



CSR Report 2013



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EKF requires a high level of environmental and social standards

It is a great pleasure for me to introduce you to our 2013 Corporate Social Responsibility (CSR) Report. The report describes our CSR efforts on our transactions as well as internally in EKF. The report also functions as our Communication on Progress under our commitments to the UN Global Compact.

EKF supports companies abroad in purchasing Danish exports. We do so by providing assistance in raising financing and by insuring companies and banks against the potential financial and political risks of trading with other countries. In doing so, EKF requires a high level of environmental and social standards in the transactions we participate in. Furthermore, EKF proactively works to ensure a level playing field for exporters through our participation in international forums.

During 2013 we have screened and assessed 212 transactions for environmental and social sustainability. We apply international standards to ensure an ambitious level of CSR conditions, for instance in the case

of EKF's environmental and social assessment of a copper and molybdenum mine in Armenia, where we looked at the environmental and social impacts during construction and operations. At the request of EKF, the project developer hired an independent consultant who developed a range of management plans, including plans for stakeholder engagement, waste management, biodiversity and community health and safety.

The year 2013 again reflects a high level of activity, resulting in a total amount of new export credit guarantees and investments abroad of DKK 16.8 billion and an exposure of DKK 52.7 billion. In 2013, our new Strategy 2016 was implemented. It is founded on the expectations of increased demand for EKF's solutions. The strategy sets ambitious goals in three overarching areas of focus: more customers, more solutions and more streamlining, where the two last areas are in support of the first. Going forward, EKF will target new customer segments and simplify internal processes and procedures through standardisation and streamlining.

Through our strategy we expect to double the amount of customers towards 2016. The customers will largely

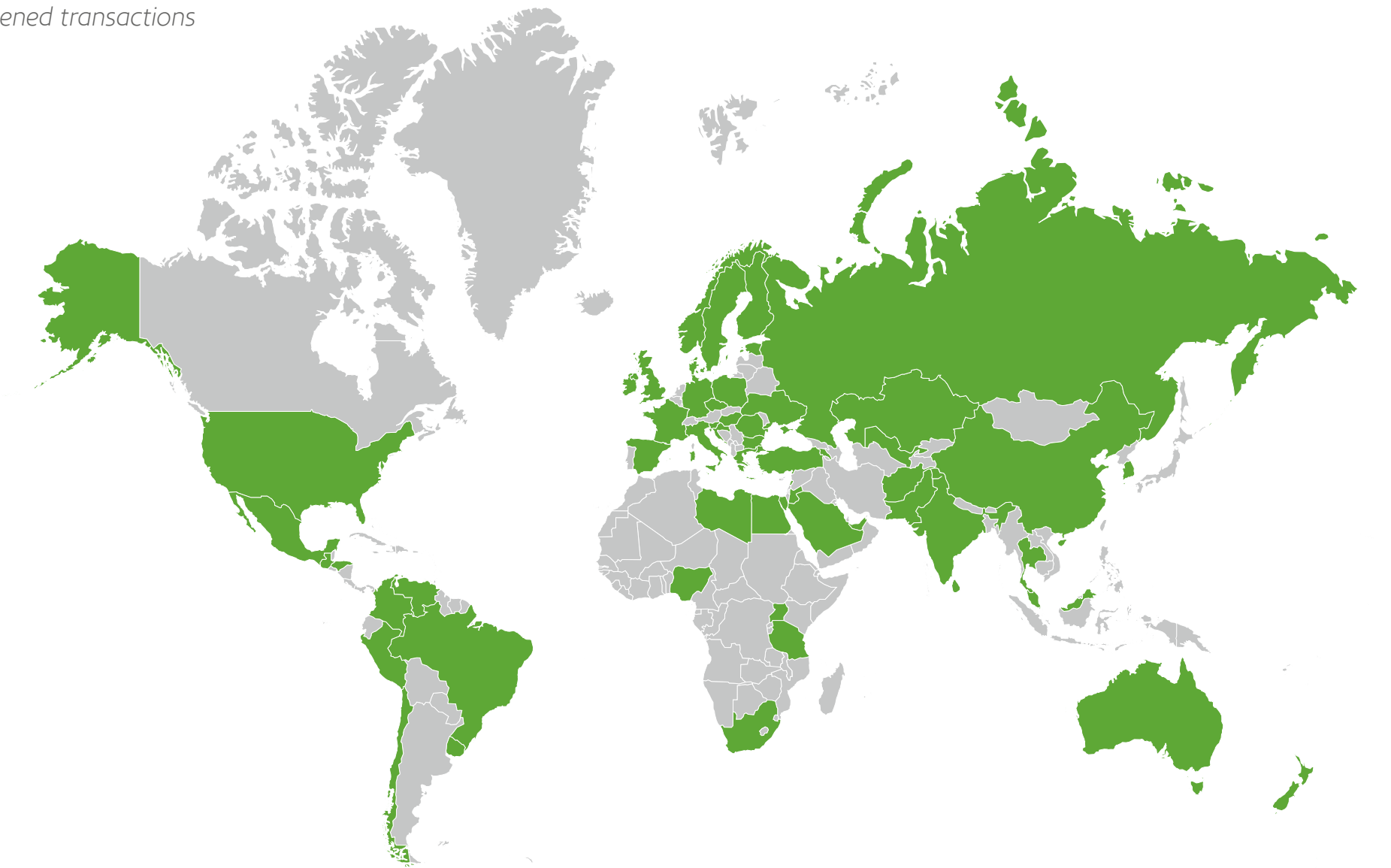
be small and medium enterprises. During 2013 EKF has implemented our process for environmental and social sustainability screening and assessment of transactions which we believe will lead to a continuously smooth process for transaction approvals.

During 2013, we have worked on various CSR topics; including stakeholders, animal welfare and human rights, and our position on the new Equator Principles and their effect on our future project finance transactions. The report also covers the environmental and social impacts and risks of our transactions as well as our internal footprint. Enjoy!

Anette Eberhard
CEO



*Project countries where EKF
has screened transactions*



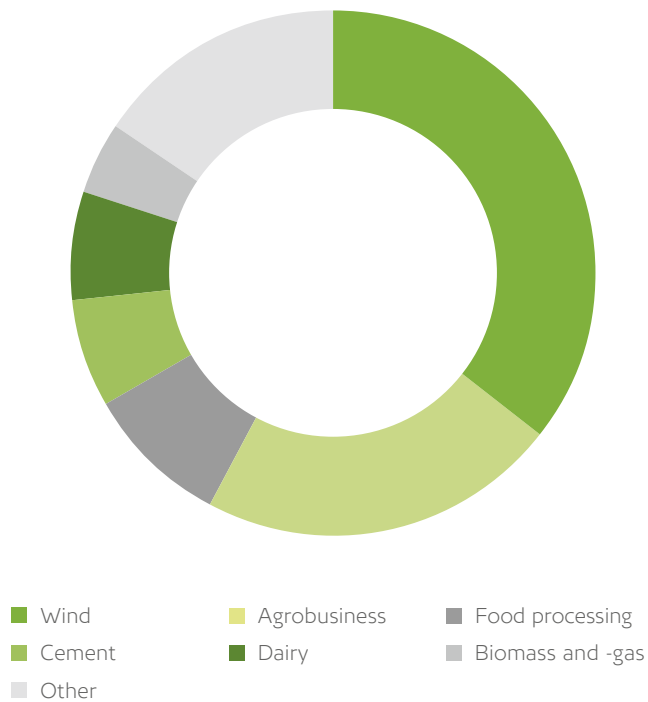
EKF in figures



DKK 9.3 billion

EKF contribution to improving the national balance of payments

A and B projects per sector



During 2013

43,000 local jobs

The projects' estimated employment impact totalled 43,000 local jobs

16,500 Danish jobs

In 2013 EKF helped to create or retain 16,500 jobs

Reduction in CO₂ emissions of 38 million tonnes

EKF's contribution to reduction in CO₂ emissions related to project involvement was 38 million tonnes.

The local employment impact had an estimated value of DKK 4.2 billion

In 2013 we contributed to securing contracts to Danish exporters worth DKK 20 billion

EKF's CSR achievements range widely

2013 was yet a productive year for EKF and our accomplishments have been realized through both participating in various forums as well as completing projects internally in EKF.

EKF workshop on mobilising private sector climate finance in developing economies

In the autumn of 2013 EKF hosted an international workshop in Copenhagen with the aim of discussing how export credit agencies' contribution to global climate finance could be enhanced.

The workshop was a work stream under the ministerial process initiated by the United States. More than a dozen donor countries were present to discuss ways to meet the challenge of up-scaling climate investments in developing countries, in light of the commitment made by developed countries to meet the goal of mobilising USD 100 billion in climate finance annually by 2020.

The workshop gathered leading climate finance experts from the private sector, export credit agencies and

EKF workshop on mobilising private sector climate finance in developing economies

Autumn 2013

The workshop on mobilising private sector climate finance in developing economies – was hosted in the autumn of 2013

80 participants

More than 80 international experts participated as representatives of both the private and public sector

20 countries

The participants represented 20 countries

7 ideas

The EKF catalogue on how ECAs can mobilise private sector climate finance included 7 specific ideas.

USD 100 billion

in climate finance annually by 2020

international financial institutions. The purpose was to share experience with climate finance, and more importantly, develop ideas on what export credit agencies can do more to mobilise private finance. These ideas, in the form of a “catalogue”, fed into the further ministerial process and eventually the United Nations Framework Convention on Climate Change COP 19 in Warsaw in November 2013. The catalogue is available [here](#).

Several of the ideas in the catalogue are already being discussed in relevant forums, and EKF will keep track of the progress of each idea during 2014.

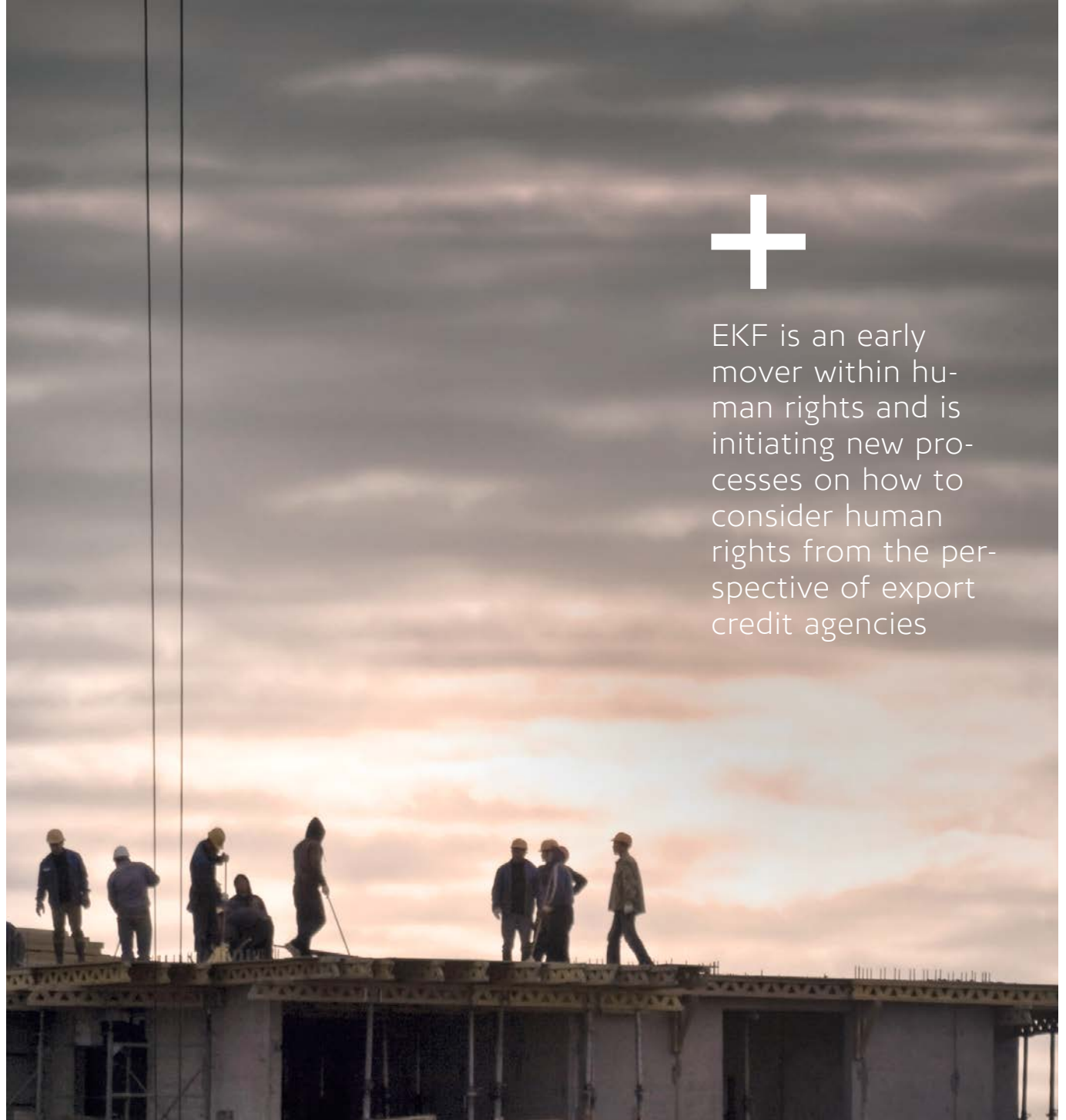
Environmental and social sustainability assessment process

During 2013, we have implemented EKF’s revised process on environmental and social sustainability for assessing transactions. This process is in alignment with EKF’s overall Strategy 2016 and provides a standard minimum set of conditions for projects that fall under the OECD Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence¹. The result is a consistent approach to assessing the environmental and social sustainability of transactions on a high level. The process also provides a consistent approach to assessing transactions that fall outside the OECD Common Approaches. As a result, we continue to provide a smooth process for environmental and social assessment for the benefit of both our customers as well as fellow employees.

¹ Transactions with a repayment term of two years or more.



EKF is an early mover within human rights and is initiating new processes on how to consider human rights from the perspective of export credit agencies



We will evaluate the process on environmental and social sustainability during 2014 and make adjustments where necessary.

CSR gap analysis

During 2013, EKF reviewed our CSR related policies and operating processes relating to other activities than transactions. We benchmarked the policies and processes against national and international commitments.

This gap analysis identified seven areas of improvement:

- › Establish a whistle-blower function.
- › Implement updated internal procedures for dealing with anti-corruption, including training of new employees in policies and guidelines regarding anti-corruption.
- › Implement an internal CSR training programme for updating EKF employees covering how to handle anti-corruption, bribery, health, safety, environment and human rights.
- › Verify principles to abide by with regards to taxation.
- › Establish a system for monitoring employees' hours worked (compliance with ILO conventions on working hours).
- › Create a policy on anti-discrimination and equality, including a policy for the least represented gender in management as well as set a target figure for the share of the under-represented gender on the Board of Directors (section 99b under the Danish Financial Statements' Act).
- › Revise EKF's procurement policy to include specific requirements on environment, human rights and anti-corruption.

A revision of our procurement process has been approved. The new procurement policy includes to a higher degree than previously requirements on environmental and human rights issues and anti-corruption. The remainder of topics are still in the pipeline.

While the goal of the gap analysis was to identify potential gaps, it also found that many of EKF's activities are already in support of the UN Guiding Principles, including:

- › UN Global Compact signatory
- › Work with UN Guiding Principles
- › Owns a CSR policy
- › Owns a policy on corruption and bribery
- › Owns a policy on openness
- › Continuous monitoring and follow-up on work environment
- › Owns a CSR report where relevant data are included
- › Owns an internal CSR group whose function is to informally discuss and share CSR ideas across the organisation

Human rights

Our work in 2013 focused on developing a pragmatic approach to incorporating human rights due diligence into our transactions according to the UN Guiding Principles on Business and Human Rights. EKF is an early mover within this field, and the availability of existing processes within an export credit agency setting is limited. We are initiating new processes on how to consider human rights from the perspective of export credit agencies. We make a great effort to share this work with others, both export credit agencies and interest organisations in order to secure a level playing field.

The work includes human rights training in the CSR department including understanding the human rights impacts on our transactions as well as a formulation on our human rights due diligence process. Since human rights impacts can occur both through own activities or business relationships, EKF has also performed a mapping exercise, looking at EKF's financial products from a business relations point of view to address the kind of impact EKF could have. We are also currently working on a UN Guiding Principles policy commitment.

Country model for the screening of human rights and environment

During 2013, we have introduced a country model as part of the environmental and social assessment process. This includes a quantitative screening of human rights and the environment in the individual country and it draws only on external sources keeping the ranking strictly objective. Hence the ranking is not a reflection of EKF's ranking of the country. The country screening does not replace a following assessment of the transaction, but it is used as an early indicator to our customers. Furthermore, it provides a context for understanding the environmental and social assessment, and it allows EKF to allocate the proper amount of resources to the following assessment of the transaction.



One of our achievements in 2013 include hosting a climate workshop. Going forward we will continue to focus on climate issues.



EKF promotes a level playing field among exporters

As Denmark's official export credit agency EKF's core business is to issue export credit guarantees, export loans and working capital guarantees. Our raison d'être is to help Danish exporters find the necessary financing for their exports and compete on equal terms with other exporters. Our CSR goal is thus to contribute to a high level of environmental and social sustainability in our transactions while also promoting a level playing field among exporters to eliminate unfair competition.

