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## PensionDanmark

**Scope 1 and 2:** PensionDanmark commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.

### Scope 3 Portfolio Targets

**Headline target:** PensionDanmark's portfolio targets cover 56% of its total investment and lending by assets under management as of 2021. As of that year, required activities made up 56% of PensionDanmark's total investment and lending by assets under management while optional activities made up 16% and out of scope activities made up 28%.

### Scope 3 asset class level targets

Asset class	Method	Target language
Electricity generation project finance	Sector Decarbonization Approach (SDA)	PensionDanmark commits to maintain the emissions intensity of its electricity generation project finance portfolio at or below 48 gCO <sub>2</sub> e/kWh from 2021 through 2030 and only finance 1.5°C aligned electricity generation projects.
Commercial real estate	SDA	PensionDanmark commits to maintain the emissions intensity of its real estate investment/loan portfolio at or below 9 kgCO <sub>2</sub> e/m <sup>2</sup> from 2021 through 2030 and only finance 1.5°C aligned real estate assets.
Listed equity and corporate bonds	Portfolio Coverage	PensionDanmark commits to 51% of its listed equities and corporate bonds portfolio by invested value setting SBTi validated targets by 2027 from a 2021 base year.

## Summary

PensionDanmark's targets are supported by the concrete actions below, so as to ensure that they result in real economic change and offer the best solutions for society and at the same time provide optimal investment returns for PensionDanmark's members.

**Commercial real estate:** Going forward, PensionDanmark remains committed to constructing new buildings with energy label DGNB Gold or higher, utilizing low-emission materials like wood and recycling existing materials and also aims to improve the energy efficiency of existing buildings, further reducing the carbon footprint of existing real estate portfolio.

PensionDanmark will only finance new developments that are zero-carbon-ready (i.e., highest energy efficiency class based on local rating schemes and either uses renewable energy directly or uses an energy supply that will be fully decarbonized by 2050, such as electricity or district heat) and/or existing developments if they have an emissions reduction plan consistent with limiting warming to 1.5°C with no or limited overshoot.

**Electricity generation projects:** In the period 2021-2030, PensionDanmark plans on developing cumulative renewable energy capacity of 800 MW in total, to which end, some 1,8 bn EUR have been committed. Already now, numerous projects are in PensionDanmark's pipeline, in partnership with Copenhagen Infrastructure Partners, African Infrastructure Fund and Emerging Markets Infrastructure Fund amongst others. And in the light of i.a. RePowerEU, PensionDanmark is planning to do more, which also includes projects in generation 2.0 of renewable energy solutions, fx Power-to-X and green hydrogen.

PensionDanmark will continue to maintain at least 80% renewable or other zero-emissions electricity generation project financing and will only finance new capacity from zero-emission sources and additional exposure to existing capacity only if the infrastructure has an emissions abatement plan consistent with limiting warming to 1.5°C with no or limited overshoot.

**Listed equities and bonds:** While no sectors with negative climate footprints are excluded, like cement and shipping, investments are tilted toward visionary and progressive climate leaders within those sectors. Companies with SBTi-approved climate targets are prioritized, with some 30% of PensionDanmark's investees already having set such goals. Through collaborations and dialogues with like-minded investors and climate initiatives, PensionDanmark works towards encouraging more companies to take climate action and improve their target setting.