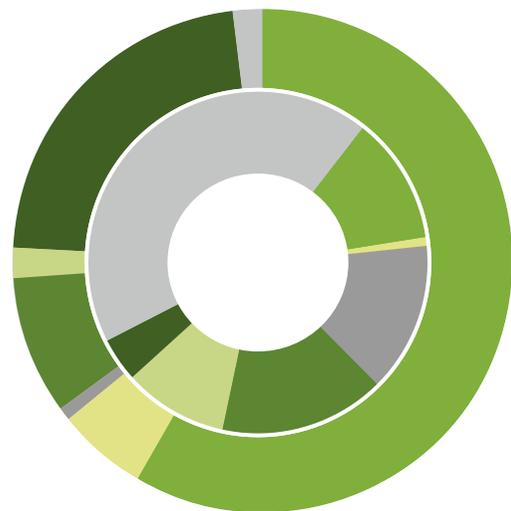
# EKF in figures



# DKK 12.4 billion

EKF's contribution to improving the gross domestic product

Numbers of transactions per sector (inner ring) and respective value of EKF's involvement in million EUR (outer ring)



- Wind
- Cement
- Infrastructure and utilities
- Agriculture and food technology
- Manufacturing industry
- Biomass and gas
- Other

## 25,000 local jobs

Estimated employment impact from the projects totalled 25,000 local jobs

## 12,300 Danish jobs

In 2015, EKF helped to create or retain 12,300 jobs

## Reduction of 10 million tonnes

EKF's contribution to reduction in CO<sub>2</sub> equivalent emissions related to projects was 10 million tonnes

In 2015 EKF contributed to securing contracts to Danish exporters worth **DKK 17 billion**

The local employment impact had an estimated value of EUR 210 billion



# CSR engagement in 2015

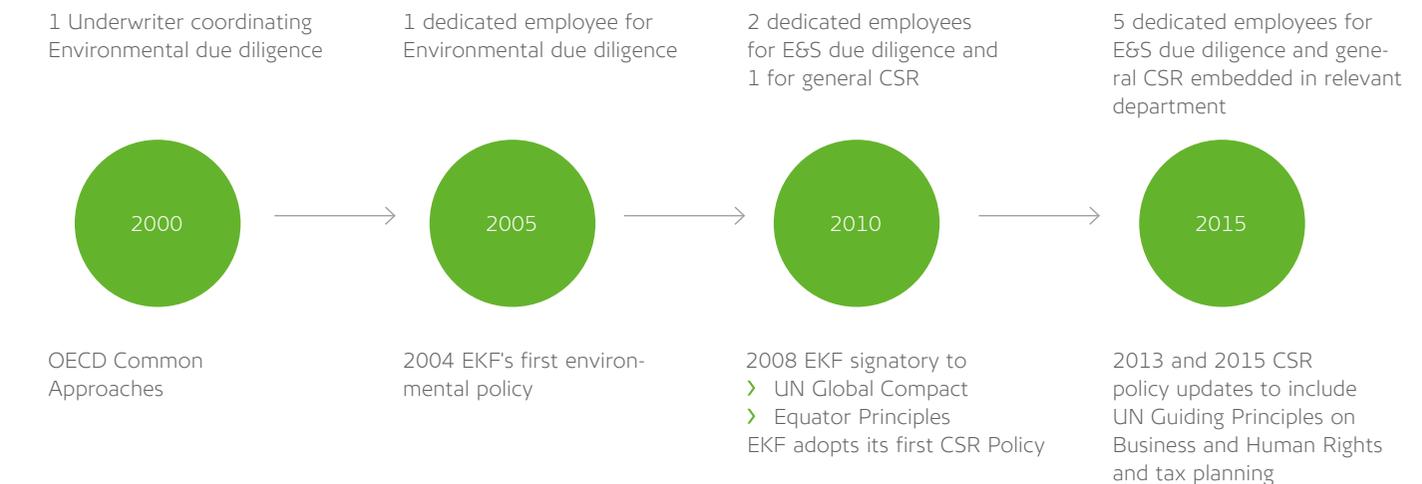
## Looking back – development of CSR in EKF

In the 1990s, CSR related to environmental impacts and liabilities became mainstream practice in many parts of business. At the time, this development was recognised by the financial institutions. In 2001, OECD ministers recognised that export credit policy could contribute positively to sustainable development. This policy framework is referred to as the OECD Common Approaches.

EKF played an active role in developing this policy framework. The framework formed the basis for EKF's first environmental policy, adopted by the Board of Directors in 2004. At that time, one single employee was tasked with ensuring that environmental due diligence reviews were performed. Furthermore, EKF became signatory to both the UN Global Compact and the Equator Principles.

EKF continued to experience a significant increase in number and size of transactions. Therefore, a designated environmental specialist was employed.

Thereby, the scope of risk assessment related to sustainability expanded from environmental aspects



to include a broader range of social and human rights aspects. In 2008, EKF developed its first CSR policy framework based on a thorough stakeholder engagement process involving business and civil society organisations.

From 2011 to 2013, EKF undertook a major review of the CSR policy framework and internal processes. The purpose was to streamline the policy

commitments. The background for the review was major revisions in some of the international standards that EKF adheres to and the introduction of UN Guiding Principles on Business and Human Rights.

In line with the general organisational development of EKF with specialised departments, a CSR department was established in 2012 staffed with four CSR specialists, adding one specialist in 2015.



PHOTO: FLSMIDTH

## Customer view – Tine Bremholm Kokfelt of FLSmidth

FLSmidth (FLS) is a leading supplier for the global cement and mineral industry and one of EKF's longstanding customers. Tine Bremholm Kokfelt, Head of Project & Export Finance has been EKF's main point of contact since she joined FLS in 2000. EKF interviewed Tine about how she has experienced the changes in EKF's work within environmental and social sustainability over the past decade – changes both in scope and in processes.

Tine explains:

"At first, there was not much focus on the environment in the due diligence of a business, but slowly such issues were introduced. At first, the requirements were quite specific regarding emissions. For us, that is quite simple and we are more than happy to

answer such questions, since we can relatively easily calculate what comes out of a chimney.

From around 2007, requirements were changing because of new international CSR standards.... How would the banks react? I believe we had a very turbulent period following these changes. We could easily see that we would have trouble with our customers, who would not understand these requirements.

In 2012, a pragmatic approach was introduced. Instead of a long questionnaire of issues to be answered and measured, which confuses the customer [...]. With the new approach, we start out with information already available from the client [...] and then work ahead from this point".

# Corporate Social Responsibility in EKF

In EKF, we believe that managing environmental and social sustainability risks contributes to securing value for companies as well as society. This is the case for Danish companies, their customers and financial institutions and this is the case for EKF. We consider it shared value. It is a generic principle of our CSR Policy, which guides us in the way we manage our organisation and the transactions we engage in.

EKF's CSR Policy is to be seen in combination with other EKF policies, including our policy on openness and code of conduct. Taking effect from September 2015, we revised the CSR Policy to include our position on tax planning. Our position is that the tax planning is acceptable if it is recognised as legal and standard practice. Furthermore, EKF's Environmental and Social Sustainability Policy was merged into the CSR Policy. We believe that it makes the policy commitment related to CSR more streamlined and coherent.

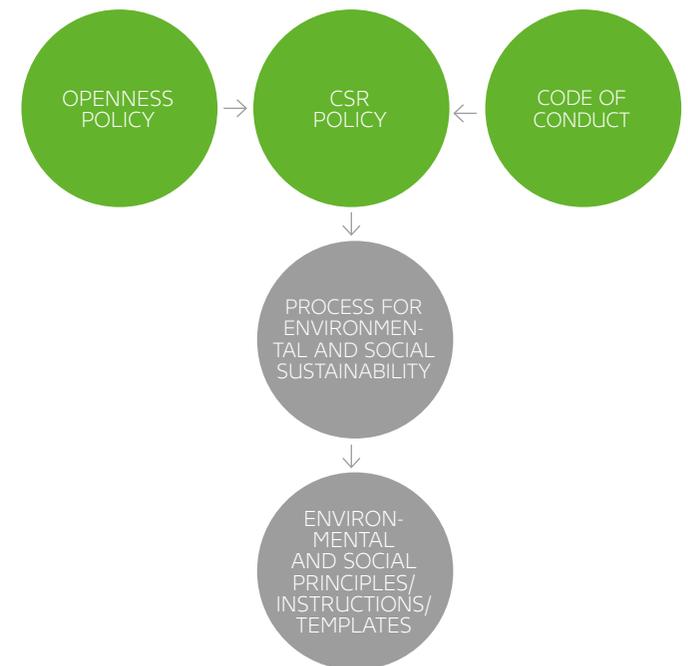
EKF's *Openness Policy* states our position regarding transparency. We disclose information on our website about the transactions we participate in while respecting customer confidentiality.

Our *Code of Conduct* covers the transactions in which we participate and apply to all as EKF employees.

In our CSR Policy, we recognise that EKF is a state-owned entity and as such obliged to promoting corporate social responsibility. We take on the obligation of informing Danish companies about the UN Guiding Principles on Business and Human Rights.

As a knowledge-based company, our employees are our greatest asset. Under the CSR Policy, EKF directs attention to employee motivation, health, safety and skills development programmes.

## Policies related to CSR



[EKF's policies related to CSR](#)

[EKF in international alliances on CSR](#)

CASE

## Environment

EKF is engaged in a wind farm project located near Bursa in Turkey. During our environmental and social due diligence review process, we identified a potential risk of negative impact on bat communities due to the risk of collision with the wind turbines. An independent consultant performed a baseline survey to understand the actual risk on e.g. the community of *Pipistrellus Pipistrellus* (the dwarf bat in English). EKF required the implementation of a monitoring programme. Reports from the monitoring programme have demonstrated limited impacts on the local bat communities.

In Turkey, limited empirical data is available on bat communities in various natural environments. In general, only information of a general character is available and therefore considered insufficient for establishing specific monitoring requirements.

EKF has developed a significant portfolio of wind transactions, and over the years we have developed a significant set of empirical data. That allows us to define more bespoke and efficient bat monitoring requirements that take into account specific habitat conditions for individual species of bats.

Such data sets are available to interested stakeholders through the individual projects.