Besides complying with regulations and the IFC Performance Standards and Environmental, Health and Safety Guidelines, EKF continuously aims at finding the right balance between ambitious environmental and social standards and solutions that will allow Danish exporters to compete in the global market. Having the most ambitious environmental and social standards and requirements as the "golden target" means that EKF has

to be in dialogue with our stakeholders and contribute proactively in international and local forums to continuously progress the issues of environmental and social due diligence in the context of a level playing field in international trade. This includes EKF's contributions to the work being done in the OECD and with the Equator Banks and the Berne Union. In addition, EKF aims at keeping abreast of the developments within this field in the financial sector, International Financial Institutions and Multilateral Development Banks as well as relevant bodies of expertise such as industrial organisations and the International Energy Agency.

Among the many challenges that exist in this field, we believe there are three issues of particular importance in the time to come: human rights, climate change mitigation and animal welfare.

During 2013, EKF has adopted and implemented the UN Guiding Principles on human rights by performing an internal gap analysis of EKF policies. EKF has also implemented a process to assess and inform our exporters about the UN Guiding Principles and the adverse impacts that a company can have on human

rights. This work will continue in 2014, and we will continue to focus on this within the OECD.

Climate change mitigation is an issue of high political and social importance in Denmark. Climate issues are therefore an inherent part of EKF's working agenda, and we already focus on the reduction of greenhouse gas emissions in our transactions as well as internally in EKF. EKF has a team dedicated to climate projects, and EKF's internal rules and international regulations make it possible for EKF to offer a more flexible financial solution for cleantech investments. More than 50 per cent of our portfolio is in renewable energy, and we track the CO₂ emissions of all our transactions classified as A or B under the OECD Common Approaches.

Climate and energy technology is under constant development and with the recent focus on the emission standards of thermal power plants, and coal-fired power plants in particular, it is natural that these latest developments should be taken into account in the environmental standards applied by export credit agencies. EKF will focus our work in the OECD, Equator Banks and other relevant fora where EKF has a voice, on finding

the right balance between hitting the golden target of the most ambitious environmental standards and allowing Danish exporters to compete on equal terms.

Approximately 25 per cent of EKF's transactions relate to agrobusiness. Danish equipment typically promotes high standards of animal welfare, and just supporting the export of this equipment would result in EKF contributing to improved animal welfare.

In 2013, EKF's support of pig farms amount to more than EUR 5 million. This is the equivalent of more than 10,500 pigs from Denmark. Some of these pigs are production pigs for producing breeding pigs, resulting in an even larger total number of pigs at the buyer's farm. EKF's involvement in this kind of transaction therefore has an impact that goes beyond the supplied pigs.

EKF often sees transactions where Danish exports constitute a relatively small part of a larger project, and where EKF's leverage as a consequence is low, thus allowing us limited influence on the standards applied to the overall project. EKF would like to meet this challenge and participate in transactions that lift the level of animal welfare further; also in countries where current standards and regulations are not on par with Danish regulations.

We work with Danish exporters, who traditionally focus on high standards for animal welfare, to find a way where we in cooperation can try to influence and develop a higher level of animal welfare level. Currently we are developing a process for how to approach animal welfare issues in transactions. We will implement this during 2014.

50%

More than 50 per cent of our portfolio is in renewable energy

25%

Approximately 25 per cent of EKF's transactions relate to agrobusiness

EUR 5 million

In 2013, EKF's support of pig farms amount to more than EUR 5 million

10,500

This is the equivalent of more than 10,500 pigs from Denmark

February 2014

In February 2014, EKF will host the OECD Environmental Practitioners' meeting in Copenhagen



In February 2014, EKF will host the OECD Environmental Practitioners' meeting in Copenhagen. This provides a good setting for promoting discussions on the topics of animal welfare, human rights and international emissions standards as well as

providing EKF with feedback from other export credit agencies on how to meet the challenges we face on the three issues.

CASE

Slurry management in China

2,000

Production farm stock

575

Breeding farm stock

During 2013 EKF provided a guarantee for the upstart of a pig farming project in China. The project is an example of how to use slurry that would be otherwise discarded, as useful fertilizer.

The project is one of the first pig farming projects of this scale in this part of China, and it is anticipated that the project will promote knowledge sharing and best practice since it involves the first pig farm that uses slurry in fields with two harvest cycles per year.

One of the main challenges facing the project is that existing international standards are based on climatic

conditions that allow for one annual crop cycle, whereas the climatic conditions in this part of China mean that two crop cycles per year are possible. Our assessment is based on the existing EU guidelines for slurry management. As a result, and as a precaution before the project is fully operational, the project developed a field trial to monitor the effects of the amount of slurry applied in this manner. Other key issues of this project include animal welfare and labour standards but the focus here is on the unique challenge of slurry management.

The project comprises an export of Danish production pigs and sty supplies to a farm situated 500 km north of Shanghai. The area consists of a breeding farm and a production farm. The plan is to produce and sell breeding pigs for Chinese pig farmers and slaughter pigs to local slaughterhouses. At this stage project capacity is 50 per cent of the planned capacity.

The project is developed by the Danish-owned company Scandinavian Farms, and ownership is a combination of investors, including the Danish Investment Fund for Developing Countries, IFU.

Challenges

It is EKF policy that animal farming projects manage animal waste in an environmentally responsible manner. This includes avoidance of ammonia to the air, odours and pollution of ground waters as well as run off to surface waters. These issues are related to slurry storage, volumes of slurry applied to the fields as well as its uptake by crops. For this purpose, the project established a closed slurry lagoon and pipes

designed and installed by experienced Danish personnel.

Due to the climate in this part of China traditional practice is to harvest two crops per year; rice in the summer and wheat during the winter and spring. The project therefore plans to apply the slurry to the fields twice a year. There are, however, no previous cases on which to base the conclusion that this is a viable process. Furthermore, it is uncertain that the area of land is able to handle this amount of slurry. Since there are no known previous cases of this scale for the application of slurry in conjunction with rice cultivation, the project is performing a series of field trials to determine fertilizer uptake in rice and wheat crops and to make certain that the slurry is managed in an environmentally responsible manner. The results will be taken into consideration before the farm is operating at full capacity. In relation to this, EKF has, among other things, prompted the project company to prepare a slurry management plan, detailing the slurry volumes and how it is spread. This includes expectations for use of manure and identification of what the impacts are expected to be. The management plan will guide the process going forward, once the project is at full capacity, and the project will issue annual monitoring reports, including updates to the slurry management plan.

The slurry management plan is subject to EKF approval. Once approved the plan will guide slurry management and become best practice in the area of twice-a-year slurry application, since slurry is not commonly used as fertilizer on this scale in this part of China.



EKF places high focus on animal welfare in the transactions we support.

EKF promotes CSR in an international setting



As part of our CSR work, EKF participates in and continuously interacts with peers in a number of international settings where EKF promotes Danish priorities. These forums include the EU, OECD, UN Global Compact, IFC and the Equator Principles Association.

In 2013, EKF again had a busy year working with CSR internationally:

OECD

EKF proactively participates in two OECD groups: the Environmental Practitioners' group and the Export Credits and Credit Guarantees group. The Environmental Practitioners' group shares knowledge on a transaction level whereas the Export Credits and Credit Guarantees group discusses exports on a policy level.

A new version of the OECD Common Approaches on Environmental and Social Due Diligence was adopted in 2012. The work with the Common Approaches is of great importance in ensuring a high level of

environmental and social standards, as well as creating a level playing field for the exporters.

Human rights

EKF is an active participant in promoting Danish views and experiences on human rights. During 2013, EKF has played an active role in the OECD Environmental Practitioners' group by organising a session on the UN Guiding Principles at one of the OECD Environmental Practitioners' meeting. We feel this is an important step in opening up the discussions on operationalising the UN Guiding Principles in an export credit agency setting.

In November 2013 EKF visited the Danish Embassy in China giving a presentation to Danish companies in China on how EKF has implemented the UN Guiding Principles. The meeting was organised by the CSR department of the Danish Embassy in Beijing as a follow-up to the launch of the framework [Danish Footprint](#) and was the first of such meetings after the launch of the Danish Footprint in September 2013. The Danish Footprint is a network of Danish companies in China who want to promote work with CSR. It is an initiative through the Danish Trade Council. During the meeting

EKF shared knowledge and experience on how to approach implementation of the guidelines and presented practical examples of tools that had been developed.

Equator Principles

As signatory to the Equator Principles, EKF participated in the first annual general meeting held by the Equator Principles Association outside of North America. The meeting was held in Tokyo, Japan in order to promote the Equator Principles towards Asian based financial institutions. As the newest version of the Equator Principles ([EPIII](#)) was launched in June 2013 a key discussion focused on how amendments should be applied in practice.

Furthermore, EKF participated in one meeting in the Cross-Sector Biodiversity Initiative group whose goal it is to develop and share good practices and practical tools to apply the IFC Performance Standard 6 on Biodiversity Conservation. The initiative is a partnership between EP members and members of the associations for mining and metal sector and oil and gas sector respectively.

For more on the Equator Principles, see the section on Equator Principles on the next page.

IFC Community of Learning

With the annual general meeting of the Equator Principles Association, the IFC held its annual Community of Learning seminar. EKF participated in order to contribute to the knowledge sharing on applying the IFC Performance Standards and Environmental and Health and Safety Guidelines. One of the main topics on the agenda was stakeholder engagement as a key risk factor for efficient project implementation.

Berne Union

EKF participated in the Berne Union's 2013 annual general meeting. At the All Members Day EKF facilitated a session on recent developments in international standards related to environmental and social assessment of export finance transactions. The session had a panel of both export credit agencies and private insurance industry.

Climate workshop

In the autumn of 2013, EKF hosted a workshop on mobilising private sector climate finance in developing economies in collaboration with other export credit agencies. The goal of the workshop was to explore what could be done by export credit agencies to further mobilise private sector finance in climate investments. The result of the climate workshop is a catalogue of ideas, the progress of which EKF keeps track of throughout 2014. For more information, see [CSR achievements](#).

UN Global Compact

EKF is a signatory to the UN Global Compact and we find the [ten principles](#) very useful and relevant.

However, in 2013 we have only had the opportunity to participate in one of the two Nordic Network meetings. Going forward we will participate on an ad hoc basis.

For further information see also [international cooperation](#).

STAKEHOLDERS

Stakeholder engagement is an ongoing activity. EKF has identified and mapped our key stakeholders from a CSR perspective. EKF stakeholder mapping is a dynamic process, and we recognize the importance of revisiting this process on a regular basis. The following stakeholders are found to have both high interest in and relevance to EKF.

Customers: exporters, buyers, financial institutions and pension funds

We engage with our customers and other transaction parties, including banks, on a regular basis in connection with both transaction applications and the potential risks related to the particular transaction.

Politics and international organisations

The Ministry of Business and Growth, the Danish Foreign Ministry, the OECD, and export credit agencies. EKF is engaged in an ongoing dialogue on EKF's mandate with regard to export credits and CSR related issues. We also participate in a working group on CSR with representatives from several ministries.

EKF plays an active role in the OECD

In 2014, EKF will host the Environmental Practitioners' meeting in Copenhagen.

NGOs and associations: Civil society, trade and industry organisations

In 2013, one of our sessions with the Danish Agriculture and Food Council focused on CSR impacts and EKF's approach to assessing these. Going forward, EKF plans to engage with NGOs and other interest groups by promoting more informal dialogue.

Employees: EKF employees, management and Board of Directors

EKF's new process for assessing environmental and social sustainability was implemented in 2013 to the satisfaction of our other colleagues as well. It has become more defined how and what to expect out of an environmental and social assessment process, which benefits both our colleagues as well as our customers. We regularly have meetings on business strategy and goals as well as CSR work, including new policy and process implementation.

EQUATOR PRINCIPLES

EKF joined the [Equator Principles](#) in 2004. The Equator Principles provide a voluntary framework for assessing and managing environmental and social risks in project finance transactions. The latest version of the Equator Principles ([EPIII](#)) was approved in 2013 and comes into effect on 1 January 2014. During 2013, EKF has prepared the implementation of EPIII.

The scope of the updated framework includes several financial products besides project financing, a more detailed level of reporting as well as reporting requirements placed on the customer. Other elements

include specific project reporting requirements on for instance greenhouse gas emissions.

As signatory to the Equator Principles, EKF participates in the Equator Principles annual general meetings.

In 2013, EKF approved ten project finance transactions. All ten transactions were categorised as B projects under the Equator Principles, and none were A projects¹.

The dominant sector for EKF's project finance transactions is the wind energy sector. This is also the dominant sector for EKF's transactions overall.

In all project finance transactions, compliance with Equator Principles has been covenanted, and the projects are all subject to a minimum of annual monitoring during both the construction and operational phases. The monitoring reports are prepared by the project's independent advisor and submitted to EKF for approval.

¹ Under the Equator Principles, category A project are projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented; and category B projects are projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Project finance transactions in 2013 under Equator Principles

Category (OECD/EP) ⁺	Project and country	EKF's share of financing (%)
A/B	Offshore wind farm (288 MW), Germany (Butendiek)	23
B/B	Wind farm (168 MW), Australia (Musselroe)	33
A/B	Wind farm (130 MW), Australia (Taralga)	40
B/B	Wind farm (88 MW), Uruguay (Pintado)	45
B/B	Wind farm (42 MW), Uruguay (Minas)	59
B/B	Wind farm (102 MW), Jordan (Tafila)	26
B/B	Biomass energy facility, UK (Evermore)	41
B/B	Wind farm (42MW), Croatia (Obravac)	60
A/B	Pig farm, Slovakia (EPP Slovensko, s.r.o.)	33
A/B	Pig farms, China (LianYunGang Scandinavian Farms)	45

* The seeming discrepancy between the OECD classification and the Equator Principles categorisation can be explained by the definitions of what constitutes an A project under each framework. The [OECD Common Approaches](#) includes an illustrative list of A projects and thus has a more nuanced definition of what constitutes an A project. Where a project is classified an A project under the OECD Common Approaches and a B under the Equator Principles, EKF considers it a "B as appropriate" under the Equator Principles and hence applies guidelines for an A project.



More than 50
per cent of our
portfolio is in
renewable energy

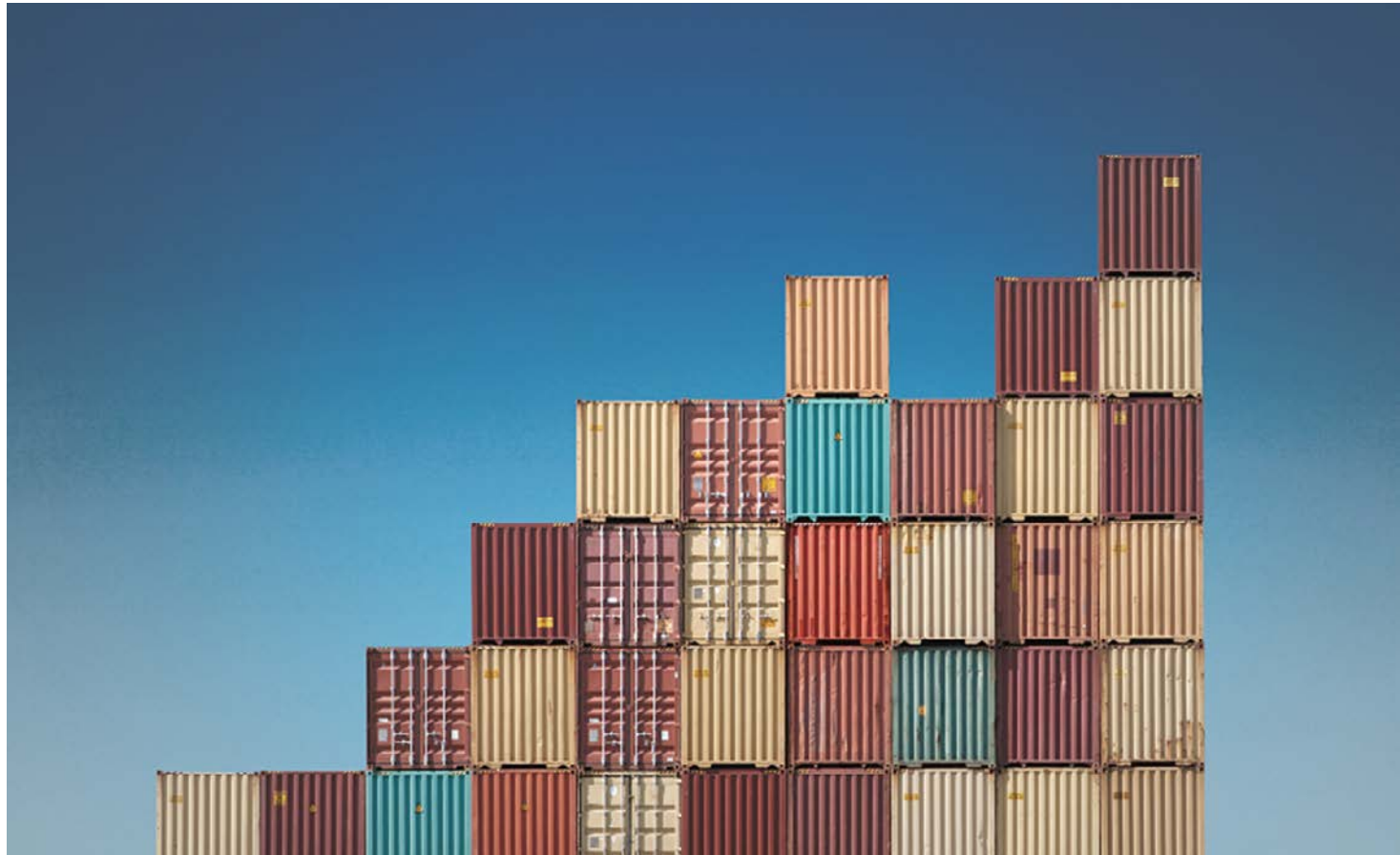
New CSR policy in EKF



EKF's CSR Policy covers EKF in its entirety. EKF's new CSR Policy will be approved in 2014 and with this policy our ambition is to provide ambition and direction for CSR in EKF and with our customers, and at the same time substantiate CSR as an essential part of the risk assessment of our transactions. EKF promotes an ambitious level of environmental and social sustainability in our transactions while also promoting a level playing field among exporters.

