

CSR REPORT 2010



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



INTRODUCTION

INTRODUCTION

FOREWORD BY CEO ANETTE EBERHARD

I am pleased to present EKF's third Corporate Social Responsibility (CSR) report integrating all our efforts in regard to CSR. At the same time, the report is also our Communication on Progress (CoP) honouring our obligation to report in respect of our participation in the UN Global Compact.

2010 was characterized by a high level of activity, stemming from the 148 applications processed during the year, as well as the challenges of imple-



menting new schemes and products – including ensuring compliance with our CSR policy. The schemes brought to EKF from the Danish Parliament in 2009 together with the developed new products in 2010 contributed to EKF's largest ever exposure of DKK 55.6 billion.

Such growth in our business called for a review of EKF's business strategy including the creation of a new generation of business goals and strategic focus areas. The review once again confirmed that CSR is integral to our business strategy and way of doing business.

A consequence of the increase in EKF's business has been the need to focus and prioritise the daily work leaving less room for development – also in the field of CSR. The missing fulfilments of some of our CSR goals for 2010 bear witness hereof. On the other hand, EKF has chosen to report on application level A according to GRI – an achievement in itself.

In our CSR work the need to focus was facilitated by our already iden-

tified challenges. Therefore, in 2010 we concentrated on finalising and implementing the strategic project "Openness", which has resulted in a policy on Openness, a Code of Conduct and an introduction to EKF's way of doing business including the disclosure of a variety of information on specific guarantees – all published on www.ekf.dk.

Our wish to give EKF's stakeholders a deeper insight into our activities – and to share our experience in the CSR area, also resulted in our enrolment in the UN Global Compact mentor-mentee

initiative in Denmark, where we are volunteering to be a mentor for new signatories of the UN Global Compact. In doing so, we hope again to demonstrate that we firmly support the UN Global Compact and its ten principles.

A handwritten signature in blue ink, which appears to read "Anette Eberhard". The signature is written in a cursive, flowing style.

WHO WE ARE - AND WHAT WE DO

EKF is the Danish Export Credit Agency. EKF is an independent administrative unit under the Danish State, and was established by law in 1999. EKF is managed by an Executive Board of Directors consisting of eight persons appointed by the Minister for Economic and Business Affairs.

EKF offers insurance against the extraordinary commercial and political risks that are not covered by private credit insurance. Furthermore, as from 2009 EKF provides export loans, working capital guarantees and short-term reinsurance guarantees.

For further information on EKF, our activities and markets please refer to www.ekf.dk.

CSR REPORT 2010 - UN GLOBAL COMPACT AND GRI

The purpose of this report is to provide stakeholders with a complete and balanced view of EKF's CSR performance in 2010. The report is targeted at a wide range of stakeholders including customers, financial institutions, ministries and NGOs. In order to address communication requirements of the different target groups EKF's CSR Report 2010 consists of two parts, the "CSR Report 2010" and the "CSR Fact Book 2010". The report provides an overview of the EKF CSR performance in 2010, and the "CSR Fact Book 2010" contains more detailed information on our environmental process and an audit of 13 projects as well as EKF's CSR work and results in 2010.

The report - like our CSR policy (see www.ekf.dk) - is structured according to the triple bottom-line, offering the reader an inside look into EKF's daily work regarding Economy, Environment and People.



The CSR report is published in English and as an online electronic version only which is permanently available on www.ekf.dk. For further information about this report, contact Iben Tjelum, responsible for CSR at EKF: ibt@ekf.dk.



CSR RESULTS IN 2010

CSR RESULTS IN 2010

In 2010, 148 applications were screened for impacts on people and the environment of which 31 projects were considered to have potential significant impacts (category A or B projects) and therefore underwent a full social and environmental review by independent consulting companies. 89 of the 148 applications became guarantees.

Category A and B projects with a contract value for EKF in excess of SDR 10 million or more are

included in the annual audit of project sustainability performed by Grontmij | Carl Bro, an international consulting company. In 2010 this audit included 13 projects.

Furthermore, EKF was at the disposal of approximately 460 exporters via the short term reinsurance scheme, and issued 4 export loans and 79 working capital guarantees during 2010.

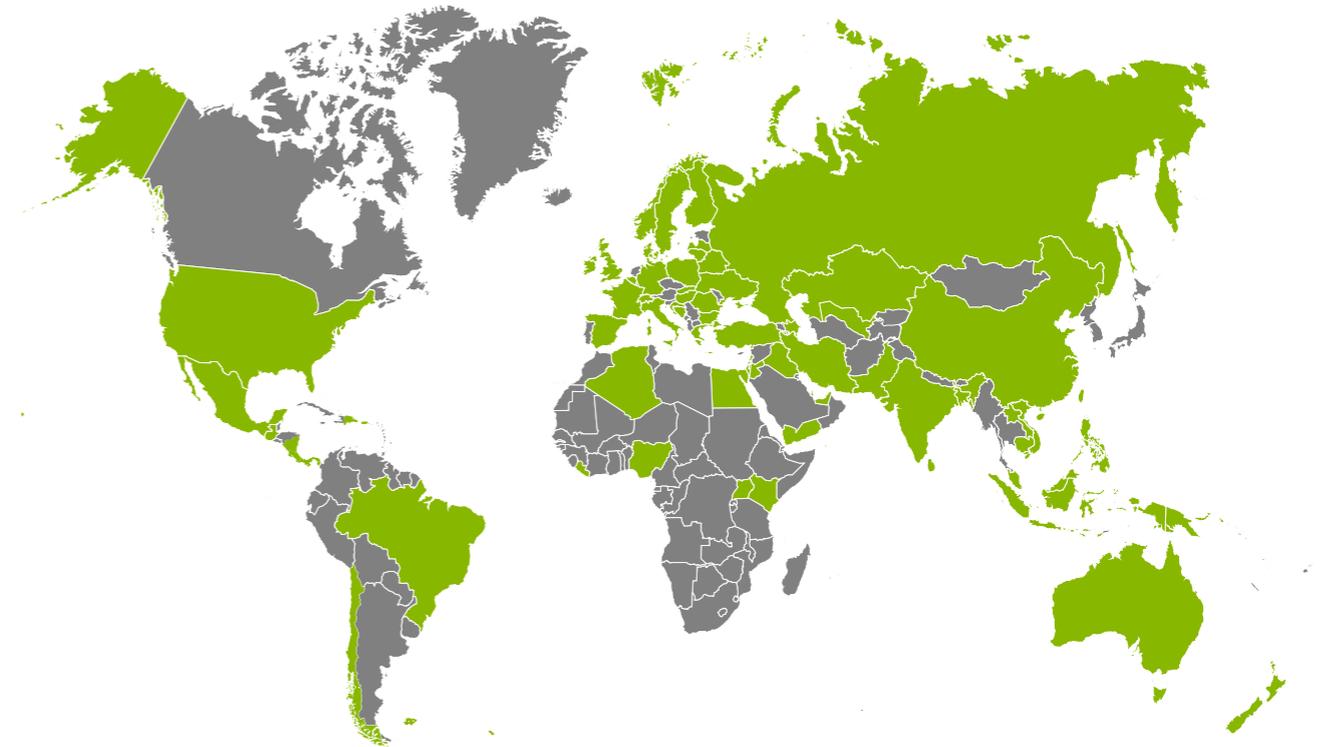


FIGURE 1 > COUNTRIES WHERE APPLICATIONS HAVE BEEN SCREENED DURING 2010

The 148 screened applications related to projects in the following countries: Algeria, Australia, Azerbaijan, Bangladesh, Belarus, Belgium, Bosnia-Herzegovina, Brazil, Bulgaria, Cambodia, Chile, Costa Rica, China, Croatia, Curacao, Denmark, Dominican Republic, Egypt, Finland, France, Germany, Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Jordan, Kazakhstan, Kenya, Laos, Latvia, Lebanon, Liberia, Lithuania, Malaysia, Maldives, Malta, Mexico, New Zealand, Nicaragua, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Philippines, Poland, Qatar, Romania, Russia, Slovakia, Spain, Sri Lanka, Sweden, Switzerland, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, USA, Uzbekistan, Vietnam, Yemen

When assessing EKF's contribution to sustainable development the estimated volume and value of local employment generated in relation to the projects is a key parameter. In 2010, all 13 projects contributed to local employment during the construction phase and 9 during the operational phase. The projects totalled around 1600 man-years, with an estimated value of EUR 13 million.

EKF's contribution to reduction in CO2-emissions related to project involvement is another key parameter. In 2010, the relative reduction in CO2-emissions were 11 million tones.

OPENNESS

Based on an identified challenge in our CSR report 2008, we launched the strategic project "Openness" in 2009. During 2010 first priority was the definitive implementation of our Openness project, turning an identified challenge into a new way of doing business:

EKF's CSR policy states that EKF wishes to be transparent in our business with due respect to customer confidentiality.

The statement is two-sided for EKF: On one hand EKF wishes to inform the broad public about the institution and the results achieved. The public has a general interest in understanding how public money is spent and holding publicly owned entities accountable for their actions.

On the other hand, EKF must weigh the private sector's requests and needs for confidentiality as well as the challenge of collecting accurate and informative data.

According to the Act on Eksport Kredit Fonden the Danish Public Administration Act shall not apply to the activities of EKF. However, EKF acknowledges that the society has evolved towards more openness and transparency. The expectations of what a single individual as citizen or customer should be able to access have risen accordingly. Furthermore, EKF's wish to present EKF as a responsible and accountable organisation stipulates a larger degree of openness and transparency regarding EKF's business.

The scope of the Openness project embraced:

- > an analysis of both selected financial institutions and our peer ECAs and their approach to disclosing information on their area of business and specific guarantees,
- > the creation of a Code of conduct for EKF,
- > an Openness policy,
- > the practical implementation of EKF's new Openness policy on www.ekf.dk.

During 2010 a large task was establishing a methodology for retrieving data from our ERP-system, making them available and establishing new internal procedures to support the Openness policy.

Based on our continuous dialogue with our stakeholders, we have realised, that e.g. NGOs would welcome a larger degree of transparency by EKF, while customers, especially exporters, naturally were more hesitant in respect of the disclosure of details regarding their guarantees. Therefore, the project itself and a draft of the future list of data to be disclosed on each issued guarantee were debated on meetings with a segment of our customers. Furthermore, EKF informed all stakeholders in a news mail prior to the final implementation of the project in July 2010. These initiatives all contributed to the positive reception of our new openness experienced during 2010.

2011 and the coming years will provide EKF with practical experience with our new open and transparent approach. So far, our experience has been good, even though we have a challenge of convincing the buyers in foreign countries of the bliss of transparency when it comes to export credits.

The result of the project including a list of issued guarantees has been accessible to our stakeholders on our web-site www.ekf.dk since summer 2010.

CSR GOALS

EKF has drawn up a number of CSR goals. We use the goals to direct and motivate EKF in the CSR area; and thereby disclosing the management approach to CSR. Additionally, the purpose of the goals is to align our CSR efforts with the business efforts identified in EKF's business strategy 2012. The CSR goals cover our performance according to the GRI indicator areas: economy, environment, labour practices, human rights, society as well as indicators for the financial sector. Furthermore, the goals are in line with our overall approach to CSR; the use of international standards in our work. Goals and results are listed on the next page.

GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
EC 1 Economy	Exposure administered by EKF	DKK 42.9 bn.	DKK 55.6 bn.	DKK 44.5 bn.	DKK 57 bn.	DKK 60 bn.
GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
FS 15 Financial Sector	The number of initiatives from EKF that contribute to improved formulation and/or implementation of international agreements regarding sustainable use of officially supported export credits as defined in our CSR policy	4 initiatives	4 initiatives	5 initiatives	5 initiatives	5 initiatives
GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
SO 3 Social	EKF's introduction programme for all new employees, should contain training in EKF's policies and guidelines regarding anti-corruption	n.a.	100%	100%	100%	100%
GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
FS 10 Financial Sector	EKF engages in interaction with all clients regarding environmental and social issues	100%	100%	100%	100%	100%
GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
EN 16 Environment	Goal will be established during 2010 as a result of the development of a climate strategy for EKF. The goal should address EKF's direct and indirect greenhouse gas emissions.	n.a.	Not achieved	To be defined in EKF's climate strategy.	To be defined in EKF's climate strategy.	To be defined in EKF's climate strategy.
GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
LA 7 Labor rights	Days of absence due to illness (not including long term illness and first and second day of illness of a child)	5 days	4.6 days	Maximum 5 days	Maximum 5 days	Maximum 5 days

GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
LA 10 Labor rights	Minimum number of days, where employees participate in internal or external training and education	3.9 days	4.5 days	Minimum 5 days	Minimum 5 days	Minimum 5 days
GRI Indicator	EKF goal	2009 result	2010 result	2010 goal	2011 goal	2012 goal
HR 1 Human Rights	1. EKF screens all main business applications with regard to human/labor rights as defined by the IFC Performance standards 2. EKF reviews all projects with regard to human/labor rights as defined by the IFC performance standards 3. EKF includes human rights clauses in all projects above USD 10 mio. And in all other projects as necessary as triggered and defined by the IFC Performance standards	74 %	90%	100%	100%	100%

Compared to the performance in 2009, there are improvements on all CSR goals except on EN 16, where the lack of developing a climate strategy has been postponed to 2011/2012. Several of the goals hold room for improvement, proving the goals to be exactly as ambitious as we aimed for.

Due to market demand in 2009 and 2010 EKF established three new types of products, which brought EKF a new insight into the screening of applications. The new products resulted in a clarification of the accounting method of the HR 1 goal as the goal from now on specifically embraces

only EKF's main business and consequently not three of the new products, read more on page 30-31.

PROMOTING CSR IN INTERNATIONAL FORA
In 2010 EKF's focus was on active participation in the ongoing negotiations on the review of the OECD Environmental Recommendation and through EKF's membership of the Equator Principles on contributing to the IFC's work on review of the IFC Performance Standards. EKF wishes to establish the use of the IFC PS as a main benchmark for projects. This would improve

the due diligence of ECA participation in projects and thus ensure a level playing field for Danish exporters.

New issues introduced in 2010 include a more detailed consideration of human rights based on John Ruggie's framework of three core principles "protect, respect, and remedy"; the State duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and the need for more effective access to remedies.

Moreover, EKF continued to play an active role in the negotiations on a revised Sector Understanding on Export Credits for Climate Change and Water Projects under the OECD Arrangement for Officially Supported Export Credits. Greenhouse gas reporting was introduced into the negotiations in 2010 and EKF worked towards simplicity and transparency in reporting of greenhouse gas emissions. The objective of simplicity and transparency is in line with EKF's openness policy.

The negotiations in the OECD on environment and climate will continue in 2011.

As a member of the Equator Principles EKF tested the application of the scope of the principles beyond project finance transactions to

include corporate loans with known use of proceeds. In addition the EPFIs assisted the IFC with the review of the IFC Performance Standards and the OECD with the review of the OECD Environmental Recommendation. EKF also worked towards making more financial institutions embrace the principles. In addition EKF supported the Equator Principles' dialogue with UN Special Representative for Human Rights John Ruggie.

PEER REVIEW

A small peer review has been conducted on the basis of two OECD surveys, respectively the "OECD survey on the Environment and Officially Supported Export Credits" from 2010 and the "OECD survey on Bribery and Officially Supported Export Credits" from 2010.

Focusing on the integration of economy, environment and people in the risk analysis, transparency and anti-bribery measures, the review indicates that EKF performs on average either in line with or better than its peers. However, it should be noted that this is a qualitative evaluation of a general survey.

Members to the recommendation on environmental review and to the recommendation on bribery in relation to export credits are generally complying with the requirements set forward in these agreements. In some cases, however, EKF's internal procedures go further than what is the com-

mon practice among the majority of its peers:

- > EKF's case handling systematically includes environmental and social impacts of exports to existing operations as well as exports which are neither to existing operations nor to projects.
- > EKF requires projects to comply with the IFC Performance Standards.
- > EKF takes a strategic approach to openness with the Openness policy implemented in 2010, and thus discloses information on issued guarantees.
- > EKF produces an annual CSR report containing information on transactions with environmental impact apart from what is required in the OECD guidelines.
- > Already in the application process, EKF informs exporters of the legal consequences of bribery and encourages the development of appropriate management control systems that combat bribery.



THE CHALLENGES AHEAD

THE CHALLENGES AHEAD

In last year's report EKF listed some issues best characterised as challenges, to which EKF should respond in the coming years. The experience of identifying such challenges has been very fruitful. Not only has it helped focus and prioritise our CSR efforts in 2010, it has also supported the CSR work as such and been the primary area of interest from our stakeholders.

During 2010 we have worked on our challenges. One challenge, Openness, is no longer considered a challenge, but has become our new way of doing business.

The CSR work in 2010 again highlighted challenges, to which EKF should respond in the future implementing our CSR policy.

