



# SUSTAINABILITY REPORT **2021**



KOMMUNEKREDIT  
STEADY & STABLE





### About KommuneKredit

KommuneKredit was established in 1898 by a special Act and is legally organized as a credit association under Danish law. KommuneKredit's purpose is to provide financing of investments by Danish local governments, intermunicipal enterprises, and other Danish enterprises, which fulfil public activities and are fully guaranteed by one or more local governments.

KommuneKredit is supervised by the Ministry of Industry, Business and Financial Affairs, which has delegated the task of conducting the ongoing supervision pursuant to the Act on KommuneKredit to the Danish FSA, and is exempt from the EU's banking directive.

We are domiciled in Copenhagen, the capital of Denmark, and we do not have branches or subsidiaries.



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## Get in touch

We welcome any comments, suggestions, or questions you may have regarding this report or our performance. Please send an email to [kk@kommunekredit.dk](mailto:kk@kommunekredit.dk).

Stay up to date on the most recent developments at [kommunekredit.com](https://kommunekredit.com) and follow KommuneKredit on [LinkedIn](#).

## About this report

This Sustainability Report outlines our strategic approach to sustainability and covers activities in KommuneKredit for the financial year 1 January 2021 to 31 December 2021. In the report, we aim to address sustainability issues that are material to our stakeholders and our business and to provide a fair and balanced presentation of our activities, achievements, and contribution to the UN Sustainable Development Goals (SDGs) and targets. We also disclose our goals and outlook for 2022 as well as environmental, social and governance (ESG) and green finance data.

Our annual reporting suite includes KommuneKredit's [Annual Report 2021](#), [Corporate Governance Report 2021](#) and this Sustainability Report. The reporting suite has been approved by the Board of Directors and was published on 31 March 2022.



# Message from the CEO

For more than 120 years, KommuneKredit has played an important role in helping to grow and develop the Danish welfare society. By providing almost all local government borrowing in Denmark at the lowest possible cost on a non-profit basis, we support Danish municipalities and regions in achieving their ambitions to create the best conditions and most sustainable solutions in their further development of our society.

Throughout 2021, we continued to be a steady and stable link between global funding and local lending in Denmark concluding the year with a net interest income of DKK 383 million. As a financial institution with public ownership, KommuneKredit has a special responsibility to contribute to society and our support for the green and sustainable transition continues to increase as also reflected in our Strategy 2025.



Looking back at the past year, I am particularly proud of the fact that we have managed to maintain a high employee engagement score in our annual employee satisfaction survey. I would like to thank all our employees for their efforts in the strategic transformation to make KommuneKredit fit for the future while at the same time manoeuvring through the uncertainty and unpredictability of COVID-19. We have now made the hybrid way of working a new norm and the progress made in our development activities in 2021 clearly shows, what we are able to achieve when we all work together towards our strategic priorities.

In 2021, climate change continued to be high on the agenda at both the global and local level with important decisions being made. At the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, UK, the world's leaders agreed to uphold a 1.5°C pathway for the world. At the local level in Denmark, climate and environment was at the forefront as a crucial topic at the municipal elections in November 2021 paving the way for further climate initiatives in the municipalities.

An example of the willingness to take action is demonstrated by the Danish climate initiative DK2020, which involves Local Government Denmark and Danish Regions, the interest organisations of the 98 Danish municipalities and the 5 regions in Denmark. Since 2020, the number of municipalities committed to developing climate action plans in line with the objectives of the Paris Agreement increased by 30 to 95 municipalities. Practically speaking, the entire Danish population will live in municipalities that are climate-neutral and at the same time robust enough to withstand the consequences of climate change within less than 30 years. Naturally, KommuneKredit is ready to support the municipalities in meeting their objectives by financing the required investments at the lowest possible cost and on a non-profit basis.

We are in the decade of action if we are to reach the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals. KommuneKredit supports this agenda through our 2025 Strategy, our updated Policy on Corporate Social Responsibility and Sustainability and our focus areas: Responsible Governance,

Responsible Funding and Responsible Internal Operations. In 2021, we accelerated our sustainability efforts by adding more staff to the area and at the same time integrating the activities into the Treasury Department. Across our three focus areas, it is within Responsible Funding, which encompass our green finance offerings, that we can exercise the greatest positive impact on society.

In the period 2017 to year-end 2021 our Green Committee has approved a green lending volume of DKK 27.2 billion of which DKK 4.9 billion were approved in 2021 across 148 green loans. Our green loans finance projects within district heating, water management, clean public transportation and energy efficiency, and we fund KommuneKredit's green loans by issuing green bonds. In 2021, we launched our sixth green bond on the back of our Green Bond Framework 2017.

As we want to further support our customers' climate ambitions and the sustainable finance agenda, which is a fast-developing area in the international capital markets and subject for incoming regulation by the EU, we have updated our green bond

framework. The updated framework was launched in February 2022. Our Green Bond Framework 2022 expands the number of green project categories that are eligible for our green financing, and it allows for both green loans and green leasing. We are now able to finance and refinance projects from allocated green bond proceeds within six eligible green loan and green leasing categories thereby extending our green finance portfolio and customer offerings.

In the coming years, KommuneKredit aims to have green funding account for an increasing proportion of the overall loan and leasing portfolio. We are in a strong position to further integrate sustainability into our business model and thus continue providing funding for public purposes and the green transition in Denmark.

**Jens Lundager**

CEO

KommuneKredit

# Credit association for local and regional authorities

KommuneKredit provides a financial foundation for the growth and development of the Danish society.

KommuneKredit enables Danish municipalities and regions to achieve their ambitions and create the best conditions and most sustainable solutions by providing financing at the lowest possible cost and on equal terms regardless of the size of the project, or where in Denmark it takes place. In this way, we not only create equal opportunities across Denmark – we also create cohesion and a platform allowing municipalities and regions and, ultimately, Danish citizens to get as much growth and development for their money as possible.

We fund our loans and leasing activities by issuing bonds to investors all around the world. KommuneKredit's members – all municipalities and regions in Denmark – are jointly and severally liable for our liabilities, and this allows us to borrow funds at a very low rate of interest. As our administrative

expenses are quite low – and we do not have to make a profit on our lending and leasing operations or pay dividends to our owners – our members are ensured the lowest possible interest on their loans. On the basis of strong financial capabilities and a profound respect for the responsibility that comes with being the credit provider for municipalities and regions, we thus create a steady and stable link between global funding and local lending. With a Aaa/AAA long-term credit rating from Moody's and Standard & Poor's, KommuneKredit has the highest international rating – in line with that assigned to the Kingdom of Denmark.

## More information

For more details, please see our

➔ [Annual Report 2021](#).

## Steady and value creating



### Joint and several liability

KommuneKredit is an association. Members – Denmark's 98 municipalities and 5 regions – represent the entire Danish population and are jointly and severally liable for our liabilities.

### Safe link

Acting as a safe link between global funding and local lending, KommuneKredit provides a financial foundation for developing the Danish welfare society.

### Funding of lending

KommuneKredit funds its lending by issuing securities in the Danish and international capital markets.



### Mission

KommuneKredit shall contribute to financial latitude in Danish municipalities and regions by providing funding and financial advice at the lowest possible cost.



### Vision

We will always be the best funding choice for our customers, regardless of the given framework.