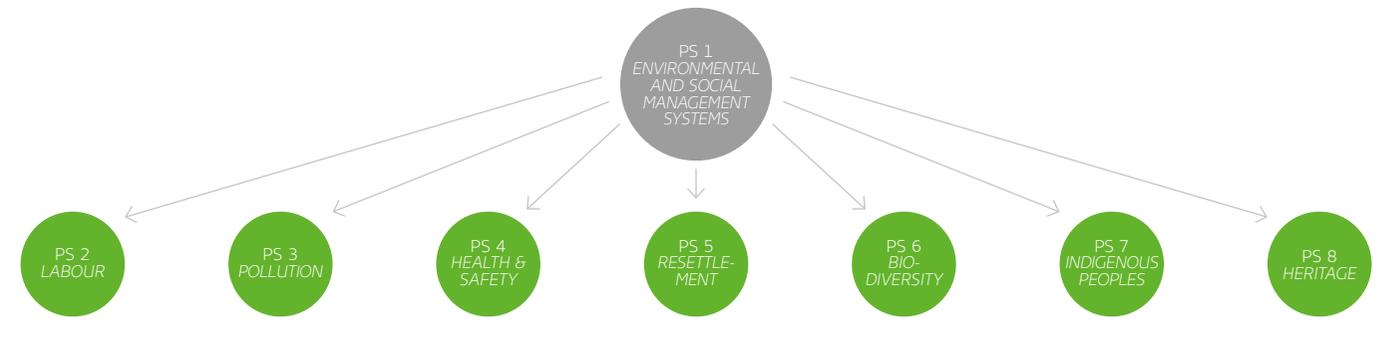


# Sustainable transactions

Ensuring that a transaction is sustainable means including commercial, political, environmental and social aspects in the due diligence. Part of the environmental and social due diligence includes benchmarking against the International Finance Corporation's eight Performance Standards (PS 1-8) as well as IFC relevant environmental, health and safety guidelines. We require an anti-corruption declaration signed for all transactions, and the UN Guiding Principles on Business and Human Rights are applied to all transaction reviews.

The topics covered by the International Finance Corporation's Performance Standards are:

- › PS 1: Assessment and Management of Environmental and Social Risks and Impacts
- › PS 2: Labour and Working Conditions
- › PS 3: Resource Efficiency and Pollution Prevention
- › PS 4: Community Health, Safety and Security
- › PS 5: Land Acquisition and Involuntary Resettlement
- › PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- › PS 7: Indigenous Peoples
- › PS 8: Cultural Heritage

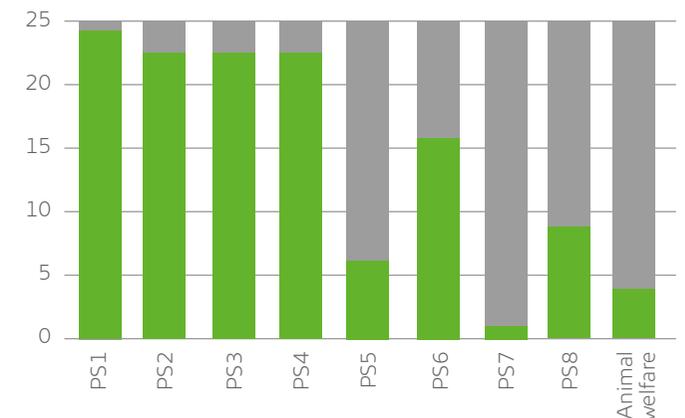


Animal welfare is not covered in detail by the Performance Standards. EKF tracks animal welfare in projects separately.

Of the 25 projects subject to environmental and social due diligence review in 2015, PS1 was triggered in 24 projects. PS2, PS3 and PS4 were relevant for 18 projects. PS5 was relevant for six projects, PS6 for 16 projects, PS7 for one project, PS8 for nine projects. Animal welfare was triggered in four projects.

Most industrial and infrastructure projects trigger PS 1 to 4. Wind projects may have potential impact on birds and bats and thus trigger PS6.

■ Total number of transactions with potential adverse environmental and social impact in 2015 (OECD categorization A and B).  
■ Number of transactions where current PS was relevant in 2014



# Risk management – process

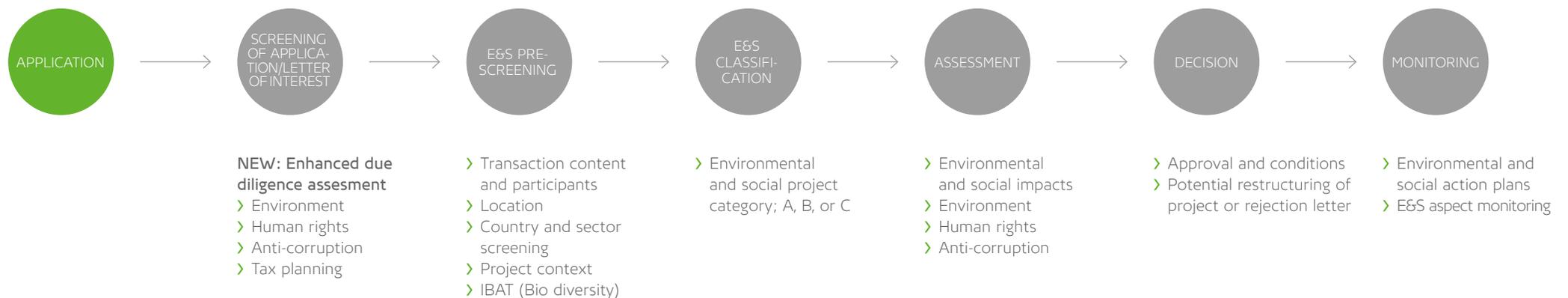


EKF assesses each application from a commercial, political and social risk perspective. In the process, EKF engages in dialogues with the applicants and other project related participants as well as possible local stakeholders such as NGOs, neighbours and local governmental bodies. The applied method depends on the risk involved as well as EKF's role in the transaction.

Recognising the complexity of CSR aspects, EKF introduced enhanced due diligence in 2015 in connection with the initial screening of the application. This will help us identify potential extraordinary CSR challenges at an early stage in order to decide how to integrate such aspects into our standard risk assessment process.

Our environmental and social due diligence review is designed to ensure an efficient and smooth due diligence review process. In line with our CSR Policy, the assessment methods applied ensure consistency with international standards. Our environmental and social (E&S) due diligence review process is illustrated below:

## The E&S review process of issuing a guarantee



The aim of our environmental and social pre-screening process is to collect and understand information about relevant environmental and social aspects of the transaction. This information is used partly for defining the project category (A, B or C), partly for scoping the E&S due diligence review to be performed.

Regarding applications for medium/long term financing we perform the E&S due diligence review in accordance with the OECD Common Approaches (and Equator Principles if the application falls within the scope of EP) – referenced as E&S Review type 1 in the right-hand figure. For benchmarking, EKF applies IFC Performance Standards and relevant EHS guidelines.

Applications for short term financing are reviewed on a risk-based approach with respect to the relevant IFC Performance Standards – referenced as E&S Review type 2.

Finally, for applications for bonds or similar financial solutions where EKF's risk is on the Danish exporter we perform a so-called company CSR evaluation (E&S Review type 3), including supply chain management aspects.

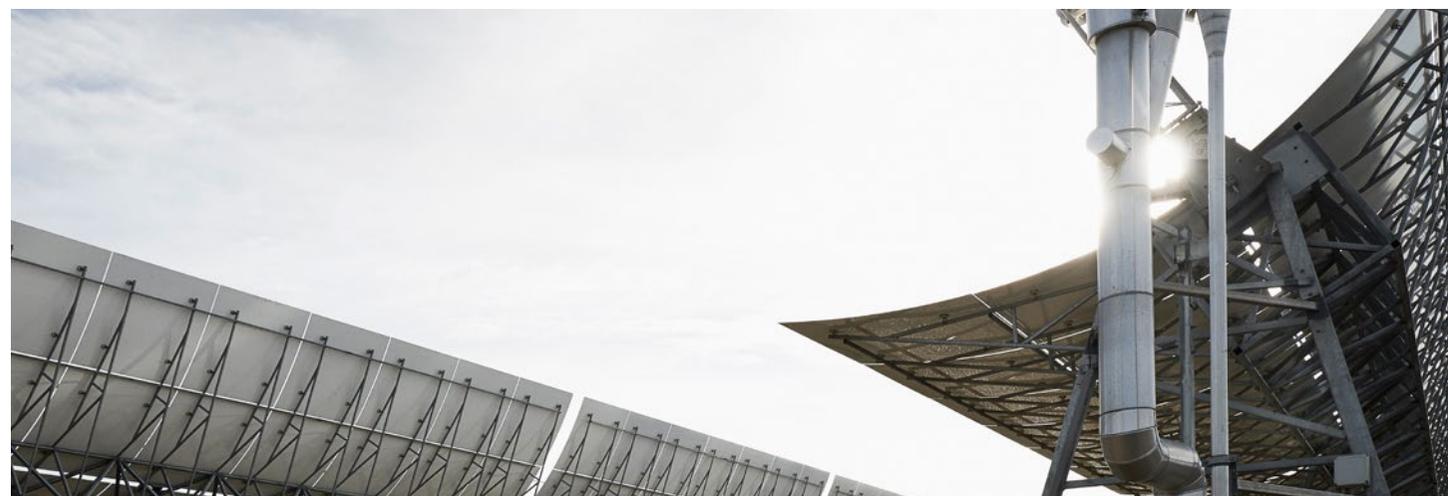
In these evaluations EKF has introduced the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Multinational Enterprises as part of our obligation to promote corporate social responsibility.

With the increased number of transactions in our portfolio, monitoring of successful implementation of our E&S conditions has become a more significant part of our work.

## E&S PRE-SCREENING

- › Country screening - internal screening model
  - Human rights
  - Labour rights
  - Environment
- › Internet searches on exporter, buyer, country/region
- › Biodiversity via integrated Biodiversity Assessment Tool (IBAT)
- › News search via e.g. RepRisk
- › Human rights checklist

ASSESSMENT	E&S REVIEW TYPE 1	E&S REVIEW TYPE 2	E&S REVIEW TYPE 3
Category A	Export risks, large projects	Export risks, small projects	Risk on Danish exporter
Category B	<b>Project characteristics:</b> <ul style="list-style-type: none"> <li>› Medium/long term</li> <li>› OECD CA</li> <li>› Equator Principles</li> </ul>	<b>Project characteristics:</b> <ul style="list-style-type: none"> <li>› Short term</li> <li>› Below SDR 10 million</li> </ul>	<b>Project characteristics:</b> <ul style="list-style-type: none"> <li>› Bonds, ect.</li> </ul>
Category C	<b>Benchmark standards:</b> <ul style="list-style-type: none"> <li>› IFC PS + EHS guidelines</li> </ul>		<b>Benchmark standards:</b> <ul style="list-style-type: none"> <li>› EHS management system standards</li> </ul>





## CASE

# Railway construction in Ethiopia

In 2014, EKF issued a guarantee covering part of the construction of the Awash-Weldia Railway Project in Ethiopia. See our 2014 CSR report for a general description. In 2015, EKF has followed up on the environmental and social conditions in the projects, which included monitoring of the implementation of the action plans for resettling people. In 2015, the resettlement affected more than 500 people in the area of Kombulcha town.