The concept of shared value forms the basis of our CSR approach. EKF sees CSR as a significant contribution to the positioning of Danish companies in global export markets, and we believe that companies that are good corporate citizens can create value for both business and society through dialogue with their stakeholders addressing social, environmental and ethical challenges.

EKF's [CSR Policy](#) is available online.



EKF's new CSR Policy is expected to be approved by EKF's Board of Directors in 2014. The CSR Policy mandates EKF's work with CSR. The CSR Policy exists as an umbrella for other policies, including the newly implemented [Policy for Environmental and Social Sustainability](#). This policy ensures that transactions are screened, categorised, assessed, monitored and reported according to the OECD Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence.

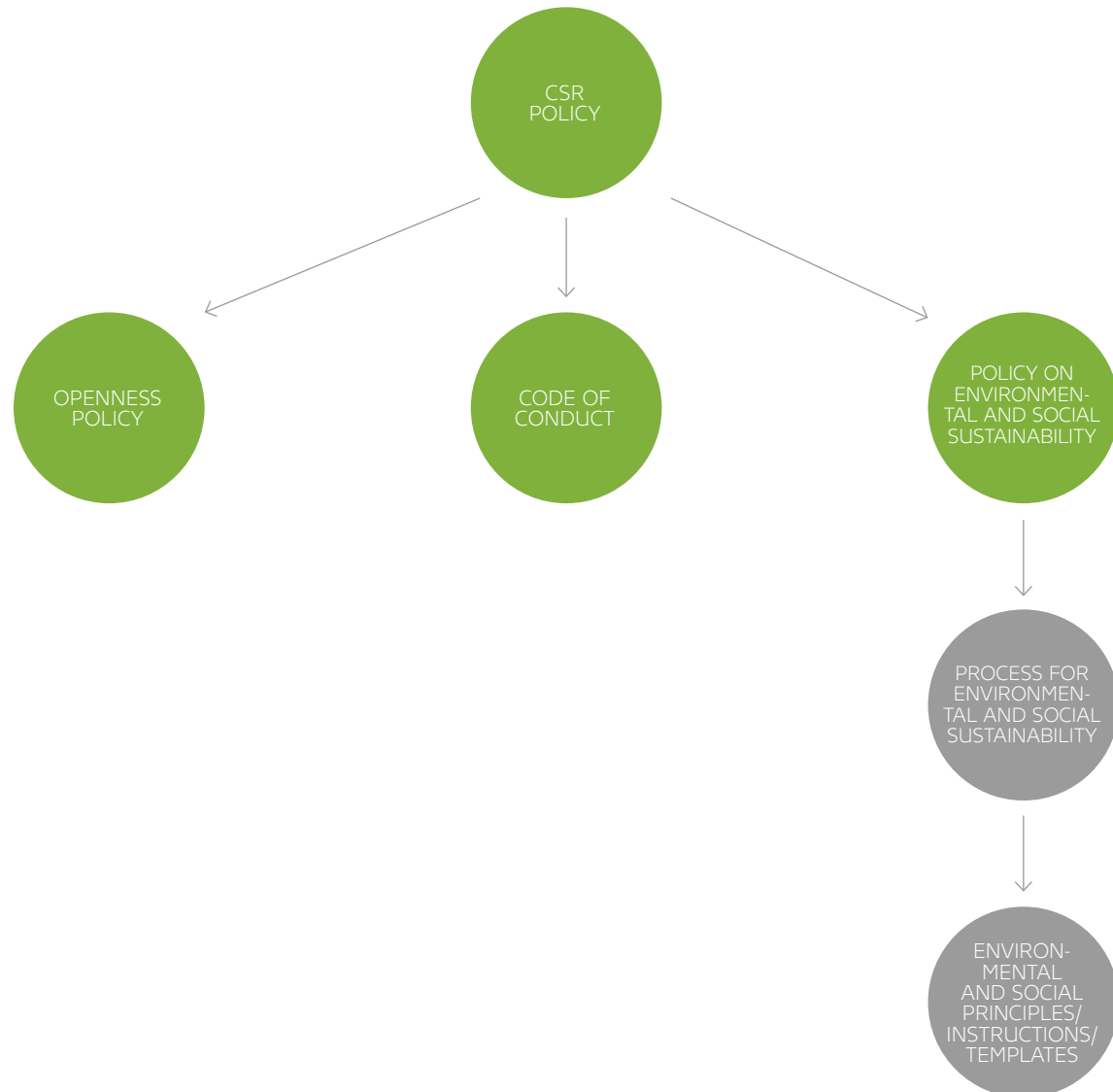
Regulation

As a state-owned company, EKF abides by the Government's Action Plan for Corporate Social Responsibility (2012-15). EKF's other obligations to CSR include:

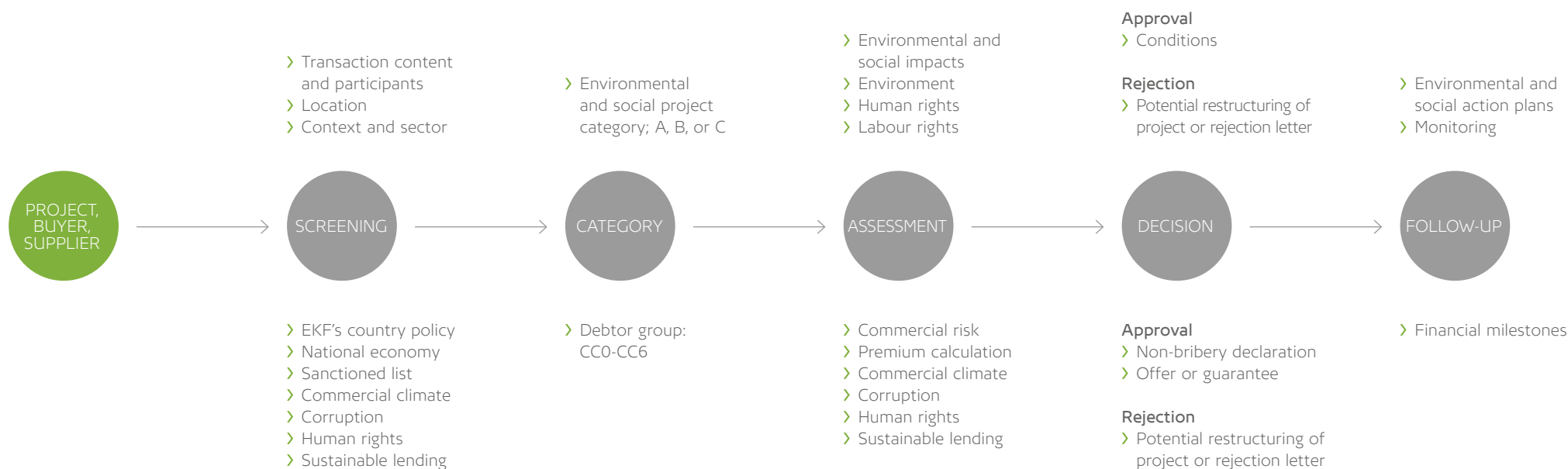
- › the OECD Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence (2012)
- › the OECD Guidelines to Promote Sustainable Lending (2008)
- › the OECD Guidelines for Multinational Enterprises (2011), including the anti-bribery convention (2011)

In addition, EKF is a signatory to the UN Global Compact, UN Guiding Principles on Business and Human Rights and Equator Principles as well as a member of the Berne Union. For further information, see [EKF in international alliances on CSR](#).

Policies related to CSR



The process of issuing a guarantee



Our process

EKF assesses each application from a commercial, political, environmental and social risk perspective. In the process EKF engages in dialogue with project participants and applicants as well as possibly NGOs, neighbours and other project stakeholders.

Our process is designed to promote an efficient and smooth due diligence process for the customer and underwriter as well as to comply with international regulations. For further information on our process see [Environmental and Social Sustainability Policy](#).

Scope and purpose



This report contains information on the environmental and social impacts related to EKF's transactions. Besides information on the impacts of the transactions we engage in, this also includes policy commitment, Communication on Progress, CSR achievements and challenges as well as EKF's internal footprint.

At the same time, the report constitutes our Communication on Progress under the UN Global Compact and the [ten principles](#) 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 financial year 1 January 2013 – 31 December 2013.

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 that are material for the individual

stakeholder. In order to also meet various reporting requirements, this report can also be generated as one entire report. You will find our separate

[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 2013, integrating external and internal CSR efforts. The report is aimed at a wide range of EKF's stakeholders, including

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

THIS CSR REPORT is published in English and is available online electronically at [ekf.dk](#). EKF's Board of Directors have approved this report. For further information on this report, please contact the CSR department: CSREKF@ekf.dk

CSR data and performance



The data EKF monitors in the CSR report provides a snapshot of EKF's positive and negative contribution to a sustainable development.

EKF's main impacts on financial, environmental and social sustainability stem from the transactions EKF underwrites. The below section provides an overview of the EKF transactions in 2013 and the key

environmental and social risks and impacts associated with the projects. From the data on the environmental and social sustainability of our transactions, we are able to reflect on issues including for instance CO₂-intensive transactions.

In addition to monitoring transactions' environmental and social impacts, EKF also pays close attention to the impacts from EKF's own operations, including management of human resources and working conditions as well as environmental aspects such as waste generation, emissions to air and responsible purchasing of goods and services. From this data, looking at the previous year, we can navigate our future actions. CSR performance data related to our internal operations is presented further below.



Transactions in 2013



During 2013, EKF implemented our new process on environmental and social sustainability. The EKF project assessment process is guided by the Policy and Assessment Process on Environmental and Social Sustainability. When performing due diligence on projects, EKF benchmarks our projects against the International Finance Corporation's (IFC) Performance Standards (2012) as well as related general and specific sector guidelines for environment, health and safety. In addition, EKF requires that projects abide by local law, and where relevant, EKF as a starting point applies Danish rules on issues concerning animal welfare. On the transaction level, we apply an anti-corruption declaration for all transactions.

In 2013, EKF issued new export credit guarantees and investments abroad worth DKK 16.8 billion. Of the guarantees issued in 2013, 45 were categorised as A or B projects, out of which 32 have undergone a full environmental and social assessment, and 13 have undergone environmental and social screening. Screened transactions categorised as C projects total 135. In addition, we approved 120 working capital guarantees.

[The Transaction overview](#) also presents a number of quantitative indicators with the aim of reflecting impacts related to the project portfolio with regard to air emissions, resettlement and local employment.

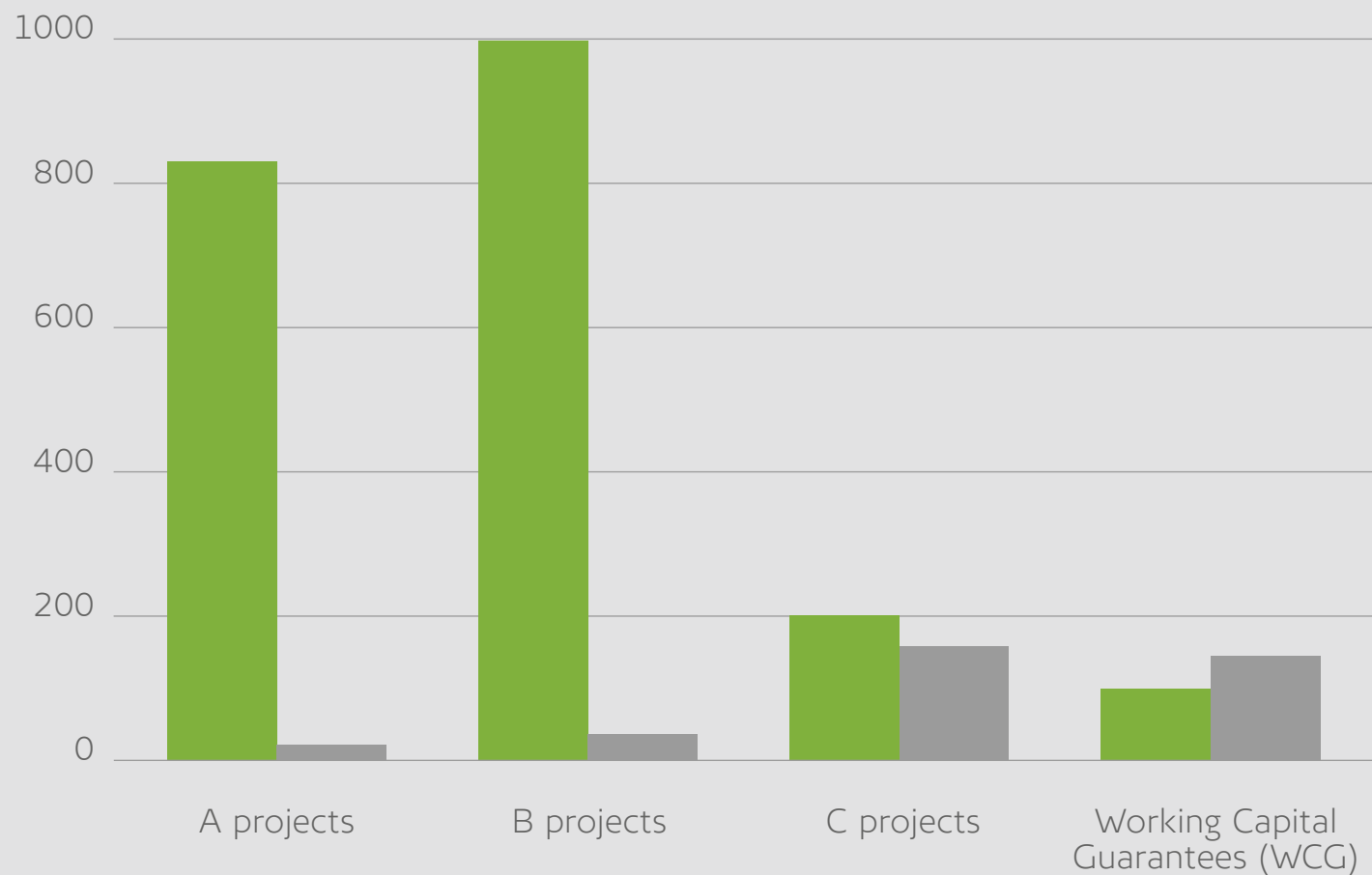
As displayed in the figure on the next page the largest part of EKF's financial exposure is related to category A and B projects, although they are relatively few in number. Category A and B projects typically have higher risk of environmental and social impacts, and thus receive significant focus in EKF's environmental and social due diligence process.

For each project the overview presents the relevant EKF product and EKF's risk share in the transaction. In the overview, the relevant environmental and social risk management framework is indicated, for instance UN Global Compact (GC), OECD Common Approaches (OECD CA), and/or the Equator Principles (EP). It indicates the environmental and social classification under the OECD, and whether the project has undergone screening or full environmental and social assessment, as well as the key environmental and social performance standards that have been applied as a consequence of the process followed.

Key environmental and social sustainability topics relevant for the project which were given particular consideration during the screening/assessment process are indicated in the overview. Finally, the overview shows which key environmental and social documents were available for the environmental and social evaluation process, indicating whether an environmental and social impact assessment had been provided, or if the assessment relied on other project documentation.

The transaction overview table below includes all project transactions that have been categorised as A or B, regardless of the financial value of the transaction, and regardless of whether the project has undergone a full environmental and social assessment or been limited to an overall screening. This is in line with EKF's new environmental and social sustainability process.

Transactions under the Equator Principles are highlighted in the table as well as EKF's share in the projects supported.



The value of EKF involvement

The figure shows the value of EKF involvement in EUR million related to A, B, C projects and working capital guarantees issued in 2013, as well as the number of corresponding transactions screened and/or reviewed.