We will be modern, efficient, and engaged, with a focus on high quality, steadiness and stability.

### Key figures 2021



#### Employees

**88**

employees

**39.2%**

women in  
the workforce



#### Lending

**DKK 27.2  
billion**

in total approved green lending  
from 2017 to year-end 2021

**13%**

green lending  
ratio



#### Market share and equity

**98%**

share of municipal and  
regional long-term debt

**DKK 8,775  
million**

in equity



#### Profit and tax

**DKK 487  
million**

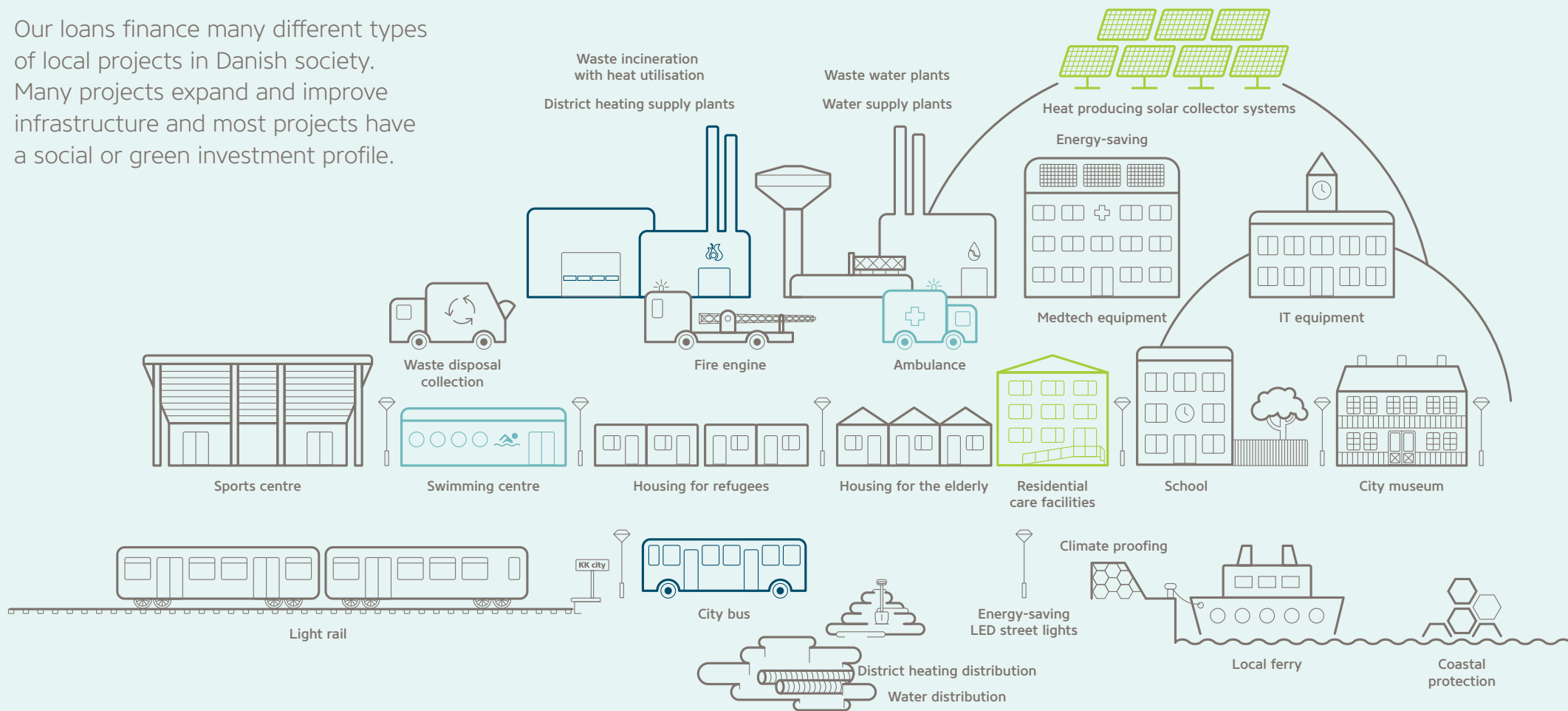
in profit before tax

**DKK 109  
million**

in tax on profit

# Funding public purposes

Our loans finance many different types of local projects in Danish society. Many projects expand and improve infrastructure and most projects have a social or green investment profile.





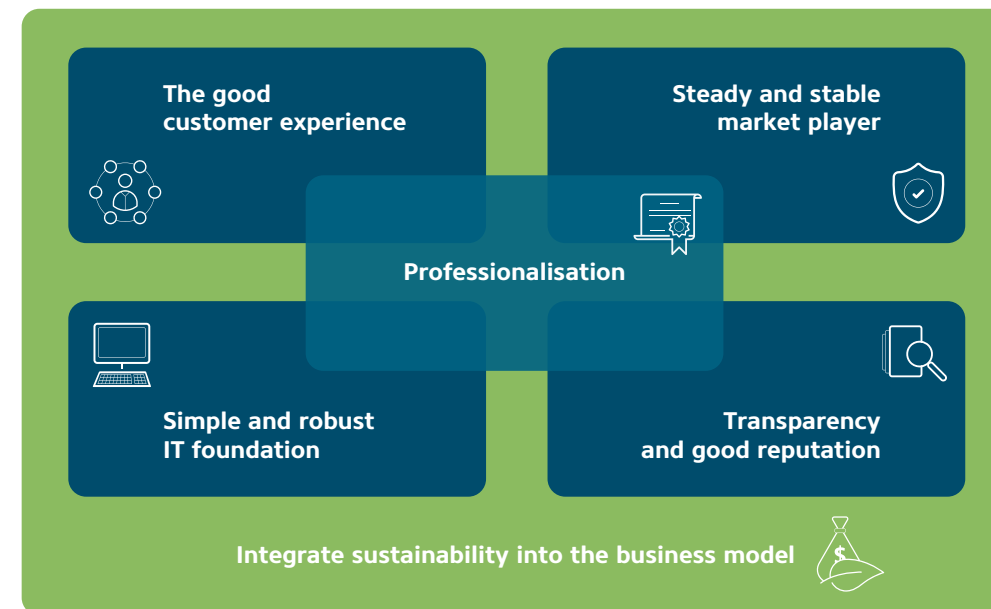
# Strategy 2025

Our Strategy 2025 sets the direction for KommuneKredit's continued transformation and brings sustainability into focus throughout the organisation.

Integration of sustainability into the business model is one of six equally weighted priorities in our Strategy 2025. Introduced in 2020, the strategy is set to futureproof KommuneKredit as a well-run, accessible and sustainable financial institution. We aim to anchor a strong environmental, social and governance (ESG) profile throughout the organisation as well as to contribute to sustainable developments and play a key role in the green transition of the Danish society. KommuneKredit's main contribution is created through its lending activities and bond issuance, which form the core of the company's social responsibility efforts.

While four of the strategic priorities are directly business-oriented – The good customer experience, Steady and stable market player, Simple and robust IT foundation, and Transparency and good reputation – the priority Professionalisation concentrates on developing our employees, core values and culture, which is a prerequisite for the strategy process to succeed.

## Our six strategic priorities



### More information

For more details on Strategy 2025, please see our

🔗 [website](#) and 🔗 [Annual Report 2021](#).