HUMAN RIGHTS

EKF has chosen a principled approach in our CSR policy. All of our transactions on main business are screened to comply with IFC's Performance Standards and IFC's Environmental, Health and Safety Guidelines.

While we recognise that the principles are limited in scope as regards exposure to all of the inter-

nationally recognised human rights the following may be noted:

1. EKF wants to maintain its principled approach to environmental and social standards;
2. EKF believes that internationally recognised and operational standards - defining the private sector's duty to respect - are a necessity for considering all recognised human rights;

However, we currently have no access to principles and standards that enable a satisfactory consideration i.e. operationalisation.

We look forward to the final result of the work of the Special Representative John Ruggie to the UN Human Rights Council. Furthermore, we await the reviews of both the OECD Common Approaches and the IFC Performance Standards. Results that together with the implementation of the Danish Governments' Action plan for CSR hopefully will provide us with a future base and possible operationalisation of our principled approach during 2011.

THE SCALE AND METHOD OF ASSESSING PROJECT SUSTAINABILITY

EKF systematically screens and reviews its portfolio to identify potential impacts on people and the environment in the transactions. However, when performing the annual audit of the sustainability of the EKF project portfolio, only projects classified as category A and B according to the OECD Common Approaches and with a contract value for EKF in excess of SDR 10 million are included.

This means, that even though all A and B projects no matter the size were reviewed according to the IFC Performance Standards, only 13 of the issued 89 guarantees in 2010 are included in the audit - and therefore taken into account in the calculated sustainability impact related to EKF's project portfolio.

Additionally, we are using a methodology for the annual audit outlined in 2002, which given the development in the field since 2002 deserves to be reconsidered and possibly updated.

At a stakeholder-meeting with representatives from industry, government and NGOs, several of the stakeholders requested EKF to consider including more transactions in the audit.

Given the request from our stakeholders and the fact that significant development in calculating

and assessing company impacts on people and environment has taken place since 2002, EKF should reconsider both the scale and the method of estimating the impacts of our guarantees in reports to come.

CLIMATE STRATEGY

The main impacts on economic and environmental sustainability and social responsibility stem from the projects EKF underwrites.

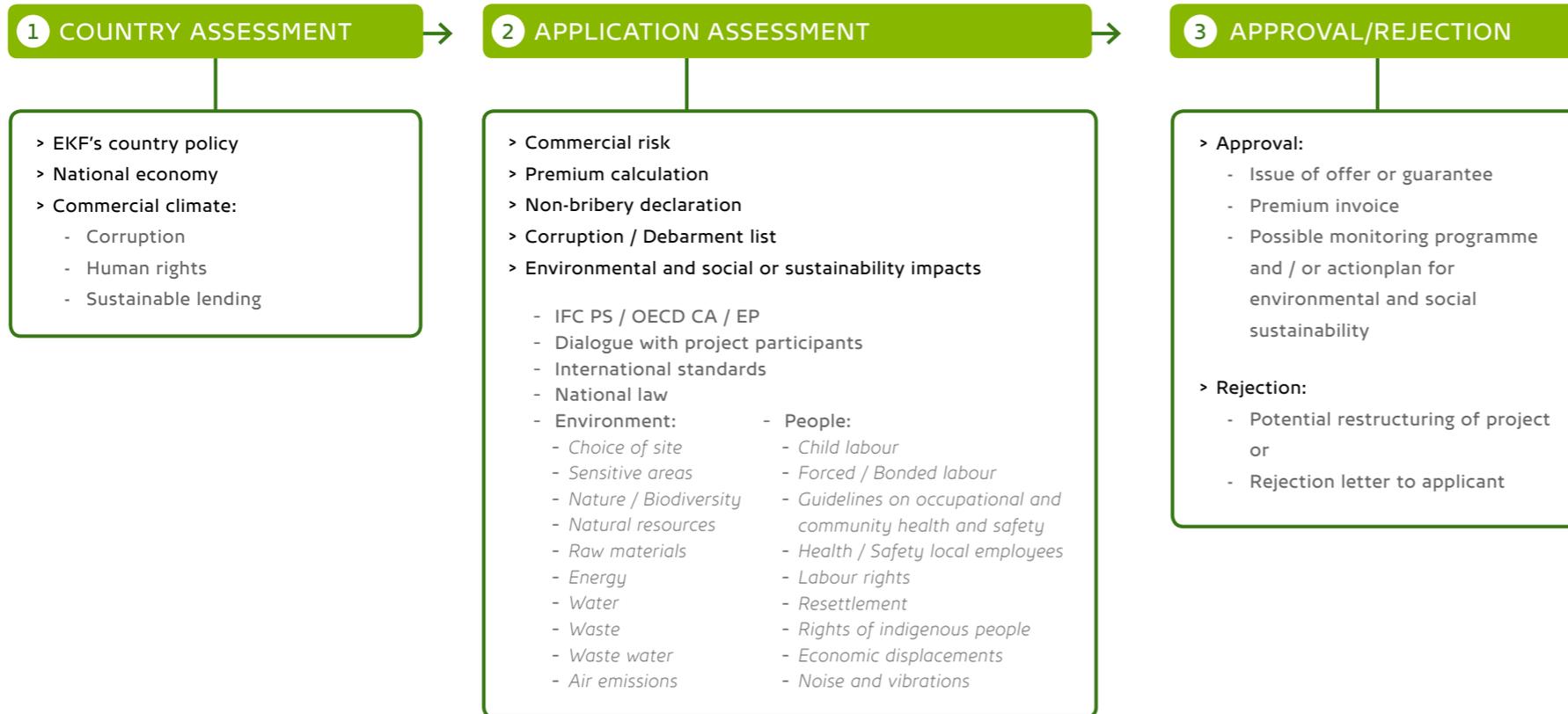
Since 2002, EKF has published an annual audit of the sustainability of the EKF project portfolio, prepared by Grontmij I Carl Bro. Hence EKF either requires data on greenhouse gas emissions from our customers or calculate the emissions on the projects we are asked to guarantee, without having defined our own climate position as a company. This holds a certain amount of irony.

Therefore, it would be a responsible thing for EKF to respond to our own climate footprint by developing an overarching climate strategy incorporating both our external (projects) and our internal climate footprint. As a starting point EKF should chart and systematically calculate our internal emissions of greenhouse gasses. On that basis, initiatives and options should be mapped and thereby constitute the foundation of the development of a climate strategy for EKF.



THE PROCESS OF ISSUING A GUARANTEE

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EKF's business is issuing export credit guarantees, as well as export loans, working capital guarantees and short term reinsurance guarantees. In our guarantee process we apply various aspects of our CSR policy and thus integrate CSR into our core business. Many of our stakeholders enquire about the guarantee process and the application of EKF's CSR policy. Structured according to the triple-bottom line, here is what we do:

ECONOMY

The first step in ensuring application of EKF's CSR policy in the transactions that EKF covers is taken when determining EKF's country cover policy.

EKF's country risk analysis primarily evaluates whether a country is willing and able to fulfil its payment obligations. In addition, an evaluation of the commercial climate of the country helps EKF in our risk assessment of the country and helps EKF to identify areas of potential risk concern. The evaluation of the commercial climate includes, inter alia, corruption indicators based on World Bank Doing Business indicators and indicators on the possible violation of human rights based on e.g. UNDP, Transparency International and Amnesty International. Thirdly, before a project in a Lower Income Country can be considered, EKF's country risk team seeks assurances that their credit decisions are not likely to

contribute to debt distress in the near future in line with OECD's Principles on Sustainable Lending.

The next step is to evaluate the individual application.

EKF performs an evaluation of the commercial risk, being the financial strength of the buyer and/or project in proportion to the amount EKF is asked to cover. The evaluation is based on the borrower's accounts and/or business plans. The commercial risk is classified from A to G, where A is sovereign risk, and G a non-acceptable risk. The extent of the commercial risk analysis of course varies with the size and nature of the individual transaction.

An export credit guarantee is a type of insurance. Therefore, a premium has to be calculated and paid to obtain the requested cover. The pricing is based on the political risk – being the rating of the country the transaction is destined for, and the commercial risk – being the rating of the buyer and/or project. Minimum premiums are agreed within the OECD for the political risks and a new OECD premium model for commercial risk will be implemented as of September 2011.

Prior to issuing the final guarantee, EKF requires that all policy holders sign a non-bribery declaration as well as inform EKF of any corruption

charges or mention on debarment lists, as well as provide information on any agents used in connection with the specific export contract. A due diligence of the project and exporter/buyer will be undertaken by EKF's legal department in the case of any indication of possible corruption.

ENVIRONMENT AND PEOPLE

As regards social and environmental issues, EKF systematically evaluate and reviews the impacts of our transactions on people and the environment. The evaluation is an integrated part of the guarantee process and consists of an assessment of the available documentation and takes place in dialogue with the project participants and applicants.

The new schemes and products from 2009 and 2010 resulted in a differentiated method of systematically processing the assessment of environmental and social impacts:

1. Medium and long term credits (EKF's original main business covered by the OECD Common Approaches) and **EKF short term credits**

All applications undergo an environmental and social screening and all category A and B projects undergo an environmental and social review to check compliance with national laws and regulations as well as the IFC Performance Standards and the IFC Environment, Health and Safety Guidelines.

2. The Export lending scheme – new product in 2009

The export lending scheme is a helping hand to companies that find it hard to arrange financing because the financial crisis has reduced the banks' ability and willingness to grant credit facilities.

All export loans are accompanied by an export credit guarantee and therefore undergo same procedure as our medium and long term credits.

EKF has granted a total of five export loans.

3. Short-term reinsurance – new product in 2009

As a result of the international financial crisis, EKF was asked to establish reinsurance agreements with a number of private credit insurers. The guarantees are all short term guarantees with a tenor of under two years.

EKF requires the exporter to sign an environmental and social declaration stating that environmental and social risks and impacts of the transaction covered are limited by scope and largely reversible.

> **4. Working capital guarantees – new product in 2009**

The working capital guarantee was developed late 2009. The product makes sure that Danish export companies and their sub-suppliers can obtain the necessary working capital financing and guarantees from their banks and ensure continued export of Danish products. The fact that EKF guarantees for the loans makes it easier for the company to obtain credit from the bank.

EKF requires the exporter to sign an environmental and social declaration stating that environmental and social risks and impacts of the transaction covered are limited by scope and largely reversible. EKF issued 79 working capital guarantees in 2010.

5. SME guarantees – new product 2010

Danish companies with under 250 employees can apply for an SME guarantee. The purpose of the SME guarantee is to secure a swift and non-bureaucratic guarantee process for the smaller companies with transactions under DKK 25 million, with regard to EKF's evaluation of both financial and political risks and the way of identifying potential environmental and social impacts.

For all guarantees with a risk amount of DKK 5 million or less which processed by financial partners EKF requires that the applicant fills in a questionnaire regarding risks and impacts to environmentally sensitive areas. Furthermore, the applicant signs a declaration stating that environmental and social risks and impacts of the transaction covered are limited by scope and largely reversible. If the applicant indicates that there are potential risks or impacts EKF will screen the project with regard to environmentally sensitive areas.

For all guarantees with a risk amount of DKK 5 to 25 million EKF requires the applicant to fill in a questionnaire regarding risks and impacts to environmentally sensitive areas and signs a declaration stating that environmental and social risks and impacts in the transaction covered are limited by scope and largely reversible. Based on the questionnaire and the declaration, EKF will screen the project with regard to environmentally sensitive areas.

The product was launched late in the year and therefore no SME guarantees were issued in 2010.

EKF's general assessment identifies whether the transaction could result in potentially significant adverse environmental and/or social impacts and puts the application into one of three categories; A, B or C, as recommended by the OECD CA, IFC and the Equator Principles based on the significance of the identified impacts.

All A and B medium and long term projects with potential significant impacts undergo a full social and environmental review where they are assessed against the IFC Performance Standards on Social & Environmental Sustainability and relevant IFC Environmental Health and Safety (EHS) guidelines, including both general EHS guidelines and sector specific EHS guidelines. In some cases assessments also consider Danish rules and regulation, for example in relation to animal welfare and certain types of air emissions.

The aim is to ensure compliance with national law and international standards for environment and social issues. The purpose of using international standards is to obtain a level playing field among exporters and export credit agencies across the world.

WHEN ASSESSING ENVIRONMENT

An environmental and social impact review includes evaluating the utilization of natural re-

sources and raw materials. Also the nature, choice of site, impact on sensitive areas, energy, air emissions (CO₂, NO_x and SO₂), water/wastewater, materials and waste are included. Finally, the risk of pollution of air, earth, water and nature is evaluated.

WHEN ASSESSING PEOPLE

The Environmental and Social Impact Assessment includes evaluation of labour rights, health and safety for local employees, potential resettlement and economic displacements and analysis whether the rights of indigenous people are duly respected. Included are also the potential uses of child labour and/or forced/bonded labour. The assessment should also show compliance with guidelines related to occupational health and safety and in community health and safety, e.g. as regarding noise and vibrations.

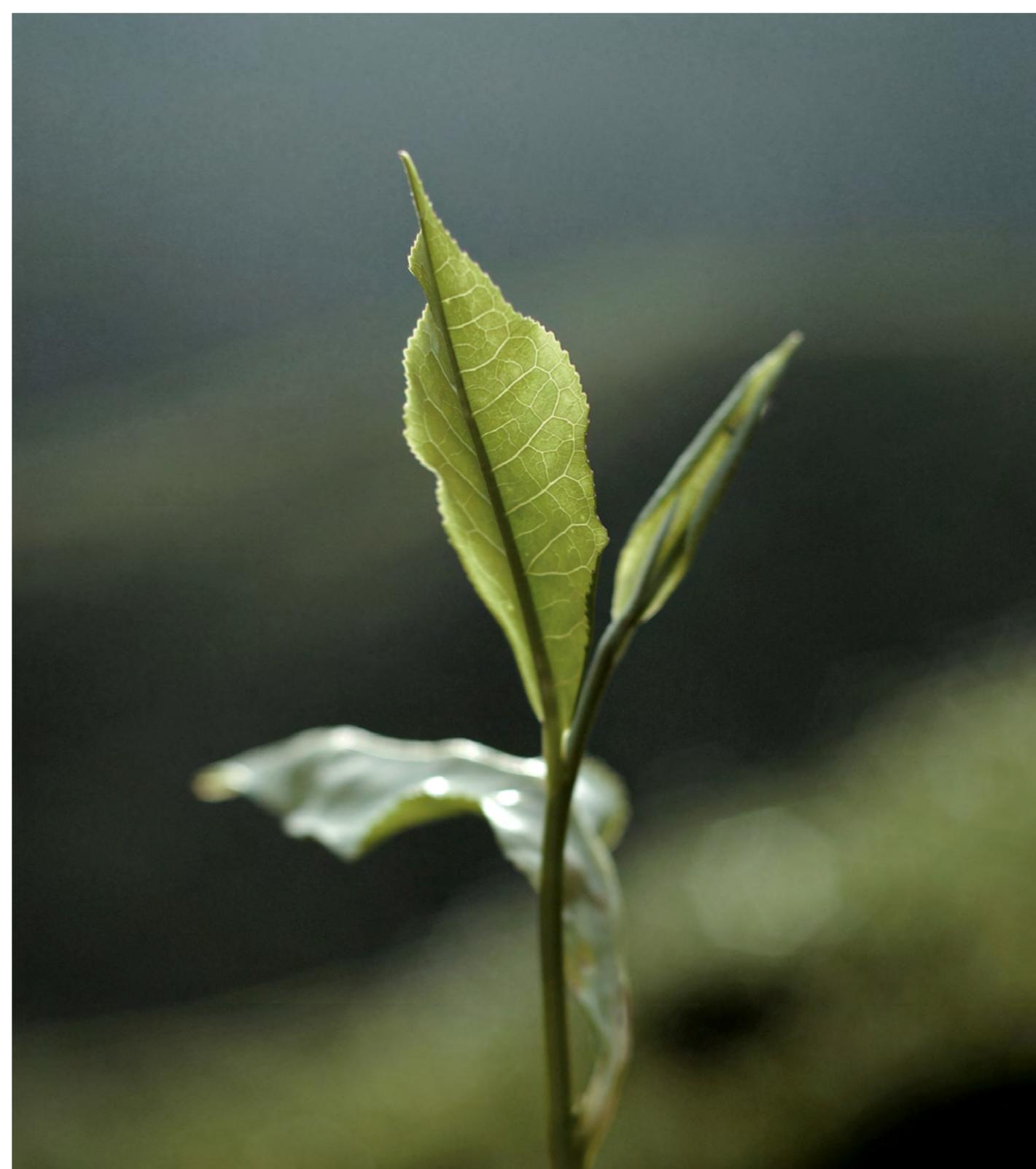
APPROVE OR REJECT?