EKF was pleased to see the progress made during 2015. The resettlement action plans were developed according to international standards, and EKF monitored actions scheduled for 2015.

It is important that affected people are resettled and compensated in order to restore or exceed their level of livelihood. EKF has closely followed the process of compensation and resettlement.

Ethiopian Railway Corporation (ERC) is responsible for the compensation and

livelihood restoration of the affected people. The project provides capacity building of ERC enabling ERC to plan, execute and follow up on training received by the affected people.

The affected people include a widow and mother of three children. She has previously been feeding the family by growing crop. Due to the limited cropland available, she has been relocated. For the compensation she built a new house and invested in 14 goats and cattle. On a weekly basis, she receives training in animal husbandry enabling her to change from crop growing to animal husbandry.

People whose livelihood is affected will be given such tailored training, and the resettlement action plans make sure that ERC commits resources for a period of up to five years from the start of the project. EKF will monitor the continuous and successful implementation of the resettlement action plans.

# Stakeholder engagement

› **Customers:** *Exporters, buyers, financial institutions and pension funds.*

EKF has various programmes for key account management and tailored schemes towards financial institutions. We have been successful in making progress on an ambassador programme (see description [page 19](#)).

› **Politics and international organisations:**

*The Ministry of Business and Growth, the Danish Ministry of Foreign Affairs, other international ministries, the Berne Union, the Equator Principles Association, the EU parliament, the OECD and export credit agencies.*

EKF collaborated with the Ministry for Business and Growth in drafting the new national Act on EKF. The draft act was subject to public hearing involving a large number of stakeholders.

EKF has been very engaged in the ongoing dialogue within the OECD related to continued development and implementation of the Common Approaches

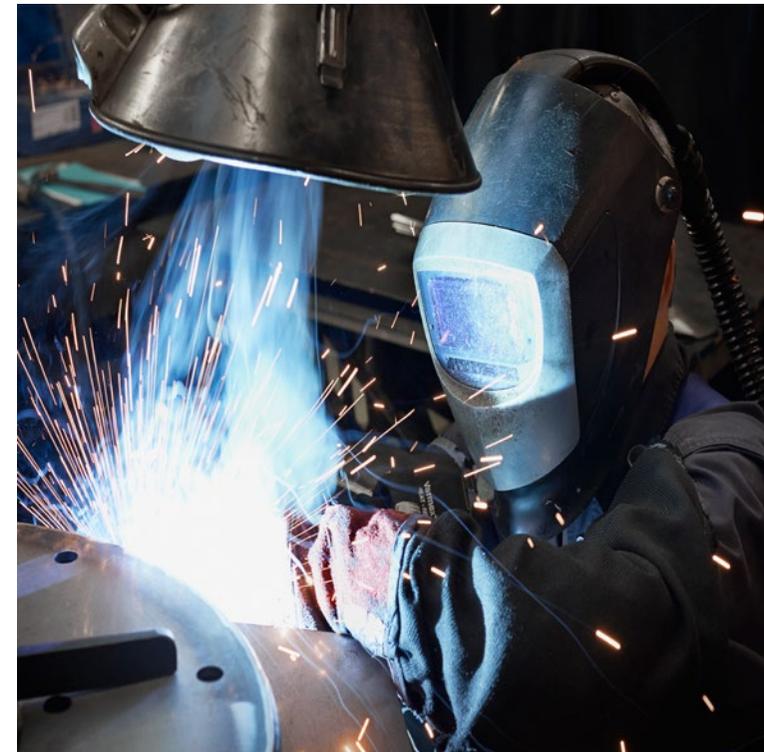
and the so-called Sector Understanding on Export Credits for Renewable Energy, Climate Change Mitigation and Adaption, and Water Projects. In addition, EKF has been active in the work related to Climate Financing (see description [page 21](#)).

› **NGOs and associations:** *Civil society, trade and industry organisations.*

Again in 2015, we engaged in dialogue with the 92 Group, a collaboration of several Danish environmental and development organisations. All parties find it fruitful to exchange knowledge and experience related to key CSR aspects.

› **EKF employees and management**

We held regular meetings across the organisation to promote knowledge sharing. Topics include business strategy and goals, processes and policies and implementation of environmental, social, anti-bribery and tax issues in our transactions.



# Stakeholder engagement – continued



## The ambassador programme

Danish exporters are EKF's key stakeholders. We are dedicated to providing financial solutions to support an increasing number of Danish exporters and sustaining their business development. By doing so, EKF is contributing to creating or retaining jobs in Denmark.

In order to reach as many exporters as possible EKF has launched an ambassador programme. The programme aims at upgrading business advisors from Danish banks on the various export finance instruments available. The programme has been launched in cooperation with the Ministry of Foreign Affairs, the Trade Council, the financial investor IFU and company incubators (Væksthuse).

During 2015, 160 business advisors from Danish banks have attended the ambassador programme. In 2016, EKF will host a thematic ambassador day across the bank affiliations in order to maintain and update the level of expertise of the business advisors. EKF plans to make the ambassador day an annual event.

# Stakeholder engagement – continued

## The new Danish Act on EKF

Stakeholder engagement played a key role throughout the year of 2015 in relation to drafting the new Danish Act on EKF. Representatives from EKF and the Ministry of Business and Growth have collaborated closely on drafting the new act. Under the responsibility of the Ministry of Business and Growth, the draft act was subject to a public hearing process to allow stakeholders to comment and express views. The draft act was distributed to a total of 117 different stakeholders represented through various business and civil society organisations; including financial institutions, trade organisations, Danish ministries, The Danish Consumer Council, The Danish Bar and Law Society, The Danish Data Protection Agency, FSR – Danish Public Accountant and the '92-Group' – a coalition of 23 Danish NGOs working on issues related to environment and developing countries.

The draft act and explanatory memorandum contained specific reference to EKF's CSR commitment, including CSR Policy and due diligence process.

Nine responses were received during the public hearing process. Of the nine, three responses were 'no comments' replies. The remaining six responses related to two main issues:

- › Transparency of EKF's business
- › CSR due diligence

The Ministry of Business and Growth responded that the issues related to the transparency of EKF's business remain unchanged. EKF will continue to be exempted from The Danish Access to Public Administration Files Act (Disclosure Act) due to fact that EKF has access to clients' confidential business information.

During the first parliamentary reading the following questions related to CSR were presented:

- › Will EKF have independent policies regarding environment, climate, human rights, anti-corruption and economic issues such as tax with specific reference to international conventions and standards?
- › Will an amendment to the act be submitted with explicit requirements on independent policies?

- › How will the minister make sure that EKF does not contribute to any scandals regarding CSR?
- › How will the minister secure adequate transparency in general, and specifically regarding risks related to environment and human rights issues?

Assisted by EKF, the Ministry of Business and Growth prepared a response to the above questions. The response highlighted that:

- › For more than ten years, EKF has operated under environmental and CSR policies ensuring adherence to international standards for environmental and social sustainability.
- › EKF's CSR Policy ensures commitment to adhering to UN Global Compact, OECD Common Approaches, OECD Guidelines for Multinational Enterprises, Equator Principles and the UN Guiding Principles on Business and Human Rights.
- › EKF discloses information about projects on our website in line with OECD Common Approaches requirements.

The response did not result in further questions.

The Parliament adopted the Act on EKF on 21 January 2016. The act will come into force on 1 July 2016.

### **Updated version of the OECD Common Approaches**

The 2012 revision of the OECD Common Approaches was approved with the remark that a Body of Experience shall continue to seek common approaches on two topics. The topics were human rights due diligence and greenhouse gas reporting. In 2015, EKF has been particularly active in the work of reaching a common approach on the human rights aspects. In addition to the topics of human rights and greenhouse gas reporting, EKF participated in work related to seeking a common approach on animal welfare.

The work of the Body of Experience was reported to the OECD Export Credit and Guarantee Group (ECG) in June 2015, and the ECG decided to introduce some amendments to the Common Approaches. The updated Common Approaches are to be approved by the OECD Council in 2016.

### **Climate finance**

In 2015, EKF continued to contribute to the international discussions on climate finance. EKF's contribution covers policy as well as data issues in relation to the broader goal of mobilising climate finance and to innovative thinking on how to mobilise private financing for climate investments.

In particular, EKF has taken the lead in the export credit community on finding a way to count the

contribution of export credit agencies to climate investments. This work will continue in 2016.

EKF was a co-signatory to the Nordic Statement on Innovative Climate Finance launched at COP21. EKF seeks to contribute to innovating climate finance through collaboration with other relevant international financial partners such as other export credit agencies, the Berne Union, the IFC and World Bank as well as through our work in the Global Innovation Lab.

Anette Eberhard, CEO of EKF has been a principal member of the Global Innovation Lab for Climate Finance since the Lab was launched in 2014. The Global Innovation Lab is a global initiative that supports the identification and piloting of cutting-edge climate finance instruments and aims to drive billions of dollars of private investments into climate change mitigation and adaptation in developing countries. EKF is the only export credit agency involved and therefore, in addition to providing EKF's expertise in financing of renewable energy projects, EKF aims to present the views of export credit agencies in general.

EKF also participated in the launching of Climate Investor One (CIO), one of the four winning pilot initiatives of the first round of the Global Innovation Lab at COP 21. EKF has supported the development of the facility from the onset, as EKF believes the initiative can help alleviate one of the challenges facing climate finance in developing countries, namely that of developing financially feasible projects. Dialogue with CIO will continue in 2016 with the aim of establishing a more formal collaboration between EKF and CIO.



# Responsible workplace – employee satisfaction



EKF continues to experience growth in the number of customers and in the volume of our transactions. Also in 2015, EKF increased the number of employees. An increase of seven per cent resulted in a total number of 124 employees at year-end. Therefore, paying high attention to employee motivation and satisfaction continues to be a key focus area for EKF.