## Policy and focus areas

In 2021, we reviewed our assessment of the materiality of sustainability-related topics to identify new issues that represent challenges or opportunities for society and for our business. We based the review on trends in the financial sector, regulatory developments, and good practice within sustainability as well as our stakeholder analysis from 2018.

The review led to an update of our Policy on Corporate Social Responsibility (CSR) and Sustainability, which was approved by the Board of Directors in December 2021. The policy clarifies the general principles for our social

responsibility and sustainability activities and serves as a guideline for all KommuneKredit's employees. The updated policy emphasises our support of the recognised principles for responsible corporate governance; the UN 2030 agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs); the UN climate goals for reducing greenhouse gases (the Paris Agreement) and Denmark's climate goals; as well as the EU Action Plan on Sustainable Finance.

We continue to focus our sustainability efforts within the three areas, which we

defined in 2018: Responsible Governance; Responsible Funding; and Responsible Internal Operations. For each focus area, we annually set goals, decide on associated activities that are owned by different departments across the organisation and report on our progress, and disclose ESG and green finance data. In 2021, we reviewed our ESG metrics against new best practise guidelines. This led to a slight extension of the number of key figures for annual disclosure and we have updated our accounting instruction accordingly cf. p. 26-27.

## Our principles for CSR and sustainability



**Green and sustainable financing:** KommuneKredit will support the sustainable transition ambitions of Danish local authorities by offering green and sustainable financing options and advice pursuant to applicable standards.



**Environmental and climate considerations:** KommuneKredit will work to mitigate its own environmental and climate impact of businesses in connection with the operations and procurement activities of the company.



**Diversity and job satisfaction:** KommuneKredit will support inclusiveness, diversity, professional development, and job satisfaction and takes a zero-tolerance approach to any form of discrimination and harassment.



**Good business ethics:** KommuneKredit will, at all times, demonstrate good corporate governance through responsible and effective management and takes a zero-tolerance approach to any form of bribery and corruption.



**Openness and communication:** KommuneKredit will create transparency through open and clear communications about both the positive and the negative environmental and social impacts caused by the company's activities.

## TCFD assessment

In line with our strategic focus on sustainability and the impacts of climate change, during 2021 we looked further into the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We conducted a high-level assessment of the financial implications of climate-related risks and opportunities to KommuneKredit's business, including an assessment of the relevance of TCFD-reporting in the light of the association's particular business model. This work was facilitated by external sustainability consultants and anchored at the management level.

Clearly, climate change presents financial risks to both the Danish and the global economy. Municipalities and regions in Denmark will be affected by climate change, such as storms and flooding for example, as well as by reforms, related to financing, infrastructure etc., as the Danish society is transitioning to a low-carbon society. These impacts are already being felt, and our members are taking up loans with KommuneKredit to finance the mitigation of greenhouse gas emissions and adaption to a changing climate to protect their communities and businesses. Consequently, we increase our green funding offerings and will continue to do so, cf. p. 16-21.

However, intrinsically, climate related risks at the member level do not translate into financial risks for KommuneKredit due to the special liability and funding structure of the company and the absence of credit risk on loans. As Danish local authorities are jointly and severally liable for KommuneKredit's liabilities, risks assumed by KommuneKredit are the local authorities' risks.



## Our contribution to the SDGs

Due to the joint and several liability of our members, our close ties to local governments and the non-profit basis of our business model, KommuneKredit has particularly favourable preconditions for supporting the sustainable development of Danish society and generate positive impact.

In 2020, we conducted a high-level assessment of our contribution to the SDGs and our main contribution is through our lending activities. Hence, across the three focus areas it is in particular within Re-

sponsible Funding, which encompass green financing, that we can exercise the greatest positive impact on society. However, our efforts within Responsible Governance and Responsible Internal Operations, which are primarily internal, are also important – both for realising our strategic priorities towards 2025 and for ensuring our credibility within the sustainable finance community. As part of the yearly goal-setting process we review the assessment and update the SDG targets that link to our goals and activities.

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The Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting, 2020 and the International Capital Market Association's (ICMA) Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, 2020, informed our high-level assessment of our contribution to the SDGs and targets against all our lending purposes in 2020. Going forward our SDG contribution will be extended in view of our Green Bond Framework 2022, cf. p. 19.

### Our lending activities support a variety of the SDGs



Funding for building and upgrading education facilities contribute to provide inclusive and effective learning environments for all.



Funding for water supply plants and distribution, as well as wastewater plants and sewerage, contribute to provide access to safe drinking water, ensure sustainable management of water, and reduce water pollution.



Funding for district heating supply plants and distribution as well as solar collector systems and biomass and biogas plants contribute to ensure access to affordable, reliable, and modern energy and increase the share of renewable energy.



Funding for harbour infrastructure and public transport contribute to develop sustainable and resilient infrastructure and support economic development while funding for IT equipment contribute to increase access to information and communications technology.



Funding for public transport, waste disposal collection and emergency preparedness, as well as housing for refugees and the elderly, contribute to make cities inclusive, safe, resilient, and sustainable.



Funding for recycling centres and green buildings contribute to reduce waste generation and efficient use of natural resources.



Funding for energy-saving, climate proofing and coastal protection contribute to combat climate change as well as strengthen the resilience to climate related hazards and natural disasters.

# Upholding good governance and transparency

We support corporate governance recommendations and strive to further improve transparency and strengthen our ESG profile.

In 2021, KommuneKredit continued implementing the recommendations of the Danish Committee on Corporate Governance as disclosed in our updated corporate governance report, which includes a focus on purpose and sustainability. We have also increased our sustainable business development and management efforts and while the COVID-19 pandemic did continue to affect the way we work, we have managed to achieve all activities related to our goals within the focus area of Responsible Governance.

In our outlook for 2022, we continue our good governance efforts in support of our Strategy 2025 and will further strengthen the integration of sustainability into our business model through e.g., mapping of competences and developing a cross-company ESG-plan, cf. p. 14-15.

## Sustainability governance

KommuneKredit's overall management is handled by our Board of Directors. The board has 10 members of which six are elected by the municipalities, two by the regions, and two are independent members. The board approves our strategic priorities and annual reporting suite including this Sustainability Report. In 2021, the Board of Directors also approved our new Policy on Corporate Social Responsibility and Sustainability.

KommuneKredit is organised into seven departments and in 2021, we increased our strategic sustainability efforts by anchoring sustainability and green financing in our Treasury department, which at the same time changed its name to Treasury & Sustainability. The other departments are: Lending & Leasing, Risk & Balance, Finance, Business Development & Strategy, Legal and IT. The

day-to-day management is handled by our Management Board, which has two members. They work in close cooperation with KommuneKredit's management team that consist of Heads of Departments and Heads of Teams and has 15 members. In 2021, the management team engaged in a workshop to discuss how KommuneKredit can further develop as a sustainable organisation.

Our Head of Sustainable Finance leads our sustainability efforts, whereas our goals and activities are owned and executed by members of the management team and employees across the organisation to ensure integration into our business model and operations.

## Our ESG profile

As set out in our Strategy 2025, we wish to support municipalities and regions in their sustainability ambitions by offering finance

## SDG linkage



We support SDG 12 by adopting sustainable practices, including procurement practices, and by integrating sustainability information into our reporting practice.