Based on the overall evaluation of economy, environment and people issues – and in some cases on the conclusions of and recommendations set forth in the social and environmental review by the independent auditor - EKF either approves or rejects an application.

For all approved transactions EKF determines the conditions for cover based on the recommenda-

tions set forth in the social and environmental review or conditions as a matter of EKF policy and practice. The process takes place in close dialogue with the client, either by requiring additional information up front, via covenants in guarantee/loan agreements or by other means. Requirements are typically associated with related social and environmental management programmes and action plans and monitoring of certain aspects of the projects.

The social and environmental reviews conducted in 2010 did not result in any rejections of applications. However, EKF established 19 monitoring programmes and action plans.



SCOPE OF THE REPORT

SCOPE OF THE REPORT

The purpose of this report is to provide stakeholders with a balanced view of EKF's CSR performance in 2010. The report integrates all of our internal and external efforts with regard to CSR. The report is targeted at a wide range of stakeholders with interest in EKF including customers, financial institutions, ministries and NGOs.

The boundaries of this report are set by EKF's sphere of influence. Although EKF does not have outright control over external projects, EKF acknowledges our position and responsibility to influence project design and implementation. This report is thus not limited to traditional boundaries determined by legal ownership and direct control, rather it reflects the "footprint" of EKF and our activities.

The report constitutes EKF's Communication on Progress (CoP) in relation to the Global Compact and the ten principles (www.globalcompact.org), and satisfies reporting requirements set by the OECD and the Equator Principles, to whom EKF has committed to report regarding the environ-

mental sustainability and social responsibility of our actions and transactions.

EKF reports annually - this report contains information pertaining to activities that took place between January and December 2010, and follows the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3 format metrics and requirements, including the supplements for the Financial Services Sector. The report follows GRI application level A, responding to each core G3 and Sector Supplement indicator. An indicator matrix identifying the location of the standard disclosures can be found in the Fact Book.

EKF has chosen to have the application level of this year's report checked by GRI.



Statement GRI Application Level Check

GRI hereby states that **Eksport Kredit Fonden** has presented its report "CSR Report 2010, Factbook 2010" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

29 March 2011, Amsterdam

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

LIST OF ABBREVIATIONS

ABBREVIATION	EXPLANATION
CoP	Communication on Progress
ECA	Export Credit Agency
ECCG	Export Credit Guarantees
EHS	Environment, Health and Safety
EIA	Environmental Impact Assessment
EKF	The Danish export credit Agency Eksport Kredit Fonden
EMP	Environmental Management Plan
EP	Equator Principles
EPFI	Equator Principles Financial Institutions
GC	UN Global Compact
GRI	Global Reporting Initiative
IFC	International Finance Corporation
NGO	Non Governmental Organisation
OECD	Organization for Economic Co-operation and Development
OECD CA	OECD Recommendation on Common Approaches on the Environment and Officially Supported Credits
PS	Performance Standard
SEA	Social and Environmental Assessment
UN	United Nations



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ABOUT EKF

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EKF is the Danish Export Credit Agency owned by the Danish State. EKF consists of one single entity that is situated in Copenhagen, Denmark.

EKF's most important task is to ensure competitive financial conditions for Danish export by providing guarantees and advice in connection with long-term export-financing.

EKF offers insurance against the extraordinary commercial and political risks that are not covered by private credit insurance. The payment risks are connected to Danish exports and/or Danish economic interest to markets all over the world and are, as a general rule, with credit periods of more than two years. Furthermore, as from 2009 EKF provides export loans, working capital guarantees and short-term reinsurance guarantees.

KEY FIGURES 2010

In 2010, EKF again experienced a growth in net total exposure. In year 2010 alone, EKF provided new guarantees for exports and investments abroad for DKK 9 billion. These guarantees have made it possible for Danish companies to export to evolving markets despite high financial risks. EKF's total exposure equalling the quantity of products and services provided increased to the amount of DKK 55.6 billion. Read more in EKF's annual report 2010 on www.ekf.dk.

TABLE 1 FINANCIAL HIGHLIGHTS AND KEY FIGURES

FINANCIAL HIGHLIGHTS, DKK MILLION	2006	2007	2008	2009	2010
Premium income (net sales)	312	245	228	969	827
Administrative expenses (net)	52	55	57	71	78
Technical result	175	137	146	230	329
Net financials	99	56	90	79	213
Net profit/ loss for the year	257	199	247	326	560
Technical provisions (obligations)	729	768	722	1,401	1,697
Equity	2,358	2,557	3,004	3,729	4,386
Distribution of capital	0	0	0	0	0
Exposure administered by EKF	24,123	27,586	30,981	42,893	55,674
Balance sheet total (total assets)	3,163	3,429	3,763	5,176	6,102
KEY FIGURES*					
Equity ratio (%)	75	75	80	72	72
Number of employees, end of year	57	57	62	67	74
Provisions ratio EKF (%)	4	4	4	5	6
Return on equity	12	8	9	9	14

*) The key figures are calculated in accordance with the Danish Society of investment Professionals' "Recommendations and Key Figures, 2005".



EKF AS A
MEMBER OF
THE EQUATOR
PRINCIPLES (EP)

EKF AS A MEMBER OF THE EQUATOR PRINCIPLES

In 2004 EKF adopted the Equator Principles (EP) to support this private sector initiative and to promote environmental and social standards in financial transactions.

EKF has fully adopted the revised 2006 EP. EKF's environmental and social policy approved by the Executive Board ensures that all project finance transactions are screened, reviewed and monitored per the EP and the OECD Common Approaches (CA). At EKF the review of environmental and social risks is an integral part of the project due diligence.

The underwriter is responsible for making sure that all policies and procedural guidelines are followed and 2.5 Environmental Practitioner positions are allocated to provide assistance in this process and to ensure that projects comply with EKF policies and hence the EP and the OECD CA. Introductory and ongoing training of staff in EKF's environmental and social policies and procedures ensures that awareness of standards and procedures is adequate.

The Environmental Practitioners refer to the Legal department. See figure 1.

FIGURE 1 >

The organisation of environmental, social and bribery compliance with the Equator Principles and OECD Common Approaches in EKF



The policies and procedures ensure that applications entailing potential significant adverse environmental and/or social impacts are reviewed by external independent environmental auditors, hereof the majority by Grontmij | Carl Bro. Subsequently all application reviews are approved by either the practitioners, the Executive Board or the Board of Directors depending on the size of the transaction.

The procedures for screening, reviewing, approving and monitoring are illustrated in the chapter Global CSR.

All project finance as well as export finance transaction with total project capital costs of USD 10 million or more are audited in line with the EP.

In 2010 EKF reviewed a total of 7 project finance transactions with total project capital costs of USD 10 million or more, 6 of which were fully funded by 2010 and received EKF commitment as outlined in table 2 below. Furthermore, EKF reviewed a single project finance transaction category B with total capital costs less than USD 10 million.

The two dominant sectors in EKF's overall portfolio in the last years are cement production and wind energy with wind energy increasingly taking over as the main dominant sector. The same sectors dominate EKF's project finance portfolio. In all projects compliance with the EP was co-venanted and annual monitoring on said compliance a minimum requirement.

TABLE 2 > FULLY FUNDED PROJECT FINANCE TRANSACTIONS SINCE THE ADOPTION OF THE EQUATOR PRINCIPLES

Project	Year	Category	EKF's share of financing pct	Standard
Wind park, Norway	2010	B	50	IFC PS and EHS guidelines
Livestock production, Romania	2010	A	100	IFC PS and EHS guidelines
Wind park, Australia	2010	B	45	IFC PS and EHS guidelines
Wind park, Bulgaria	2010	B	50	EU and IFC PS and EHS guidelines
Wind park, Nicaragua	2010	B	27	IFC PS and EHS guidelines
Wind park, Belgium	2010	A	5	EU and IFC PS and EHS guidelines
Wind park, Belgium	2009	B	35	EU and IFC PS and EHS guidelines
Cement, Syria	2009	B	13	IFC PS and EHS guidelines
Terminal, Vietnam	2009	B	44	IFC PS and EHS guidelines
Livestock production, Russia	2008	B	77	IFC PS and EHS guidelines
Wind park, Aruba	2008	B	70	IFC PS and EHS guidelines
Cement, Algeria	2008	B	20	IFC PS and EHS guidelines
Offshore wind park, Holland	2006	B	34	EU
Cement, Pakistan	2005	B	38	IFC PS and EHS guidelines and World Bank safeguard policies
Wind park, South Korea	2004	B	67	IFC PS and EHS guidelines and World Bank safeguard policies
Wind park, South Korea	2004	B	38	IFC PS and EHS guidelines and World Bank safeguard policies

Note: IFC PS and EHS guidelines refer to IFC's Performance Standards, IFC's General Environment, Health and Safety Guidelines and where applicable also sector specific Environment, Health and Safety Guidelines.

The projects are all subject to at a minimum annual monitoring during the construction and operation phases. The monitoring reports are all submitted to EKF for approval.



EKF AND THE STAKEHOLDERS

EKF AND THE STAKEHOLDERS

EKF's initial work on developing a CSR policy began in 2006. An essential part of the development of EKF's CSR policy was the identification and mapping of EKF's stakeholders. This mapping was based on R. Edward Freeman's definition of stakeholders: "Any group or individual who can affect or is affected by the achievement of the organization's objectives". The mapping included an analysis of each stakeholder's potential interest in, and influence on EKF.

EKF acknowledges that such a mapping is dynamic, meaning that EKF continuously considers which stakeholders to include in our ongoing dialogue. The mapping has identified the following stakeholders with both high interest in and influence on EKF. The listed stakeholders were invited to an external consultation on EKF's new CSR policy in 2008. EKF does not yet have an overarching policy for stakeholder dialogue.

STAKEHOLDER GROUP	NATURE AND FREQUENCY OF DIALOGUE - CSR-RELEVANT EXAMPLES
EKF employees	Survey of the physical and psychological working environment every other year. Ongoing information and feedback on EKF's CSR work on the intranet. 8 yearly meetings with the participation of all staff members and management on business strategy and goals as well as EKF's CSR work including new policies e.g. CSR Report, Policy on Environmental and Social impacts etc. CSR meetings every second month in the internal CSR group consisting of representatives from all departments in EKF.
EKF management	Ongoing information, feedback and approval of EKF's CSR work, including new policies related to CSR and CSR activities to be launched.
Board of Directors	Feedback and final approval of CSR reporting on the Board of Directors' meeting in March each year. Final approval of essential policies when produced e.g. Openness policy and Policy on Environmental and Social impacts.

Customers / Exporters Financial institutions	Meetings and telephone conversations on a regular (often daily) basis on each application concerning all potential risks related to the transaction, see CSR Report, page 26. Invited to external consultations on new policies e.g. CSR policy and Policy on Environmental and Social impacts. As member of the Equator Principles EKF participates in relevant meetings and hearings on the principles. EKF is a member of the UN Global Compact Nordic Network as of 2010 and are planning to participate in the meetings in the network.
Civil society organisations (CSOs: NGOs and Trade organisations)	Yearly OECD consultation on environmental and social impacts of export credits. CSOs are invited to external consultations on new policies e.g. CSR policy and Policy on Environmental and Social impacts. Feedback from NGOs on EKF's CSR work and reporting obtained in 2010 at a business network meeting on CSR. Telephone conversations as well as dialogue meetings whenever CSOs request additional meetings.
Ministries	Ongoing dialogue on EKF's Danish mandate as regards to export credits and CSR related issues e.g. environment. EKF input to the establishment of national legislation and strategy for sustainable growth ¹ . EKF participates in a working group with representatives from several ministries on CSR. The group meets once or twice a year.
ECAs	Export credits are regulated in the EU and OECD and as such EKF meets regularly with ECAs and relevant ministries of other countries to discuss CSR issues and guidelines on e.g. environment, anti-bribery, sustainable lending and human rights. Further, EKF participates in a learning network on implementation of the guidelines in OECD. This network meets twice a year. EKF participates in the renegotiations of the Recommendation on Common Approaches on the Environment and Officially Supported Export Credits. EKF is also a member of the Berne Union, where CSR issues are addressed as requested by participants. Meetings and telephone conversations on individual projects involving other ECAs than EKF as required. Nordic yearly meetings on the daily handling and challenges related to export credits e.g. the assessment of environmental and social impacts.

EKF's stakeholder dialogue produces useful input to EKF's way of doing business. The variety and number of topics are comprehensive ranging from e.g. EKF's dress code to the default clauses stated in the guarantees. From a CSR perspective, the key topics arising in 2009-2010 from our dialogue with stakeholders are: *Openness* and *The scale and*

method of assessing project sustainability and EKF's work for an international level playing field within the ECA-world. All three topics are addressed in this report.

¹ > E.g. The Danish Council on Corporate Social Responsibility: Regeringens strategi for virksomheders samfundsansvar 2011-2013



INTERNAL CSR

INTERNAL CSR

The main impacts on economic and environmental sustainability and social responsibility stem from the transactions EKF underwrites. Nonetheless, EKF pays close attention to the impacts from EKF's own operations over which EKF exerts full control and responsibility. The main direct environmental issues are assessed to be: emissions to the air of CO₂, SO₂ and NO_x from use of electricity, heat, and air transport.

EKF currently does not have an overarching purchasing policy incorporating requirements as regards environmental and social issues. Although limited in scale EKF uses a number of suppliers for procuring 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 Policy (SKI¹).

EKF's CSR policy embraces EKF's single business unit and contains a clear statement on anti-corruption and EKF's personnel manual defines EKF's

¹ > SKI includes a variety of energy effective and climate sensitive products and services, which can help reduce CO₂ emissions. Furthermore, SKI includes environmentally sensitive products labelled according to Nordic and European standards.

position towards receiving gifts etc. All employees have been trained in these policies, and to secure a continued focus on the topic EKF has chosen to formulate a CSR goal concerning the training of new personnel in anti-corruption.

EKF has set standards for external consulting and auditing. Grontmij | Carl Bro is obligated to comply with a CSR policy, by which the consultant must consider values as human rights, labour rights, environment and anti-corruption in relation to their services. Furthermore, the consultancy is subjugated to conventions on equal terms as is EKF, such as the OECD convention on anti-corruption.

In 2010 a voluntary donation of USD 500 was made in support of UN Global Compact.

ENVIRONMENT

RESOURCE CONSUMPTION

EKF's offices are placed on the third floor of an old restored warehouse consisting of four floors. The offices are rented, and are situated in the city of Copenhagen and thus, not in, or adjacent to, projected areas or in areas of high biodiversity.

As no separate accounts are kept for the EKF office, EKF's consumption of energy and water is estimated as a proportionate share of the total consumption based on EKF's share of the building's total m². The building is energy labelled as B-level² indicating low energy consumption.

Table 3 provides an overview of the environmental impact of EKF in 2008, 2009 and 2010, including the impact per employee for 2010. Actions have been taken to decrease resource consumption in EKF, e.g. conference call equipment, water saving toilets and energy saving light bulbs. Automatic switch sensors have also been installed.

² > The energy label is based on categories A to G, A indicating the lowest energy consumption.

EKF's consumption of energy is provided by Dong Energy A/S (www.dongenergy.dk) and originates from coal, oil, natural gas, biomass and windpower. EKF's water consumption consists only of tap water used for the offices and is delivered by Københavns Energi (www.ke.dk). The water is discharged through the sewerage system of Copenhagen and is treated on a wastewater treatment plant operated by Københavns Energi.

TABLE 3 > ENVIRONMENTAL IMPACT

	2008	2009	2010	Per employee 2010
RESOURCE CONSUMPTION				
Electricity consumption (MWh)	197.90	156.41	154.00*	2.08
Heat consumption (MWh)	171.82	181.80	223.56*	3.02
Water consumption (m ³)	459	479	479	6.48
Paper consumption (tonnes)	3.68	4.14	3.49	0.047
Transport by taxi (1000 km)	8.37	4.08	4.35	0.059
Transport by domestic courier (1000 km)	0.86	1.32	1.63	0.022
Transport by flight (1000 km)	1,199.49	822.88	1266.01	17.11
EMISSIONS				
CO ₂ emissions (tonnes)	307	232	296	4.0
SO ₂ emissions (tonnes)	0.110	0.085	0.103	0.0014
NO _x emissions (tonnes)	0.625	0.459	0.638	0.009

* Estimated

EKF's solid waste is sorted into main categories, paper, plastics, recyclable materials etc. The bulk of solid waste is made up by unrecyclable flammable waste and paper. The environmental impact of paper is accounted for under paper consumption.

Furthermore, hazardous waste such as batteries and IT hardware is collected separately and disposed of in an environmentally responsible manner.