As a knowledge based organisation, the employees at EKF are essential. We highly prioritise well-being, health and safety, development and a balanced working life. An employee satisfaction survey is performed every year and a work-place assessment every third year.

In 2015, the average score of the annual employee satisfaction survey increased from a medium-high level in 2014 to a level of high satisfaction in 2015. We will continue our work to improve the satisfaction level of our employees.

It is important to us to offer opportunities for maintaining and developing skills of our employees. Performance reviews are performed annually, assessing past performance and discussing future assignments, goals and development plans. This ensures a longterm perspective in the relationship between EKF and each employee.

Overall care is taken to optimise the synergies between performance reviews, personal and professional development and achievement of EKF's strategy as a whole. Competency building both supports and is supported by EKF's overall goals, and this is reflected in a competency development plan for each employee.

EKF supports the principle of equal representation of gender on the board as well as in the management group. In 2015, EKF expanded the board of managers. This has resulted in a minor decrease in the representation of women in the board of managers.

We will not initiate any actions in response to this decrease, as the Board of Directors will be subject to replacements when the new Act on EKF will come into force on 1 July 2016.

## CSR focus areas and the status of achievements in 2015

FOCUS	Status
Continuous work on climate change mitigation and financing	See Climate finance section on Stakeholder engagement on <a href="#">page 21</a> .
An active role in the work on defining the role of export credit agencies role in fossil fuel financing	See Updated version of the OECD Common Approaches section on Stakeholder engagement on <a href="#">page 21</a> .
Engage with industry organisations to articulate environmental and social sustainability and corporate responsibility	This focus area has been subject to re-prioritisation. Some engagement took place in 2015 with industries and industry organisation representatives through e.g. conferences and the company evaluations performed. Other activities were put on hold due to resource constraints in the CSR department. Thus, this focus area will remain for 2016.
Continuous promotion of UN Guiding Principles on Business and Human Rights	See section on <a href="#">Sustainable Transactions</a> .
Development and implementation of Human Rights Policy v 2.0.	Our due diligence process has been changed based on experiences from applying our human rights due diligence. EKF will continue to register experiences gained and share such experiences with e.g. other export credit agencies.
Finalising and implementing items from the CSR gap analysis 2013	See table on <a href="#">page 24</a> for status on individual action items.
Update of legal basis for EKF. The legal basis for EKF consists of the Act on EKF. This act will be updated during 2015 where we aim to include a commitment to EKF's CSR Policy	A new Act on EKF was adapted by the Parliament of Denmark. See <a href="#">page 20</a> for further details on the incorporation of CSR aspects and the Q&As during the public hearing process.
Focus attention to improve the employee satisfaction	See Responsible workplace on <a href="#">page 22</a> .

# CSR Performance – continued

## CSR focus areas and the status of achievements in 2015

### FOCUS: FINALISING AND IMPLEMENTING ITEMS FROM THE CSR GAP ANALYSIS 2013

### Status

Establish a whistleblower or grievance function

A whistle blower function has not yet been developed as the structure and procedures were dependent on the final structure of EKF according to the new Act on EKF Denmark's Export Credit Agency. Therefore, the establishment of a whistle blower function is scheduled for 2016.

Implement updated internal procedures for dealing with anti-corruption, including training of new employees in policies and guidelines regarding anticorruption

The internal process instruction on anti-corruption has been updated. The introduction training programme has been updated accordingly.

Implement an internal corporate responsibility training programme for EKF employees, covering how to handle anti-corruption, bribery, health, safety, environment and human rights

The introduction training programme for all new employees was updated to cover the most recent versions of EKF's CSR Policy.

Verify principles to abide by with regards to tax planning

Tax planning was implemented in the CSR Policy 2015 revision.

Revise EKF's procurement policy to include specific requirements on the environment, human rights and anti-corruption

The introduction training programme for all new employees was updated to cover the most recent versions of EKF's CSR Policy.

# Consolidated statement and notes

## TRANSACTION OVERVIEW 2015

	Note	2015	2014	2013	2012
Transactions (categories A, B and C)	2	100	77	180	114
Equator Principles transactions	2	10	11	10	5
Working capital guarantees	2	236	232	179	124
New customers	2	150	196	165	129

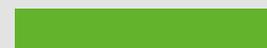
## ENVIRONMENTAL IMPACTS

	Note	2015	2014	2013	2012
<b>CO<sub>2</sub>e emissions</b>					
CO <sub>2</sub> e based on transactions (million tonnes for 10 years of operations)	3	30	10	30	40
CO <sub>2</sub> e based on EKF's resource consumption (tonnes/year)	4	410	440	410	340
<b>CO<sub>2</sub>e relative reduction</b>					
Relative CO <sub>2</sub> e based on transactions (in million tonnes for 10 years of operations)	3	10	10	35	25

## SOCIAL IMPACTS

	Note	2015	2014	2013	2012
<b>Employment generation related to transactions</b>					
Local jobs abroad (man-years for 10 years of operation)	5	25,000	10,000	40,000	20,000
Jobs in Denmark	6	12,300	10,500	16,500	17,561
Resettlement in projects (people)	7	0	5,500	206 plots	0

# Consolidated statement and notes – continued



EMPLOYEES IN EKF	Note	2015	2014	2013	2012
Number of employees (end of year)	8	124	116	99	87
Employee turnover	8	10%	7%	10%	10%

EMPLOYEE HEALTH AND SAFETY	Note	2015	2014	2013	2012
Average number of days lost through short term illness per employee	9	3.9	4.1	4.7	3.7
Average number of days lost through long term illness (> 30 days) per employee	9	1.9	1.3	9.7	2.8

EMPLOYEE COMPETENCY DEVELOPMENT	Note	2015	2014	2013	2012
Training and education (average number of days per employee)	10	4.0	4.2	1.3	1.6
Training and education (average amount per employee in DKK)	10	18,330	19,346	16,413	20,593

# Consolidated statement and notes – continued

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies include Danish Financial Statements Act 99.a and 99.b and UN Global Compact. EKF's CSR reporting is available on [www.ekf.dk/en](http://www.ekf.dk/en).

## NOTE 2: TRANSACTION OVERVIEW

In 2015, EKF issued new export credit guarantees worth DKK 12.3 billion. EKF calculates environmental and social impacts based on our medium/long term transactions of which there were 100 in 2015.

Of the 100 guarantees issued in 2015, 25 had potential adverse environmental and/or social impacts, hence were classified as A or B projects<sup>+</sup>. EKF has already been involved in one of the transactions in previous years; hence, this transaction is excluded from the impact calculations. The remaining transactions total 75 and are considered to have very little or no environmental and/or social impacts, and consequently, they are not included in the calculations. In addition hereto, EKF conducted 18 company evaluations of environmental and social management systems and human rights.

In 2015, the scope of the Equator Principles applied to 10 of the 100 transactions, all of which involve project finance.

Separately, EKF approved 216 Working Capital Guarantees and 20 Capital Expenditure Guarantees.

- + Under the [OECD Common Approaches](#) "A projects" include projects with potential significant adverse environmental and/or social impacts which are diverse, irreversible and/or unprecedented and "B projects" include projects with potential adverse environmental and/or social impacts. Typically, these impacts are few in number, site-specific, few if any are irreversible, and mitigation measures are more readily available.
- ++ [Equator Principles on ekf.dk](#)



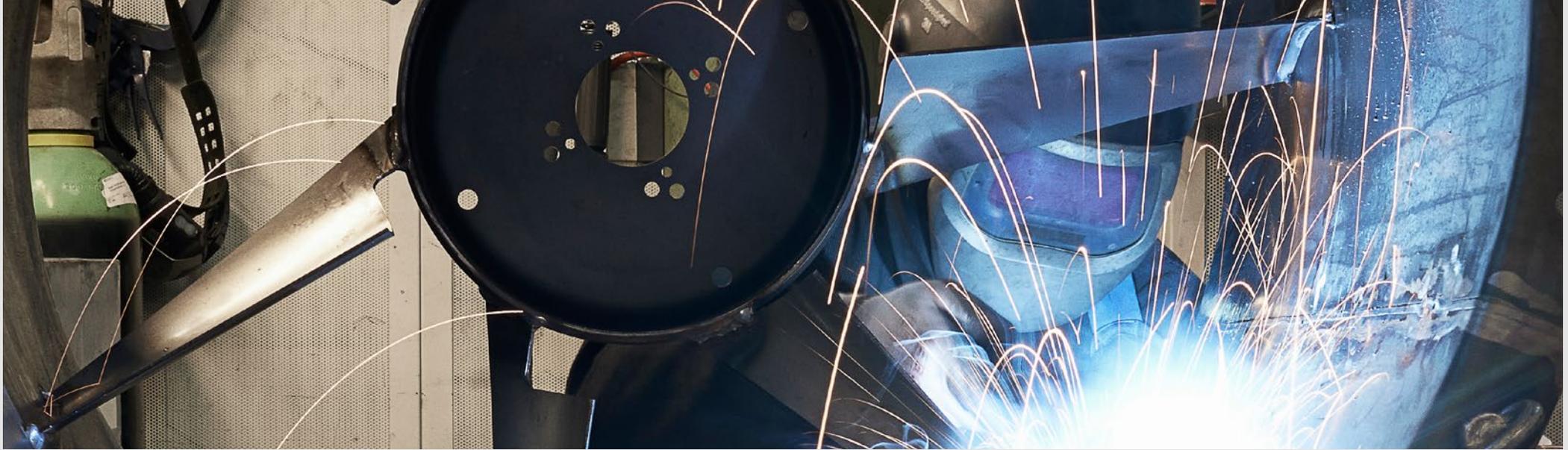
## Medium/long term transactions in 2015

Project Sector	Country	Buyer	Classification (OECD)	Value of EKF involvement (EUR million)
Wind energy	Turkey	Fuatres Elektrik Üretim A.S.	A	193.1
Wind energy	Turkey	Bereketli Elektrik Enerji Üretim ve Ticaret A.S.	A	27.9
Wind energy	Chile	San Juan Wind Park	A	139.9
Wind energy	Germany	Veja Mate Offshore	A	230.0
Manufacturing industry	Turkey	Eti Bakir	A	22.0
Agriculture and food technology	Belarus	FLLC Beldan	A	13.4
Wind energy	Belgium	Nobelwind NV	A	150.0
Cement	Viet Nam	Xuan Thanh Group	A	100.2
Wind energy	Italy	Lacedonia Wind Farm	A	26.0
Agriculture and food technology +	Hong Kong, China	LianYunGang Scandinavian Farms Pig Industries Ltd.	A	33.7
Biomass and gas	United Kingdom	Tilbury Green Power	B	82.8
Agriculture and food technology	Russia	LLC Ramfood Povolzhye	B	3.0