We support SDG 16 by promoting good corporate governance and good management practices.

at the lowest possible costs. To do so, we also need to anchor a strong ESG profile throughout the association and our aim is for KommuneKredit's ESG rating to remain in the upper quartile with leading ESG rating agencies.

In 2020, we received a best-in-class ESG rating from the Institutional Shareholder Services (ISS) ESG, placing us in the ESG Prime category within our industry. Companies are categorised as Prime, if they achieve or exceed the sustainability performance requirements defined by ISS ESG for a specific industry in their ESG Corporate Rating. The ISS ESG rating scale ranges from D- to A+ and our rating in 2020 was C+. We expect to receive an updated rating in 2022.



To further strengthen our ESG profile, and ultimately our ESG rating, we in 2021 identified potential ESG initiatives for KommuneKredit to embark on. In 2022, we will assess these and develop a cross-company ESG action plan.

### Change management

During 2021, we have restated our Management Principles internally to ensure that both managers and employees remain aware that the principles form the foundation for exercising management in KommuneKredit. Furthermore, in view of our Strategy 2025 we have supported KommuneKredit's change readiness. All managers have participated in three half-day workshops as well as a 2-day seminar that combined theory and practical training in change management.

Our employees received a presentation at a company-wide staff meeting on what happens when people are exposed to changes, as well as an introduction to a number of tools that are available on our intranet. For example, a tool that can be used to clarify what is at stake for oneself and how to best cope with changes. A proxy for our management in practise is reflected in our employee engagement score, cf. p. 23.

### Ethical business conduct

Good business ethics is a fundamental aspect of KommuneKredit's corporate culture. Leaders at all levels must lead by example and it is the responsibility of each leader to ensure that our Policy on Corporate Social Responsibility and Sustainability and Code of Conduct are known by the employees within their area of responsibility.

We have zero tolerance towards any form of bribery and corruption and have a set of rules for receiving and giving gifts, which is described in our employee handbook. Employees, who are unsure of how to act in a specific situation, may seek further guidance from our internal guidelines and procedures or their immediate superior. Similarly, we do not accept any kind of discrimination, harassment or bullying, cf. p. 23.

In December 2021, we updated our whistleblower policy to comply with the new Danish Whistleblower Protection Act. Our whistleblower scheme covers all serious offences, including any breach of law and thus goes beyond the mandatory matters under the new act, which are breaches of specific EU law as well as serious breaches of EU law or Danish law. In addition, our reporting scheme also includes irregularities

within accounting and auditing, violations of certain internal rules and cases of discrimination and sexual harassment.

### Responsible procurement

KommuneKredit is actively promoting a sustainable supply chain and we openly communicate to potential suppliers that responsible business behaviour is important to us. Our internal supplier guidelines developed in 2020 sets forth guiding principles on sustainability and responsibility in all our procurement processes, and in 2021 we have been implementing and raising awareness of the guidelines and will continue to do so in 2022. We aim for our suppliers to show real commitment to sustainability and responsibility before awarding a contract to a supplier and in 2021 sustainable procurement and disposal of IT equipment has been a focal point, cf. p. 22.

### More information

For more details on how KommuneKredit follows the recommendations of the Danish Committee on Corporate Governance, please see our

📄 [Corporate Governance Report 2021.](#)



## Gender diversity

We support diversity and aim for gender equality at all levels. As an organisation of 88 employees and with a management team of 15 persons, minor changes in the organisation may have a significant effect on the gender distribution. To ensure transparency, we monitor and disclose gender diversity at different levels as well as the gender pay ratio on an annual basis. In 2021, the gender distribution and pay ratio was on par with 2020.

**20%**

women on the Board of Directors

**33.3%**

women in the management team

**39.2%**

women of total employees

**1.1**

gender pay ratio

## 2021 achievements

Goal	Activity	Achievement	Status	SDG link
<b>Good corporate governance</b>	Continue to publish an annual corporate governance report as part of our reporting suite and align the 2021 report to the updated recommendations of the Danish Committee on Corporate Governance.	Based on the latest recommendations of the Danish Committee on Corporate Governance which includes an increased focus on purpose and sustainability, we have published an updated corporate governance report as part of our 2021 reporting suite.	●	16.6
	Progress within first line of defence by ensuring risk assessments of processes and management oversight of control effectiveness according to new internal standards.	In 2021, all significant standard operating procedures were updated with risk assessments of processes and controls.	●	No SDG impact
	Progress within second line of defence by ongoing independent reviews of which minimum four will be conducted.	Three independent reviews of business processes have been conducted in 2021 of which one also had a follow-up review. In addition, two follow-up reviews have been conducted on two independent reviews from 2020.	●	
<b>Sustainable business development and management</b>	Assess how to best raise awareness of and professionalise KommuneKredit's change management practice in view of our Strategy 2025.	In order to support KommuneKredit's change readiness and thereby the execution of our Strategy 2025, we have conducted a change management campaign towards both managers and employees in 2021. The campaign was facilitated by external consultants and included training, presentations and tools.	●	16.6.
	Increase awareness of KommuneKredit's Management Principles by rolling out a campaign to all employees and addressing the principles in our measurement of employee engagement and annual management and employee performance reviews.	During 2021, the Management Principles have been conveyed at staff meetings and on the intranet to ensure that both managers and employees are aware that the principles form the foundation for exercising management in KommuneKredit. In addition, we have incorporated the principles in our employee engagement survey as well as our annual management and employee performance reviews to ensure that managers receive feedback from employees on how well they adhere to the principles.	●	
	Raise sustainability awareness in KommuneKredit's management team by engaging the Management Board, Heads of Departments and Heads of Teams in a sustainability leadership activity led by an external partner.	In 2021, we held a workshop for our management team where an external consultant gave an inspirational presentation on sustainability leadership and facilitated a discussion of how we can further develop as a sustainable organisation and what requirements it places on future leaders in KommuneKredit.	●	12.6.
	Raise awareness of and implement our internal supplier guidelines across our organisation.	In 2021, we implemented the internal supplier guidelines and raised awareness hereof across the organisation. New suppliers were assessed in accordance with the guidelines, and we engaged in dialogue with selected suppliers on their commitment to sustainability.	●	12.7.
<b>A strong ESG profile</b>	Initiate a mapping of relevant initiatives that can further strengthen KommuneKredit's ESG profile and start developing a cross-company ESG action plan.	In 2021, we initiated a mapping of ESG initiatives aiming to further strengthen the association's ESG profile. The outcome of the mapping is a catalogue of potential initiatives for KommuneKredit.	●	16.6.
<b>Level of completion:</b>	● Achieved ● Ongoing			



## 2021 figures

# 80%

Attendance Rate at  
Board Meetings

# 91.7%

Attendance Rate at  
Audit Committee Meetings

# 3.7

CEO Pay Ratio (median)

# 0

Penalties related  
to corruption

Please see p. 26-27 for a five-year overview of our ESG data and comments on main developments.