■ Value of EKF involvement in EUR million ■ Number of transactions

Transaction overview



KEY ENVIRONMENTAL AND SOCIAL (E&S) SUSTAINABILITY
TOPICS OF RELEVANCE

KEY E&S
DOCUMENTS
OBTAINED

PROJECT TYPE AND COUNTRY	EKF PRODUCT	EKF RISK SHARE (%) COMMERCIAL/ POLITICAL	FRAMEWORK	EKF'S SHARE OF FINANCING - RELEVANT TO PF/EP PRO- JECTS (%)	OECD CLASSIFICATION	E&S STANDARDS APPLIED	SCREENED (S) REVIEWED (R)	E&S ASSESSMENT AND MANAGEMENT	LABOUR AND WORKING CONDITIONS	RESOURCES AND POLLUTION PREVENTION	COMMUNITY HEALTH, SAFETY, AND SECURITY	LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT	BIODIVERSITY AND LIVING NATURAL RESOURCES	INDIGENOUS PEOPLES	CULTURAL HERITAGE	ANIMAL WELFARE	ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT	OTHER
Wind farm (24 MW), Ireland	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+	+	+		+		+	
Copper and molybdenum mine, Armenia	BC	100 /100	GC, OECD CA,		A	IFC PS	R	+	+	+	+	+	+		+		+	+
Wind farm (88 MW), Uruguay [Pintado]	PF	100 / 100	GC, OECD CA, EP	45	B	IFC PS, EP	R	+	+	+	+	+	+		+		+	+
Pig farms, China [LianYunGang Scandinavian Farms]	PF	80 / 80	GC, EP	29	A	IFC PS, EP	R	+	+	+	+		+			+		+
Wind farm (42 MW), Uruguay [Minas]	PF	100 / 100	GC, OECD CA, EP	59	B	IFC PS, EP	R	+	+	+	+		+		+		+	+
Manufacture of wood-based products, Romania	FG	90 / 90	GC,		B	IFC PS	R	+	+	+	+	+	+					+
Burner/kiln, cement manufacturing, Egypt	FG	90 / 90	GC,		B	IFC PS screening	S	+	+	+	+							+
Pig farm equipment, Ukraine	BC	95 / 95	GC,		B	IFC PS screening	S	+	+	+	+		+			+		+

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Agricultural equipment, Ukraine	BC	95 / 95	GC,		B	IFC PS screening	S	+	+	+						+		+
Biogas facility, Ukraine	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+		+					+
Dairy processing, Sri Lanka	BC	0 / 100	GC, OECD CA,		B	IFC PS	S	+	+	+	+							+
Wind farm (42 MW), Croatia [Obravac]	PF	100 / 100	GC, OECD CA, EP	60	B	IFC PS, EP	R	+	+	+	+	+	+		+		+	
Food processing equipment, Ukraine	PD	90 / 90	GC,		B	IFC PS screening	S	+	+									+
Fish meal and oil production. Acquisition of a factory. ¹	IG	0 / 95	GC,		B	IFC PS	R	+	+	+	+							+
Food processing equipment, Slovenia	FG	90 / 90	GC,		B	IFC PS screening	S	+										+
Industrial facilities, Poland	CEG	50 / 50	GC,		B	IFC PS	R	+	+	+								+
Wind energy test centre, Poland	CEG	80 / 80	GC,		B	IFC PS	R	+										+
Aquaculture, Chile ²	BC	80 / 80	GC, (EP)		B	IFC PS screening	S	+	+	+	+		+			+		+
Agricultural equipment, Ukraine	BC	95 / 95	GC, OECD CA,		B	IFC PS screening	S	+	+	+	+							+
Wind farm (105 MW), Ukraine	BC	95 / 95	GC,		B	IFC PS	R	+	+				+				+	
Wind farm (130 MW), Australia [Taralga]	PF	100 / 100	GC, OECD CA, EP	40	A	IFC PS, EP	R	+	+		+	+	+	+	+		+	+

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Wind farm (168 MW), Australia [Musselroe]	PF	100 / 100	GC, OECD CA, EP	33	B	IFC PS, EP	R	+	+	+	+	+	+		+		+	
Biomass energy facility, UK [Evermore]	PF	100 / 100	GC, OECD CA, EP	41	B	IFC PS, EP	R	+	+	+	+							+
Thermal power plants, Lebanon	PD	90 / 90	GC, OECD CA,		A	IFC PS	R	+	+	+	+		+				+	+
Breeding pigs supply, Ukraine	SME	100 / 100	GC,		B	IFC PS screening	S	+								+		+
Breeding pigs supply, Ukraine	SME	100 / 100	GC,		B	IFC PS screening	S	+								+		+
Cement plant upgrades, Turkey	BC	95 / 95	GC,		B	IFC PS screening	S	+										+
Wind farm (60 MW), Turkey	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+	+	+				+	
Tire recycling, Mexico	SC	50 / 50	GC,		B	IFC PS	R	+	+	+								+
Offshore wind farm (288 MW), Germany [Butendiek]	PF	100 / 100	GC, OECD CA, EP	23	A	IFC PS, EP	R	+									+	+
Wind farm (270 MW), Australia	BC	100 / 100	GC, OECD CA,		A	IFC PS	R	+	+	+	+		+	+	+		+	+
Pig farm equipment supply, Ukraine	FG	90 / 90	GC,		A	IFC PS	R	+								+		+
Wind farm (50 MW), Turkey	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+	+	+		+			+
Wind farm (36 MW), Croatia	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+		+		+		+	+
Wind farm (9.2 MW), Croatia	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+		+		+		+	+

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Cement plant, Brazil	BC	95 / 95	GC,		B	IFC PS	R	+	+	+	+		+		+		+	+
Breeding pigs supply, Ukraine	SME	100 / 100	GC,		B	IFC PS screening	S	+	+	+	+		+			+		+
Harbour equipment, Lebanon	PD	90 / 90	GC,		B	IFC PS	R	+										+
Food processing equipment, Ukraine	PD	90 / 90	GC,		B	IFC PS screening	S	+										+
Dairy processing facility, UK	BC	95 / 95	GC, OECD CA,		B	IFC PS	R	+	+	+	+		+		+		+	+
Dairy processing facilities, Ireland	BC	95 / 95	GC, OECD CA		B	IFC PS	R	+	+	+	+		+		+		+	+
Animal husbandry equipment, Russia	FG	90 / 90	GC		B	IFC PS	R	+	+	+	+					+		+
Wind farm (102 MW), Jordan [Tafila]	PF	100 / 100	GC, OECD CA, EP	26	B	IFC PS, EP, EU directives (requirement from EIB)	R	+	+	+	+	+	+		+		+	+
Pig farm, Slovakia [EPP Slovensko, s.r.o.]	PF	50 / 50	GC, OECD CA, EP	33	A	IFC PS, EP	R	+	+	+	+		+			+		+
Two wind farms (99 and 90 MW), Chile	BC	95 / 95	GC, OECD CA		A	IFC PS	R	+	+	+	+		+		+		+	+

BC: Buyer credit guarantee
BG: Bond guarantee
FG: Financing guarantee
IG: Investment guarantee

PD: Project delivery guarantee
PF: Project financing guarantee
SC: Supplier credit guarantee

¹ This project was also included in last year's report.

² This project was also included in last year's report and involved an additional small buyer credit guarantee on top of project finance from 2012.

CSR impacts – transactions



Transaction overview

EKF assesses our business transactions against the [IFC Performance Standards \(2012\)](#) and other relevant general and sector specific environmental, health and safety guidelines. Included in the assessment is the nature and scope of the project, project location and overall context.

A screening includes looking at the location and other relevant information on the parties involved in the transaction as well as the general transaction context, where a full review is more in-depth assessment of project specific documentation regarding a project's consistency against the relevant standards.

When a certain Performance Standard is identified as relevant for a particular project, it indicates that the project has the potential to have an impact on the particular issue. This is then further examined throughout the environmental and social assessment process.

The topics covered by the IFC 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

In addition to the IFC Performance standards, EKF may assess projects against other standards as relevant. Animal welfare is one important topic which is not fully covered by the IFC Performance Standards. As a point of departure EKF benchmarks against Danish standards on animal welfare.

Assessment and management of environmental and social risks and impacts

As an overarching topic, IFC Performance Standard 1 – Assessment and management of environmental and social risks and impacts – is considered for all projects. This Performance Standard addresses a project's capacity to manage its key environmental and social risks and impacts and covers important issues such as ensuring

adequate impact assessment, stakeholder engagement and public consultation as well as grievance mechanism for affected people and development and implementation of environmental and social management plans.

Public Consultation

Under IFC Performance Standard 1, the environmental and social assessment process aims at ensuring that affected communities are appropriately engaged and informed in project-related issues that could potentially impact them. If communities are at risk of suffering from adverse impacts from a project, EKF requires that the client undertakes or has undertaken a process of stakeholder consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures to meaningfully impact the project design. Correspondingly, the consultation process enables the client to better consider and respond to the concerns raised by the stakeholders.

A majority of the assessed 2013 projects were considered to be consistent with the principles of Performance Standard 1 with regard to public

consultation. In some cases, however, additional requirements were made to the project with regard to consultation and stakeholder engagement in order to ensure consistency with IFC Performance Standard 1.

Generally for projects categorised as A projects, EKF publicly discloses project information on the EKF website for 30 calendar days prior to final commitment of support for the project. Of the 45 A and B projects included in the 2013 transaction overview, nine were categorised as A projects. They were consequently made public on [EKF's website](#) for a 30-day public consultation period in line with the recommendations of the OECD Common Approaches. EKF's public disclosure related to these projects did not result in any comments.

Human Rights

Human rights are a cross-cutting topic that is addressed across many of the IFC Performance Standards, in particular Performance Standards 1, 2, 4, 5, 7 and 8.

Human rights risk assessment is an integral part of the overall project evaluation process. The assessment includes evaluation of labour rights, health and safety for local employees and the people in the surrounding communities, potential resettlement and economic displacements, and analysis of whether the rights of indigenous people are duly respected. Included are also the potential uses of child labour and forced labour. During the autumn of 2013, EKF adopted and implemented the UN Guiding Principles on Human Rights and Business. This includes a process for assessing and informing our customers about the UN Guiding Principles.



CASE

Management plans for a copper mine

EKF's environmental and social review of a copper and molybdenum mine in Armenia showed that the project applied a management system for its social and environmental impacts during construction and operations. At the request of EKF, the project developer hired an international consultant to ensure that a range of management plans, including stakeholder engagement, waste management, biodiversity and community health and safety meet international standards. EKF participated in a site visit in 2013, including meetings with the project developer and the international consultant, in order to go through comments and finalise the management plans. EKF will receive regular progress reports to follow the implementation of agreed management plans. This will enable us to ensure the project abides by international standards and the conditions we have required.

Where we have the leverage to do so, EKF includes human rights clauses in our transactions. EKF includes human rights clauses in all projects above USD 10 million, and in all other projects as necessary as triggered and defined by the IFC Performance standards. While our aim is to include a human rights clause on all our transactions, typically in smaller bank-to-bank transactions, EKF does not always have the control to influence the wording of the financial documents. However, we always strive to act upon knowledge we have gained in the due diligence process and pass on this information to the relevant parties, even if we have little or no possibility of directly following up on whether the project has a human rights clause included or not.

Labour and working conditions

Labour and working conditions of projects are assessed against the objectives of IFC Performance Standard 2 and the relevant IFC Environmental, Health and Safety Guidelines with regard to Occupational Health and Safety. Labour and working condition risks were identified to be of significance in 36 of the 45 projects in 2013.

The assessment of labour and working conditions also considers risks related to the tier one suppliers where this is found to be a potentially significant issue, for instance when in a high risk country or sector and where low labour cost is a factor in the competitiveness of the item supplied. Key supply chain issues related to labour typically include potential child labour, forced labour and dangerous working conditions. None of the project assessments in 2013 indicated any use of child or forced/bonded labour.

Estimated local employment impact 2009-2013

Local employment	2009	2010	2011	2012	2013
Employment impact in 1,000 man-years (maximum 10 years of operations)	26	2	145	22 ⁺	43 ⁺
Estimated value in EUR million	187	13	902	187	570
Estimated value in EUR per 1,000 EUR of EKF involvement	110	15	62	81	305

* It is estimated that the employment impact is likely to be at least this value and potentially higher since it is not possible to obtain employment information in relation to all transactions/projects.

Local Employment

A key parameter in the assessment of EKF's contribution to sustainable development is the estimated volume and value of local employment generated in relation to the projects. The employment generated by the project, measured in man-years (one full time employment for one year), is assessed based on information received during the project assessment.

EKF's contribution to local employment is estimated as EKF's percentage share of the financing (based on risk share) multiplied by the man-years generated in the project locally during the construction phase and the operating phase, respectively, for a maximum of ten years of operation or less where applicable. The contribution to employment creation consequently includes jobs created in the buyer country only.

The contribution to creation of local employment varies significantly by the composition of the project portfolio as labour intensity varies significantly. Estimated local employment impact related to projects in 2013 is estimated to be at least 43,000 man-years (assuming ten years of operation), with an estimated value of EUR 570 million. The relatively high value in EUR is due to relatively many of the projects being located in high-income countries. This employment figure is based on employment estimations for 29 of the 45 projects, indicating that the contribution to local employment is likely to be even higher.

Resource efficiency and pollution prevention

Potential adverse impacts with regard to resource use and pollution are evaluated against the objectives of IFC Performance Standard 3. When a full

environmental and social assessment is carried out, the work also considers benchmarks and guidelines in the relevant General and Sector specific IFC Environmental, Health and Safety Guidelines. The objective is to avoid or minimise adverse project impacts on human health and the environment through effective pollution control, promote responsible use of resources and monitor project-related greenhouse gas emissions.

Typical resource and pollution issues associated with and identified in the environmental and social project assessments include:

- › **Energy consumption** related to key project activities and operations. The project assessment includes comparison with benchmarks in the IFC sector specific Environmental, Health and Safety Guidelines or other industry benchmarks where applicable.
- › **Water and wastewater** impacts, such as expected water consumption in the context of water availability in the project area and how the project complies with wastewater discharge limits as specified by the relevant IFC sector specific Environmental, Health and Safety Guidelines.
- › **Materials and waste**, including use of raw materials and waste management practices for both solid and hazardous wastes. The project assessment covers the use and handling of hazardous chemicals to ensure that necessary environmental and health and safety management are applied and assesses whether these issues are integrated into the overall social and environmental management systems for the project.

› **Air emission** may include different polluting substances with the potential to result in adverse community health impacts. Focus is therefore on understanding point sources and benchmark against relevant sector specific Environmental, Health and Safety Guidelines, as well as potential ambient air quality impacts. The assessment also focuses on evaluating emissions of greenhouse gases in sectors where these are considered to be significant. A quantitative analysis of air emissions from EKF's project portfolio is included in the following section.

In 2013, 33 projects, or 73 per cent of all A and B projects, were assessed to have potential adverse impacts related to resource use and pollution prevention, which then received further attention during the screening and/or review processes.

Air emissions

For the purpose of CSR reporting and for monitoring our transaction impacts, EKF annually conducts a quantitative analysis related to the CO₂ equivalents, SO₂ and NO_x air emissions from EKF's project portfolio of issued guarantees through 2013. The objective is to give an indication of the air emissions contribution associated with each year's project portfolio of issued guarantees.

The aggregated contribution to air emissions related to the EKF supported transactions is an estimate. For CO₂ equivalents both the total emissions and relative contribution to emissions reductions (or increase) have been estimated. For NO_x and SO₂ the contribution to reduction (or increase) of emissions has been calculated. The

reasoning behind this is that when an EKF project is considered to result in fewer emissions than an alternative "normal practice" reference project, EKF contributes to reductions in emissions and an increase if the emissions are higher than compared to a "reference project".

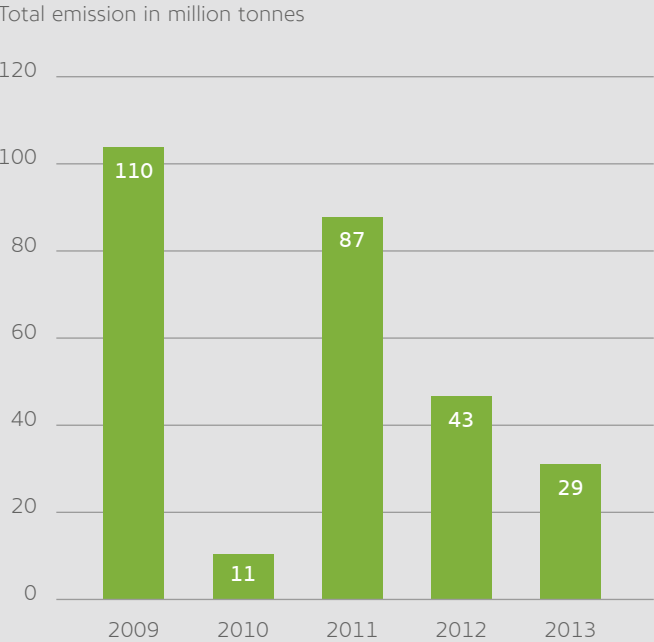
A general limitation of the calculations is that the aggregated values are estimated based on available information and in some cases there is not sufficient information to estimate project emissions despite best efforts made. This is particularly the case when projects are not required to undergo a full environmental and social assessment. The results must therefore be seen as indications based on estimations rather than precise figures reflecting actual emissions.

It is also important to note that the estimation of EKF's quantitative contribution to reduction (or increase) of emissions is calculated as the difference in emissions between the proposed project and a calculated reference project, over a ten-year period. The relative reduction (or increase) in emissions is assigned a monetary value based on available market prices for the given air emission component. A detailed description of the [methodology](#) for measuring EKF's quantitative contribution is available separately.

The relative emission contribution or reduction in emissions depends on the types of projects that EKF provides guarantees for each year. Different types of projects have very different contributions to air emissions, and this should be kept in mind when comparing the calculated indicators from year to year.



Estimated total CO₂ equivalent emissions related to projects included in the overview 2009-2013



The calculated emission figures from before 2011 are not fully comparable with the 2011, 2012 and 2013 figures. From 2011 to date all A and B projects are included in the transaction overview including projects that may not have undergone a full environmental and social assessment, resulting in more contributing projects than previously (before 2011), where only a subset of transactions, based on their value, was included in the set of transactions analysed.