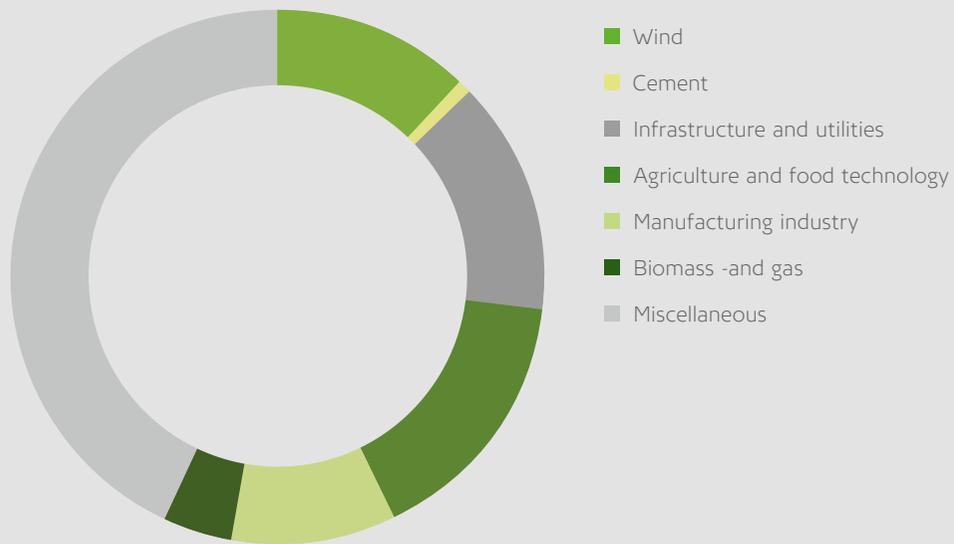
\* Projects also included in previous years' transaction overview

## Medium/long term transactions in 2015

Project Sector	Country	Buyer	Classification (OECD)	Value of EKF involvement (EUR million)
Wind energy	Turkey	Kangal Elektrik Enerji Uretim ve Ticaret A.S.	B	29.6
Biomass and gas	United Kingdom	Glennmont Clean Energy Fund Europe II	B	113.9
Wind energy	Turkey	Esinti Enerji Üretim Ticaret ve Sanayi A.S.	B	46.8
Infrastructure and utilities	Turkey	Nom Muhendislik Proje Insaat	B	1.1
Agriculture and food technology	China	Ruzhou Sanyuan Animal Husbandry Co.	B	2.7
Biomass and gas	United Kingdom	Cramlington Renewable Energy Developments Limited	B	84.0
Biomass and gas	United Kingdom	Port Clarence Energy Ltd. (SPV)	B	90.8
Wind energy	Turkey	Airres Elektrik Üretim San. Ve Tic. A.S.	B	56.0
Wind energy	Turkey	Ayen Enerji A.S	B	17.6
Wind energy	Uruguay	Glymont S.A.	B	50.5
Agriculture and food technology	Sri Lanka	Milco (PVT) Ltd.	B	56.6
Manufacturing industry	Kazakhstan	KazinterSteel TOO	B	3.8
Manufacturing industry	Mexico	Ingeniería y Maquinaria de Guadalupe, S. A. de C.V	B	1.3
<b>Total:</b>				<b>1,577.0</b>

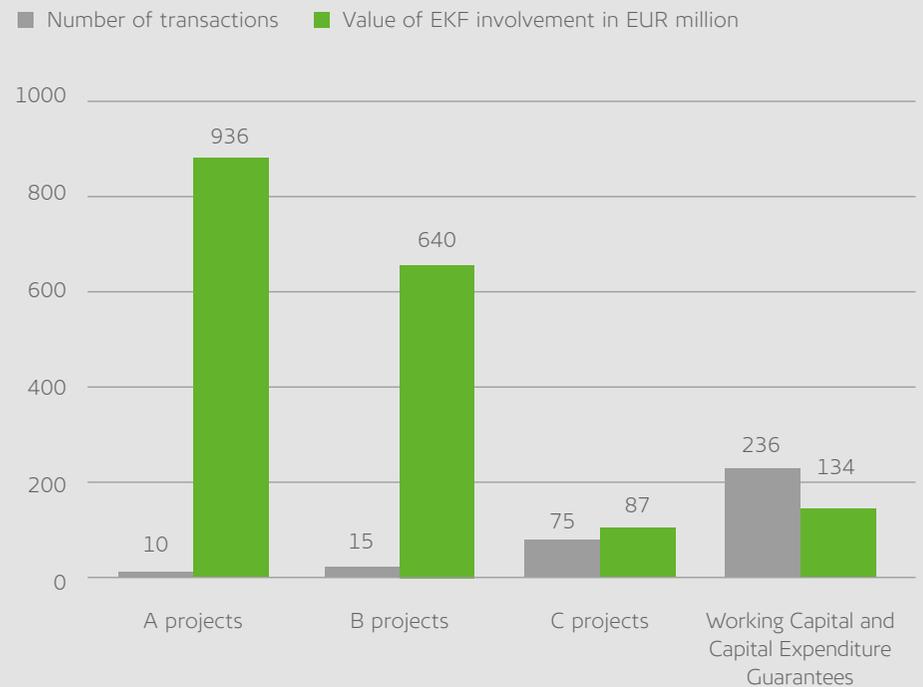


Number of transactions per sector in 2015



The sectors classified as 'miscellaneous' include pharmaceuticals, electrical transmission and distribution, engineering products and services and industrial development.

The value of EKF involvement in 2015



**NOTE 3: ENVIRONMENTAL IMPACTS RELATED TO TRANSACTIONS**

The transactions included in the calculation of impacts are listed under note 2. They are medium/long term transactions with the potential to have an environmental and social impact. Air emission indicators include estimations of total CO<sub>2</sub> equivalent emissions, relative CO<sub>2</sub> equivalent emission reductions (avoidance of emissions), and relative NO<sub>x</sub> and SO<sub>2</sub> reductions (avoidance of emissions).

**Total greenhouse gas emissions (CO<sub>2</sub> equivalents)**

EKF estimates the total CO<sub>2</sub> equivalent emissions associated with project transactions each year as an indication of the greenhouse gas impact of the transaction portfolio. The CO<sub>2</sub> equivalent emissions are estimated based on data obtained during the environmental and social due diligence process and include operational emissions from projects that are considered significant greenhouse gas emitters (>25,000 tonnes CO<sub>2</sub> equivalent/year) for a period of ten years of operation. The total CO<sub>2</sub> equivalent emission estimation includes total emissions from the relevant projects regardless of EKF's share in the respective transactions.

The reported CO<sub>2</sub> emissions do not indicate a development over time. The reported emissions solely indicate the emissions related to business transactions to which EKF has committed within a particular year. Two transactions in EKF's transaction portfolio in 2015 were considered to be significant greenhouse gas emitters: a cement plant in Vietnam and an integrated fertilizer plant in Turkey. These two transactions contributed to the calculations of total greenhouse gas emissions of approximately 30 million tonnes CO<sub>2</sub> equivalent.

This corresponds to approximately 3 million tonnes CO<sub>2</sub> equivalent emitted annually. The remaining transactions are in sectors with no or limited CO<sub>2</sub> equivalent emissions, such as the wind and biomass energy sectors. The four biomass transactions using waste wood or other sustainably sourced biomass as fuel are considered carbon neutral, and do therefore not contribute to the total greenhouse gas emission calculation. Animal husbandry projects such as pig farms do result in greenhouse gas emissions. However, an evaluation of the emissions from such projects in 2015 indicated emissions well below the 25,000 tons CO<sub>2</sub> equivalent threshold.

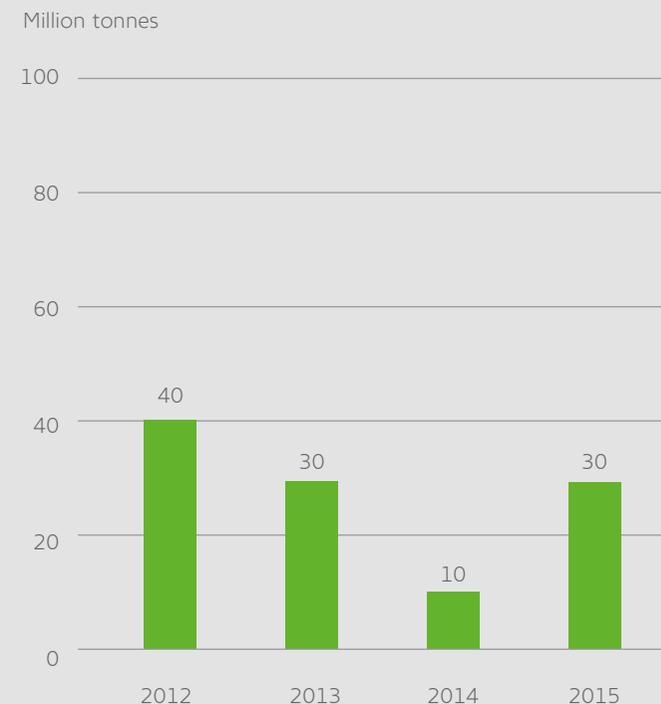
**Greenhouse gas emission reduction (CO<sub>2</sub> equivalents)**

EKF estimates the relative CO<sub>2</sub> equivalent emission reductions (or increases, if negative) associated with transactions as an indication of the impact associated with the transaction portfolio each year. The estimation of EKF's contribution to reduction (or potential increase) of emissions is calculated as the difference in emissions between the proposed project and a calculated normal practice reference transaction, assuming a 10-year period of operation. Contrary to the calculation of total CO<sub>2</sub> equivalent emissions, the calculation of relative reduction takes into account EKF's share in the respective transactions. Therefore, the results do not reflect the total emission reductions in the projects but rather a portion proportional to EKF's risk share in the financing.

The calculated reduction of CO<sub>2</sub> equivalent emissions is also assigned a monetary value based on market prices for carbon credits in the EU.