## 2022 outlook

Goal	Activity	SDG link
<b>Good corporate governance</b>	Continue to publish corporate governance reports aligned with the recommendations of the Danish Committee on Corporate Governance. Updated reports will be prepared when there are material changes in our corporate governance or when the recommendations are updated by the Committee.	16.6
	Implement second line of defence and monitor IT risk management conduct within first line of defence.	No SDG impact
	Conduct three to four independent reviews of business processes selected from a risk approach, including both annual and follow-up reviews.	
<b>Sustainable business development and management</b>	Initiate activities for our management team to ensure that the change management tools introduced in 2021 are integrated into daily practices.	16.6.
	Continue the work on developing a cross-company ESG action plan based on the assessment of identified potential ESG initiatives and their relevance and impact.	
	Map and assess the competences needed to deliver on our Strategy 2025 including our ESG ambition in the short- and long-term.	12.6.
	Organise an ESG day for all employees focussing on the integration of sustainability in all relevant organisational practises in line with Strategy 2025.	
	Continue to raise awareness of our internal supplier guidelines and how to apply them in procurement processes.	12.7.

# Green financing supports the green transition

We continue to strengthen our green finance efforts in support of our customers' and the Danish society's green transition.

Since 2017, KommuneKredit has offered green finance, which includes green loans and green bonds, to our customers and our investors respectively. Our focus area, Responsible Funding, centers on green finance. In 2021, we have progressed well on our goals where the finalisation of KommuneKredit's Green Bond Framework 2022 has been a key undertaking. Some activities will be ongoing and form part of our outlook for 2022, where we, in line with our Strategy 2025, focus on further advancing and increasing our green financing and on promoting green finance, cf. p. 20-21.

## Green loans

As set out in KommuneKredit's ESG ambitions, we want to support municipalities and

regions in their sustainability transition. To do so, KommuneKredit grants green loans to our customers. For a green loan to be granted, KommuneKredit's Green Bond Committee must approve the loan. From 2017 to year-end 2021, KommuneKredit's Green Committee has approved a total of 649 green loans worth DKK 27.2 billion \*. Of these, 148 loans with a total project cost of nearly DKK 5 billion were approved in 2021 and this represents a 56 pct. increase in approved volume compared to 2020.

In 2021, we have financed and refinanced projects from allocated green bond proceeds within four eligible green loan categories: District heating, water management, clean public transportation and energy efficiency.

## SDG linkage



We support SDG 6 by providing green loans for water supply plants and distribution as well as wastewater plants and sewerage that contribute to ensure availability and sustainable management of water and sanitation.



We support SDG 7 by providing green loans for renewable energy supply plants and distribution that contribute to ensure access to affordable, reliable, sustainable and modern energy.



We support SDG 9 by providing green loans for the development of sustainable and resilient infrastructure in the water, energy and transportation sectors.



We support SDG 11 by providing green loans for public transport that contribute to making cities inclusive, safe, resilient and sustainable.



We support SDG 13 by providing green loans for energy-saving and climate proofing initiatives that contribute to climate adaptation and mitigation as well as by promoting green finance that increase public awareness on climate change measures.





\* During the same period 5 green loans were reimbursed or otherwise restructured in full totalling DKK 0.6 billion. Furthermore, relative to previous reporting, 3 loans have been manually removed to ensure data consistency.



More than 90 pct. of our approved green loans are within the district heating and water management category in terms of both lending volume and number of loans.

The share of green loans in relation to KommuneKredit's total portfolio by year-end 2021 stands at 13 pct. and we aim to have green lending account for an increasing proportion of the overall loan portfolio in the coming years. We are also working to strengthen our system support and will continue this work in the coming years.

A high-level mapping of our green lending purposes conducted in 2020 showed that these link to five of the 17 UN Sustainable Development Goals (SDGs). Based on an initial assessment conducted in 2021, we now also indicate which of the six environmental objectives of the EU taxonomy our green lending primarily supported in 2020 and 2021. In our Green Bond Framework 2022, we include a high-level mapping of potential SDGs supported by our extended green loan portfolio, which we will report on in the future, cf. p. 19.

Green loans by category	 District heating	 Water management	 Clean public transportation	 Energy efficiency
Share of approved green loan volume in 2021 (2020)	<b>36.6%</b> (60.7%)	<b>61.3%</b> (33.4%)	<b>0%</b> (5.5%)	<b>2.1%</b> (0.5%)
Share of total number of approved green loans in 2021 (2020)	<b>35.1%</b> (51.1%)	<b>62.8%</b> (41.5%)	<b>0%</b> (2.1%)	<b>2%</b> (5.3%)
Suggested primary EU environmental objective	Climate change mitigation	Sustainable use and protection of water and marine resources	Climate change mitigation	Climate change mitigation

#### Green loan certificate

KommuneKredit's customers obtain a digital green certificate when they finance a project with a green loan from us. Customers can use the certificate on their website to signal to their stakeholders that they support the transition to a low-carbon and more resource-efficient economy. We renew the certificate on an annual basis and since 2017 a total of 335 customers have received a green loan certificate.

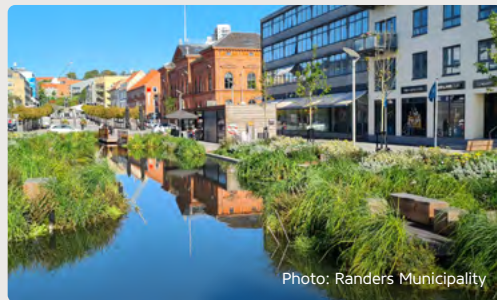


## Customer cases from 2021



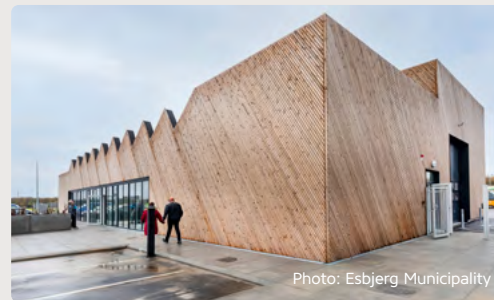
### District heating

In 2021, more than one third of the approved green loan volume were allocated to district heating projects. An example is the energy utility company, Frederikshavn Forsyning, which was granted a green loan of DKK 110 million to install new green heat production in the form of four 16 MW air-to-water heat pumps as replacement for a gas turbine. KommuneKredit's financing is responsible for an electricity saving of approx. 238,000 GJ per year corresponding to a CO<sub>2</sub> saving of almost 18,000 tonnes per year.



### Water management

Water management projects constituted almost two-thirds of our approved green loan volume in 2021. For example, we granted a loan of DKK 37 million to Vandmiljø Randers and Randers Municipality to establish, in part, climate streets with rainwater canals and a water-catching basin that will protect the city centre against floods in the event of future cloudbursts. In the water-catching basin, the street runoff is stored and cleaned, before it is discharged into Randers Fjord to protect the water environment.



### Clean public transportation

In 2021, no green loans were approved in the public transportation category. However, we supported clean public transportation through our leasing activities. An example is a new bus depot for electric city buses in Esbjerg, which the municipality leases via KommuneKredit and makes available to the operators. In the construction of the bus depot, sustainability is taken into account in the choice of building materials, energy consumption and recycling of rainwater in the bus wash. Esbjerg is the largest city in Denmark, where the entire city bus network is 100 percent electric.