TABLE 4 > SOLID WASTE MANAGEMENT 2008-2010

WASTE	WASTE		
	2008	2009	2010
Flammable	7.87	10.92	9.81
Cardboard for recycling	0.34	0.52	0.54
Miscellaneous waste for sorting	0.19		
Paper for recycling	1.88	2.60	1.69
Electric and electrical products	0.34	0.22	0.30
Bottles/glass and packing glass	0.10	0.07	0.04
Plastic for recycling	0.19		
IN TOTAL	10.91	14.33	12.38

AIR EMISSIONS

Emissions of CO₂, SO₂ and NO_x from EKF's offices are primarily due to the consumption of electricity and heat and due to transportation.

The total calculated emission from EKF in 2010 is 296 tonnes CO₂ or 4.0 tonnes per employee. Approximately 57% of the CO₂ emissions are due to air transport, compared to 40% in 2009. Air emissions related to air transport are therefore the largest single source of emissions. The incre-

ase in air emissions in 2010 compared to 2009 is primarily due to increased air transport in 2010, although heat consumption, transport by taxi and local courier also contribute to higher overall emissions.

Approximately 74% of the NO_x emission and 45% of the SO₂ emission also stem from air transport, which is a larger proportion of the overall emissions than last year.

ELECTRICITY AND HEAT

The emission factors for electricity are based on the 200% method to be consistent with emission factors for district heating. Energinet.dk also provides another method based on 125% heat recovery. To use emission factors based on the 125% method would reduce the environmental impact of electricity consumption in environmental reporting, but would not be consistent with the emission factors used for district heating³.

TRANSPORT BY TAXI AND COURIER

Assumptions for taxis and domestic couriers: 17 km/litre diesel and 2.65 kg CO₂/litre diesel, equal to 156 g CO₂/km. Euro-norm III: 0.54 g NO_x/km, according to The Danish Environmental Protection Agency, www.mst.dk

AIR TRANSPORT

The emissions of CO₂, SO₂ and NO_x from transport by air have been calculated based on general assumptions and do not take into consideration the type of aircraft, age of aircraft, number of occupied seats etc. The emissions data are not 100% accurate, but can nevertheless be used as an indicator and it fully reflects the trend in emissions.

The calculation of the climate impact in CO₂ equivalents is based on the RFI-factor used by the environmental organisation Mitt Klima (<http://mittklima.no>), where the RFI-factor is 2.0.

3 > <http://www.miljorapport2007.dk>

<http://www.energinet.dk>

<http://www.ke.dk>

<http://www.mst.dk>

The nature of EKF's business with a large project portfolio spanning the world necessitates international travel for meetings, site visits, project audits etc. The need for travelling is highly influenced by the nature of projects and can therefore change from year to year. EKF also continuously assesses the need for international travel. The number and distance of air travels increased from 2007 to 2008 but decreased again to below 2007 levels in 2009. The number and total distance of air travels has increased again in 2010 and is the highest

seen over the four-year period. Consequently air emissions related to air travel have increased. This increase in travel is due to continued increase in EKF's core business with 89 guarantees issued in 2010 compared to 70 in 2009.

The calculated emissions from EKF offices make up just a fraction of the estimated reduction related to EKF's project portfolio. The CO₂ emissions related to EKF's office operations are calculated as 296 tonnes, whereas, the relative

reduction from the audited projects is calculated as 10,970,000 tonnes. The EKF office proportion is therefore only 0.0027% of the audited project's emissions. Environmental and social impacts related to EKF's project portfolio are discussed in the chapter Global CSR.

PEOPLE

EMPLOYEES

The total number of employees in EKF is 74, as per 31 December 2010. All EKF employees are situated in the same of place of employment in Copenhagen.

EKF practices an "open-door" policy where employees are free to contact top management directly. The organisation has a flat structure and the spoken tone is informal. All meeting records from manager meetings and works committee meetings are freely available on the intranet.

EKF complies with Danish law on all employee matter such as freedom of association, collective bargaining, layoff policy, notice periods, health and safety, salaries etc. 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 of which represent management whereas four members represent employees and being 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 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. The latest assessment in EKF was carried out in 2010 and will be repeated in 2012. The assessment showed a medium-to-high level of job satisfaction in EKF. Follow-up department-specific action plans have been formulated in order to improve the job satisfaction in EKF further. Additionally, the level of job satisfaction has been incorporated in EKF's strategic goals in Strategy 2012.

TABLE 5 > EMPLOYEE DATA

	2007	2008	2009	2010
STAFF DIVERSITY				
Number of employees, end of year	54	64	70	74
Percentage of women in workforce (%)	50.0	46.9	47.1	45.9
Percentage of women in management (%)	27	27	25	25
Percentage of employees with a master degree	75.9	79.7	80	79.7
Percentage of employees with ethnic minority ⁴ background	3.7	4.6	2.9	2.7
Average age	42.5	42.4	41.8	41.3
Average years of service	9	8	6.7	6.4
WORK-LIFE BALANCE				
Women working part-time	2	2	2	2
Men working part-time	1	0	1	1
Number of flex jobs	0	0	0	1
Number of employees on paid maternity leave during the year	2	1	2	4
Number of employees on paid paternity leave during the year	2	3	4	9
Leave of absence granted for other reasons (number of employees granted leave of absence during the year)	1	1	1	1
Leave of absence not granted	0	0	0	0
HEALTH AND SAFETY				
Average number of days lost through illness per employee ex. long term illness	4.2	4.3	5.0	3.5
Average number of days lost through illness incl. long term illness (>30 days) per employee	4.8	10.3	9.1	4.6

4 > 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% of employees being from ethnic minorities.

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)	0.6	1.2	0.9	1.1
COMPETENCY DEVELOPMENT				
Number of days spent on training and education per employee	6.7	5.2	3.9	4.5
<i>Of which days spent on internal activities</i>	3.1	2.7	1.9	1.7
<i>Of which days spent on external activities</i>	3.6	2.5	2.0	2.8
Average amount spent on competency development per employee (DKK)	24,289	13,466	22,494	16,336
RATIO OF SALARY MEN TO WOMEN				
Group 1: Employees with education less than a master degree	n.a.	n.a.	n.a.	0.97
Group 2: Employees with a master degree	n.a.	n.a.	n.a.	1.25
Group 3: Management	n.a.	n.a.	n.a.	1.20

EKF aims to ensure diversity and equality at the work place. This year EKF has chosen to disclose the ratio of basic salary men to women by employee category. The numbers show that there is a high degree of equal remuneration in the organisation. Of the three groups, two stands out: Group 2 and 3. The ratio calculated for Group 2 indicates that women's salary is 25% higher than men with same seniority. Group 2 is by far the largest group of EKF employees (50 out of 74). The group therefore includes employees with a variety of professions and areas of responsibility. The higher salary of women in this group is due to employment of several very qualified younger women. Their salary is based on their high degree of

expertise in professional areas which are highly valued by EKF and the job market in general. Group 3 consists of the 12 persons in EKF's management. A ratio of 1.20 indicates again that the women in the group achieve a higher salary than the men. However, the dominant factor in this group is that EKF's CEO is a woman.

EKF aims at being an attractive employer, both relating to recruitment and retention of employees. Part of the EKF staff policy focuses on work-life balance and continued competency development in order to attract, recruit and retain highly qualified employees. Furthermore, EKF offers a number of benefits to all our employees.

TABLE 6 > EMPLOYEE BENEFITS

BENEFIT	
Working hours	Working hours are based on a 37-hour-week with flexible hours. Lunch break (0.5 hours) is included in the paid working hours. Furthermore, employees are given a yearly day off, the so called 'EKF-day'
Competency development	In 2010 an average of DKK 16,336 were spent per employee on competency development
Individual development account	Every employee has their own personal development account, covering personal and professional training needs
Work space	EKF invests in art for the premises and ergonomically correct workstations. An occupational therapist visits EKF on a regular basis and enters into dialogue with each employee in order to prevent bad work postures
ADSL-connection	All employees have the opportunity to have a free ADSL connection installed in their homes as well as a free subscription and a PC
Health insurance	All employees are offered a private health insurance
Travel insurance	Employees travelling for business are offered a travel insurance for accompanying spouse and children
Fruit	Fresh fruit is delivered twice a week
Coffee & tea	Free coffee and tea is offered
EKF seminars, support to staff activities	EKF supports summer parties, Christmas parties, department and EKF seminars as well as other arrangements e.g. football teams and DHL-relay race. EKF declares the support according to Danish tax law
Equipment	EKF supports the participation of EKF teams/employees in business sports events by providing employees with sports gear, bags etc. with EKF logo. EKF declares the support according to Danish tax law
Mobile phone	Employees are offered a mobile phone. Payment follows the Danish tax law
Smoking room	For employees who are smoking a smoking room with a smoke cabin is available
Other	EKF offers football table games, Wii and shoe shining machine at the premises. Furthermore, there are massage and dry cleaning with employee payment available
Bonus	In relation to the yearly salary negotiations a yearly bonus is calculated on basis of the degree of accomplishing the business plan, see the Annual report on www.ekf.dk
Assignment salary	Assignment salary is paid for expected overtime

As part of EKF's aim at decreasing the turnover of employees all employees who leave EKF are asked to fill in a resignation form, followed by a resignation interview with the CEO.

Employee turnover in 2010	Under 30	30-39	40-49	50-59	Over 60	Total turnover (%)
Men	0	0	2	0	1	7,5
Women	0	2	0	1	1	11,76
All employees	0	2	2	1	2	9,63

WORK-LIFE BALANCE

The concept of work-life balance concerns the individual employees' ability to distribute time and resources between their work and other areas of life such as family and leisure activities. Work-life balance is however not easily implemented as a standard. The right balance varies according to the individual employee and according to stages in life.

Ensuring work-life balance for our employees continues to be a challenge for EKF as a knowledge-based company. With new technologies, employees can work everywhere at any time. This poses a challenge for EKF in terms of setting guidelines for what is expected from the individual employee and defining what counts as working hours, in order to prevent stress among employees.

As part of a focus on work-life balance EKF

registers home-based working hours in order to document the use of home-based working hours and assure that EKF has the optimal setup for home-based work.

EKF pays due attention to the burden of work on each employee and the presence of stress in the organisation, and several activities have been held in order to create awareness among employees and provide tools for discovering symptoms of stress, including courses on prioritising time, meditation and offering employees external guidance through AS3/work care. In case of stress symptoms among employees, EKF offers psychologically assistance through the private health insurance and develops a plan for how to retribute the employee, 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.

COMPETENCY DEVELOPMENT

EKF considers the employees to be our most valuable resource and wants to offer employees ample opportunities for maintaining and developing their competences. Focus is therefore on a continuous development of each employee's competences through strategic and systematic competency development. A continuous development of human resources is essential in achieving the goals set by EKF.

Each year a performance review with employees and management is held, in order to discuss last year's performance and future assignments and goals. Another aspect of the dialogue meeting is to agree on personal development plans including both internal and external development activities. The aim is to ensure the employee's personal and professional development in a long-term perspective and at the same time to support the EKF strategy. Employees and management share joint responsibility for the implementation of the individual development plan.

The yearly performance review with the superior also applies to EKF's top management. The CEO hosts reviews with the two Deputy CEOs and the chairman of the Board of Directors hosts a review with the CEO. The reviews in general have a broad agenda, where various topics are addressed, such as EKF's strategy, economy and environmental and social activities and the employee's knowledge in this respect. On this basis competency development of the individual employee is planned.

The ongoing education process includes both internal and external activities. The internal activities include training of new employees in e.g. EKF strategy, values, approach to CSR and products.

One of EKF's ongoing challenges is to deal with the loss of highly specialised employees. Their knowledge can be difficult to pass on. Focus is therefore not only on the development of the employees' competences but also on anchoring new knowledge within the organisation.



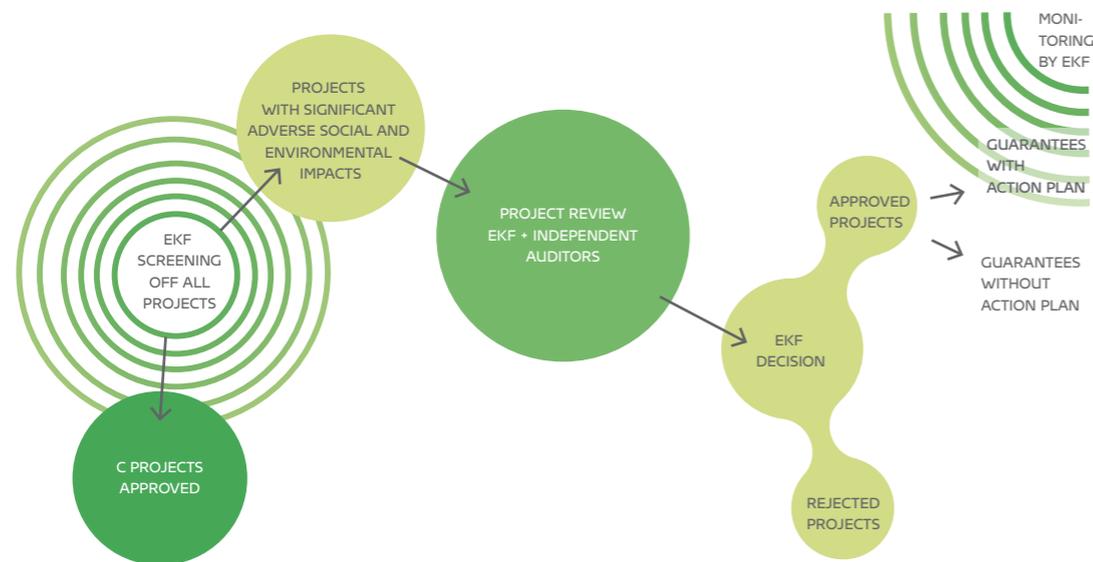
GLOBAL CSR

GLOBAL CSR

Since 2001, EKF has systematically screened and reviewed the potential impacts related to our project portfolio, on people and the environment. A screening of the environmental and social impacts is carried out based on an assessment of the available documentation and in dialogue with the project participants and applicants.

The new schemes and products from 2009 and 2010 resulted in a differentiated method of systematically processing the assessment of environmental and social impacts. Applications entailing potentially significant impacts go to a full review following the OECD CA and the Equator Principles with the aim to ensure compliance with international standards for environment and social issues.

FIGURE 2 > PROCESS FOR ASSESSMENT OF ENVIRONMENTAL AND SOCIAL IMPACTS OF EKF'S PORTFOLIO



INITIAL SCREENING AND CLASSIFICATION OF APPLICATIONS

Every year EKF receives a number of applications for financial services. The screening process identifies whether the transactions could result in potentially significant adverse environmental and social impacts and puts the application into one of three categories; A, B or C, as recommended by the OECD CA^{2/}, IFC and the EP based on the significance of the social and environmental impacts.

Project finance transactions are also classified according to the EP^{3/} following the IFC classification process. The definition of project categories is almost identical for the OECD CA and the EP. The main difference is that the OECD classification is ex ante, i.e. classification of potential impacts and the classification dictates the audit process whereas the classification following the EP (following IFC standards) is ex post and reflects actual impacts. The OECD sets out an illustrative list of category A projects.

Category A: an application is classified as Category A if the transaction has the potential to involve significant adverse environmental and social impacts. These impacts may affect an area broader than the sites or facilities subject to physical works. Category A includes e.g. projects in sensitive sectors or projects located in or near sensitive areas.

Category B: an application is classified as Category B if the transaction involves potential environmental impacts which are less adverse than those of Category A transactions. Typically, these impacts are site-specific, few if any of them are irreversible, and mitigation measures are more readily available.

Category C: an application is classified as Category C if it is likely to entail minimal or no adverse environmental impacts.

SOCIAL AND ENVIRONMENTAL REVIEW PROCESS

The applications relate to different types of transactions which in turn require different types of EKF products.

Some transactions are related to exports of goods (dubbed non-projects) while others are related to projects, such as the establishment or significant renovation of plants (dubbed projects).

The potential social and environmental impacts from non-projects transactions are limited and thus most of them are classified as Category C.

All applications identified as projects and/or classified as category A or B are sent to our independent auditor for a detailed social and environmental review in line with OECD CA guidelines and in case of project financing also the EP, where

they are assessed against the IFC Performance Standards on Social & Environmental Sustainability and relevant IFC Environmental Health and Safety (EHS) guidelines, including both general EHS guidelines and sector specific EHS guidelines.

In the absence of relevant IFC EHS guidelines or when they are not considered to include specific guidelines or benchmarks relevant to the project, projects or aspects of projects may also be assessed against other available standards and guidelines. The main alternative standards considered are the EU BREF^{4/} (Reference Documents on Best Available Techniques (BAT)). In some cases assessments also consider Danish rules and regulation, for example in relation to animal welfare.

The review process aims to ensure that the project complies with international best practise standards as well as local laws and regulations. As needed Grontmij | Carl Bro draws up requirements, if any, concerning environmental and social action plans for the project and assesses the subsequent monitoring requirements. Some project reviews also include site visits focusing on social and environmental issues, in particular in relation to projects considered to entail potentially significant risks or impacts.