*Total emissions in million tonnes (max. 10 years of operation)*





## CO<sub>2</sub> EQUIVALENTS

	2015	2014	2013	2012
Relative reduction in million tonnes (10-year period)*	10	10	35	25
Value of relative reduction in EUR million	90	60	190	190
Value of relative reduction in EUR per million EUR EKF involvement**	60,000	40,000	100,000	80,000
Relative reduction as a percentage of Denmark's annual emissions***	20%	20%	70%	40%

\* The values are estimated based on available project information, which in some cases may be too limited to estimate emission impacts. EKF's actual contribution to CO<sub>2</sub> emission reductions is thus likely to be higher in some cases.

\*\* EKF involvement reflects the value of projects with potential adverse environmental and/or social impact and not the total value of all transactions.

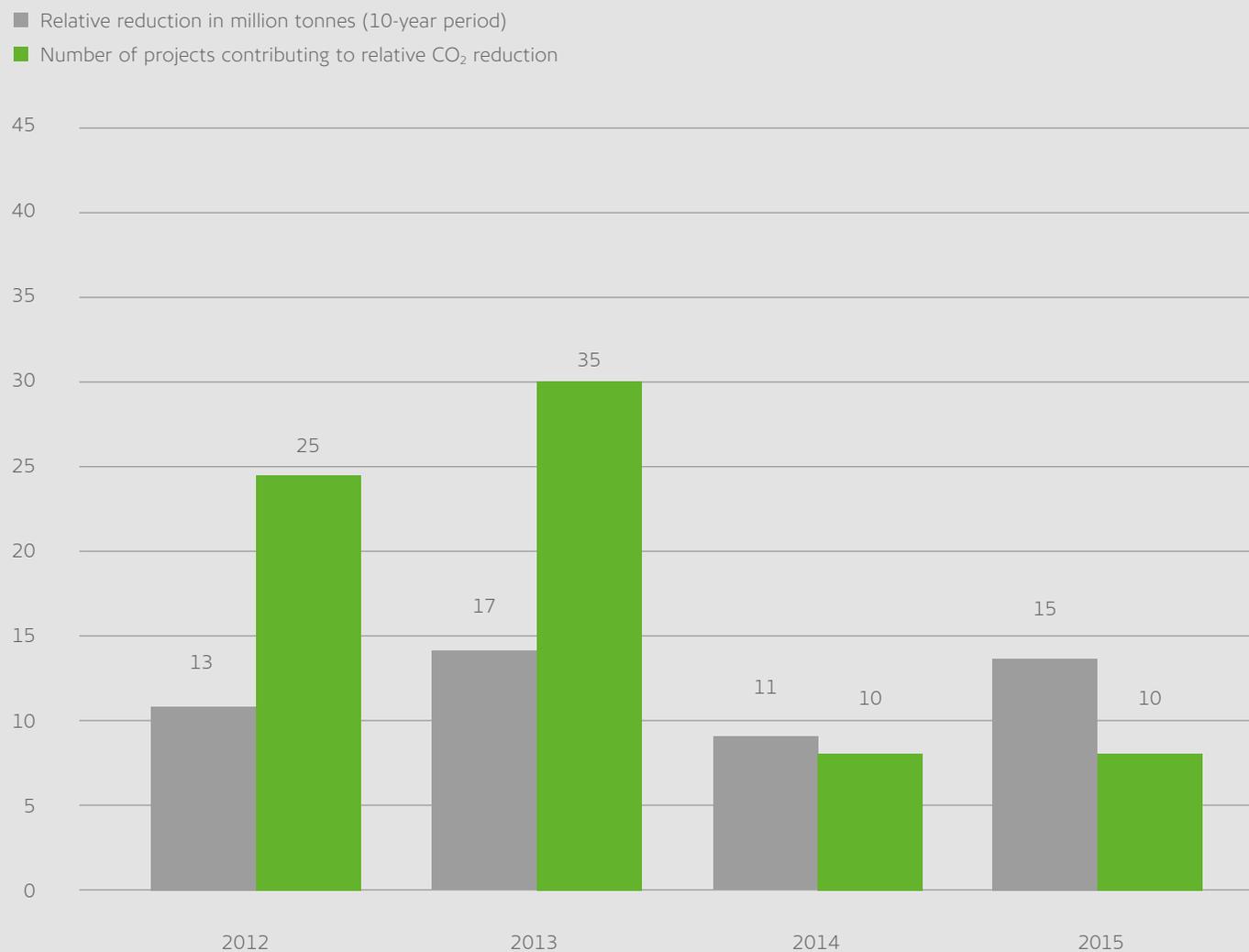
\*\*\* Denmark's CO<sub>2</sub> emissions in tonnes/year were 51.6 million in 2013 according to the Annual Energy Statistics report for 2014.

The calculated CO<sub>2</sub> equivalent emissions reductions in 2015 are similar to the previous year. As in 2014, EKF's contribution to reduced greenhouse gas emissions comes primarily from our involvement in renewable energy transactions such as wind and biomass. In 2015, 15 transactions contributed to the relative CO<sub>2</sub> emission reductions: 11 wind power transactions and four biomass energy transactions. Biomass transactions using waste wood or other sustainably sourced biomass as fuel are considered carbon neutral. Therefore, the biomass transactions contribute to the calculation of relative CO<sub>2</sub> emission reductions in the same way as the wind projects. All four biomass projects in 2015 are located in the UK and plan to use either waste wood or other wood sources that comply with UK sustainability criteria for biofuels. The other transactions in 2015 were considered likely to be in line with current practice and with similar CO<sub>2</sub> emissions as a reference, and thus with no calculated reduction or increase in CO<sub>2</sub> emissions.

### Nitrogen Oxides (NO<sub>x</sub>) and Sulphur Dioxide (SO<sub>2</sub>)

EKF estimates the relative reductions (or increases, if negative) in NO<sub>x</sub> and SO<sub>2</sub> emissions associated with our involvement in project transactions. The same principles apply as for the CO<sub>2</sub> equivalent emission reductions taking into account the difference in emissions between the proposed transaction and a calculated normal practice reference over a 10-year period, while considering EKF's share in the transactions.

### Relative CO<sub>2</sub> reduction



16 transactions contribute to the estimation of a relative NO<sub>x</sub> reduction or increase for 2015; 11 wind farm transactions, four biomass transactions and one integrated fertilizer plant in Turkey. The NO<sub>x</sub> savings are close to five thousand tonnes. All wind transactions contribute positively, resulting in avoidance of NO<sub>x</sub> emissions compared to reference project emissions (based on estimated emissions from a mix of electricity sources in the respective countries as per the CEET model of IFC). The fertilizer plant also contributes positively, by having lower NO<sub>x</sub> emissions than compared to a reference project based on IFC EHS guideline standards. However, the biomass transactions contribute negatively by contributing to higher NO<sub>x</sub> emissions than the reference projects (reference projects calculated based on estimated NO<sub>x</sub> emissions from the range of energy sources for the UK grid electricity). Excluding the biomass transactions, the estimated NO<sub>x</sub> savings would have totalled an increase of approximately 2,500 tons NO<sub>x</sub>.

15 transactions contribute to the estimation of a relative SO<sub>2</sub> reduction or increase for 2015; 11 wind farm transactions and four biomass transactions, resulting in relative savings of approximately 10 thousand tonnes SO<sub>2</sub>. This is equivalent to approximately 60% of the annual Danish SO<sub>2</sub> emissions. The integrated fertilizer plant in Turkey has expected SO<sub>2</sub> emissions equal to IFC EHS guideline standards and thus does not contribute to any relative reduction or increase. The wind transactions and the biomass transactions contribute positively to relative SO<sub>2</sub> reductions.

NO <sub>x</sub>	2015	2014	2013 <sup>+++</sup>	2012
Relative reduction in thousand tonnes (10-year period) <sup>*</sup>	5	5	-200	40
Relative reduction as percent of Denmark's annual emissions <sup>**</sup>	5%	5%	-160%	34%

<sup>\*</sup> The values are estimated based on available information which sometimes is limited or incomplete making it difficult to estimate emission impacts accurately. The actual contribution by EKF to NO<sub>x</sub> emission reductions may therefore differ from these values.

<sup>\*\*</sup> Denmark's annual NO<sub>x</sub> emissions were 116 thousand tonnes according to data from DMU for 2013.

<sup>+++</sup> The values for 2013 are negative, thus indicating a relative increase in emissions when compared to reference projects. See further explanation in EKF's CSR report for 2013.

SO <sub>2</sub>	2015	2014	2013 <sup>+++</sup>	2012
Relative reduction in thousand tonnes (10-year period) <sup>*</sup>	10	1	-5	140
Relative reduction as percent of Denmark's annual emissions <sup>**</sup>	60%	100%	-40%	980%

<sup>\*</sup> The values are estimated based on available information that sometimes is limited or incomplete, which can make it difficult to estimate emission impacts accurately. The actual contribution by EKF to SO<sub>2</sub> emission reductions may therefore differ from these values.

<sup>\*\*</sup> Denmark's annual SO<sub>2</sub> emissions were 12.5 thousand tonnes according to data from DMU for 2013.

<sup>+++</sup> The values for 2013 are negative, thus indicating a relative increase in emissions when compared to reference projects. See further explanation in EKF's CSR report for 2013.

	2015*	2014*	2013	2012
<b>CO<sub>2</sub> contribution based on EKF consumption and transportation</b>				
Total (tonnes)	410	440	410	340
Per employee (kg)	3,300	3,800	4,100	3,900
Emissions attributed to air travel	53%	52%	52%	60%
<b>SO<sub>2</sub> contribution based on EKF consumption and transportation</b>				
Total (tonnes)	0.15	0.15	0.15	0.12
Per employee (kg)	1.2	1.3	1.5	1.3
Emissions attributed to air travel	41%	40%	40%	48%
<b>NO<sub>x</sub> contribution based on EKF consumption and transportation</b>				
Total (tonnes)	0.84	0.92	0.83	0.75
Per employee (kg)	6.8	7.9	8.4	9.1
Emissions attributed to air travel	72%	71%	71%	76%

\* Calculations are based on partially estimated numbers for electricity and heat for 2013-2015. CO<sub>2</sub> equivalent emissions for international courier service are also included in the 2013-2015 numbers.

#### NOTE 4: EKF'S RESOURCE CONSUMPTION AND ASSOCIATED AIR EMISSIONS

The environmental impacts which are directly associated with the operation of EKF are use of resources, i.e. electricity, heat and water for our office facilities; and office supplies such as paper. Domestic and international travel undertaken by our employees while providing our financial services, as well as use of courier service, also influence our resource expenditure and therefore our direct environmental impacts. As in previous years, emissions from transport in employees' own vehicles are not included in the calculations.