### Energy efficiency

We saw a small increase in the volume of green loans approved for energy efficiency in 2021. An example is Assens Municipality where a green loan of DKK 4.3 million was granted for replacing 1440 old streetlights with new LED luminaires. When the replacements are completed during 2022, the municipality will reduce the energy consumption for street lighting by approx. 300,000 kWh per year, which corresponds to about 68 tonnes of CO<sub>2</sub> per year. At the same time, the municipality is phasing out the switching off of street lighting at night, which increases both citizens' safety and traffic safety.



## Green bonds

We fund KommuneKredit's green loans by issuing green bonds. This allows green investors around the world to invest in local green projects in Denmark.

Since our inaugural green bond was launched in 2017, we have issued green bonds annually. In 2021, we launched our first green bond in the Sterling market.

To keep investors and other partners informed about the impact of the projects financed by KommuneKredit, we publish a green bond impact report annually. In May 2021, we published the report that accounts for green bond impact by year-end 2020 and we will issue the report accounting for 2021 in spring 2022.

### More information

For more details on our green loans and bonds, please see our [website](#) and our [Green Bond Impact Reports](#) and find more detail on our total lending and funding in our [Annual Report 2021](#).

## Green Bond Framework 2022

Sustainable finance is a fast-developing area in the international capital markets. To further strengthen our green finance activities, we have put great effort into developing the framework that governs our green bond issuances and lending. Launched in February 2022, our Green Bond Framework 2022 expands the number of green project categories included in our green financing offerings and will allow for both green loans and green leasing within the following categories: Clean transportation; Green buildings; Sustainable water and wastewater management; Pollution prevention and control; Energy (including renewable energy and energy efficiency); and Climate change adaptation. With more categories our high-level mapping of potential SDG contribution points to more SDGs being addressed. The Green Bond Framework 2022 also includes an update of our green finance governance structures and reporting practices.

New standards and guidelines, such as ICMA's updated Green Bond Principles (2021) as well as the incoming EU Green Bond Standard (EU GBS) and the EU Taxonomy are shaping the market developments and have informed the development of our new framework. As recommended in the EU GBS and the Nordic Position Paper on Green Bond Impact Reporting, the framework commits to an annual third-party review of the allocation of proceeds.

CICERO Shades of Green has provided a second opinion to our new framework verifying its credibility, impact, and alignment with ICMA's Green Bond Principles, including a voluntary assessment of the EU Taxonomy alignment. CICERO finds the framework to be aligned with ICMA's principles and has rated the framework to be CICERO Medium Green and the governance procedures of the framework to be Excellent.

## Green bond timeline



## 2021 achievements

Goal	Activity	Achievement	Status	SDG link
Green loan portfolio	Continue our work on the update of our Green Bond Framework and strive to be in line with the continuous developments in best practices and standards.	Work on KommuneKredit's Green Bond Framework 2022 has been ongoing in 2021 with support from an external technical expert and made ready for launch in 2022. As part of the work, we have made a high-level mapping of potential SDGs that the new framework's lending and leasing categories may contribute to.	●	SDG 3 SDG 6 SDG 7 SDG 9 SDG 11 SDG 12 SDG 13 SDG 14 SDG 15
	Continue our work on updating our green bond impact reporting in accordance with the update of the Green Bond Framework.	Following from the work with the association's Green Bond Framework, indicators for future reporting have been identified and will be applied from 2022 in conjunction with our updated Green Bond Framework. Moreover, KommuneKredit is in the process of strengthening the digital reporting on impact.	●	SDG 13.3
	Develop KommuneKredit's green narrative to promote our green finance offerings and support our sustainability efforts.	KommuneKredit's narrative related to our role in supporting local communities' green transition has been strengthened in external communication and will be aligned to the updated Green Bond Framework in 2022.	●	
	Improve our online outreach by establishing a more user-friendly section about green finance on our website and by continuing to share green loan customer cases on our website and via SoMe.	A test-version of a new frontpage and entry to the 'green area' on KommuneKredit's website has been developed and customer cases shared during the year through our online communication channels.	●	
Level of completion:	● Achieved ● Ongoing			

## 2021 figures

# DKK 19.1 billion

Green bonds issued in total since 2017

# DKK 27.2 billion

Total approved green loans since 2017

# DKK 4.9 billion

Approved green loans in 2021

# 8%

Green bond ratio

# 13%

Green lending ratio

Please see p. 27 for a five-year overview of our green finance data and ratio methodology.

## 2022 outlook

Goal	Activity	SDG link
Green finance	Successful implementation of Green Bond Framework 2022.	SDG 3
	Issue at least one green bond under the auspices of the updated Green Bond Framework.	SDG 6
	Introduce green leasing as a part of the association's sustainable finance efforts.	SDG 7 SDG 9 SDG 11 SDG 12 SDG 13 SDG 14 SDG 15
Promoting green finance	Continue to automatize and digitally support the future impact reporting of KommuneKredit under the updated Green Bond Framework.	SDG 13.3
	Further develop KommuneKredit's green narrative in line with the updated Green Bond Framework to promote our green finance offerings.	
	Launch KommuneKredit's updated website with clear entry to the 'green area' and further increase online communication of green loan cases in line with the updated Green Bond Framework.	
	Develop and implement an updated core story for KommuneKredit that reflects our role in society and the ambitions of our Strategy 2025 in collaboration with an external consultant.	

# Climate action and employee engagement

We strive to minimise our impact on the environment and climate and to foster the health and well-being of our employees.

Again in 2021, the COVID-19 restrictions forced most of our employees to work remotely from home for months. However, we managed to keep our business and development projects running and achieve most of our goals and activities within the focus area Responsible Internal Operations. Based on our experiences from the lockdowns and a desire from our employees, we have decided to continue to offer hybrid working conditions to improve our work practices and employee well-being.

Our environmental efforts in 2021 focused on procurement and disposal of IT-equipment, introducing a new Follow-Me printing solution to minimise paper use, reducing the consumption of heat, offering daily vegetarian dishes in the lunch buffet as well as segregation of food waste in the canteen and of paper waste at the individual office spaces.

Our outlook for 2021 is to continue our focus on reducing our own climate impact and environmental footprint as well as fostering employee health and well-being with focus on stress prevention, cf. p. 24-25.

## Reducing climate impact

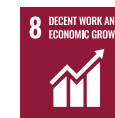
Although our biggest climate impact is associated with our lending activities, we also focus on reducing the impact from our own operations. To reduce the CO<sub>2</sub> emissions from our consumption of energy at our premises, we purchase green electricity, and throughout 2021, we have lowered the room temperature over the weekends and at night with five degrees. We achieved a decrease in both consumption of electricity and district heating in 2021, but we are well aware that the energy consumption may increase when a greater number of employees begin working at the office premises again.

Due to COVID-19, we postponed the review of our building's ventilation, but as a carryover activity to 2022, we will assess the economic feasibility of possible solutions for more energy efficient ventilation.

In 2021, we finalised the formalisation of our practice regarding sustainable IT equipment procurement and disposal. We have re-sold 12 old iPhones and more than 75 Cisco desktop phones and server equipment have been replaced by a new in-house ISDN telephone solution. Through Lenovo's CO<sub>2</sub> Offset Service, we have offset the carbon emissions associated with the procurement of 21 new laptops. The offset covers an average lifecycle of up to 5 years, including manufacture, shipping and usage.