Based on the conclusions of and recommendations set forth in the social and environmental review by the independent auditor, EKF either approves or rejects the respective application.

For all approved applications EKF determines the conditions for cover based on the recommendations set forth in the social and environmental review or conditions as a matter of EKF policy and practice. The process takes place in close dialogue with the client, either by requiring additional information up front, via covenants in guarantee/loan agreements or by other means. Requirements are typically associated with project related social and environmental management programmes and action plans and monitoring of certain aspects of the projects.

ANNUAL AUDIT OF PROJECT SUSTAINABILITY
Since 2002, EKF has published an annual audit of the sustainability of the EKF project portfolio, with the aim to provide an indication of the sustainability impact related to EKF's project portfolio each year. Of the total list of approved applications in each particular year, projects classified as category A and B according to the OECD CA and with a contract value for EKF in excess of SDR^{1/} 10 million are included in the annual sustainability audit. The number of projects included in a year's audit depends on the applications EKF receives. However, as listed in CSR Report 2010 EKF is

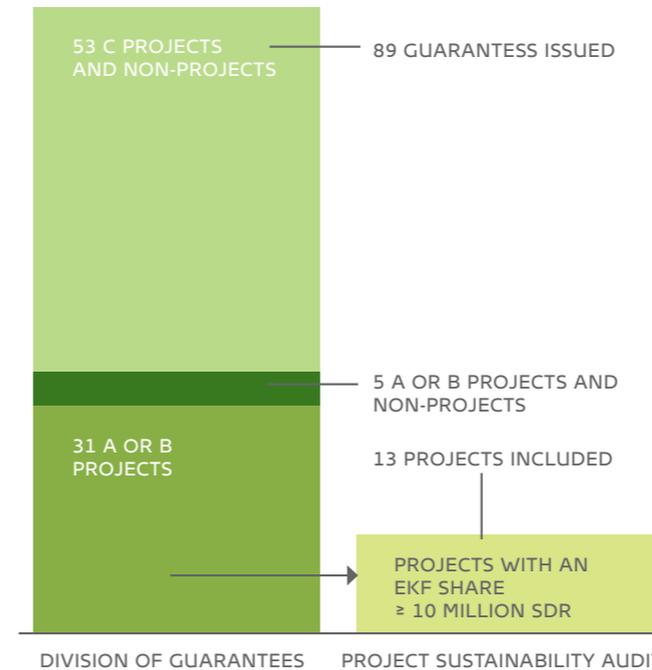
considering the method and scope of the calculations of project sustainability.

EKF issued a total of 89 guarantees in 2010 out of the 148 transactions that were processed. Not all applications result in guarantees being issued. This is due to a variety of reasons such as periodisation, unsuccessful tenders etc. The guarantees relate to both project and non-projects. Of the 89

guarantees issued in 2010, 31 were classified as category A or B projects, 5 were classified as category A or B short term letters of credit and the rest were classified as category C.

In 2010 the sustainability audit included 13 projects.

FIGURE 3>



Distribution of guarantees issued in 2010 by A, B and C projects and non-projects and how that relates to the projects included in the annual audit of project sustainability

PROJECTS INCLUDED IN THE ANNUAL SUSTAINABILITY AUDIT
EKF contributed to the financing of 13 projects in 2010 which were eligible for inclusion in the an-

nual sustainability audit compared to 18 projects in 2009. The number of projects by sector included in the detailed analysis since 2002 is listed in the table below.

TABLE 7 > PROJECTS INCLUDED IN THE AUDIT: TYPES AND NUMBER

YEAR	PROJECT TYPE	NUMBER
2010		
	Cement plants	1
	Power plants	1
	Wind farms	8
	Infrastructure - land reclamation	1
	Agri-food projects	2
TOTAL		13
2009		
	Cement plants	3
	Wind farms	3
	Power plants	2
	Ships	4
	Harbour infrastructure	2
	IT network infrastructure	1
	Agro-food projects	2
	Other - general industry	1
TOTAL		18
2008		
	Cement plants	2
	Wind farms	3
	Oil & Gas	1
	Agro-food projects	2
TOTAL		8

>

2007	Cement plants	3
	Wind farms	3
	Airports	2
	Distribution facilities	1
	Agro-food projects	1
TOTAL		10
2006		
	Cement plants	9
	Wind farms	6
	Power plants	1
	Ships	1
	Harbours	2
	Light rail	1
	Agro-food projects	3
TOTAL		23

ANNUAL PROJECT SUSTAINABILITY AUDIT

This chapter describes the results of the annual sustainability audit of EKF's project portfolio in 2010. The criteria for the selection of projects in the audit aim to support our purpose of the audit - to give an indication of the sustainability impact related to EKF's project portfolio each year. The audit reflects the 13 projects listed in table 7 above and is based on the respective social and environmental reviews. In addition to a general discussion about the sustainability aspects of the projects, the audit also presents a number of quantitative indicators with the aim to reflect signi-

ficant social and environmental impacts related to the project portfolio, in particular related to air emissions, resettlement and local employment impacts.

TRIGGERING OF IFC PERFORMANCE STANDARDS
The social and environmental reviews assess project performance against the IFC Performance Standards on Social & Environmental Sustainability:

PS1: Social and Environmental Assessment and Management Systems

PS2: Labor and Working Conditions

- PS3: Pollution Prevention and Abatement
- PS4: Community Health, Safety and Security
- PS5: Land Acquisition and Involuntary Resettlement
- PS6: Biodiversity Conservation and Sustainable Natural Resource Management
- PS7: Indigenous Peoples
- PS8: Cultural Heritage

and may be reflected in fewer of the Performance Standards triggered.

As seen in table 8 most projects trigger PS1-3 while a smaller number of projects trigger the other PSs, with PS5, PS7 and PS8 seldomly triggered.

Table 8 presents how the different projects included in the sustainability audit 2010 trigger the IFC Performance Standards, or in other words, if the respective projects were considered to have potentially significant impacts related to the respective PSs. Triggering of a particular PS, however, does not necessarily imply that the project will have significant impacts related to that PS, but rather that it has the potential to have so. The triggered PSs therefore are of special focus in the environmental and social review process.

Projects located in EU and other high income OECD countries are generally considered to be in line with the IFC Performance Standards, as local legislation and enforcement in those countries is considered equal or more stringent than the IFC Performance Standards. The review process for projects in those countries is therefore more streamlined focusing on key significant issues,

TABLE 8 > OVERVIEW OF HOW THE DIFFERENT PROJECTS INCLUDED IN THE SUSTAINABILITY AUDIT 2010 TRIGGER THE IFC PERFORMANCE STANDARDS

IFC PERFORMANCE STANDARDS TRIGGERED BY THE PROJECT									
PROJECT TYPE	Project Category ⁵	PS1	PS2	PS3	PS4	PS5	PS6	PS7	PS8
Cement plant	A	x	x	x	x		x		
Thermal power	B	x	x	x					
Wind power	B	x	x	x	x		x		
Wind power	B	x	x	x	x	x	x		x
Wind power	B	x	x	x	x		x		
Wind power	B	x	x	x	x		x		
Wind power	A	x		x			x		x
Wind power	B	x							
Wind power	A	x							
Wind power	B	x	x				x	x	
Infrastructure - land reclamation	A	x	x	x	x		x		
Agribusiness	B	x	x	x					
Agribusiness	B	x	x	x					
		13	10	12	8	1	10	1	2

⁵ > The classification is based on the OECD categorisation. Project finance transactions are also classified following the IFC classification process. The main difference is that the OECD classification is ex ante whereas the classification following the IFC standards is ex post and reflects actual impacts.

ENVIRONMENT

CHOICE OF SITE

The review includes an assessment of the location of each project and evaluation of project location alternatives. The review identifies whether the project is located in a residential / commercial area, rural zone, coastal zone, industrial zone or a sensitive area and assesses the key effects to nearest residential houses. Where relevant it includes an assessment of visual and landscape impacts, soil erosion risks, seismic risk, fire risks and prevention and explosion risk, e.g. if the project includes significant storage of hazardous chemicals or flammable materials. The site assessment includes review of IFC Performance Standards (PS) 1-8 and alternatives that lead to avoidance or mitigation of impacts.

SENSITIVE AREAS

Sensitive areas include 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. The performance standards of most relevance in this respect are typically PS6 to PS8. PS1 furthermore outlines the necessary social and environmental assessment and management practices related to all the other per-

formance standards. 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 (ESIA) process documenting the consequences for the sensitive area as described in the IFC Performance Standard 1 - Social and Environmental Assessment.

In 2010 one project triggered PS7 on Indigenous Peoples. Impacts on indigenous peoples are discussed in a separate section below.

Ten projects triggered PS6 - Biodiversity Conservation and Sustainable Natural Resource Management and two projects triggered PS8 - Cultural Heritage.

Eight of the ten projects triggering PS6 are wind power projects. 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 review 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 significant impacts on biodiversity.

One project comprising a cement plant on a greenfield site had the potential to impact habitats of flora and fauna. However the environmen-

tal review showed that impacts would be insignificant.

One project involved land reclamation and related dredging activities with potential significant adverse impacts on marine ecosystems through dredging and land reclamation. However, based on review of the environmental assessment process, the project's Environmental Management Plan (EMP) including monitoring and mitigatory measures as well as planned baseline studies, the project was considered to meet the requirements of the IFC Performance Standards and the relevant IFC EHS guidelines.

ENERGY

Grontmij | Carl Bro includes the energy consumption in the social and environmental due diligence review on each project and compares with the relevant IFC EHS guidelines.

All projects reviewed in 2010 were considered in line with the specified range of industry benchmark values regarding energy consumption.

AIR EMISSIONS

The social and environmental reviews include an assessment of air emissions, including greenhouse gas (GHG) emissions and benchmarks these against the IFC EHS guidelines or, for sectors where such guidelines do not exist, other relevant international standards.

In 2010, like in 2009, the quantitative analysis of environmental impacts related to air emissions from EKF's project portfolio included CO₂, SO₂ and NO_x.

Estimation of EKF's quantitative contribution to reduction of emissions is calculated as the difference in emissions between the proposed project and a calculated reference project, over a 10-year period. EKF's share in the respective projects, reflected as a percentage of the total project financing, is also taken into account with the aim that the calculated impacts reflect only EKF's share in the projects. The reference project is based on international standards or, if relevant, approved CO₂ equivalents under the Kyoto Protocol or Joint Implementation Programme. Where no such reference measure is available, the project's emissions are benchmarked against a reference scenario that is considered to be valid, based on professional business sector knowledge (such as EU BREF⁽⁴⁾). It can also be that calculations of expected emission reductions (or increases) are acquired directly from the project information which the project review is based on, where that is possible.

It must be emphasised that the reductions calculated may not be directly comparable to CO₂ credits under the Kyoto Protocol or the Joint Implementation Programme.

The reduction in emissions can be given monetary value based on the world market prices for the

given air emission component. A detailed description of the methodology for measuring EKF's quantitative contribution is described in the methodology chapter.

The value of the emission impact of the projects has been calculated by applying the world market prices for the emission type in question, or, in the case of emission types for which no trading value exists, by assessing the costs associated with a reduction in emissions. This approach has been chosen because the cost of reductions is a good first approximation of the value, as companies under Kyoto-protocol's flexible mechanisms are faced with the alternatives of either buying credits or reducing their own emissions.

TABLE 9 > TOTAL DANISH EMISSIONS OF CO₂, NO_x AND SO₂

DANISH EMISSIONS IN TONNES/YEAR	
CO ₂ equivalents	63,800,000 ^{/5/}
NO _x	152,600 ^{/6/}
SO ₂	19,600 ^{/6/}

CO₂
The total CO₂ emissions from the projects in 2010 were estimated to around 10.5 million tonnes CO₂, which is significantly less than the total calculated emissions in 2009. Only two projects contribute to the total emissions in 2010, a cement plant and a thermal power plant. The largest

It should be emphasised that the relative emission contribution or reduction related to the projects EKF is involved in to a significant extent depends on the types of projects guaranteed each year and furthermore, what types of projects are included in the annual sustainability audit (i.e. types of projects where EKF's contribution is over SDR 10 million). Different types of projects can contribute very differently to air emissions and other impacts, and this should be kept in mind when comparing the calculated indicators between years.

In order to assess EKF's quantitative contribution to reduced air emissions, a comparison is made with the total Danish emissions.

part of the emissions stem from the cement plant. The fact that most of the projects included in the audit in 2010 entail insignificant or no air emissions, with majority of projects being wind farms, explains the significantly lower emissions than in 2010 compared to previous years.

Note that these are estimated total emissions over a 10 year period, and are not in relation to from the projects included in the audit, estimated EKF's share in the projects.

TABLE 10 > ESTIMATED TOTAL CO₂ EMISSIONS RELATED TO PROJECTS INCLUDED IN THE SUSTAINABILITY AUDIT 2006-2010

CO ₂ EQUIVALENTS	2006	2007	2008	2009	2010
Total emissions in million tonnes	107	42.0	43.8	110	10.5

The types of projects contributing to the relative emission reductions in 2010 are wind farms, a cement plant and a thermal power plant. The other projects are not considered to be significant CO₂ emitters and are considered to be in line with current best practice with similar CO₂ emissions as a reference project based on BAT, and thus with no calculated reduction or increase in CO₂ emissions.

In 2010, EKF's quantitative transaction-related relative contribution to CO₂ reduction was 11 million tonnes CO₂ equivalents corresponding to a

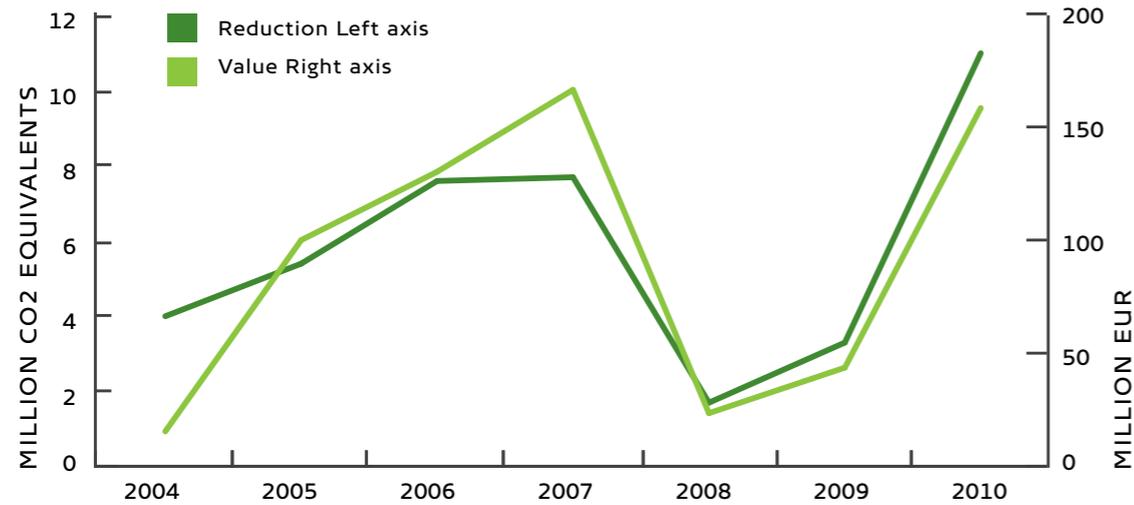
value of EUR 157 million. This figure is significantly higher than in 2009 and is due to the high number of wind farm projects in 2010, some of which were large projects with significant energy production capacity. The eight wind projects are responsible for around 95% of the overall CO₂ reduction.

The relative emission reductions related to projects in 2010 correspond to around 17% of the total annual Danish CO₂ emissions, and can from that perspective be considered significant.

TABLE 11 > EKF'S CONTRIBUTION TO REDUCTION OF CO₂ EMISSIONS RELATED TO PROJECT INVOLVEMENT 2006-2010

CO ₂ EQUIVALENTS	2006	2007	2008	2009	2010
Relative reduction in million tonnes	7.6	7.7	1.7	3.3	11
Value of relative reduction in EUR million	129	165	23	43	157
Value of relative reduction in EUR per EUR EKF involvement	0.206	0.253	0.049	0.026	0.182
Relative reduction as % of Denmark's annual emissions	12%	12%	3%	5%	17%

FIGURE 5 RELATIVE CO₂ EMISSION REDUCTIONS IN MILLION TONNES AND MILLION EUR 2004-2010



NO_x
The estimated relevant volume reduction of NO_x in the 2010-audit is equivalent to around 3.3% of the annual Danish NO_x emissions. It should be noted that the NO_x emissions, like other emissions, vary considerably, by project type, fuel type, guarantees provided by the suppliers and particularly for wind farms by the reference energy supply used.