Our current office facilities also include a canteen and lobby shared with other firms. The office building has a C-class energy efficiency rating.

*Air emissions related to EKF's resource consumption*  
 We estimate our consumption of resources and associated environmental impacts of CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub> emissions. Air travel is the largest single contributor to EKF's CO<sub>2</sub> emissions originating from our own resource consumption.

In 2015, 53 per cent of EKF's own CO<sub>2</sub> emissions relate to air travel, which, by and large, remain unchanged compared to the previous two years.



Numbers for EKF's own CO<sub>2</sub> contribution are composed of the use of heat and electricity, air travel, domestic taxi and courier service. The CO<sub>2</sub> contribution associated with EKF's energy consumption and transportation has decreased from 440 tonnes in 2014 to 410 tonnes in 2015. To a large extent, this is due to a decrease in the distance of air travel and, to a lesser degree, a decrease in electricity consumption compared with 2014.

\* The energy label is based on categories A to G, A indicating the lowest energy consumption. C-class energy efficiency rating indicates relatively low energy consumption.



EKF's electricity use in 2015 was 257MWh, which corresponds to 2,070kWh per employee. When EKF's electricity use is translated into kWh/m<sup>2</sup> and benchmarked against the consumption of peer organisations (similar office buildings in Denmark), EKF's consumption is 25kWh/m<sup>2</sup> which is well below the 42kWh/m<sup>2</sup> benchmark.

EKF's use of heat (district heating) was estimated to be 234MWh in 2015, corresponding to 1,890kWh per employee. Heat use covers both heating of the premises as well as heating of warm water in faucets. The benchmark for heat used in office buildings is 100kWh/m<sup>2</sup> while EKF's use translates into 69kWh/m<sup>2</sup>.

EKF's water consumption was 656m<sup>3</sup> in 2015, translating into 5.3m<sup>3</sup> per EKF employee. The benchmark on water consumption in office buildings is 0.28m<sup>3</sup>/m<sup>2</sup> while EKF's consumption is 0.19m<sup>3</sup>/m<sup>2</sup>.

	2015	2014	2013	2012
<b>Resource consumption Electricity</b>				
Total (MWh)	257	265	261	162
Per employee (kWh)	2,070	2,290	2,640	1,860
Per m <sup>2</sup> (kWh/m <sup>2</sup> )*	25	26	25	
<b>Benchmark (kWh/m<sup>2</sup>)</b>		<b>42</b>		
<b>Heat</b>				
Total (MWh)	234	234	234	255
Per employee (kWh)	1,890	2,020	2,360	2,930
Per m <sup>2</sup> (kWh/m <sup>2</sup> )*	69	69	69	
<b>Benchmark (kWh/m<sup>2</sup>)</b>		<b>100</b>		
<b>Water</b>				
Total (m <sup>3</sup> )	656	656	656	495
Per employee (m <sup>3</sup> )	5.3	5.7	6.6	6.1
Per m <sup>2</sup> (m <sup>3</sup> /m <sup>2</sup> )*	0.19	0.19	0.19	
<b>Benchmark (m<sup>3</sup>/m<sup>2</sup>)</b>		<b>0.28</b>		

\* Per m<sup>2</sup> is only available from 2013 onwards, the first complete year after EKF moved into our current premises.

## Use of transportation services

The below table shows EKF's use of transportation including air travel, domestic taxi and domestic courier in 2015.

For transportation by courier (domestic), EKF uses bicycle courier services in combination with more traditional motorised vehicle courier services. The distance travelled by bicycle accounted for nearly 75 per cent of the total courier distance travelled. The number of trips made by bicycle couriers constitutes 94 per cent of the total domestic courier trips made for EKF in 2015.

Air travel in terms of kilometres travelled has decreased from 2014 to 2015. However, number of trips has increased to nearly 500 trips. The increase in number of trips is due to a combination of increase in travels related to transactions meetings and OECD-related meetings, respectively. The travels have mainly been within Europe and hence not resulted in a similar increase in kilometres travelled.

## Paper consumption and waste generation

As part of our effort to reduce paper consumption, we track our paper usage. In June 2014, we started using a new printer system, where only the printer jobs that are actively "checked out" are printed.

In note 4, the figures in the tables on EKF's consumption of water energy, electricity and heat in our offices include consumption related to shared office space with other tenants. The consumption related to shared facilities are based on estimates.

	2015	2014	2013	2011
<b>Transportation by air</b>				
Total (in km)	1,590,000	1,820,000	1,570,000	1,520,000
Per employee (in km)	12,800	15,700	15,900	17,500
Number of trips total	500	390	430	380
<b>Transportation by taxi (domestic)</b>				
Total (in km)	10,800	10,800	11,600	9,300
Per employee (in km)	80	90	120	110
<b>Transportation by courier (domestic)</b>				
Total (in km)	310	1,170	960	970
of which bicycle courier (in km)	230	390	n/a	n/a
Per employee (in km)	3	10	10	11
<b>Paper and waste</b>				
<b>Paper</b>				
Total (in tonnes)	4.4	4.5	4.5	3.0
Per employee (in kilos)	36	45	45	34
Recycled (in tonnes)	5.2	4.8	4.8	2.1
Recycled per employee (in kilos)	42	49	49	24
<b>Waste</b>				
Total (in tonnes)	27	27	27	16
Per employee (in kilos)	220	275	275	180

\* Calculations for waste are partially based on numbers from 2014.

For comparison and in order to monitor our performance, our consumption is also presented in the context of Danish electricity, heat and water consumption benchmarks from similar operations (offices).+

Thus, our resource consumption (heat, energy, water) and generation of waste related to shared facilities are based on estimates on relative share of consumption and generation of waste. We continue to work towards a more transparent categorisation of the various types of waste.



+ Benchmark for electricity use is calculated based on an average of 297 office buildings in Denmark provided by Danish Energy Agency; the benchmark for heat is from "Den lille blå om varme", which tracks heat consumption in office buildings supplied with district heating ([www.danskenergi.dk](http://www.danskenergi.dk); 2008); the benchmark for water is from the Danish ELO (Energiledelsesordning) and tracks water use in office buildings larger than 1,500m<sup>2</sup> (from 2005)

#### NOTE 5: EMPLOYMENT IMPACT ABROAD BASED ON TRANSACTIONS

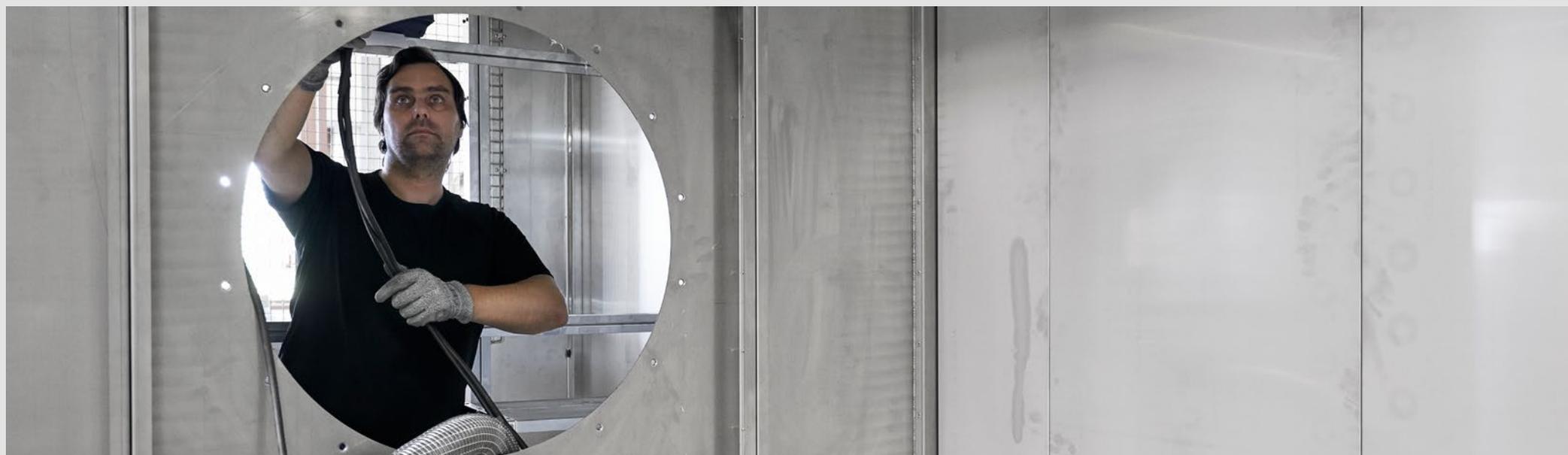
EKF estimates the volume and value of local employment abroad generated through projects supported by EKF as an indicator of our contribution to sustainable economic and social development.

The value of local employment is estimated on data for gross national income per capita for the countries where the transactions are located. Consequently, transactions located in high-income countries contribute with a higher value than low income countries.

The local employment impact varies significantly from year to year as the local employment impact depends on sectors included in EKF's project portfolio for a given year. EKF's contribution to local employment related to the 2015 projects ([see note 2](#)) is estimated to be at least 25,000 man-years (assuming 10 years of operation) with an estimated value of EUR 210 million.

EKF's contribution to local employment is estimated as EKF's share of the financing multiplied by the man-years generated in the project locally during the

construction phase and the operating phase, respectively, for a maximum of 10 years of operation. Local employment impact is based either on information received from the project or on estimates for normal practices in the sectors (exclusive of employment generated in the value chains). Therefore, the results do not reflect the total employment impact in the projects, but rather a portion proportional to EKF's share in the financing. As the objective is to estimate the positive impact on the local society, the contribution to employment creation consequently includes only jobs created in the buyer country.



## LOCAL EMPLOYMENT+

	2015	2014	2013	2012
Employment generated for 10 years of operations (measured in 1,000 man-years)**	25	10	40	20
Estimated value in EUR million	210	30	570	190
Estimated value in EUR per 1,000 EUR of EKF involvement***	140	20	310	80

\* It is EKF's point of view that the actual employment impact is likely to be higher since it is not always possible to obtain employment information for all projects.

\*\* This value reflects both the man-years created for the project-specific length of the construction phase and a 10-year operational phase. The estimates do not include indirect job creation.

\*\*\* EKF involvement reflects value of A and B projects as defined under the OECD Common Approaches, not the total value of all transactions.