Our employees have hardly travelled in 2021, as nearly all meetings have been virtual due to COVID-19 restrictions. We aim to maintain reduced travel expenses related to transport, and in our travel policy we encourage employees to always consider

## SDG linkage



We support SDG 8 by ensuring safe and secure working environments and supporting the health and well-being of our employees.



We support SDG 12 by optimising use of natural resources and reducing waste as well as by ensuring employees awareness on sustainability issues of relevance for our business activities and daily operations



We support SDG 13 by reducing our energy consumption and travel as well as by increasing awareness on climate change measures among our employees.

the option of an online meeting – and if a journey should take place, to travel by train rather than plane and/or car.

## Hybrid working conditions

In 2021, KommuneKredit has implemented a new hybrid way of working based on a 3-month pilot, where we tested the working conditions. The framework and working conditions for the pilot were based on principles defined in cooperation with our Employee-Management Committee as well



as on specific agreements between the individual employee and their manager.

The pilot was evaluated through a survey and at a meeting for all employees as well as at meetings in the Employee-Management Committee and management team. The survey showed that there is a strong desire to continue the hybrid way of working as it makes it easier to work undisturbed, reduces stress and provides more free time for e.g. sports.

It has therefore been decided to continue the scheme and we are working on improving our project and meeting facilities as well

as the IT equipment for hybrid meetings and for the home offices. In addition, all employees are offered the option of buying furniture for their home office, so that the “workplace at home” is appropriate and meets the requirements of the working environment legislation.

As working from home is new for both employees and managers in KommuneKredit, an external expert has advised us on how to perform distance management and how to prevent increased workload and stress.

### High employee engagement

In 2021, we grew our organisation from an average of 82 to 88 fulltime employees. This is primarily additional employees for conducting large system development projects as part of the Strategy 2025 implementation.

We encourage our employees to voice their concerns and engage in our organisational development when we monitor employee engagement through the Global Employee and Leadership Index (GELx). We conducted our annual employee engagement survey at the end of 2021. The response rate of 98 pct. testifies to a great commitment and at the same time, it gives the survey high

validity and provides a good foundation for our ongoing work to foster employee health and well-being.

We believe that our hybrid way of working has helped us maintain high employee engagement and loyalty scores above the index scores of Danish companies in general and other financial services institutions in Denmark. Focus areas supporting the high scores include, for example, evaluation of the immediate superior, collaboration as well as learning and development. We give high priority to developing our employees’ professional and personal qualifications and monitor our employees’ training hours. We use the results of the survey to develop action plans at department and team level and to identify new areas of focus across the organisation, which in 2022 includes job content and working conditions.

### Workplace assessments

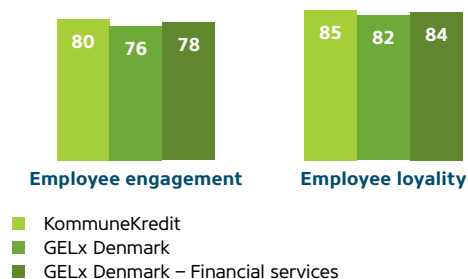
Our Working Environment Committee has members representing the employee and management level and works to support a healthy and safe workplace. The committee members undergo continuous training and enjoy the same protection as shop stewards and are allowed to report infractions directly to the Danish Working Environment

Authority. The Committee is required to arrange biannual workplace assessments (APV) including an ergonomic review, monitoring sickness absence and the mental working environment.

In 2021, the APV was included in the employee engagement survey. It showed that over 90 pct. of our employees are satisfied with the ergonomic working environment and lighting conditions, but also that we need to look at the indoor climate and noise level in some office spaces. In addition, the survey revealed that almost half of our employees did not know where our defibrillators and first aid kits are located and that a quarter did not know what to do in the event of a fire. Subsequently, we have informed all employees about these important matters.

The survey did not uncover any issues related to sexual harassment, violence or discrimination in 2021. Unfortunately, two employees have experienced that they have been subjected to bullying and we are in the process of handling these cases. In KommuneKredit, employees must respect each other’s differences and the individual’s right to privacy, and we do not accept any kind of discrimination, harassment or bullying.

### Employee engagement survey



KommuneKredit’s scores are “top-in-class” which means that we are in the top 25 pct. of financial services institutions in Denmark.

## 2021 achievements

Goal	Activity	Achievement	Status	SDG link
<b>Reduced environmental footprint</b>	Design and implement a formalised process and policy for sustainable IT equipment procurement and disposal.	The formalised process for sustainable IT equipment procurement and disposal is in place. In 2021, we have disposed of eight large printers and re-sold 12 old iPhones. More than 75 Cisco desktop phones and server equipment have been replaced by a new in-house ISDN telephone solution in November 2021 and this equipment will be disposed of according to the new policy beginning 2022. Furthermore, we have offset the carbon emissions associated with the procurement of 21 new laptops.	●	SDG 12.5.
	Introducing better and optimized solutions by implementing Follow-Me printing, which reduce the number of printers and paper used across our business. The implementation is two-fold: 1) Solution design and project proposal to be developed. 2) Initiate actual implementation of designed solution within KommuneKredit.	In 2021, the solution for our future print landscape was designed and eight old printers have been replaced by two new ones. The new service agreement includes quarterly reports of prints and paper use.	●	SDG 12.2.
	Review our building's ventilation with a view to optimize the ventilation to a more energy- and climate-friendly operation mode.	Due to COVID-19, the review of our building's ventilation has been postponed.	●	SDG 13.2.
	Reduce consumption of heat at weekends by implementing further night setback from the current 80 pct.	The room temperature has been lowered over the weekends and at night with five degrees throughout 2021 and this practice will continue in 2022.	●	
	Reduce travel expenses related to transport by 10 pct. from the expense level in 2019.	KommuneKredit's employees have hardly travelled in 2021 as nearly all meetings have been virtual due to COVID-19 restrictions.	●	
	Continue our weekly vegetarian main course day and monthly all vegetarian dishes day as well as introduce a daily vegetarian dish in the lunch buffet.	In 2021, our canteen has prepared daily vegetarian dishes in the lunch buffet in addition to the weekly vegetarian main course day and monthly all vegetarian dishes day. These offers will continue in 2022.	●	No SDG impact.
	Reduce waste by introducing better sorting options at the individual office space and review opportunities for further sorting options in the canteen.	In 2021, KommuneKredit has established segregation of food waste in the canteen. Furthermore, all employees have received individual bins for paper waste.	●	SDG 12.5.
	Continue internal awareness efforts by conducting two awareness events on sustainability issues of relevance for our business activities and daily operations.	We have continued our internal awareness efforts vis-à-vis sustainability in 2021. We have held two events where external experts have given presentations on the topics of the EU Action Plan on Sustainable Finance and implications for the financial sector, sustainable corporate governance, ESG reporting, green bonds and the role of the auditor.	●	SDG 12.8.
<b>Employee health and well-being</b>	Offer all employees voluntary vaccination against influenza as well as a biannual health check.	About half of our employees have accepted the offer of influenza vaccination, while about two-thirds of the employees have signed up for a health check. Both offers takes place in our office to make it easier for the employees.	●	No SDG impact.
	Address stress prevention among our employees through support from external experts.	In 2021, our stress prevention efforts have focused on the challenges posed by COVID-19. This included both mental and physical working environment issues in connection with a transition towards more hybrid and flexible working.	●	
	Use the learnings from the COVID-19 situation to develop our working environment and workplace and support the health and well-being of our employees.	Based on experiences from the COVID-19 situation, we have completed a 3-month pilot in 2021, where we have tested hybrid and flexible working conditions. Evaluation of the pilot showed a strong desire to continue the hybrid and flexible way of working, which is why we have decided to continue the scheme.	●	SDG 8.8.