The calculated NO_x emission reduction in 2010 is

significantly higher than in 2009, but substantially lower than in the other previous years.

In 2010 the relative NO_x emission reduction in 2010 is related to the eight wind projects included in the audit, i.e. the cement plant and thermal power plant were not assessed to result in lower or higher emissions than a reference project based on BAT, and thus with no calculated reduction or increase in NO_x emissions. It should also be kept in mind that the reference energy supply related emissions against 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.

TABLE 12 > EKF'S CONTRIBUTION TO NO_x EMISSION

REDUCTIONS RELATED TO PROJECT INVOLVEMENT IN 2006-2010

NO _x	2006	2007	2008	2009	2010
Relative reduction in thousand tonnes	12	21.5	22.0	0.3	5.1
Value of relative reduction in EUR million	27.4	45.3	10.9	0.14	2.4
Value of relative reduction in EUR per EUR EKF involvement	0.063	0.074	0.023	0.0001	0.0029
Relative reduction as % of Denmark's annual emissions	7%	12%	12%	0.2%	3.3%

SO₂

The estimated volume of the relative reduction of SO₂ in 2010 is equivalent to about 29% of Danish emissions. It is noted that the SO₂ emissions, like the NO_x, vary considerably, by project type, fuel type, guarantees provided by the suppliers and particularly for wind farms by the reference energy supply used.

In 2010 the relative SO₂ emission reduction is related to the eight wind projects included in the audit, and the cement plant. The thermal power is fired with gas which does not entail SO₂ emissions. Again, it should be kept in mind that the reference energy supply related emissions against

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.

TABLE 13 > EKF'S CONTRIBUTION TO SO₂ EMISSION REDUCTIONS RELATED TO PROJECT INVOLVEMENT IN 2006-2010

SO ₂	2006	2007	2008	2009	2010
Relative reduction in thousand tonnes	41.5	72.6	24.3	15.5	5.8
Value of relative reduction in EUR million	14.1	22.7	5.8	0.65	0.17
Value of relative reduction in EUR per EUR EKF involvement	0.032	0.037	0.012	0.0004	0.0002
Relative reduction as % of Denmark's annual emissions	170%	297%	99%	67%	29%

WATER AND WASTEWATER

Water is an essential parameter for community health and safety in many parts of the world. The water consumption is, like energy consumption, benchmarked against the IFC EHS guidelines. In 2009 all projects were considered to be in line with the relevant industry benchmarks.

The cement plant included in the audit is a dry process plant, i.e. it has a negligible water consumption compared to wet process plants. Wastewater discharge from dry process cement plants is negligible and like wind farms almost entirely related to sanitary wastewater from offices and maintenance buildings.

Quarry activities related to cement production can also affect water resources, e.g. through pollution of surface water running of the sites. The project review found that for the cement project adequate management measures were put in place to minimise such impacts in line with the rele-

vant IFC guidelines.

Agriculture and food sector projects often have significant water consumption. The agri-food projects in this year's audit involve grain handling and dairy production respectively. For both the water consumption was considered to comply with the range specified in the relevant IFC EHS guidelines. Neither of the projects involved irrigation.

Thermal Power Plants often need significant amounts of water and can require treatment of waste water prior to discharge. The thermal power project included in 2010 was not considered to have significant impacts on water resources, and waste water treatment was found to be in line with IFC guidelines in both cases. The social and environmental review of the power plants also considered specially the handling and storage of fuels and other potentially hazardous chemicals that have the potential to cause water pollution.

MATERIALS AND WASTE

The review includes, where possible, an evaluation of efficiency with regard to the use of raw materials and an audit of the waste management in all cases where found relevant, including both solid and hazardous wastes.

Typically, production facilities and processes can be benchmarked against the relevant IFC EHS guidelines or other sector specific standards such as EU BREF, regarding material consumption and waste generation. The review also covers the use and handling of hazardous chemicals to ensure that necessary environmental and health and safety management are applied, commensurate to the potential impacts of the projects.

For cement plants the review of raw material always includes an assessment of the environmental and social consequences arising from the mining/quarrying activities. The one cement project included in the sustainability audit in 2010 also included quarry activities, for the extraction of raw materials.

In agro-food projects special attention is given to the use of pesticides as well as ensuring adequate food safety. Neither of the agro-food projects in 2010 involved the use of pesticides. For agro-food projects involving mammalian livestock, poultry or aquaculture the reviews also ensure

that the projects comply with Danish and EU animal welfare standards. Neither of the agro-food projects in the 2010 audit involved mammalian livestock.

PEOPLE

Human rights issues are dealt with in several of the IFC Performance standards, in particular PS2, PS5 and PS7. Consequently the project review includes the relevant human rights issues as covered by the performance standards. Furthermore the review always includes general research aiming to identify if the particular projects have a history of or pose a special threat to human rights issues, considering, among others, their location and political situation of the country.

None of the projects reviewed in 2010 indicated significant risks of non-compliance with internationally recognised human rights or complicity in any human rights abuses. The project performance related to PS2, PS5 and PS7 is discussed in the relevant sections on the next pages.

PUBLIC CONSULTATION

Following the IFC Performance Standard 1, the review aims to ensure that affected communities are appropriately engaged in project related issues that could potentially impact them. If communi-

ties 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 on the project design. The consultation process correspondingly enables the client to better consider and respond to the concerns raised by the stakeholders.

For projects categorised as A projects, the OECD CA require that EKF publicly discloses project information including environmental impact information for 30 calendar days before a final commitment to grant official support. Of the 13 projects included in the 2010 sustainability audit 4 were categorised as A projects and consequently were made public on EKF's website for a 30-day-public consultation period in line with the OECD recommendation. The public disclosure related to these 4 projects did not prompt any comments.

LABOUR AND WORKING CONDITIONS

Labour and working conditions of projects are assessed against the IFC performance standard 2 on labour and working conditions, and the relevant IFC EHS guidelines with regards to Occupational Health and Safety.

None of the projects in 2010 indicated any use of child or forced/bonded labour or other non-compliance with respect to the IFC Performance Standard 2 on Labor and Working Conditions.

NOISE AND VIBRATIONS

All the projects reviewed in 2010 were considered to comply with the maximum noise levels listed in the IFC General EHS guidelines as well as local noise requirements. Although the reporting is placed under the Labor and working conditions heading, the standard was used to assess impacts for communities as well.

TABLE 14 > IFC EHS NOISE LEVEL GUIDELINES

RECEPTOR	DAYTIME 07.00 - 22.00	NIGHT TIME 22.00 - 07.00
Residential; institutional; educational	55 dBA	45 dBA
Industrial; commercial	70 dBA	70 dBA

Or result in a maximum increase in background level of 3 dBA at the nearest receptor location off-site

INDIGENOUS PEOPLE

The project review includes assessment of compliance with the IFC Performance Standard 7 on Indigenous Peoples. The standard is meant to ascertain that indigenous people's rights are duly respected and potential project impacts are negotiated in a culturally appropriate manner to avoid, minimise and mitigate impacts. One of the Wind projects, located in New Zealand, was found to trigger performance standard 7, due to the presence of indigenous Maori people in the area and/or their associations with the wind farm site. The review of the project found that adequate measures had and/or would be taken during project preparation, to ensure performance of the project in line with PS7 to avoid impacts on the indigenous peoples.

RESETTLEMENT AND ECONOMIC DISPLACEMENT

The project reviews aim to ensure compliance with the 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 2010, one of the wind farm projects triggered performance standard 5 due to land acquisition issues. The review found, however, that land acquisition had been carried out in line with the IFC performance standard and that it did not involve any resettlement of people. Thus none of projects included in the audit in 2010 involved involuntary resettlement.

Table 15 presents the total number of persons affected or possibly affected by resettlement by year.

TABLE 15 > RESETTLEMENT IN EKF PROJECTS BY YEAR 2005-2009

RESETTLEMENT	2005	2006	2007	2008	2009	2010
Total number of persons	700	0	0	0	3000*	0

* 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 has not been taken. Another where estimated 2500 people may need to be resettled in the future and gradually over a 50-year period.

LOCAL EMPLOYMENT

Local employment and the hiring of staff related to a project is the responsibility of the project and project owners. Thus, EKF has little influence on the hiring itself and as a consequence no policy or procedure in this field.

However 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, is assessed based on information received during the project reviews. Where direct information about employment has not been received, an estimation of employment impact is made based on other available project specific information.

In 2010, all 13 projects contributed to local employment during the construction phase and 9 during the operational phase.

The value of local employment of the 13 projects presented in table 16 is calculated using World Bank data on gross national income per capita (GNI per capita^{7/}) for the countries in question. EKF's contribution to local employment is estimated as EKF's percentage share of the financing multiplied by the man-years generated in the project locally during the construction phase and the operating phase, respectively, for a maximum of ten years' operation or less where applicable. The contribution to creation of employment consequently includes jobs created in the buyer country only.

TABLE 16 > ESTIMATED LOCAL EMPLOYMENT IMPACT 2006-2010

LOCAL EMPLOYMENT	2006	2007	2008	2009	2010
Employment impact in 1,000 man-years	18.2	23.6	15.5	26	1.6
Estimated value in EUR million	43	109	58	187	13
Estimated value in EUR per EUR EKF involvement	0.068	0.168	0.123	0.11	0.015

Table 16 above shows that EKF's portfolio has a positive impact on local employment. The contribution to creation of local employment varies significantly by the composition of the project portfolio as labour intensity varies

significantly. Local employment impact in 2010 totalled around 1600 man-years, with an estimated value of EUR 13 million. The main reason for a substantially lower employment impact in 2010 compared to 2009 is that

the audit includes proportionally many wind farm projects, which are not labour intensive, in particular during operational phase where only a few jobs are created. At the same time proportionally many of the project are located in high income OECD countries where salaries are high, explaining the proportionally high value of employment impact.

Overall, the projects in the years 2004 through 2010 included in the sustainability audit, have contributed in excess of 126,000 man-years.

For further information about the data and information in this chapter, please contact EKF's Senior Advisor on environment and social affairs Kristoffer Hvidsteen, khv@ekf.dk .



METHODOLOGY FOR THE ANNUAL AUDIT OF PROJECT SUSTAINABILITY

METHODOLOGY FOR THE ANNUAL AUDIT OF PROJECT SUSTAINABILITY

PROJECTS AND RELATED IMPACTS INCLUDED IN THE AUDIT

The annual audit of project sustainability aims to evaluate and give an indication of EKF's contribution to sustainable development in the previous year, in relation to the projects where it has provided financial services. The sustainability audit aims to outline and discuss overall performance and the most significant sustainability aspects identified in relation to the projects included in the audit each year. The audit also includes the monitoring of a number of quantitative indicators, with the aim to evaluate some important social and environmental impacts related to the project portfolio.

Whether a project is included in the sustainability audit is determined by EKF's contract value in the project. Of the total list of project guarantees reviewed in each particular year, projects classified as A and B projects according to the OECD clas-

sification and with a contract value for EKF in excess of SDR 10 million are included in the annual sustainability audit. The audit is thus based on the largest projects each year. Smaller projects are included if they are part of a larger transaction of more than SDR 10 million, for example several small contracts or plants from the same exporter to the same recipient or recipient country.

ESTABLISHMENT OF THE MOST RELEVANT PROJECT IMPACTS

The projects included in the audit are different in nature and result in different types of environmental impacts, and consequently contribute differently to the overall audit results and indicator values. The social and environmental review establishes which social and environmental impacts are considered most relevant for the respective project. The review is carried out according to the IFC Performance standards^{9/} and relevant EHS guidelines, and establishes what are the most significant social and environmental impacts and risks.

The assessment of which project impacts are the most significant during the project review is largely based on the IFC Performance standards and sector specific IFC EHS guidelines. Furthermore, the following principles are followed in terms of determining the scope of the project impacts (physical delineation) and in case of the annual sustainability audit, their duration (temporal delineation).

SCOPE OF IMPACTS (PHYSICAL DELINEATION)

The scope of impacts defines how "far reaching" and direct or indirect the impacts are. It is possible to talk of three levels of "scope"^{9/} based on the nature and reach of the expected impacts.

Scope 1 - accounts for the direct impacts from the assessed activity. These may be direct emissions from own production of energy or other industrial processes, e.g. cement production, ammonia production and transportation of materials.

Scope 2 - are impacts not as directly associated with the particular facility, and may for example include environmental and social impacts associated with the consumption of externally generated electricity, mechanical energy, heat or steam for the construction or operation of the assessed activity.

Scope 3 - includes other more indirect impacts such as from the transportation of products.

The reviews of the social and environmental impacts focus primarily on scopes 1 and 2, but also seek to identify any significant impacts associated with scope 3.

The calculations related to the annual sustainability audit are normally limited to the direct impacts, corresponding to scope 1, as scope 2 and 3 impacts are often uncertain and unquantifiable.

DURATION OF IMPACTS (TEMPORAL DELINEATION)

In the annual audit of project sustainability, including calculation of indicator values, the total environmental impacts are defined in terms of the expected lifetime of the projects, although maximum the construction period plus a ten-year operating period. The indicator values therefore assume project impacts over the construction phase and additionally maximum 10 years. This lifetime approach has been chosen because it conforms with the period during which a project will typically be at the forefront environmentally and, in the case of climate projects^{9/}, also because it is the maximum crediting period for CO₂ reduction, cf. the flexible mechanism is part of the Kyoto Protocol.^{10+11/}

The air emission indicator values calculated are limited to the operating period of the projects, as the relative contribution from the construction period is usually negligible by comparison and also because the estimate is subject to significantly greater uncertainty than in the case of the operating period.

QUANTITATIVE INDICATORS

The audit of project sustainability includes a number of quantitative indicators, presented with the aim to reflect important social and environmental impacts related to the project portfolio each year. It must be noted, however, that the nature of the project portfolio differs from year to year with regards to the nature of the project's social and environmental impacts. This can be reflected in fluctuations of the indicator values and must be taken into account when comparing indicator values from year to year.

The following quantitative indicators are included in the audit of project sustainability.

Social

- > Local employment created; number of man-years
- > Human resettlement; number of persons impacted

Environmental

- > CO₂ equivalents emission reduction/increase; tonnes
- > SO₂ emission reduction/increase; tonnes
- > NO_x emission reduction/increase; tonnes

For each of the indicators above, the audit also estimates the monetary value of the calculated impact in EUR, and in EUR per EUR EKF involvement.

With regards to the emission indicators, the environmental impact of the EKF projects is also benchmarked against the corresponding total annual Danish emission figures with a view to putting the magnitude of the impact into perspective.

Since the projects included in the sustainability audit are different from year to year, they also contribute differently to the various indicators. Generally most projects contribute to the generation of employment, whereas not all projects result in resettlement or emissions of CO₂, SO₂ and/or NO_x for example.

The results of the social and environmental review provide a basis for which indicators are relevant for each project, as reflected by the projects' significant social and environmental im-

pacts. Information acquired during the project review furthermore provides input for the calculation of indicator values.

LOCAL EMPLOYMENT

The indicators on local employment provide an indication of the EKF projects' impact on the economic progress of the importing country. Economic progress is one of the elements featuring in the OECD Agreement on Principles and Guidelines to Promote Sustainable Lending Practices in the provision of Official Export Credits to Low-Income Countries sustainable lending from 2008, inter alia, designed to discourage the provision of officially supported export credits for unproductive expenditures in heavily indebted poor countries. A fall in local employment in connection with the implementation of a project is considered an adverse impact, whereas an increase in local employment is considered beneficial to sustainable development and therefore is considered a plus in EKF's overall assessment of the single project. It should be noted, that no local employment is done by EKF, but entirely by the projects and project owners.

HUMAN RESETTLEMENT

Resettlement of the local population is always considered to have significant, adverse impacts. Resettlements are assessed during the environmental and social review process, applying the

IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement. Involuntary resettlement usually leads to serious economic, social and environmental problems for the local population. Production systems are interrupted, people may be relocated to areas in which their skills are less in demand and competition for resources more intense, social structures and social networks often suffer, and infrastructure such as roads, communications, power supply, water supply and sewerage may be of a poorer quality. In connection with the environmental review of the projects, resettlements are always viewed in the context of the benefits a project is expected to provide and if there are possibilities for alternative project designs which could help to avoid or minimise possible resettlements.

CO₂ EQUIVALENTS EMISSIONS

Emissions of CO₂, methane and industrial gases contribute to the global acceleration of the greenhouse effect. CO₂ is predominantly generated through the combustion of fossil fuels, whereas methane is formed in connection with incomplete decomposition of organic material. All changes in emissions of greenhouse gases are determined for the projects in tonnes of CO₂ equivalent, enabling calculation of their impact in specific units.

A reduction in CO₂ emission indicates a beneficial environmental impact, whereas an increased emis-

sion indicates an adverse impact on sustainable development.