### NOTE 6: EMPLOYMENT IMPACT IN DENMARK RELATED TO TRANSACTIONS

Copenhagen Economics calculates EKF's impact in Denmark every year. In 2015, EKF helped to create or retain 12,300 jobs in Denmark and secured, directly and indirectly, contracts worth DKK 17 billion for Danish exporters. Furthermore, EKF's activity in total has contributed with an enhanced Danish GDP of DKK 12.4 billion.

### NOTE 7: RESETTLEMENT OF PEOPLE IN PROJECTS

IFC Performance Standard 5 sets the standard for how to conduct land acquisition and involuntary resettlement in projects to ensure due consideration and respect for people affected. Involuntary resettlement can comprise of either physical resettlement where people have to relocate from their homes and/or economic displacement where their livelihoods may be affected.

Although PS5 was considered relevant in several of the projects in 2015, due to potential land acquisition and resettlement issues, the Environmental & Social review process did not reveal involuntary physical resettlement or economic displacement of people in any of the projects.

## INVOLUNTARY RESETTLEMENT

	2015	2014+	2013**	2012
Number of persons affected by resettlement and/or economic displacement	0	5,500**	206 plots	0

\* Based on data from three projects.

\*\* Involuntary land acquisition (privately owned land) where mutual agreements were reached regarding compensation schemes involving either monetary compensation or relocation to an alternative land plot. Number of affected individuals is not known.

## NOTE 8: EMPLOYEES

### Staff diversity

At year-end 2015, EKF had a total of 124 employees, which is an increase of nearly seven per cent from the year before. The total number of employees does not include three student employees. Average age of EKF employees in 2015 was 42.5 years.

The number of women in the workforce at year-end 2015 was 56, accounting for 45 per cent of the total workforce. The presence of women in EKF's management was 24 per cent in 2015, which is somewhat lower than previous years.

As required by the Danish Financial Statement Act, EKF has a policy on equal distribution of men and women in management. It is apparent that an underrepresentation of women both on the Board of Directors and in the management group exists. As a consequence of the new Act on EKF a new Board of Directors will be formed in 2016 involving the election of two employee representatives. Hence, the balance of gender representation may change.

### Employee turnover

The rate of employee turnover is measured as the number of employees who left the company during the financial year compared with the number of employees at year-end.

EKF experienced a turnover rate of ten per cent in 2015, which is in line with the general trend from previous years. The largest turnover was experienced

STAFF DIVERSITY	2015	2014	2013	2012
Number of employees, end of year	124	116	99	87
Percentage of women in workforce	45%	49%	46%	48%
Percentage of women in management	24%	29%	29%	27%
Percentage of employees with a master degree	85%	81%	89%	77%
Average age	42.5	41.5	41.1	42.3
Average years of service	6.5	5.9	6.0	6.8
Employee turnover	10%	7%	10%	10%

EMPLOYEE TURNOVER IN 2015	Under 30	30-39	40-49	50-59	Over 60	Total	%
Men	1	1	0	1	0	3%	4%
Women	1	5	1	2	0	9%	16%
All employees	2	6	1	3	0	12%	10%



in the age group 30-39 years, where most of those leaving the organisation were women. Average years of service with EKF is 6.5 years in 2015, slightly up from 5.9 in 2014.

### Work-life balance

Achieving a satisfactory work-life balance can be challenging and we believe that the values and policies set by our organisation help our employees in their choices for achieving an acceptable work-life balance.

We offer flexibility to our employees in terms of home office, flexible working hours and the option of part-time working schedules. Part-time employment can be either temporary or permanent. This year EKF has five part-time employees, of which all are women.

### Salary ratio

EKF monitors the salary ratio between male and female employees. We measure the ratio of salary in three different groups: employees without a master degree, employees with a master degree and our management group. We also monitor the salary ratio of our management group excluding top management, consisting of our CEO and three deputy CEOs. A ratio of 1 means equal salary between women and men and a ratio higher than 1 indicates remuneration in women's favour.

In 2015, the salary ratio for employees with a master degree continues to be in women's favour, and increasingly so compared to 2014. The salary ratio for the rest of the employee groups continues to be in men's favour.

WORK-LIFE BALANCE	2015	2014	2013	2012
Women working part-time	5	6	2	1
Men working part-time	0	0	1	0
Number of flex jobs	1	1	1	1
Number of employees on paid maternity leave during the year	7	3	0	9
Number of employees on paid paternity leave during the year	7	3	0	9
Leave of absence granted for other reasons (measured in man-years)	4	5	1	0

RATIO OF SALARY MEN TO WOMEN	2015	2014	2013	2012
Group 1: Employees without a master degree	0.70	0.85	0.79	0.92
Group 2: Employees with a master degree	1.14	1.06	1.13	1.09
Group 3: Management group	0.91	0.94	1.02	1.14
Group 4: Management group excluding top management	0.86	0.90	0.95	n/a

HEALTH AND SAFETY	2015	2014	2013	2012
Average number of days lost through short term illness per employee	3.9	4.1	4.7	3.7
Average number of days lost through long term illness (>30 days)	1.9	1.3	9.7	2.8



#### NOTE 9: HEALTH AND SAFETY

Average number of days lost due to illness is calculated by dividing the overall number of days of employee illness by the total number of employees. This is done both for short term and long term illness. Average absence due to short term illness (less than 30 days) was 3.9 days per employee, slightly down from the year before. The average number of days absent due to long term illness (more than 30 days consecutive) was 1.9.

In the past EKF has had a number of employees affected by stress-related illness. In 2015 only a few stress-related sick leaves have occurred. In case of stress symptoms, EKF offers employees psychological assistance from a private health insurance through which a restitution schedule for the employee is planned, often involving a period of leave and a gradual return to work. EKF will maintain focus on work-life balance for our employees as part of a continuous development of a healthy working environment.

#### NOTE 10: COMPETENCY DEVELOPMENT

In 2014, EKF changed the registration method for tracking our training activities, which means we no longer differentiate between internal and external training activities.

EKF's employees completed an average of four days of training and education in 2015, slightly down from an average of 4.2 days in 2014. The average amount spent on competency development per employee decreased slightly from DKK 19,346 in 2014 to DKK 18,330 in 2015.

# Focus areas for 2016

In 2016, EKF will have the following focus areas for our continued work on implementing the UN Global Compact principles and our CSR Policy:

- › Continue the dialogue within international fora related to climate finance and climate change reductions
- › Continue the dialogue with stakeholders regarding environmental and social sustainability and promotion of UN Guiding Principle on Business and Human Rights and OECD Guidelines for Multinational Enterprises
- › Work to maintain the high level of employee satisfaction
- › Implement a whistle blower function



# Scope and purpose



The UN Global Compact Principles on human rights, labour rights, environment and anti-corruption as well as the UN Guiding Principles on Business and Human Rights are the basis for EKF's work with corporate environmental and social responsibility. Furthermore, we work in accordance with the Equator Principles and the corporate responsibility principles outlined by the Danish government and the OECD.

This report contains information on the environmental and social impacts related to EKF's transactions as well as EKF's internal footprint. Furthermore, the report also includes our policy commitment, Communication on Progress, CSR achievements and challenges.

At the same time, the report constitutes our Communication on Progress under the UN Global Compact on the topics of human and labour rights, environment and anti-corruption. EKF reports annually, and this report contains information pertaining to activities that took place in the fiscal year 1 January 2015 to 31 December 2015.

We acknowledge the diverse nature of our stakeholders and the fact that not all information is equally relevant to all stakeholders. It is from this perspective the reader should approach the report by selecting the areas of interest or areas considered material to the individual stakeholder. In addition, this report can be generated as one entire report. On EKF's website, you will find our CSR methodology book as a supplement to the report in a separate document from 2011. It has not changed from previous years.

The purpose of this report is to provide stakeholders with a view of EKF's CSR performance during 2015, integrating external and internal CSR efforts. The report is aimed at a wide range of EKF's stakeholders, including:

- › exporters, buyers, financial institutions, for instance banks and pension providers,
- › the OECD, our peer export credit agencies and Danish and international ministries,
- › civil society, trade and industry organisations as well as
- › EKF employees, management and Board of Directors.

This CSR report is published in English and is available online electronically at [ekf.dk](http://ekf.dk). EKF's Board of Directors have approved this report, and for further information, please contact our CSR department:

[EKFCSR@EKF.dk](mailto:EKFCSR@EKF.dk)

[EKF's CSR methodology](#)



# UN Global Compact table

## Human rights

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**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and

EKF actively promotes human rights by implementing the UN Guiding Principles on Business and Human Rights.

- › [EKF's Business and Ethics](#)
- › [CSR gap analysis for EKF](#)

**Principle 2** make sure that they are not complicit in human rights abuses.

EKF actively seeks to ensure that the projects we guarantee do not have negative consequences for human rights.

- › [EKF's CSR Policy](#)
- › [Risk assessment – process](#)

## Labour

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**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

EKF complies with Danish law on all employee matters such as freedom of association and collective bargaining. EKF focusses on equal opportunities and diversity, in our workplace and in the projects that we guarantee. In relation to our projects, all the labour principles are addressed through our risk management process, applying the IFC Performance Standards. See:

**Principle 4** the elimination of all forms of forced and compulsory labour;

- › [EKF's Business and Ethics](#)

**Principle 5** the effective abolition of child labour; and

- › [EKF's CSR Policy](#)

**Principle 6** the elimination of discrimination in respect of employment and occupation.

- › [Sustainable transactions](#)

- › [Notes 8-10 in the Notes to consolidated statement](#)

# UN Global Compact table

## Environment

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**Principle 7** Businesses should support a precautionary approach to environmental challenges;

While EKF pays close attention to the environmental impacts from our own office activities, the main source of potential significant environmental impacts is the projects that we guarantee. EKF assesses environmental risks associated with our projects against the IFC Performance Standards.

› [EKF's CSR Policy](#)

› [Risk assessment – process](#)

› [Notes 2-4 in the Notes to consolidated statement](#)

**Principle 8** undertake initiatives to promote greater environmental responsibility; and

**Principle 9** encourage the development and diffusion of environmentally friendly technologies.

EKF manages environmental risks of transactions in line with our overall CSR commitments and engages in dialogue with exporters and other business partners on environmental responsibility. Additionally, EKF has a team dedicated to assisting Danish companies that develop and export climate, energy and environmental technologies.

› [Risk management – process](#)

› [Sustainable transactions](#)

› [Stakeholders – openness and cooperation](#)

› [Climate finance](#)

## Anti-Corruption

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**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

EKF has a strict anti-corruption policy.

› [EKF's Business and Ethics](#)

**EKF**

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