**Level of completion:** ● Achieved ● Ongoing



2021 figures

88  
Full-Time Employees (FTEs), annual average

10.4%  
Employee Turnover Ratio

7.3  
Training Hours per FTE

3  
Sickness Absence (Days per FTE)

7 tonnes  
CO<sub>2</sub>e Scope 2 Emissions

1,156 GJ  
Total Energy

58%  
Renewable Energy Share

332 m<sup>3</sup>  
Water Consumption

Please see p. 26-27 for a five-year overview of our ESG data and comments on main developments.

2022 outlook

Goal	Activity	SDG link
Reduced environmental footprint	Continue to offset carbon emissions associated with the procurement of new IT equipment when possible. This will apply to all new laptops that KommuneKredit procures in 2022.	SDG 12.5.
	Continue monitoring of our paper use in the new Follow-Me printing solution to maintain a 60 pct. reduction compared to 2019.	SDG 12.2.
	Assess the economic feasibility of possible solutions for optimising our building's ventilation to a more energy efficient operation mode.	SDG 13.2.
	Adopting quantitative targets for cutting greenhouse gas emissions related to our own activities based on analysis of our emissions in previous years, including to the extent possible our material scope 3 emissions, excluding our lending and investment activities.	
Employee health and well-being	Continue to explore options for improving waste sorting, including establishment of waste segregation stations in the basement for e.g. cardboard, batteries, light bulbs and plastic.	SDG 12.5.
	Continue to offer influenza vaccination and health checks. In addition, we keep an eye on other relevant offers that we could apply to support the health and well-being of our employees.	No SDG impact.
	Continue our efforts to prevent and manage stress with inspiration from external expertise.	SDG 8.8.
	Continuously evaluate whether there is a need to adjust the framework and conditions for the hybrid and flexible way of working in KommuneKredit to improve work practices and employee well-being.	



# ESG and green finance key figures

In 2021, KommuneKredit reviewed and updated the environmental, social and governance (ESG) data and accounting instruction based on the [Danish Business Authority's guidance on ESG key figures](#) (May, 2021) and [ESG key figures in the annual report by CFA Society Denmark, Nasdaq Copenhagen and FSR – Danish Auditors](#) (December, 2020). As part of the review, we also made the decision to include selected green finance data in this key figure overview. The data compiled covers KommuneKredit's business for the financial year 1 January 2021 to 31 December 2021 and the data boundaries follow the financial data boundaries.

## Environment

ESG indicator	2021	2020	2019	2018	2017
CO <sub>2</sub> e Scope 2 (indirect) (t)	7	13	18	21	20
CO <sub>2</sub> e Total (scope 1 and 2) (t)	7	13	18	21	20
Total Energy (GJ)	1,156	1,616	2,106	2,071	2,132
Renewable Energy Share (%)	58	45	52	55	57
Water Consumption (m <sup>3</sup> )	332	455	895	816	739

Input data	2021	2020	2019	2018	2017
Electricity Consumption (MWh)	187	202	307	317	335
District Heating Consumption (MWh)	134	247	278	258	257
Renewable Energy Consumption (MWh)	187	202	307	317	335

## Comments on main developments

Our total CO<sub>2</sub>e emissions constitute our scope 2 emissions, as we have no direct emissions from owned or controlled sources (scope 1). Scope 2 relates to our consumption of purchased energy, which has decreased in 2021. We calculate the CO<sub>2</sub>e emissions related to district heating by using HOFOR's annual conversion factors for greenhouse gas emissions from district heating in Copenhagen and have corrected the 2020 figure based on HOFOR's new conversion figures. All our electricity is from renewable energy resources.

In 2021, the consumption of electricity at our premises was once again affected by the fact that our employees have been working remotely from home for months due to COVID-19 restrictions and therefore low compared to 2019. Throughout 2021, we have lowered the room temperature over the weekends and at night with five degrees, which has contributed markedly to a decrease in our consumption of heat. The larger decrease in heat consumption relative to electricity consumption has resulted in an increase in our renewable energy share from 45 pct. to 58 pct. Our consumption of water has also further decreased as a result of fewer people working at our premises.





## Social

ESG indicator	2021	2020	2019	2018	2017
Full-Time Employees (FTEs - annual average)	88	82	76	70	70
Gender Diversity (% women)	39.2	41.1	39.9	42.6	43.9
Gender Diversity, Management (% women)	33.3	37.5	38.5	46.2	36.4
Employee Engagement (Score)	80	80	77	-	-
Sickness Absence (Days per FTE)	3	3.7	6.5	4.5	5.2
Employee Training Hours per FTE (Hours)	7.3	14.5	15.5	-	-
Employee Turnover Ratio (%)	10.4	5.2	10.8	9.6	8.7
Gender Pay Ratio (median) (Times)	1.1	1.1	1.1	1.3	1.2

### Comments on main developments

We disclose the total number of full-time employees as an annual average including our temporary workers and in 2021, we increased our workforce primarily engaging new employees to conduct large system development projects as part of the Strategy 2025 implementation. The increase naturally affects some of the ratios. We disclose our employee engagement score as measured by Ennova in their Global Employee and Leadership Index. We saw a small decrease in our sickness absence, which we disclose as sick pay and sickness related to occupational injury among our employees.

The number of training hours per employee decreased in 2021 due to COVID-19 restrictions and fewer physical courses and the uptake of on-line courses was limited compared to 2020. The turnover ratio increased to what we consider a normal level. The gender pay ratio is stable, and our analysis of the underlying causes from 2019 concluded that the identified pay gap can be explained by reference to function, responsibility and seniority.

## Governance

ESG indicator	2021	2020	2019	2018	2017
Attendance Rate at Board Meetings (%)	80	82.1	83.3	86.1	80.6
Attendance Rate at Audit Committee Meetings (%)	91.7	81.8	81.5	81.5	88.9
Gender Diversity, Board (%)	20	20	11	11	22
CEO Pay Ratio (median) (Times)	3.7	3.6	3.7	3.4	3.4
Penalties related to Corruption (Monetary unit)	0	0	0	0	0

### Comments on main developments

KommuneKredits Board of Directors had four meetings in 2021. The CEO Pay Ratio has in 2021 been slightly affected by the association's new hires.

## Green finance

Indicator	2021	2020	2019	2018	2017
Total green bonds issued (DKK, billion)	19.2	17	13	9.3	3.7
Total approved green loans (DKK, billion)	27.2	22.4	19.2	17.2	11.6
Approved green loans by year (DKK, billion)	4.9	3.1	2	5.6	11.6
<b>Ratio</b>					
Green bond ration (%)	8	8	6	4	2
Green lending ratio (%)	13	13	8	4	2

### Comments on methodology

The total value figures we disclose are calculated using principal volume. The green ratio percentages are calculated using outstanding volume.



Design and production: **Noted**

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