SO₂ AND NO_x EMISSIONS

Sulphur dioxide (SO₂) is typically produced in various industrial processes and by the combustion of fossil fuels that contain sulphur compounds, such as coal and petroleum. SO₂ can cause threats to human health (e.g. respiratory) and contribute to acid rain. Nitrogen oxides (NO_x) are also generated during the combustion of different types of fuels and can contribute to a wide variety of health and environmental problems. NO_x is also a main component of ground level ozone and contributes to global warming. Both SO₂ and NO_x are important precursors of acid rain.

A reduction in SO₂ and NO_x emission indicates a beneficial environmental impact, whereas an increased emission indicates an adverse impact on sustainable development.

QUANTIFICATION AND VALUATION OF IMPACTS (INDICATOR VALUES)

Two separate methods are applied when assessing the quantitative value of the project impacts (indicator values), depending on whether the indicator values are assessed relatively, as is the case for emissions (CO₂, NO_x, SO₂) or absolute, as is the case for employment and resettlement:

> *Absolute impacts:* For employment and resettlement the indicator values reflect the total employment generated (as a proportion of EKF's contribution to the project) and the total number of people impacted by resettlement (as a proportion of EKF's contribution to the project) respectively.

> *Relative impacts:* For emissions (CO₂, SO₂, NO_x) the indicator values reflect the relative reduction or increase due to the EKF project, as compared to a reference project. The indicators thus do not reflect real reductions or increase in emissions, but the difference between the EKF project and an assumed reference project (also as a proportion of EKF's contribution to the project).

Because the projects are co-funded by EKF, the valuation of impacts (indicator value) includes only the percentage proportion that corresponds to the size of EKF's involvement in the projects.

EMPLOYMENT AND RESETTLEMENT

The sustainability audit estimates the employment and resettlement generated by the projects. Where direct information about employment has not been received during the project review, an estimation of employment impact is made based on other available project specific information.

TABLE 17 > METHOD FOR ESTIMATING EMPLOYMENT IMPACT

LOCAL EMPLOYMENT	METHOD
Employment impact in 1,000 man-years	Employment is measured in man-years, and estimated based on information received during the project reviews. Where direct information about employment has not been received during the project review, an estimation of employment impact is made based on other available project specific information. Man-years are calculated as the number of estimated jobs generated times the duration of employment in years. The total employment impact is the sum of man-years during construction phase and operation phase. The operation phase is calculated as max 10 years in duration. EKF's share in the employment impact is finally calculated by multiplying the total man-years with EKF's share in the project in %. EKF's contribution to creation of employment consequently includes jobs created in the recipient country only.
Estimated value in EUR million	Total number of man-years generated by each respective project multiplied with the respective GNI per capita ⁷¹ for the respective countries. Total value calculated as sum of the individual projects. Value in EUR = $\sum (\text{number of man-years}_{\text{estimated}} \times \text{GNI per capita}_{\text{country-specific}})$
Estimated value in EUR per EUR EKF involvement	Estimated value in EUR million is divided by the total value of EKF's involvement in the projects included in the sustainability audit.

TABLE 18 > METHOD FOR ESTIMATING RESETTLEMENT IMPACT

RESETTLEMENT	METHOD
Total number of persons impacted	Resettlement is measured in total number of persons impacted by resettlement (or potentially impacted) due to the project, based on information received during the project reviews.
Estimated cost in EUR million	The estimated cost of resettlement is calculated in a similar way as employment value, using GNI per capita, assuming a 10-year impact period and by taking into account EKF's contribution in the project in %. The supposition that the resettlement can involve costs over such a long period applies the assumption that the resettlement is likely to impact on the employment possibilities and economic situation of those impacted for a substantial time after the resettlement has taken place.
Estimated cost in EUR per EUR EKF involvement	Estimated value in EUR million is divided by the total value of EKF's involvement in the projects included in the sustainability audit.

EMISSION INDICATORS

The sustainability audit estimates total emissions from the projects included in the sustainability

audit, where emissions are considered a significant factor.

TABLE 19 > METHOD FOR ESTIMATING TOTAL CO₂ EMISSIONS RELATED TO PROJECTS INCLUDED IN THE SUSTAINABILITY AUDIT

CO ₂ EMISSIONS (EQUIV.)	METHOD
Total emissions in million tonnes	The emission volumes are assessed individually for each project where emissions are considered a significant factor, in tonnes and assuming a max. 10-year operational period. Project emissions are based on information from the project reviews. Where direct information about emissions has not been received during the project review, an estimation of emissions is made based on other available project specific information and/or similar project experience if possible. Note that these are estimated absolute total emissions from the projects included in the audit over their assumed lifetime and are not in relation to EKF's share in the projects.

The sustainability audit estimates the relative emission reductions from CO₂, SO₂ and NO_x, which can impact on the environment locally and/or globally. The projects' impact (indicator value) is thus the relative reduction/increase in emissions of contami-

nants relative to a given reference plant, calculated over the lifetime (assuming 10 year operational time) of the project and in relation to EKF's financial involvement in the project.

TABLE 20 > METHOD FOR ESTIMATING RELATIVE EMISSION REDUCTION/INCREASE

RELATIVE EMISSIONS REDUCTIONS (CO ₂ , SO ₂ , NO _x)	METHOD
Relative reduction in million tonnes	The emission volumes are assessed individually for each project in tonnes, and for a corresponding reference plant, and the difference (reduction/increase) is calculated, assuming a max. 10-year operational period and taking into account EKF's share in the respective project, reflected as their % of the total project finance. Project emissions are based on information from the project reviews. Where direct information about emissions has not been received during the project review, an estimation of emissions is made based on other available project specific information and/or similar project experience if possible

>

The emission differences are then aggregated for all projects to get the total estimated reduction or increase in emissions.
Difference = $\Sigma (\text{emission}_{\text{estimated}} - \text{emission}_{\text{reference}})$

Value of relative reduction in EUR million	Total estimated emissions reductions in tonnes are multiplied with the market value for each of the contaminants, in EUR per tonne.
Value of relative reduction in EUR per EUR EKF involvement	Estimated value in EUR million is divided by the total value of EKF's involvement in the projects included in the sustainability audit.
Relative reduction as % of Denmark's annual emissions	The relative reductions in tonnes are calculated as % of the annual Danish emissions for the respective contaminants, with a view to putting the magnitude of the impact into perspective.

FRAME OF REFERENCE
(CALCULATION OF REFERENCE PROJECTS)

For calculation of the relevant emission impacts, the estimated emissions from each project are benchmarked against international standards, where any such are available. The international standards are used to calculate a standard reference project with which the project in question can be compared. Alternatively, the project's emissions are benchmarked against a reference scenario that is considered to be valid, based on professional business sector knowledge (such as EU BREF).^{14/} It can also be that calculations of expected emission reductions (or increase) are acquired directly from the project information which the project review is based on, where that is possible.

GUIDELINES FOR PROJECT TYPES

The sections below describe the guidelines considered when calculating indicator values for the various types of projects, along with the respective international standards and references applied to the projects in 2010.

CEMENT PLANTS

In the case of cement plants, the reduction in CO₂ emissions from the chemical reaction during the process as well as during the consumption of energy for the process is assessed. The energy consumption during the construction period is assumed to be identical to a given reference plant, and no reduction contribution from the construction period is therefore calculated. The World Bank republished in 2007 an updated standard

for cement production in which benchmark values for CO₂ emissions^{/9/} are listed. The emission values guaranteed by the project participants have been applied to the projects, also where experience has shown that the actual levels are lower. In the case of modification of a plant, the plant is assessed more closely in liaison with the project participant.

With respect to the other indicators, the main relevant environmental impacts from cement plants are considered to be the emissions of NO_x and SO₂. The combustion process during cement production generates NO_x emissions. Modern process technology at the plants guaranteed by EKF has typically led to large reductions in NO_x emissions compared with local standards; however, the supplier's performance guarantee often applies World Bank standards, which means that no improvement is calculated. At cement plants, NO_x is removed as part of the process optimisation, and not as a separate treatment stage.

Sulphur is emitted from cement production if the lime used in the production is sulphurous. The production process automatically includes removal of the SO₂ originating from the fuel. The SO₂ originating from the sulphide content of the ap-

plied lime can be removed as part of the production process, but the lime can have such a high sulphide content that there is a surplus. This surplus can be removed by treatment.

Cement plants have previously been known for their large emissions of particulate matter with consequent inconvenience to the local environment. Previous years therefore also included particulates emissions (PM₁₀) in particular from cement plants. However in 2007, IFC launched a new set of EHS guidelines to replace the World Bank Pollution Prevention and Abatement Handbook from 1998. The EHS guideline for Cement and Lime Manufacturing lowered the limit for particulates from the kiln from 50 mg/Nm³ to 30 mg/Nm³. Consequently the quantity and the value of reductions compared to the new limits have significantly decreased making their contribution overall negligible. Accordingly, the particulates emissions (PM₁₀) component has been taken out of the sustainability audit analysis.

The international emission standards set out in table 20 are used as a basis for the compilation of a standard reference cement plant.

TABLE 21 > INTERNATIONAL STANDARDS USED FOR CEMENT PLANTS, OPERATING PHASE

PARAMETER	EMISSION	STANDARD
CO ₂	875 kg/t clinker	World Bank ^{/12/}
NO _x	600 mg/Nm ³	World Bank ^{/12/}
SO ₂	400 mg/Nm ³	World Bank ^{/12/}

ENERGY SECTOR

There is a very firm international focus on energy production and promotion of environment-friendly sources of energy. New energy-producing plants are typically established after taking the respective country's commitments under the international climate cooperation into account. The World Bank standard for new power stations^{/13/} specifies

guidelines for emissions depending on type of incineration plant, size and other factors. The World Bank group also has guidelines for wind energy^{/14/}, transmission lines^{/15/} and hydropower^{/16/}. In the environmental reviews of energy supply projects, the respective projects are compared with the relevant guidelines for reference.

TABLE 22 > ENERGY REFERENCE STANDARDS

REFERENCE PLANT	CO ₂	NO _x	SO ₂
Hydro and wind energy	0 tonnes/GWh-el.	0 kg/GWh-el.	0 kg/GWh-el.
Coal	855 tonnes/GWh-el.	0.53 tonnes/GWh-el.	1 tonnes/GWh-el.
Diesel, heat	0.082 tonnes/GJ-heat	0.1 kg/GJ-heat	0.05 kg/GJ-heat
Diesel, electricity production	592 tonnes/GWh-el.	1.0 tonnes/GWh-el.	0.38 tonnes/GWh-el.
Heavy fuel oil, el. production	720 tonnes/GWh-el.	1.0 tonnes/GWh-el.	3.1 tonnes/GWh-el.
Natural gas, el. production	500 tonnes/GWh-el.	0.4 tonnes/GWh-el.	0 tonnes/GWh-el.
Natural gas with CHP	500 tonnes/GWh-el.	0.3 tonnes/GWh-el.	0 tonnes/GWh-el.

When estimating the relative reduction or increase in emissions for an energy project, a comparison is made with the probable alternative energy source in the country in question, if the project review does not contain specific information that can be used as a reference. The reference system may thus be based on combinations of natural gas, hydropower, wind power, coal, heavy fuel oil and diesel, based on the likely scenario in the respective country of operations. As with the cement plants, estimated emission impacts are only based on the operating phase of the projects. Examples of the emissions used for various types of reference plants are set out in table 21, based on modern energy production plants^{17+18+5+19/}.

Depending on the reference system in the respective country of operations, energy production from wind power, for example, will often result in a relatively significant reduction in CO₂, SO₂ as well as NO_x emissions compared with conventional types of energy production.

WASTEWATER PROJECTS, INCLUDING SLUDGE HANDLING

Wastewater discharge has not been considered as one of the significant parameters in this year's projects. Table 22 below is therefore only relevant for the calculations related to the previous years.

TABLE 23 > INTERNATIONAL STANDARDS FOR BOD₅ DISCHARGED IN TREATED WASTEWATER

PARAMETER	EMISSION	STANDARD
BOD ₅	0.030 mg/l	World Bank ^{13/}

AGRO-FOOD PROJECTS

In 2010, the agro-food projects did not contribute to any of the emission indicators, as emissions were considered insignificant in the respective projects.

SHIPPING

Ships lead to emissions of CO₂, SO₂ and NO_x due to consumption of fossil fuels during their operations. No ship projects are included in this year's sustainability audit.

OTHER SECTORS

The infrastructure and agri-business projects included in this year's audit are considered to entail minimal emissions, and furthermore not contributing to a relative increase or reduction in emissions, as they were considered to be in line with a typical reference project.

QUANTIFYING OVERALL IMPACTS IN MONETARY TERMS

The overall monetary value of EKF's contribution to sustainable development is calculated by applying a typical trading value for the emission type in question, or, in the case of emission types for which no actual typical trading values exist, by assessing the costs associated with a reduction in emissions. This approach has been chosen because the trading value has been assumed to be approximately on a par with the removal costs, as the companies are faced with the alternatives of buying emission quotas or reducing their emissions. The basis for the monetary valuation of the emission reductions is outlined below.

CO₂ EQUIVALENTS

The costs associated with CO₂ emissions are established on the basis of trading prices for CO₂ emissions. The EU Emissions Trading Directive and the Kyoto Protocol entered into force at the beginning of 2005. A trading price of USD 19 per tonne or approx. EUR 14 per tonne has been used in the calculations, equivalent to concluded trades on CO₂ quotas in the EU^{20/}. This CO₂ rate used in 2010 is a bit higher than the rate of EUR 13 in 2009.

NO_x

NO_x quotas are not traded in Europe in the same

way as CO₂ quotas, and the valuation is therefore based on typical trading prices on US exchanges. The value of NO_x used in 2010 is USD 643/tonne NO_x reduction (484 EUR/tonne), based on exchange quotations in Houston^{21/}, compared to the previous year's value of 660 USD/tonne.

SO₂

Like NO_x, SO₂ quotas are not traded in Europe. The general principle for determining SO₂ is thus the same as described for NO_x. The value of SO₂ has been fixed at USD 40/tonne SO₂ reduction (EUR 30/tonne), based on exchange quotations in Houston^{21/}, which is a decrease from USD 60/tonne in 2009.

LOCAL EMPLOYMENT AND RESETTLEMENT

The value of local employment is calculated using World Bank data on gross national income per capita (GNI per capita^{7/} Atlas Method) for the countries in question. If a project entails resettlement of the whole or part of the local population or job losses, the same values are used, but with a negative prefix, indicating an adverse impact. Employment is calculated as EKF's percentage share of the man-years generated by the project locally during the construction phase and the operating phase (assuming a 10-year operation), respectively. The calculation of employment consequently includes jobs created in the recipient country only. If information about a projects

employment generation is not known, Grontmij | Carl Bro estimates the likely employment impacts based on other available information about the project and/or similar projects.

Resettlement is expressed in the report in terms of total number of persons to be relocated and,

for use in the estimation on costs of the resettlement, in person-years. The designation person-years corresponds to the number of persons involved multiplied by EKF's proportion and the projects' lifetime (construction period plus maximum ten years' operation).

TABLE 24 > EXCHANGE RATES

CLOSING RATES ARE USED FOR THE YEARS IN QUESTION, CF. DENMARK'S NATIONALBANK ^{/22/}						
DKK	28-12-2005	29-12-2006	30-12-2007	30-12-2008	30-12-2009	30-12-2010
USD (\$)	632.41	566.14	507.53	528.76	519.01	561.33
EUR (€)	746.05	745.60	745.66	745.06	744.15	745.44
SDR (XDR)	902.63	851.18	800.70	816.15	810.90	865.36

For further information about the data and information in this chapter, please contact EKF's

Senior Advisor on environment and social affairs, Mr. Kristoffer Hvidsteen, khv@ekf.dk



INDICATOR MATRIX

INDICATOR MATRIX

The Indicator Matrix of the EKF Report lists the contents discussed and their location in the report. Its structure is defined by the third version of the Global reporting Initiative (GRI).

GRI APPLICATION LEVEL

	C	C+	B	B+	A	A+
Mandatory					√	
Optional						
Optional					√	

EKF states that this report represents level A. EKF uses the GRI Sustainability report Guidelines when drafting its CSR Report.

Core indicators
Additional indicators

The  is used to indicate the level of compliance with each indicator. Compliance level is shown at three levels, indicated by the colouring of the .