CO₂ emissions and reduction

The total CO₂ equivalent emissions related to the projects financed in 2013 are estimated in the range of (at least) 29 million tonnes, assuming a ten-year operating period for the projects, or approx. 2.9 million tonnes as annual emissions.

Seven projects, or 15 per cent, in 2013 were considered to have the potential to contribute significantly to CO₂ emissions and were thus included in the calculations of total emissions. Out of these the most significant contributors to emissions include a thermal power plant extension in Lebanon, cement projects in

Brazil and a mining project in Armenia. Two thermal energy projects were excluded from the total emissions estimation since they rely on waste biomass and biogas from chicken manure respectively and are thus considered more or less carbon neutral.

It is notable that the estimated emissions from projects in 2013 are substantially lower than in 2012. This is due to fewer CO₂ intensive projects in the project portfolio.

17 projects, or 38 per cent, contribute to the relative CO₂ emissions reduction in 2013, 14 of which are wind farm projects. The remaining three projects include a biomass energy plant, and two cement plant projects (due to installation of energy effective technologies). Relative savings could also have been counted for the biogas project as compared to conventional energy production based on fossil fuels; however this was not possible due to lack of information. Other projects were considered to be mostly in line with current practice and with similar CO₂ emissions as a reference project and thus with no calculated reduction or increase in CO₂ emissions.

In 2013, EKF's quantitative project-related contribution to CO₂ reduction is estimated at least 38 million tonnes corresponding to a value of EUR 188 million. The relative emission savings can be considered high, and to a large extent they are related to the many wind farm projects financed in 2013, some of which were large projects with significant energy production capacity.

The 14 wind projects are responsible for approx. 86 per cent of the overall CO₂ savings.

When compared with the total annual Danish CO₂ emissions, the calculated relative CO₂ emission reductions related to the projects financed in 2013 (over a ten-year period) correspond to around (at least) 67 per cent and can from that perspective be considered significant.

The following figure shows the estimated relative CO₂ reductions associated with project transactions in 2009 to 2013 as well as the actual number of projects assessed to contribute to the relative emission savings (or increase). Although the number of projects contributing to relative CO₂ reductions has increased over the years (partly due to more projects included in the transaction overview) it is also noteworthy that the projects in 2011 to 2013 contributed proportionally more to CO₂ reductions than in the years before. This is likely to be largely due to a higher number of wind projects in the EKF portfolio in recent years, as the wind projects contribute proportionally more to CO₂ savings than other industry projects where savings are smaller.

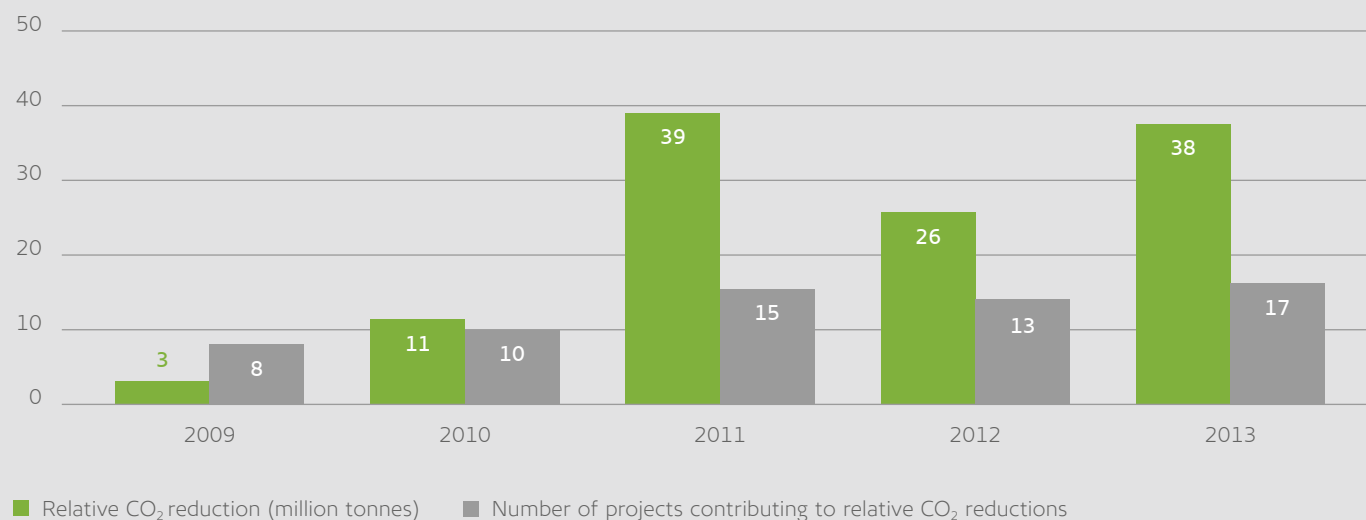
EKF's estimated contribution to reduction of CO₂ emissions related to project involvement 2009-2013

CO ₂ equivalents	2009	2010	2011	2012	2013
Relative reduction in million tonnes (10-year period)*	<10	10	40	30	40
Value of relative reduction in EUR million	40	160	280	190	190
Value of relative reduction in EUR per million EUR EKF involvement	26,000	180,000	190,000	80,000	100,000
Relative reduction as a percentage of Denmark's annual emissions (%)**	<10	20	70	40	70

* The values are estimated based on available information, which in some cases is too limited in order to estimate emissions. The real contribution to CO₂ emission reductions is thus likely to be somewhat higher in some cases.

** Denmark's CO₂ emissions in tonnes/year were 56.2 million in 2011 according to the Annual Energy Statistics report for 2012 from the Danish Energy Agency.

Estimated relative CO₂ emission reductions and number of projects contributing to emission reductions 2009-2013



EKF's estimated contribution to NO_x emission reductions or increase related to project involvement in 2009-2013

NO _x	2009	2010	2011	2012	2013**
Relative reduction in thousand tonnes (10-year period)*	<1	<10	80	40	-200
Value of relative reduction in 1,000 EUR	<1	2,400	1,190	1,300	-5,900
Value of relative reduction in EUR per million EUR EKF involvement	<1	2,900	800	600	-3,200
Relative reduction as per cent of Denmark's annual emissions (%)	<1	<10	60	30	-160

* The values are estimated based on available information that sometimes is limited or incomplete, which in some cases makes it difficult to estimate emissions accurately. The real contribution to NO_x emissions may thus differ from these values.

** The values for 2013 are negative, thus indicating a relative increase in emissions when compared to reference projects. As explained in the text this is due to a single thermal power plant where expected NO_x emissions are significant and above the IFC guideline values. Consequently the monetary value indicators give a negative value, as compared to a positive value in recent years. The calculated emissions are approximately 60 per cent above the annual Danish NO_x emissions.

Nitrogen Oxides – NO_x

17 projects contributed to the estimation of relative NO_x contribution from the projects in 2013, out of which 16 are wind projects and one is a thermal power plant extension (260 MW). The 16 wind projects are estimated to contribute to savings of approximately 30,000 tonnes NO_x, by avoiding more conventional electricity production using a mix of fuels including different fossil fuels that emit NO_x.

The one thermal power plant extension project, located in Lebanon, is assessed to emit amounts of NO_x above the recommended IFC guideline values¹, thus contributing to a substantial increase in NO_x emissions in the short term².

In total, projects in 2013 contribute with an increase of approx. 200,000 tonnes NO_x (estimated over a ten-year period), or around 20,000 annually. For comparison the Danish NO_x emissions in 2011 were around 125,000 tonnes³.

It should be kept in mind that the reference project-related emissions, against which the wind farm projects are compared, differ based on their location, fuel mix used etc. Some of the wind projects are located in countries where the proportion of emission-free energy is high in the typical grid energy supply. Consequently, less relative emission reduction is calculated from those projects, compared to projects in countries where energy supply is largely based on fossil fuels.

¹ Based on an assessment of the emissions in tonnes NO_x/year based on the supplier guaranteed emission values on one hand and based on the IFC Environmental, Health and Safety Guidelines values for degraded air-sheds (reference project) on the other hand. The difference between these values gives the estimated contribution to increased emissions. The assumption is made that the new plants (260 MW) will be in full operation most of the time (or 8000 hours annually) resulting in an electricity output of roughly 2000 GWh/year.

² Due to expected conversion of fuel to natural gas as well as the anticipated decrease in use of local diesel generators, the general NO_x emissions in the area is expected to decrease over time.

³ Source: [Danish Informative Inventory Report 2013](#)

Sulphur Dioxide – SO₂

16 projects contributed to the estimation of relative SO₂ contribution from the projects in 2013, out of which 15 are wind projects and one is a thermal power plant extension (260 MW). The 15 wind projects are estimated to contribute to savings of almost 31,000 tonnes SO₂, by avoiding more conventional electricity production that uses a mix of fuels including different fossil fuels that emit SO₂.

The one thermal power plant extension project, located in Lebanon, is however assessed to emit significant amounts of SO₂ above the recommended IFC guideline values¹, thus contributing to a substantial increase in SO₂ emissions. In total, projects in 2013 contribute with an increase of approx. 5,000 tonnes SO₂ (estimated over a ten-year period), or 500 tonnes annually. For comparison the Danish annual SO₂ emissions in 2011 were around 12,400 tonnes².

Note that the SO₂ emissions, like the NO_x emissions, vary considerably by project type, fuel type, guarantees provided by the suppliers and, in particular for wind farms, by the reference energy supply used. The referenced energy supply-related emissions, with which the wind farm projects are compared, also differ based on their location. Some of the wind projects are located in countries where the proportion of emission-free energy is high in the energy supply. Consequently, less relative emission reduction is calculated from those projects compared to projects in countries where energy supply is largely based on fossil fuels.

EKF's estimated contribution to SO₂ emission reductions or increase related to project involvement in 2009-2013

SO ₂	2009	2010	2011	2012*	2013**
Relative reduction in thousand tonnes (10 year period)*	15	<10	160	140	-5
Value of relative reduction in thousand EUR	650	170	240	80	-5
Value of relative reduction in EUR per million EUR of EKF involvement	400	200	170	40	0
Relative reduction in percentage of Denmark's annual emissions (%)	70	30	1060	980	-40

* The values are estimated based on available information that sometimes is limited or incomplete, which in some cases makes it difficult to estimate emissions accurately. The real contribution to SO₂ emissions may thus differ from these values.

** The values for 2013 are negative, thus indicating a relative increase in emissions when compared to reference projects. As explained in the text this is due to a single thermal power plant where expected SO₂ emissions are significant and above the IFC guideline values. Consequently the monetary value indicators indicate a negative value in EUR, as compared to a positive value in recent years. The calculated emission increase is equivalent to approximately 40 per cent of the annual Danish SO₂ emissions.

¹ Based on an assessment of the emissions in tonnes SO₂/year based on the supplier guaranteed emission values on one hand and based on the IFC Environmental, Health and Safety Guidelines values for degraded air-sheds (reference project) on the other hand. The difference between these values gives the estimated contribution to increased emissions. The assumption is made that the new plants (260 MW) will be in full operation most of the time (or 8,000 hours annually) resulting in an electricity output of roughly 2,000 GWh/year.

² Source: Danish Informative Inventory Report 2013

CASE

Social and health baseline in Armenia

During the assessment of a project in Armenia, EKF investigated potential gaps regarding the establishment of a social and health baseline, including assessment of the overall impacts of the project on the community. This includes people affected by land acquisition and economic displacement. A social and health baseline survey was developed by an independent consultant at the request of EKF to allow for an improved assessment of social impacts, and a subsequent action plan was developed. This ensures compliance with international standards.

Community Health, Safety, and Security

Community health, safety and security risks and impacts are assessed against the objectives of the IFC Performance Standard 4 and the relevant IFC Environmental, Health and Safety Guidelines with regard to community risks and impacts. The due diligence process assesses if there is any risk of local communities being negatively affected by proposed project activities, for example due to noise and vibrations, increased traffic etc.

In 2013, 31 of 45 projects were considered to have the potential to result in negative community impacts, which were consequently addressed more closely in the environmental and social evaluation process to ensure consistency with IFC Performance Standard 4.

Noise and vibrations

Noise has potential implications for both working conditions and for nearby communities that may be affected. Checking compliance with the IFC noise guidelines is thus a part of the environmental and social assessment process. As an example noise is often perceived as a potential significant issue in relation to wind farms development, and is therefore one of the key issues assessed when evaluating community, health and safety impacts from wind farms.

Resettlement of people in EKF projects by year 2009-2013

Involuntary Resettlement	2009	2010	2011	2012	2013
Total number of persons	3000 ⁺	0	350	0	206 plots ⁺⁺

- ⁺ Thereof possible resettlements of up to around 500 people (125 families) living in squats in Jamaica, where a final decision of the need for resettlement had not been taken. Another project includes an estimated 2,500 people who may need to be resettled in the future and gradually over a 50-year period.
- ⁺⁺ Involuntary land acquisition (privately owned land) where mutual agreements were reached regarding compensation schemes involving either monetary compensation or re-location to an alternative land plot. Number of affected individuals is not known.

Land acquisition and involuntary resettlement

The project assessments aim at ensuring compliance with IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement. The standard ensures that projects involving land acquisition and/or involuntary resettlement protect and improve the livelihoods of displaced persons when resettlement is unavoidable.

In 2013, ten projects were found to have potential implications related to Performance Standard 5 in relation to land acquisition, one of which also included resettlement of people. The due diligence process thus focused on seeking clarification on the respective land acquisition process and making sure it was carried out in line with the objectives of Performance Standard 5.

Biodiversity conservation and sustainable management of living natural resources

The environmental and social due diligence process includes consideration of the project site and potential impacts on sensitive areas, including biodiversity. Risks related to biodiversity and living natural resources are specifically addressed in line with the objective of IFC Performance Standard 6.

In 2013, 26 projects were considered to have the potential of significant impacts related to biodiversity and living natural resources. A detailed assessment indicated that the potential risks were either minimal, or that EKF required that potential impacts would be managed in line with good international practice.

The assessment of biodiversity risks includes identification of potentially sensitive areas in the vicinity of the project and its associated activities, including national parks and other protected areas identified by national or international law, and other sensitive locations of international, national or regional importance, such as wetlands, forests and other areas with high biodiversity value. Areas of archaeological or cultural significance and areas of importance to indigenous peoples are also evaluated.

Whenever a project is located inside a sensitive area or a project is likely to have a perceptible impact on such locations, EKF requires an Environmental and Social Impact Assessment process documenting the consequences for the sensitive area as described in Performance Standard 1 – Assessment and management of environmental and social risks and impacts.

CASE

Bird monitoring in Jordan

During the assessment of a wind farm project in Jordan, EKF became aware of the proximity of the wind farm's location to one of the major Eurasian bird migration routes as well as being an important bird area for resident bird species. Together with the other financial institutions involved in the transaction, EKF used expert opinion to assess the risk to migratory and residential birds. It was found that the site was located at least 50 km from the bird migration route, and it was concluded the risk to migratory birds was low. Nonetheless, it was required that the project developer implement a comprehensive monitoring programme during the construction and operational phases in order to monitor the level of risk to migratory and residential bird species and generate relevant mitigation measures, if needed. This ensures compliance with international standards.

Sometimes potential biodiversity impacts are not associated with a single area of land but rather migration routes or corridors used by certain animal species, such as birds. Key biodiversity concerns related to wind farm projects pertain to impacts on bats and birds, their habitats and migration routes. For all the projects, the environmental and social assessment was able to document in a satisfactory manner that impacts would be insignificant, and/or that adequate management and mitigation measures would be implemented to avoid or mitigate significant impacts on biodiversity.

Indigenous peoples

The project assessment complies with IFC Performance Standard 7 on Indigenous Peoples. The standard ascertains that indigenous people's rights are duly respected, and that potential project impacts are negotiated in a culturally appropriate manner to avoid, minimise and mitigate impacts.

Two of the wind projects reviewed in 2013 involved potential impacts on indigenous peoples, both involving aboriginal people in Australia. In both projects EKF ensured that the undertaken procedures were in line with or stricter than IFC Performance Standard 7 and thus enabling EKF to issue the guarantee.

Cultural heritage

The environmental and social due diligence process evaluates potential risks and impacts on cultural heritage in line with IFC Performance Standard 8. The objective is to protect cultural heritage from adverse impacts of project activities and to promote the equitable sharing of benefits from the use of cultural heritage, where relevant.

CASE

Cultural heritage in Chile

A review of two wind farms by the same developer in Chile revealed a considerable number of archaeological findings in and within a close vicinity of both wind farm sites and associated transmission lines. These included traces of ancient herding routes and various minor archaeological findings, religious and historical monuments, among others. The review found that due consideration had been given to archaeological sites for both projects, with adequate management plans in place, including avoidance by design, fencing with buffer zone of sites, chance find procedures, training of staff and subcontractors, monitoring by archaeologist during construction and development of monitoring reports, consistent with IFC Performance Standard 8.



CASE

Pig transportation in China

During the review of a pig farm project in China, it became clear that the farm would meet Danish requirements on animal welfare. EKF therefore focussed on external aspects including transportation of animals to be slaughtered. A Transport Management Plan was developed by the Farm Management, documenting that the animal transports would be managed in accordance with EU Directives, as well as provision of water during transports and proper training of drivers.

In 2013 16 projects were assessed to have potential negative impacts on cultural heritage. In all cases it was found that adequate measures were taken in order to protect cultural heritage in line with Performance Standard 8.

Animal welfare

EKF wishes to support the Danish export of equipment for animal farming as development of such Danish equipment is based on high standards for animal welfare. The issue of animal welfare is not clearly addressed within the framework of the IFC Performance Standards.

In 2013, as in previous years, EKF supported several projects involving mammalian livestock and poultry production. In those cases the reviews assess animal welfare risks. EKF benchmarks these projects against Danish animal welfare standards as a point of departure. This is generally done when assessing how the project manages its key environmental and social risks, including animal welfare risks. Where on certain aspects Danish regulations are more precise or even require higher or other conditions from EU regulations, depending on the transaction, we find that EU regulations suffice.

CSR impacts – internal operations

While EKF's main impacts on economic, environmental and social sustainability originate from our project transactions, we also monitor impacts from our own operations. The main direct environmental and social areas within EKF's responsibilities are:

- › Management of human resources and working conditions
- › Resource consumption and waste generation from overall office activities
- › Emissions to air of CO₂, SO₂ and NO_x related to use of electricity, heat and transportation
- › Responsible purchasing of goods and services

MANAGEMENT OF HUMAN RESOURCES AND WORKING CONDITIONS

EKF complies with Danish law on all employee matters such as freedom of association, collective bargaining, layoff policy, notice periods, health and safety and salaries. All employees are either employed according to a collective bargaining agreement or by individual contracts which refer to agreements with relevant unions.

In line with Danish law, EKF has formed a works committee consisting of six members; two members represent management and four represent employees. The employees function as the elected trade union representatives. The works committee discusses issues relating to working conditions, equality, competency development, rationalisations and reorganisation projects, introduction of new technology, the economic situation of EKF and safety in the work place. The trade union representatives will also come into action should any conflict arise between persons and/or departments in EKF.

According to Danish law employers with more than ten employees must form a safety organisation. A safety representative has been elected among the employees and participates in the works committee meetings. The safety representative is responsible for the day-to-day safety in EKF.

Also according to Danish law, all work places must carry out an assessment of the physical and psychological working environment every three years. EKF works continuously between these assessments, and has job satisfaction incorporated into the strategic goals in Strategy 2016. From 2013 forward, we have scheduled assessments of the working environment annually.

Employee data – 2013



	2009	2010	2011	2012	2013
Staff diversity					
Number of employees (per 31 December)	70	74	82	87	99
Percentage of women in workforce (%)	47.1	45.9	50.0	48.3	46.0
Percentage of women in management (%)	25.0	25.0	25.0	26.7	28.6
Percentage of employees with a master degree	80.0	79.7	75.6	77.0	88.9
Percentage of employees with ethnic minority ¹ background	2.9	2.7	2.4	2.2	3.1
Average age	41.8	41.3	41.3	42.3	41.1
Average years of service	6.7	6.4	7.3	6.8	6.0
Work-life balance					
Women working part-time	2	2	5	1	2
Men working part-time	1	1	1	0	1
Number of flex jobs	0	1	1	1	1
Number of employees on paid maternity leave during the year	2	4	7	5	2
Number of employees on paid paternity leave during the year	4	9	7	9	0
Leave of absence granted for other reasons (number of employees granted leave of absence during the year)	1	1	1	0	1
Leave of absence not granted	0	0	0	0	0

	2009	2010	2011	2012	2013
Health and safety					
Average absence due to illness (average number of days lost through illness per employee)	5.0	3.5	4.2	3.7	4.7
Number of employees absent due to long-term illness (>30 days) (Until 2012, measured as: average number of days lost through long-term illness per employee)	9.1	4.6	0	2.8	4
Average absence due to first and second day of illness of a child (average number of days lost through first day of illness of a child per employee)	0.9	1.1	0.9	1.0	0.8
Competency development					
Number of days spent on training and education per employee	3.9	4.5	4.5	6.4	7.1
Of which days spent on internal activities	1.9	1.7	1.5	1.6	1.3
Of which days spent on external activities	2.0	2.8	3.0	4.8	5.8
Average amount spent on competency development per employee (DKK)	22,494	16,336	11,058	20,593	16,413

¹ The definition of ethnic minority used by the Danish State, e.g. Ministry of Refugee, Immigration and Integration Affairs. The Danish State has a goal of 3.5 per cent of employees being from ethnic minorities.

Work-life balance

The concept of work-life balance concerns time and resources distributed between work and other activities employees wish to pursue. Achieving a satisfactory work-life balance varies according to the different life stages.

As a knowledge-based organisation, EKF recognizes the challenge and needed focus in achieving the work-life balance that is right for EKF's employees. EKF believes that the values and policies set by the organisation help employees in their choices for achieving work-life balance. EKF offers flexibility to employees in terms of home office, flexible hours and the option of part-time working schedules.

However, it is a challenge to keep the off-time free of work, because it is increasingly accessible through for instance technology.

During the past year, EKF has had a number of employees on long-term leave due to stress-related illness. EKF is aware of the potential stress posed to employees in their work, and we are implementing actions to better identify and manage early stress-related symptoms before it becomes a serious illness.

Focus has been on activities to create awareness among employees and to provide the right tools and mechanisms for discovering symptoms of stress, as well as handling them. In the 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 grants part-time employment for employees unless there are strong arguments against it. Part-time employment can be either temporary or permanent. EKF will continue to focus on work-life balance for our employees as part of a continuous development of a healthy working environment.

The rate of long-term illness (more than 30 days) from 2013 is calculated as the number of people affected rather than an average of days lost, and thus the numbers are not comparable with previous years.



Competency development

EKF's employees are the most valuable resources for the company, and therefore we find it is important to offer employees the opportunities for maintaining and developing skills. Competency development is closely linked to achieving EKF's overall strategy of helping Danish companies face the challenges of trading and investing around the globe. As such, EKF focuses on strategic and systematic competency development to ensure that a continuous development is offered to each employee. All employees receive training on anti-corruption as part of the introduction training class.

On an annual basis, performance reviews are held for employees and management alike, where past performance is reviewed, and future assignments and goals are discussed. Also included in these performance reviews is a dialogue on personal development plans, including internal and external development activities for the individual employee. The aim of this is simple: to ensure the employee's personal and professional development, as well as to ensure a long-term perspective in the relationship between employee and EKF. Employees and management share a joint responsibility for the implementation of the employee's development plan. Performance reviews of executive management are also held on a yearly basis, where the Board of Directors host the review for the CEO, which again reviews the two Deputy CEOs.

Overall care is taken to optimise the synergies between performance reviews, personal and professional development and achievement of EKF's strategy as a whole. All elements of economy, environmental and social

Employee turnover in 2013

	Under 30	30-39	40-49	50-59	Over 60	Total turnover (%)
Men	2	2	3	0	0	13
Women	0	1	2	0	0	7
All employees	2	3	5	0	0	10

Employee Competency Development at EKF 2009-2013



activities, employee knowledge and strategic goals come together. Competency building both supports and is supported by EKF's overall goals, and this is reflected in an achievable competency development plan for the individual employee.

One of EKF's ongoing challenges is dealing with the loss of highly specialised employees. Their knowledge can be difficult to pass on. Focus is therefore not only on the development of employee skills but also on anchoring their knowledge in the organisation.



The average number of employees in EKF in 2013 was 96. The total number of employees was 99 as per 31 December 2013, which is used for sake of consistency in report calculations. This is an increase of 14 per cent compared with the last year. The average age is approximately the same as in 2012, at 41.1 years.

The percentage of women in the workforce has decreased from 2012, from 48.3 to 46.0 in 2013. The percentage of women in the management group has increased during that same timespan from 26.7 per cent in 2012 to 28.6 per cent in 2013.

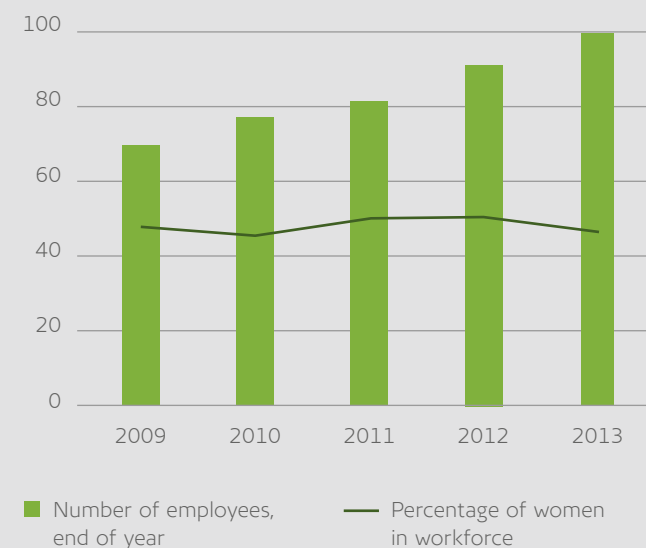
At EKF, we monitor the ratio of salary men to women and have reported this since 2010. Here we measure the ratio of salary in three different employee groups: employees with education less than a master degree, employees with a master degree and our management group. In addition, we have calculated the ratio for our management group excluding executive management.

In 2013, salary ratio was slightly in favour of women for employees with a master degree and women in the management group; it was slightly in favour of men for the group of employees without a master degree.

Gender equality in management

As a consequence of an amendment to a bill of parliament, our focus on gender equality throughout the company has been given further velocity. In 2012, the Danish Parliament adopted a bill with the aim of creating a more equal distribution of men and women on company boards of directors. The bill made changes to the Danish Financial Statement Act adding a section 99b, effective from 1 April 2013, requiring certain types of companies to set target figures and implement policy for gender equality. The amendment to the Act follows the general corporate social responsibility reporting requirements issued for large Danish Corporations. In order to comply with the act, the company is required to report on the status of

Per cent of women in workforce



fulfilment of the set targets. EKF will implement a policy on this in 2014.

EKF's Board of Directors consists of five men and three women in addition to EKF's executive management comprising of two men and one woman. This equals an allocation of 64/36 men to women.

EKF is aware that there is an under-representation of women on the Board of Directors and on the executive management team. The difference is due in part to the fact that the sum of seats on the Board of Directors including executive management totals 11. A completely equal distribution is therefore impossible. EKF seeks to encourage the under-represented gender in accordance with the law, but this is not prioritised higher than professional and human skills.

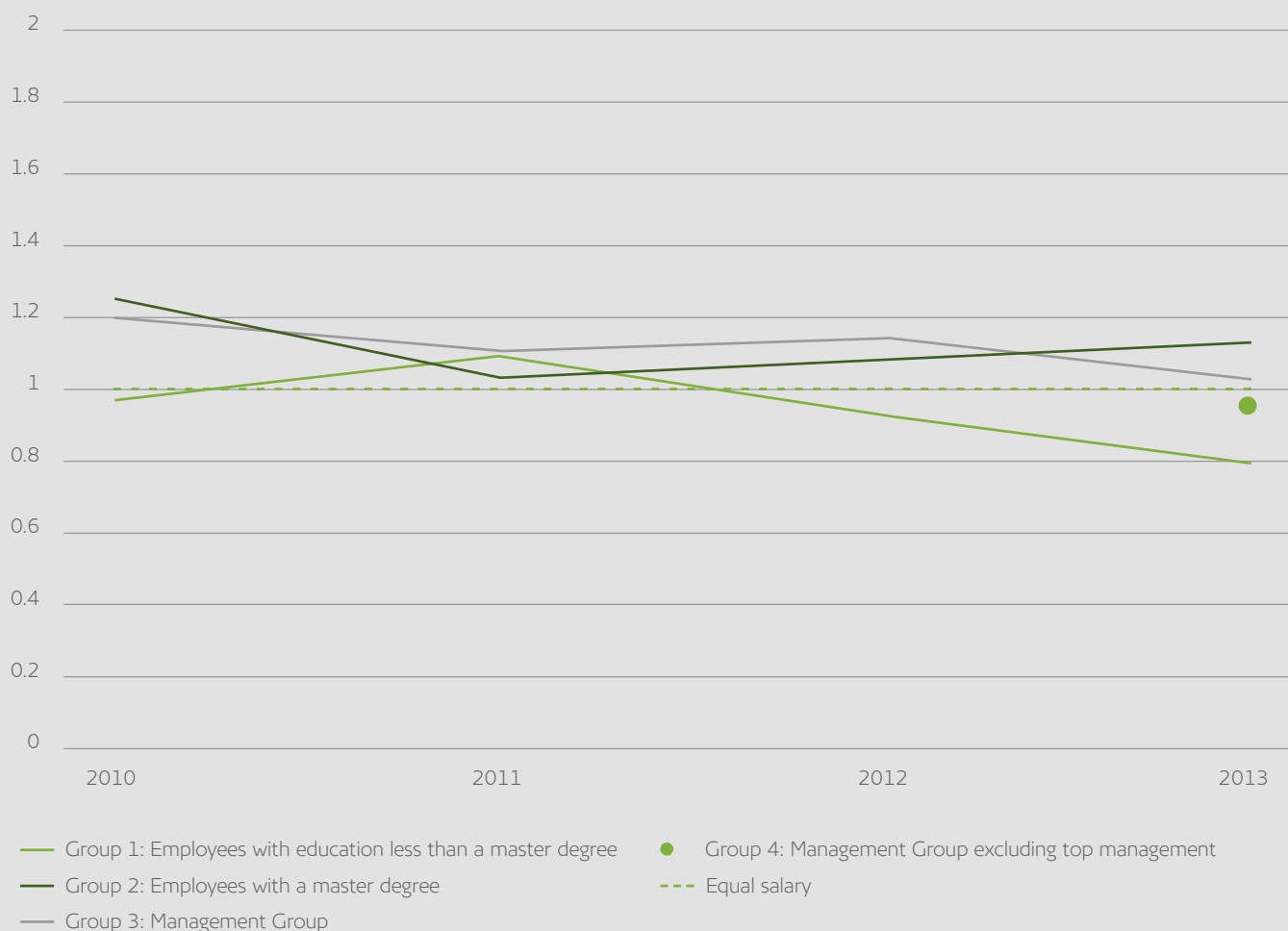
The distribution of men and women at management level has a clear under-representation of women. Of 12 managers only three are women. EKF does not experience the under-representation as problematic, but we are pay attention should the under-representation become larger.

RESOURCE CONSUMPTION AND TRANSPORTATION

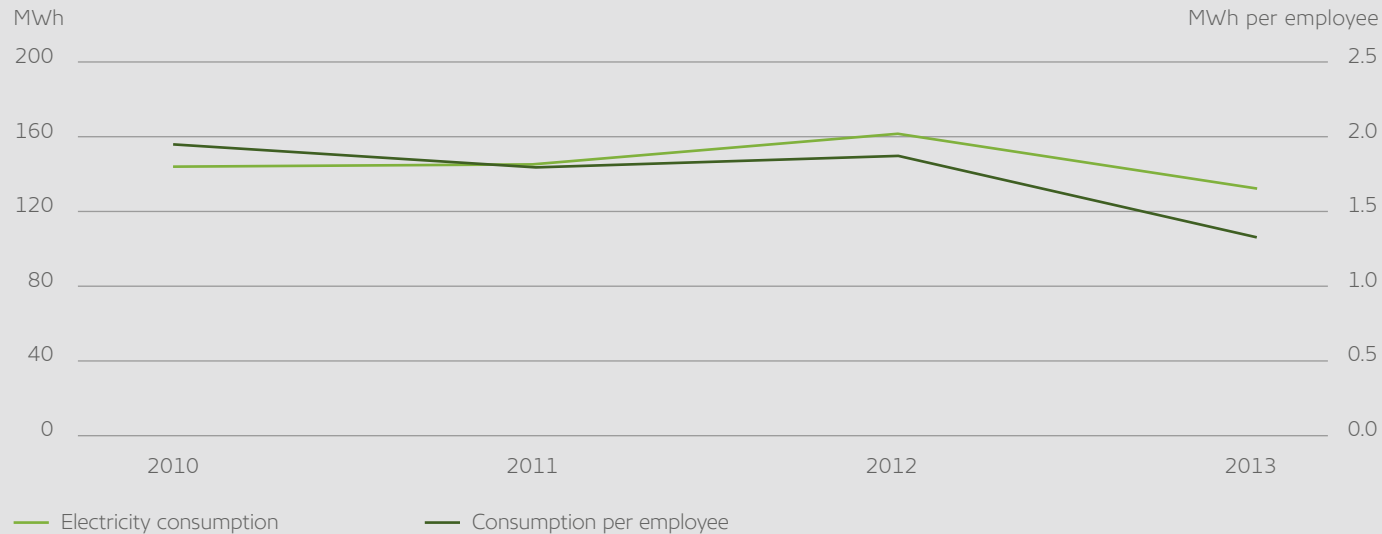
Since moving to new premises in June 2012, EKF disposes of larger and newer offices. This building, shared with several other firms, features the newest technology, ensuring a heightened focus on resource management efficiency. Our new premises are energy labelled

Salary ratio of women to men in EKF for 2010-2013

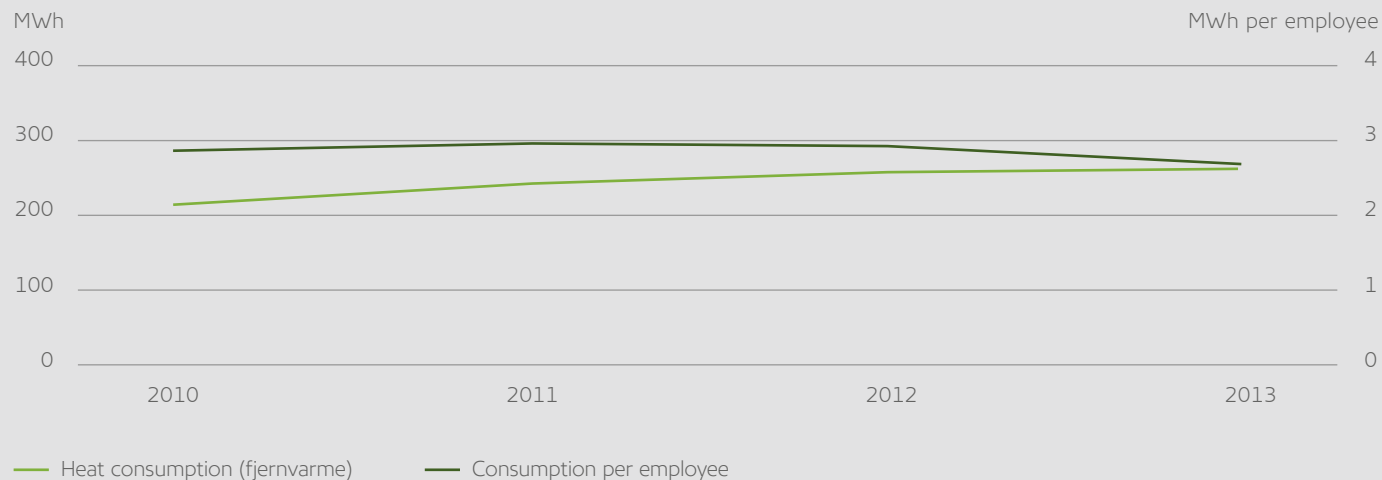
A ratio of 1 indicates equal remuneration –
a ratio higher than 1 indicates remuneration in woman's favour



Electricity consumption 2010-2013



Heat consumption 2010-2013



in energy efficiency class C indicating relatively low energy consumption. We planned to do a baseline study on energy consumption¹, but we realised that 2013 is more likely to serve as a baseline year in order to have a full year's data.