PROFILE

Indicators	Topic	Compliance	GC Principle	Page
STRATEGY AND ANALYSIS				
1.1	Statement from the most senior decision-maker of the organization			CSR Report p.6
1.2	Description of key impacts, risks and opportunities			CSR Report p.6
ORGANIZATIONAL PROFILE				
2.1	Name of the organization			CSR Report p.6
2.2	Primary brands, products, and/or services			CSR Report p.6
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures		http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/default.aspx	
2.4	Location of organization's headquarters		http://www.ekf.dk/en/Pages/default.aspx	
2.5	Number of countries where the organization operates, and names of counties with either major operations or that are specifically relevant to the sustainability issues covered in the report			CSR Report p.13
2.6	Nature of ownership and legal form			CSR Report p.8
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)			CSR Report p.28
2.8	Scale of the reporting organization			Factbook p.7
2.9	Significant changes during the reporting period regarding size, structure, or ownership			None
2.10	Awards received in the reporting period			None

REPORT PARAMETERS			
3.1	Reporting period (e.g. fiscal/calendar year) for information provided		CSR Report p.36
3.2	Date of latest previous report (if any)		http://www.ekf.dk/en/about-ekf/CSR-at-EKF/Pages/CSR-reports.aspx
3.3	Reporting cycle (annual, biennial etc.)		CSR Report p.36
3.4	Contact point for questions regarding the report or its contents		CSR Report p.9
3.5	Process for definition report content		CSR Report p.36
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)		CSR Report p.36
3.7	State any specific limitations on the scope or boundary of report		CSR Report p.8, 36
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		CSR Report p.8
3.9	Data measurement techniques and the bases of calculation, including assumptions and techniques underlying estimations applied to compilation of the Indicators and other information in the report		CSR Report p.23 Factbook p.20, 56
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (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		CSR Report p.8
3.12	Table identifying the location of the Standard Disclosures in the report		Factbook p.72
3.13	Policy and current practice with regard to seeking external assurance for the report		CSR Report p.36

GOVERNMENT, 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		http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/Direktion.aspx http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/Bestyrelse.aspx
4.2	Indicate whether the Chair of the highest governance body is also an executive officer		http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/Direktion.aspx http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/Bestyrelse.aspx
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		http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/Bestyrelse.aspx
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		Factbook p.25
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		Factbook p.25
4.7	Process for determining the qualifications and expertise of members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics		http://www.ekf.dk/en/about-ekf/EKFs-organisation/Pages/Bestyrelse.aspx
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		http://www.ekf.dk/en/about-ekf/CSR-at-EKF/Pages/evaluation-of-sustainability.aspx

> 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		Factbook p.30
4.10	Processes for evaluating the highest governance body's own performance, particular with respect to economic, environmental, and social performance		Factbook p.30
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization		http://www.ekf.dk/en/about-ekf/CSR-at-EKF/Pages/evaluation-of-sustainability.aspx
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		CSR Report p.17 Factbook p.10
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 view membership as strategic		CSR Report p.17 Factbook p.10
4.14	List of stakeholder groups engaged by the organization		Factbook p.16
4.15	Basis for identification and selection stakeholders with whom to engage		Factbook p.16
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		Factbook p.16
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		Factbook p.16

G3 DMA	DESCRIPTION	PAGE
DMA FS	Interactions with clients regarding environmental and social risks	CSR Report p.16
DMA EC	Economic Performance	CSR Report p.16
DMA EN	Emissions	CSR Report p.16
DMA LA	Training and education	CSR Report p.16
DMA HR	Human rights screening	CSR Report p.17
DMA SO	Corruption	CSR Report p.16
DMA PR	Policies for the fair design and sale of financial products and services (FS15)	CSR Report p.16

FINANCIAL SERVICES SECTOR SPECIFIC STANDARD DISCLOSURES: PERFORMANCE INDICATORS

Indicators	Topic	Compliance	GC Principle	Page
PRODUCT AND SERVICE IMPACT				
FS1	Policies with specific environmental and social components applied to business lines			CSR Report p.17
FS2	Procedures for assessing and screening environmental and social risks in business lines			CSR Report p.29 Factbook p.34
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements of transactions			Factbook p.35
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines			Factbook p.30
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities			CSR Report p.14 Factbook p.16

PRODUCT PORTFOLIO				
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector			Factbook p.6 100 pct.
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose			Factbook p.6
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose			Factbook p.6
AUDIT				
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures			Factbook p.34
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			CSR Report p.16
FS11	Percentage of assets subject to positive and negative environmental or social screening			Factbook p.34
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

ECONOMIC PERFORMANCE INDICATORS

Indicators	Topic	Compliance	GC Principle	Page
ECONOMIC PERFORMANCE				
EC1	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			Factbook p.7

EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		7	CSR Report p.23
EC3	Coverage of the organization's defined benefit plan obligations			Factbook p.27
EC4	Significant financial assistance received from government			CSR Report p.6, 8
MARKET PRESENCE				
EC5	Range of ratios of standards entry level wage compared to local minimum wage at significant locations of operation		1	Factbook p.25
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operations			Factbook p.20
EC7	Procedures for local hired and proportion of senior management hired from the local community at locations of significant operation		6	Factbook p.25, 52
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			Factbook p.20
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts			Factbook p.52

ENVIRONMENT PERFORMANCE INDICATORS

Indicators	Topic	Compliance	GC Principle	Page
MATERIALS				
EN1	Materials used by weight or volume		8	Factbook p.22
EN2	Percentage of materials used that are recycled input materials		8,9	Factbook p.23

ENERGY					
EN3	Direct energy consumption by primary energy source		8	None	
EN4	Indirect energy consumption by primary source		8	Factbook p.22	
EN5	Energy saved due to conservation and efficiency improvements		8,9	Factbook p.21	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives		8,9	http://www.ekf.dk/en/WhatWeDo/Products/Pages/EKF-cleantech-guarantee.aspx	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		8,9	Factbook p.21, 43	
WATER					
EN8	Total water withdrawal by source		8	Factbook p.21, 48	
EN9	Water sources significantly affected by withdrawal of water		8		
EN10	Percentage and total volume of water recycled and reused		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		8	Factbook p.21	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		8	Factbook p.42	
EN13	Habitats protected or restored		8	Factbook p.42	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		8	Factbook p.42	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		8		

EMMISSIONS, EFFLUENTS, AND WASTE					
EN16	Total direct and indirect greenhouse gas emissions by weight		8	Factbook p.22	
EN17	Other relevant indirect greenhouse gas emissions by weight		8	Factbook p.22	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		7,8,9	Factbook p.22	
EN19	Emissions of ozone-depleting substances by weight		8	Not relevant in 2010, due to the nature of business and types of projects	
EN20	NO _x , SO _x , and other significant air emissions by type and weight		8	Factbook p.22, 44-47	
EN21	Total water discharge by quality and destination		8	Factbook p.21, 48	
EN22	Total weight of waste by type and disposal method		8	Factbook p.23, 49	
EN23	Total number and volume of significant spills		8	None	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of Basel Convention Annex I,II,III, and VIII, and percentage of transported waste		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		7,8,9	Factbook p.34	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category		8,9	Not relevant, financial products are not packable	
COMPLIANCE					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		8	None	

> **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		8	Factbook p.22
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OVERALL

EN30	Total environmental protection expenditures and investments by type		7,8,9	
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LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS

Indicators	Topic	Compliance	GC Principle	Page
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EMPLOYMENT

LA1	Total workforce by employment type, employment contract, and region			Factbook p.26
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LA2	Total number and rate of employee turnover by age group, gender, and region		6	Factbook p.29 As EKF only has one work place the turnover according to region is not relevant
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LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations			Factbook p.28
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LABOR / MANAGEMENT RELATIONS

LA4	Percentage of employees covered by collective bargaining agreements		1,3	Factbook p.25
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LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		3	Factbook p.25
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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		1	Factbook p.25
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LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region		1	CSR Report p.16 Factbook p.26, 27
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LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		1	Factbook p.30
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LA9	Health and safety topics covered in formal agreements with trade unions		1	Factbook p.25
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TRAINING AND EDUCATION

LA10	Average hours of training per year per employee by employee category			CSR Report p.17 Factbook p.27
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LA11	Programs for skills management and life-long learning that support the continued employability of employees and assist them in managing career endings			Factbook p.30
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LA12	Percentage of employees receiving regular performance and career development reviews			Factbook p.30
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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		1,6	Factbook p.26
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LA14	Ratio of basic salary men to women by employee category		1,6	Factbook p.27
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HUMAN RIGHTS PERFORMANCE INDICATORS

Indicators	Topic	Compliance	GC Principle	Page
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INVESTMENT AND PROCUREMENT PRACTICES

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening		1,2,3,4,5,6	CSR Report p.17
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> HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken		1,2,3,4,5,6	Factbook p.50
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		1,2,3,4,5,6	
NON-DISCRIMINATION				
HR4	Total number of incidents of discrimination and actions taken		1,2,6	None
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		1,2,3	Factbook p.50
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		1,2,5	Factbook p.50
FORCED AND COMPULSORY LABOR				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor		1,2,4	Factbook p.50
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		1,2	
INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken		1,2	Factbook p.51

SOCIETY PERFORMANCE INDICATORS

Indicators	Topic	Compliance	GC Principle	Page
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			Factbook p.34
FS13	Access points in low-populated or economically disadvantaged areas by type			Not relevant, EKF has no private customers
FS14	Initiatives to improve access to financial services for disadvantaged people			Not relevant, EKF has no private customers
CORRUPTION				
SO2	Percentage and total number of business units analyzed for risks related to corruption		10	Factbook p.20 100 pct.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures		10	Factbook p.20 100 pct.
SO4	Actions taken in response to incidents of corruption		10	No incidents
PUBLIC POLICY				
SO5	Public policy positions and participation in public policy development and lobbying		1,2,3,4,5,6, 7,8,9,10	Not relevant, EKF is the Danish ECA
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country		10	None
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 has been no such sanctions

> **PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS**

Indicators	Topic	Compliance	GC Principle	Page
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		1	Not relevant, EKF is a financial institution
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, by type of outcomes		1	
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		8	Not relevant, EKF is a financial institution
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome		8	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction			
FS16	Initiatives to enhance financial literacy by type of beneficiary			None
MARKETING COMMUNICATION				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship			None
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 substantial complaints regarding breaches of customer privacy and losses of customer data		1
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COMPLIANCE

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		There has been no case of non-compliances
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LIST OF ABBREVIATIONS

ABBREVIATION	EXPLANATION
BAT	Best Available Techniques
CA	Common Approaches
CSR	Corporate Social Responsibility
EHS	Environment, Health and Safety
EIA	Environmental Impact Assessment
EKF	Eksport Kredit Fonden
EMP	Environmental Management Plan
EP	Equator Principles
EPFI	Equator Principles Financial Institutions
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
EU BREF	EU BAT (Best Available Techniques) Reference Document
GC	UN Global Compact
GHG	Greenhouse Gas
GNI	Gross National Income per capita

GRI	Global Reporting Initiative
IFC	International Finance Corporation
OECD	Organization for Economic Co-operation and Development
PS	Performance Standard
RAP	Resettlement Action Plan
SDR	Special Drawing Rights ^{1/1}
SEA	Social and Environmental Assessment
UN	United Nations

DEFINITIONS AND SOURCES

DEFINITIONS

Audit	An audit is a systematic review of the project and the project's surroundings based on the given material, written enquiries and possibly interviews and field visits. Forms the basis for the assessment of environmental and social impacts.
BOD ₅	Biological Oxygen Demand (BOD ₅). The amount of dissolved oxygen consumed in five days by biological processes breaking down organic matter (in wastewater).
CDM	Clean Development Mechanism, a flexible mechanism for trading in CO ₂ quotas from projects in countries that have not committed to reducing greenhouse emissions. Part of the Kyoto Protocol.
CH ₄	Methane. A colourless, non-toxic, flammable gas created by anaerobic decomposition of organic compounds. A greenhouse gas that is 21 times as potent as carbon dioxide.
CO ₂	Carbon dioxide. A colourless, odourless and non-toxic gas that results from fossil fuel combustion and is normally part of the ambient air. Greenhouse gas.
EKF volume	EKF's proportion of the sustainable development for the individual environmental or social parameter is weighted in relation to the size of EKF's involvement.
Equator banks/ Principles	The Equator banks refer to the financial institutions that have adopted the IFC's Performance Standards ^{3/} . www.equator-principles.com
GNI per capita, Atlas method	Gross national income per capita (previously gross national product, GNP, per capita) is based on the World Bank's so-called Atlas Method.
Kyoto Protocol	The Kyoto Protocol (KP) specifies procedures and frameworks for the limitation of emissions of greenhouse gases, primarily CO ₂ . For the industrialised countries that have ratified KP this implies a commitment to meet emission reduction targets relative to the 1990 level. Flexible project mechanisms, Clean Development Mechanism (CDM) and Joint Implementation (JI), have been introduced as part of KP. The Kyoto Protocol entered into force in February 2005.

Man-year	Employment of one person for one year. In an index context, the number of man-years is weighted with the size of EKF's involvement.
NO _x	Nitrogen oxides. Products of combustion from transport and stationary sources and major contributors to acid deposition and the formation of ground-level ozone in the troposphere.
Particulates	Fine liquid or solid particles, such as dust, smoke, mist, fumes, or smog, found in air or emissions. Emissions of particulates are defined based on particle size. The size normally applied is PM10, i.e. particles smaller than 10 micrometres.
PE	Person Equivalents. 1,000 PE equal 60 kg BOD ₅ /day.
Person-year	Number of resettled persons multiplied by EKF's financial involvement plus the duration of the project (construction phase plus operating phase, although maximum ten years' operation).
Project participants	The designation project participants include exporter, recipient, project owner and other stakeholders.
Quota trading	The Emissions Trading Directive means that the EU member states set absolute limits on CO ₂ emissions from large industrial and energy plants from 2005 onwards. An important instrument to enable the EU to meet its overall commitment of an 8% reduction compared with the 1990 level. The directive introduces trading in the EU's CO ₂ quotas, so-called Allowances, and emission reductions from CDM and JI projects.
SDR	Special Drawing Rights (SDRs) ^{1/} . The SDR (or XDR) is an international reserve asset created by the IMF in 1969 to supplement the existing official reserves of the member states. SDRs are allocated to member states in proportion to their IMF quotas. The SDR also serves as the unit of account of the IMF and some other international organisations. The currency value of the SDR is determined by summing the values in U.S. dollars, based on market exchange rates, of a basket of major currencies (the U.S. dollar, Euro, Japanese yen, and pound sterling).
SO ₂	Sulphur dioxide. A heavy, pungent, colourless, gaseous air pollutant formed primarily by processes involving fossil fuel combustion. Has an acidifying/corrosive effect.

NOTE	SOURCE
1	See definition at www.imf.org
2	Organisation for Economic Co-operation and Development (OECD). Council Recommendation on Common Approaches on the Environment and Officially Supported Credits, C(2003)236, 25-nov-2003; and, Updated Recommendation on Common Approaches on the Environment and Officially Supported Export Credits, TD/ECG(2005)3, 25-feb-2005; and, Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits, TAD/ECG(2007)9, 12-jun-2007
3	Equator Principles: www.equator-principles.com
4	Integrated Pollution Prevention and Control Bureau (IPPC Directive 96/61/EC). BREF documents on Best Available Techniques.
5	Danish Energy Authority, Energy Statistics 2009
6	Annual Danish Informative Inventory Report to UNECE. NERI Technical Report No.776, 2010
7	GNI per capita, Atlas method, "Country at a Glance tables" under http://www.worldbank.org/data/countrydata/countrydata.html
8	The IFC Performance standards: http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards
9	The concept of emission scopes is described in greater detail in: The Greenhouse Gas Protocol – A corporate accounting and reporting standard. World Resources Institute and World Business Council for Sustainable Development, 1998, revised 2004 edition.
10	Guidelines for completing the Project Design Document (CDM-PDD), section C
11	Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC
12	World Bank, IFC Environmental, Health and Safety Guidelines for Cement and Lime Manufacturing (2007)
13	World Bank, IFC General Environmental Health and Safety Guidelines (2007). During the period 2002-2006 the benchmark was: Pollution Prevention and Abatement Handbook. World Bank Group (1998).

14	World Bank, IFC Environmental Health and Safety Guidelines, Wind Energy Conversion Systems (2007)
15	World Bank, IFC Environmental Health and Safety Guidelines, Electric Power Transmission and Distribution (2007)
16	World Bank Operational Manual OP4.37 Safety of Dams
17	Teknologiske data for el- og varmeproduktionsanlæg (in Danish) (Technical data for heat and power plants). Danish Energy Authority, 1993. Emission data for various production plants.
18	Technology Data for Electricity and Heat Generating Plants, Danish Energy Authority, Elkraft System and Eltra, March 2005
19	Luftvejledningen (Air Guideline), Vejledning fra Miljøstyrelsen (Danish EPA) no.2, 2001
20	There are already a number of quotations/exchanges for CO2, including www.pointcarbon.com and http://www.nordpool.dk . Price information used: EAU-DEC11 according to Pointcarbon, Jan 2011.
21	www.evomarkets.com per Jan 20, 2011
22	www.nationalbanken.dk