In addition, EKF manages our use of transportation prudently, matching needs for effective transportation options. We track the emissions of our land and air travel as well as the kilometres travelled by other transportation (domestic courier, etc.) to be able to monitor the trends in our travel patterns as well as their environmental impacts.

While electricity consumption decreased from 162 MWh in 2012 to 133 MWh in 2013, heat consumption increased slightly from 255 MWh to 260 MWh. Due to an increase in employees at the EKF offices, the consumption per employee decreased both for electricity and heat. They are at the lowest since 2010.

The building's procedures for tenants' share of heat consumptions are undergoing specification. This means that only heat consumption from district heating of EKF's own offices is accounted for here. EKF is working towards obtaining an overview of its share of total heat consumption related to common areas (canteen, reception etc.) in the building, and will update as new numbers become available.

¹ The energy label is based on categories A to G, A indicating the lowest energy consumption.

Our water consumption has decreased since moving to the new office building. As our routines for registration of water consumption used in the common areas of the building (canteen, reception, etc.) are still being improved, we are only reporting on the consumption in direct relation to our own offices, and we will use the year 2013 as our baseline. This is marked in the table.

At our new premises, procedures for solid waste and recycling have yet to be established by our building administrator and service providers. EKF is working continuously to exert our influence and provide support to be able to achieve the best possible level of recycling under the circumstances. The results for 2013 show that there is still work to be done in order to down-size the amount of combustible waste (including waste from the canteen) and paper. Awaiting solutions from our building service provider, EKF has set up recycling facilities for paper, providing nearby kindergartens with drawing paper through our recycling systems. This is a solution we find acceptable while working on a more long-term sustainable solution for the whole building.

The amount of paper for recycling has gone up noticeably. However, the change can be explained in the rough measures on the amounts. At our new premises, we have yet to find a more accurate way to calculate the amounts of paper for recycling, since currently it is based on an assumption that containers are 100 per cent full when picked up by the recycling company. During 2014, we will work towards finding a more accurate calculation.

Resource consumption and transportation

Resource consumption		2010	2011	2012*	2013
Electricity consumption (MWh)	Total	145	146	162	133
	Per employee	1.96	1.81	1.86	1.34
Heat consumption (MWh)	Total	210	239	255	261
	Per employee	2.84	2.95	2.93	2.63
Water consumption (m3)	Total	451	570	495	73
	Per employee	6.1	7.0	6.1	0.7
Paper consumption (tonnes)	Total	3.5	4.5	3.0	4.5
	Per employee (in kg)	47	55	34	45
Transportation by taxi (km)	Total	4,350	5,652	9,333	11,570
	Per employee	59	70	107	117
Transportation by flight (km)	Total	1,270,000	920,000	1,520,000	1,570,000
	Per employee	17,100	11,400	17,500	15,900
Transportation by domestic courier (km)	Total	1,630	1,000	970	960
	Per employee	22	12	11	10

* Due to relocation to new offices the energy and water data are a combination of data from both locations. Some data are based on estimates and therefore not all data are of the desired quality this year, although best efforts have been made to provide estimates as accurate as possible.

In 2013 EKF introduced new solutions to save paper, including a new approach to submitting items for approval by the Board of Directors electronically. The new paper savings approach is not reflected in the consumption that has gone up for 2013. The increase in paper consumption may be explained by increased activity in EKF. We increased our customer base to 549 customers in 2013 from 460 in 2012. We will monitor this going forward, and during 2014 we will think about new solutions to increase the paper savings.

Air Emissions

Emissions of CO₂, SO₂ and NO_x associated with EKF's daily operations are calculated based on distance of transportation in 2013 and the consumption of electricity and heat.

EKF's business and large project portfolio spans various locations globally which requires international travel for meetings, site visits and follow-ups. This is to ensure EKF meets our business goals of providing our customers with best possible advice on exports and trade as well as to ensure compliance with environmental and social international standards. Travel needs vary with the nature of projects and may change considerably from year to year. The number and distance of air travel have maintained a steady level in 2013 compared to 2012; however as the number of employees has increased, air emissions per employee have slightly decreased. The number of flights in 2013 was 426, compared to 381 in the previous year.

Solid waste management 2010-2013

Waste (tonnes)	2010	2011	2012*	2013
Combustible	9.2	7.5	11.5	22.4
Cardboard for recycling	0.51	0.55	0.58	n.a.
Paper for recycling	1.59	5.54	2.08	4.82
Electrical products	0.29	0.07	0.34	n.a.
Bottles/glass and packing glass	0.04	0.08	0.14	n.a.
Food waste**	0.47	0.85	1.31	n.a.
In Total	12.1	14.6	15.6	27.2
In total per employee	0.16	0.18	0.18	0.28

* At our new premises the system for sorting and registering amounts of all types of waste have yet to be established, and therefore the amount of waste during the second part of the 2012 has been estimated based on the first half of the year.

** This is a new indicator where 2012 data are estimated based on 2011.

Paper consumption 2010-2013

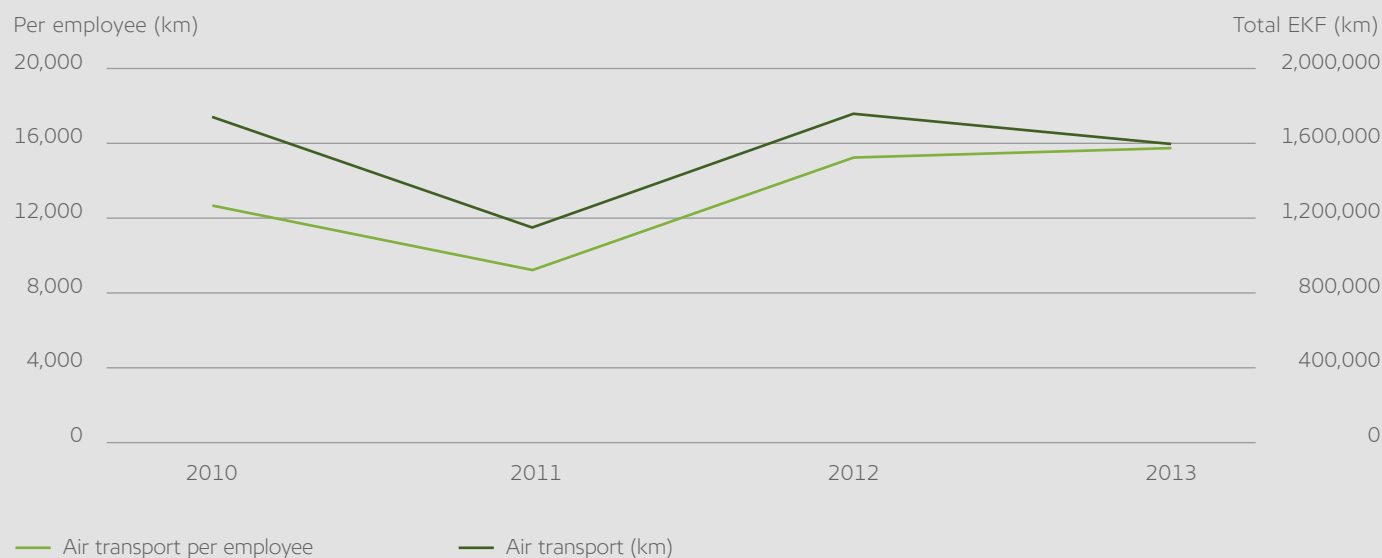


Air emissions associated with EKF's energy use and transportation activities

Resource consumption		2010	2011	2012	2013
CO ₂ emissions	Total (tonnes)	290	250	340	330
	Per employee (kg)	3,900	3,100	3,900	3,300
SO ₂ emissions	Total (tonnes)	0.10	0.09	0.12*	0.11
	Per employee (kg)	1.3	1.1	1.3	1.1
NO _x emissions	Total (tonnes)	0.63	0.52	0.75	0.75
	Per employee (kg)	8.5	6.4	9.1	7.6

* Updated last year's number to 0.116 (~0.12) to reflect updated SO₂ emissions.

Air transport 2010-2013



The calculated CO₂ emissions related to EKF's energy and transportation in 2013 is equal to a total of 330 tonnes, or 3,300 kg per employee. This is a decrease from a total of 340 tonnes and 3,900 kg per employee in 2012, respectively. Air emissions due to air transportations are the largest single source of emissions. Approximately 64 per cent of CO₂ emissions in 2013 are due to air travel, compared to 60 per cent in 2012.

Transportation by taxi increased by 24 per cent from 2012 to 2013. Domestic transport by courier remained very similar.

Of NO_x and SO₂ emissions in 2013, 78 per cent and 53 per cent respectively may be contributed to air transportation emissions. Compared to air travel, CO₂ emissions from the EKF office activities and local transport are calculated at 118 tonnes, a decrease of 15 per cent from the previous year. Likewise, NO_x emissions decreased by 15 per cent and SO₂ emissions decreased by ten per cent compared to 2012.

The calculated emissions from EKF's office activities and employee impact constitute a small fraction of the estimated reduction related to EKF's project portfolio. For 2013, CO₂ emissions related to office operations have been calculated at 330 tonnes, compared to the total annual emissions from projects estimated at 2.9 million tonnes CO₂. The EKF office proportion constitutes 0.01 per cent of the estimated emissions from projects.

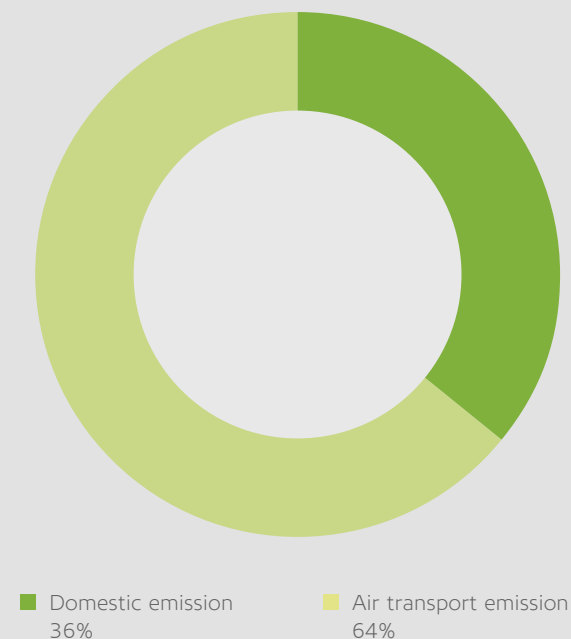
However, although 99.99 per cent of our environmental impacts are traced back to the projects undertaken by EKF, our efforts to reduce our footprint also includes our internal consumption patterns, the attitudes of our company as a whole and our employees, as well as our influence with our suppliers and our partners. We hope to continue our efforts in EKF's new domicile to consume responsibly and sustainably.

PURCHASING OF GOODS AND SERVICES

Although limited in scale, EKF uses a number of suppliers of office equipment and supplies, consumer goods and IT. The procurement of IT, which is the key component in value terms, is primarily carried out through the Danish official state procurement.

As a result of the internal gap analysis performed in 2013, EKF's procurement policy was identified as an area of potential improvement. A new procurement policy will be implemented, under which further requirements on issues pertaining to environmental and human rights, as well as anti-corruption are enforced.

CO₂ emissions 2013



Indicator Matrix



The Indicator Matrix of the CSR Report lists the contents disclosed and the location of the respective disclosures. Note that some disclosures are reported directly in the matrix, whereas others are located in the report text or on EKF’s homepage and can be accessed by following the hyperlinks. The structure of the matrix is defined by the third version of the Global reporting Initiative (GRI) Sustainability Reporting Guidelines.

		C	C+	B	B+	A	A+
Mandatory	Self statement					+	
Optional	Examined by third parties						
Optional	GRI checked					+	

EKF states that this report represents application level A based on the GRI Sustainability Reporting Guidelines 3.0.

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
STANDARD DISCLOSURES PART I: Profile Disclosures				
1. STRATEGY AND ANALYSIS				
1.1 +	Statement from the most senior decision-maker of the organization.	●	Introduction by CEO	
1.2	Description of key impacts, risks, and opportunities.	●	Introduction by CEO Our Partners EKF in figures Data and Performance	
2. ORGANIZATIONAL PROFILE				
2.1 +	Name of the organization.	●	Introduction by CEO	
2.2 +	Primary brands, products, and/or services.	●	What we do on EKF's website	
2.3 +	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	About EKF on our website	
2.4 +	Location of organization's headquarters.	●	Contact us on our website	
2.5 +	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	See relevant sections of this report: Transaction Overview and World Map	
2.6 +	Nature of ownership and legal form.	●	See section on Regulation About EKF's legal form on our website	
2.7 +	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	For overview on our website: EKF in figures and cases See also the following relevant sections of this report: Introduction by CEO EKF in figures EKF's partners Transaction Overview	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
2.8 +	Scale of the reporting organization.	●	About EKF on our website EKF's annual report on our website. See also employee data for 2013 under the section Management of human resources and working conditions under CSR impacts – internal operations.	
2.9 +	Significant changes during the reporting period regarding size, structure, or ownership.	●	No significant changes.	
2.10 +	Awards received in the reporting period.	●	No awards received.	
3. REPORT PARAMETERS				
3.1 +	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Scope and Purpose in this report.	
3.2 +	Date of most recent previous report (if any).	●	April 2013 (for the reporting year 2012)	
3.3 +	Reporting cycle (annual, biennial, etc.)	●	Scope and Purpose in this report.	
3.4 +	Contact point for questions regarding the report or its contents.	●	Scope and Purpose in this report.	
3.5 +	Process for defining report content.	●	The process of defining report content has included internal workshops to identify CSR risks and their materiality for EKF. The selection of report content as well as internal prioritization of topics in the report is also informed by the ongoing dialogue we have with our stakeholders. For more information, see this report: Introduction by CEO EKF's partners Scope and Purpose	
3.6 +	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	The boundary of this report is set by EKF's sphere of influence, and the information covers EKF's transactions as well as facilities and operations over which we have direct control. For more information, see this report: Introduction by CEO EKF's partners Scope and Purpose	
3.7 +	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	None.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
3.8 +	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	One entity only.	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	EKF's Methodology for the annual project sustainability overview as found on our website.	
3.10 +	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	None.	
3.11 +	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	None.	
3.12 +	Table identifying the location of the Standard Disclosures in the report.	●	Standard Disclosure Indicator Matrix in this report.	
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	No external assurance sought.	
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT				
4.1 +	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	Information about EKF's governance structure on our website: Boards of Directors Management	
4.2 +	Indicate whether the Chair of the highest governance body is also an executive officer.	●	Information about EKF's governance structure on our website: Boards of Directors Management	
4.3 +	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	Information about EKF's governance structure on our website: Boards of Directors Management	
4.4 +	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	EKF is an administrative unit under the Danish State. For employees a works committee is formed according to Danish law, see section on Management of human resources and working conditions under CSR impacts – internal operations of this report.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	No linkage implemented yet.	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	Relevant information on our website: Business and Ethics and Openness Policy	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	●	Relevant information on our website: Business and Ethics	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	Relevant information on our website: CSR policy and sub-policies	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	Scope and Purpose in this report and relevant information on our website: Environmental and Social Sustainability Policy	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	Relevant information on our website: Board of Directors	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	EKF's procedures include environmental and social due diligence of its transactions following Danish/EU law. For further information, see relevant information on our website: Environmental and Social Sustainability Policy	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	EKF promotes CSR in an international setting in this report.	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies Participates in projects or committees Provides substantive funding beyond routine membership dues or Views membership as strategic.	●	EKF promotes CSR in an international setting in this report.	
4.14 +	List of stakeholder groups engaged by the organization.	●	EKF promotes CSR in an international setting in this report.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
4.15 +	Basis for identification and selection of stakeholders with whom to engage.	●	EKF actively revisits the identification of its most relevant stakeholders in a dynamic process. See section on Stakeholders in this report for more information.	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	EKF promotes CSR in an international setting in this report.	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	EKF promotes CSR in an international setting in this report.	

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

DMA PS	Disclosure on Management Approach PS			
Aspects	Product Portfolio	●	Information on the guarantees issued by EKF on our website: What we do.	
FS1 +	Policies with specific environmental and social components applied to business lines.	●	Information on CSR at EKF and specific sub-policies on our website, including Environmental and Social Sustainability Policy .	
FS2 +	Procedures for assessing and screening environmental and social risks in business lines.	●	Relevant information in this report includes CSR Data and Performance and Assessment and management of environmental and social risks and impacts.	
FS3 +	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	●	For the processes on monitoring clients' implementation of compliance, see section on Equator Principles and Our process in this report.	
FS4 +	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	●	For information on improving staff competency see section on Stakeholders under Our Partners and Competency development under CSR Impacts – Internal Operations.	
FS5 +	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	●	Relevant information in this report includes EKF promotes CSR in an international setting. Our process and Assessment and management of environmental and social risks and impacts	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
	Audits	●	EKF has undergone an audit with regards to its internal policies and processes, including CSR work. See section on CSR Achievements for more information.	
	Active Ownership	●	Information on CSR at EKF and specific sub-policies on our website.	
DMA EC	Disclosure on Management Approach EC			
Aspects	Economic PerformanceCOMM	●	Introduction by CEO in this report. Further information on EKF in figures on our website.	
	Market presence	●	Transaction Overview in this report.	
	Indirect economic impacts	●	In this report: Introduction by CEO and Transactions in 2013. Further information on EKF in figures on our website.	
DMA EN	Disclosure on Management Approach EN			
Aspects	Materials	●	CSR Data and Performance and Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report. Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	
	Energy	●	CSR Data and Performance and Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report. Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	
	Water	●	CSR Data and Performance and Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report. Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	
	Biodiversity	●	CSR Data and Performance and Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report. Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Aspects – continued	Emissions, effluents and waste	●	CSR Data and Performance and Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report. Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	
	Products and services	●	Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report.	
	Compliance	●	Resource efficiency and pollution prevention under section on CSR impacts – Transactions in this report.	
	Transport	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations.	
	Overall	●	CSR Data and Performance in this report.	
DMA LA	Disclosure on Management Approach LA			
Aspects	Employment	●	Management of human resources and working conditions under CSR Impacts – Internal Operations in this report.	
	Labor/management relations	●	Management of human resources and working conditions under CSR Impacts – Internal Operations in this report.	
	Occupational health and safetyCOMM	●	Labour and working conditions under Management of human resources and working conditions under section on CSR Impacts – Internal Operations in this report.	
	Training and education	●	Management of human resources and working conditions and Competency development under section on CSR Impacts – Internal Operations.	
	Diversity and equal opportunity	●	Management of human resources and working conditions and Gender equality in management under section on CSR Impacts – Internal Operations in this report.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
DMA HR	Disclosure on Management Approach HR			
Aspects	Investment and procurement practices	●	Purchasing of Goods and Services under CSR Impacts – Internal Operations in this report.	
	Non-discrimination	●	Management of human resources and working conditions and Gender equality in management under section on CSR Impacts – Internal Operations in this report.	
	Freedom of association and collective bargaining	●	Management of human resources and working conditions under section on CSR Impacts – Internal Operations in this report.	
	Child labor	●	Human Rights under section on CSR impacts – Transactions in this report.	
	Forced and compulsory labor	●	Human Rights under section on CSR impacts – Transactions in this report.	
	Security practices	●	Community Health, Safety, and Security under section on CSR impacts – Transactions in this report.	
	Indigenous rights	●	Human Rights and Indigenous peoples under section on CSR impacts – Transactions in this report.	
DMA SO	Disclosure on Management Approach SO			
Aspects	Community	●	Community Health, Safety, and Security under section on CSR impacts – Transactions in this report.	
	Corruption	●	EKF's Business and Ethics Policy , found on our website. See also section Transactions in 2013, and section on Purchasing of Goods and Services under CSR Impacts – Internal Operations in this report.	
	Public policy	●	EKF participates in interministerial cooperation on CSR. As the Danish ECA, EKF does not give financial or in-kind contributions to political parties or related activities.	
	Anti-competitive behavior	●	Information about EKF and our cooperation procedures on our website.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Aspects – continued	Compliance	●	Information on EKF's Environmental and Social Sustainability Policy on our website. For further information on compliance see sections under CSR achievements, Equator Principles and Transaction Overview in the report.	
DMA PR	Disclosure on Management Approach PR			
Aspects	Customer health and safety	●	No direct customer health and safety impacts. Management of indirect health and safety risk related to transactions described in e.g. the report Labour and working conditions and Community health, safety and security.	
	Product and service labelling	●	EKF conducts an annual customer satisfaction survey via an online questionnaire, the link to which is sent to customers via email. EKF's financial products are not subject to product and service labelling which are consequently not included in the DMA.	
FS15 +	Policies for the fair design and sale of financial products and services.	●	See Business Ethics policy on our website.	
	Marketing communications	●	EKF's communication and legal departments ensures that marketing efforts comply with relevant Danish legislation, so that marketing communication conforms with accepted ethical or cultural standards.	
	Customer privacy	●	EKF's approach to ensuring customer privacy is described in our Openness policy available on our website.	
	Compliance	●	Our CSR, Legal, and risk&compliance departments have the main purpose to ensure compliance with laws and other commitments related to our financial products. See also the report sections under CSR achievements, Equator Principles and Transaction Overview in the report for more information.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
STANDARD DISCLOSURES PART III: Performance Indicators				
PRODUCT AND SERVICE IMPACT				
Product portfolio				
FS6 +	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	●	Data on portfolio and sectors provided in sections Transactions in 2013 and Transaction overview in this report. For a general overview see information on EKF business on our website.	
FS7 +	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	●	None.	
FS8 +	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	●	None.	
Audit				
FS9 +	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	●	Relevant information in this report: Assessment and management of environmental and social risks and impacts and Our Process.	
Active ownership				
FS10 +	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	●	Relevant information in this report: Our Partners and Transactions in 2013	
FS11 +	Percentage of assets subject to positive and negative environmental or social screening.	●	Relevant information in this report: Transactions in 2013	
FS12 +	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	●	Not relevant. EKF holds no shares.	

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
ECONOMIC				
Economic performance				
EC1 _{COMM} +	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	See annual reports on our website.	
EC2 +	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	Considering EKF's activities, climate change is not considered to directly pose significant risks to its operations. Consequently its financial implications are not estimated by EKF. Indirectly climate change can be seen to present opportunities through demand for financing of renewable energy projects. Assessment of transactions also includes consideration of climate change risks where relevant, see also Climate workshop under section on Our partners for activities related to climate change described in this report.	7
EC3 +	Coverage of the organization's defined benefit plan obligations.	●	All employees are covered by the state pension scheme, which is regulated by law and is a part of the social security system in Denmark.	
EC4 +	Significant financial assistance received from government.	●	EKF is an independent administrative unit under the Danish State. See EKF in two minutes on our website for further information.	
Market presence				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	○	EKF follows labour and wage levels under Danish Law.	1
EC6 +	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	See section on Purchasing of Goods and Services under CSR Impacts – Internal Operations of this report.	
EC7 +	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	○	Not applicable as it is not relevant for EKF's operations.	6

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Indirect economic impacts				
EC8 +	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	EKF's financial (commercial) engagement in projects contributes indirectly to public benefit through economic activity. This benefit is estimated as value of local employment generated in relation to the projects in section on Local employment under CSR Impacts – Transactions in this report. However, EKF does not invest directly in any infrastructure with the primary aim to provide public benefit from that infrastructure, neither through commercial, in-kind, or pro-bono engagement	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	Relevant information in this report: CSR Data and Performance. For additional information see EKF in figures on our website.	
ENVIRONMENTAL				
Materials				
EN1 +	Materials used by weight or volume.	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	8
EN2 +	Percentage of materials used that are recycled input materials.	○	Not applicable as it is not relevant for EKF's operations.	8, 9
Energy				
EN3 +	Direct energy consumption by primary energy source.	●	None.	8
EN4 +	Indirect energy consumption by primary source.	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	8
EN5	Energy saved due to conservation and efficiency improvements.	○	Not applicable as it is not relevant for EKF's operations.	8, 9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	Information regarding EKF cleantech guarantee on our website.	8, 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	8, 9

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Water				
EN8 +	Total water withdrawal by source.	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	8
EN9	Water sources significantly affected by withdrawal of water.	○	Not applicable as it is not relevant for EKF's operations.	8
EN10	Percentage and total volume of water recycled and reused.	○	Not applicable as it is not relevant for EKF's operations.	8, 9
Biodiversity				
EN11 +	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○	Not applicable as it is not relevant for EKF's operations.	8
EN12 +	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	Biodiversity conservation and sustainable management of living natural resources in this report.	8
EN13	Habitats protected or restored.	●	Biodiversity conservation and sustainable management of living natural resources in this report.	8
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	Biodiversity conservation and sustainable management of living natural resources in this report.	8
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○	Not applicable as it is not relevant for EKF's operations.	8
Emissions, effluents and waste				
EN16 _{COMM} +	Total direct and indirect greenhouse gas emissions by weight.	●	CO2 emissions and reduction under section on CSR impacts – Transactions and Air Emissions under section on CSR Impacts – Internal Operations in this report.	8
EN17 +	Other relevant indirect greenhouse gas emissions by weight.	○	Not applicable as it is not relevant for EKF's operations.	8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	CO2 emissions and reduction under section on CSR impacts – Transactions in this report.	7, 8, 9
EN19 +	Emissions of ozone-depleting substances by weight.	○	Not applicable as there are no emissions of ozone depleting substances related to EKF's operation.	8

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
EN20 +	NOx, SOx, and other significant air emissions by type and weight.	●	Nitrogen Oxides – NOX and Sulphur Dioxide – SO2 under section on CSR impacts – Transactions and Air Emissions under section on CSR Impacts – Internal Operations in this report.	8
EN21 +	Total water discharge by quality and destination.	○	Not applicable, as water discharge limited to sanitary wastewater from of- fice facilities to municipal treatment system.	8
EN22 _{COMM} +	Total weight of waste by type and disposal method.	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	8
EN23 +	Total number and volume of significant spills.	●	None	8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	○		8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	○		8
Products and services				
EN26 +	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	CSR Data and Performance and Assessment and management of environmental and social risks and impacts in this report. Our Process under section About EKF, as well as our new CSR Policy online.	7, 8, 9
EN27 +	Percentage of products sold and their packaging materials that are reclaimed by category.	○	This is not applicable, as financial products are not packaged.	8, 9
Compliance				
EN28 +	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	None	8
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	Resource Consumption and Transportation under section on CSR Impacts – Internal Operations in this report.	8

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Overall				
EN30	Total environmental protection expenditures and investments by type.	○		7, 8, 9
Employment				
LA1 +	Total workforce by employment type, employment contract, and region.	●	Management of human resources and working conditions under section on CSR Impacts – Internal Operations in this report.	
LA2 +	Total number and rate of employee turnover by age group, gender, and region.	●	Management of human resources and working conditions under section on CSR Impacts – Internal Operations in this report.	6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	None	
Labor/management relations				
LA4 +	Percentage of employees covered by collective bargaining agreements.	●	Management of human resources and working conditions under section on CSR Impacts – Internal Operations in this report.	1, 3
LA5 +	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	All employees are either employed according to a collective bargaining agreement or by individual contracts which refer to agreements with relevant unions. These agreements specify provisions for consultation and negotiation in case of significant operational changes. See also Management of human resources and working conditions under section on CSR Impacts – Internal Operations of this report.	3
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	◐	Abide by Danish rules, see also Management of human resources and working conditions under section on CSR Impacts – Internal Operations of this report. The percentage of the total workforce represented is not reported on, as this information is not available. EKF is not required to provide this information according to Danish rules, and meets the information required through details provided in the CSR report.	1

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
LA7 +	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	●	No injuries or work-related fatalities. For other data, see Management of human resources and working conditions under section on CSR Impacts - Internal Operations in this report.	1
LA8 +	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	Management of human resources and working conditions and specifically Work-life balance under section on CSR Impacts - Internal Operations in this report.	1
LA9	Health and safety topics covered in formal agreements with trade unions.	●	Management of human resources and working conditions under section on CSR Impacts - Internal Operations in this report.	1
Training and education				
LA10 +	Average hours of training per year per employee by employee category.	●	Management of human resources and working conditions and specifically Competency development under section on CSR Impacts - Internal Operations of this report.	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	Competency development under section on CSR Impacts - Internal Operations in this report.	
LA12	Percentage of employees receiving regular performance and career development reviews.	●	All employees and management receive performance and development reviews annually. See Competency development under section on CSR Impacts - Internal Operations of this report.	
Diversity and equal opportunity				
LA13 +	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	●	Management of human resources and working conditions under section on CSR Impacts - Internal Operations of this report.	1, 6
LA14 +	Ratio of basic salary of men to women by employee category.	●	Management of human resources and working conditions and Gender equality in management under section on CSR Impacts - Internal Operations in this report.	1, 6

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
SOCIAL: HUMAN RIGHTS				
Investment and procurement practices				
HR1 _{COMM} +	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	●	EKF considers Human Rights risks in screening of all transactions. EKF includes human rights clauses in all projects (100%) above USD 10 million (considered significant agreements in the context of this indicator) and all other projects as deemed necessary in the screening and review process, and according to approach described in section under Transactions in 2013 in our report.	1,2,3,4,5,6
HR2 +	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	●	EKF has so far not systematically screened its significant suppliers and contractors on human rights. However, EKF has implemented a new procurement policy that will take effect in 2014. Here, all significant suppliers and contractors will undergo screening on human rights. See also section on Purchasing of Goods and Services under CSR impacts – internal operations in this report.	1,2,3,4,5,6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	◐	This type of training is provided for EKF's employees, but this specific information is not available as the specific amount of training varies according to areas of responsibility. Therefore, the percentage of the total hours of employee training and percentage of employees trained on policy and procedures concerning aspects of human rights relevant to operations is not reported on. Training of employees with respect to human rights is described in this report under sections Human Rights under section on CSR Achievements as well as Competency development under section on CSR impacts – internal operations in this report.	1,2,3,4,5,6
Non-discrimination				
HR4 +	Total number of incidents of discrimination and actions taken.	●	None	1, 2, 6
Freedom of association and collective bargaining				
HR5 +	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	●	None	1, 2, 3

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Child labor				
HR6 +	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	●	Sections on Human Rights and Labour and working conditions under CSR impacts – Transactions in this report.	1, 2, 5
Forced and compulsory labor				
HR7 +	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	●	Labour and working conditions under CSR impacts – Transactions in this report.	1, 2, 4
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	○	Not applicable as EKF has no security personnel.	1, 2
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	Section on Indigenous peoples under CSR impacts – Transactions in this report.	1, 2
SOCIAL: SOCIETY				
Community				
SO1 +	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	●	Sections on Indigenous peoples and Cultural heritage under CSR impacts – Transactions in this report.	
FS13 +	Access points in low-populated or economically disadvantaged areas by type.	○	Not applicable, as EKF is not involved in retail banking and has no private customers.	
FS14 +	Initiatives to improve access to financial services for disadvantaged people.	●	EKF's premises are wheelchair accessible. It is worth to note that EKF is not involved in retail banking and has no private customers which makes this indicator less applicable, with the exception of ensuring reasonable access for physically disabled people to our premises.	
Corruption				
SO2 +	Percentage and total number of business units analyzed for risks related to corruption.	●	Sections on Transactions in 2013 and Assessment and management of environmental and social risks and impacts in this report.	10

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
SO3 +	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	Competency development under section on CSR impacts – internal operations in this report.	10
SO4 +	Actions taken in response to incidents of corruption.	●	All transactions have to sign an anti-corruption declaration. In case that corruption occurs, EKF's guarantee is nullified. Within EKF: n.a.	10
Public policy				
SO5 +	Public policy positions and participation in public policy development and lobbying.	●	EKF participates in interministerial cooperation on CSR, see this report e.g. section on Our partners.	1, 2, 3, 4, 5, 6, 7, 8, 9, 10
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	○	Not applicable, as the Danish ECA, EKF does not give financial or in-kind contributions to political parties or related activities.	10
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	None	
Compliance				
SO8 +	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	There have been no such sanctions	
SOCIAL: PRODUCT RESPONSIBILITY				
Customer health and safety				
PR1 +	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	Process for assessing indirect health and safety risk related to transactions described in e.g. Indigenous peoples and Cultural heritage under CSR impacts – Transactions in this report. EKF only provides financial products, that as such do not have direct customer health and safety impacts. The reporting thus focuses on the E&S due diligence process which addresses indirect health and safety risks related to transactions.	1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	○		1

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	UN GC Principles
Product and service labelling				
PR3 +	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	○	Not applicable, as EKF is a financial institution which products are not subject to product information labelling.	8
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	○		8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	EKF conducts an annual customer satisfaction survey.	
FS16	Initiatives to enhance financial literacy by type of beneficiary.	●	None	
Marketing communications				
PR6 +	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	None. Adherence to relevant laws is assured by the communications and legal departments.	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	○		
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	○		1
Compliance				
PR9 +	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	None	

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