Ministry of Finance

Kingdom of Denmark European Green Bond

Allocation Report 2025

September 2026

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Kingdom of Denmark
European Green Bond allocation report
25 September 2026

Danish Ministry of Finance
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Denmark

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1. General information

Box 1
General information

Date of issuance of the bond(s) or tranches of the bond(s): 23 September 2025 and 19 November 2025

Date of publication of the European Green Bond Annual Allocation Report: 25 September 2026

First and last date of the period to which the Annual Allocation Report refers: 1 January 2025 – 31 December 2025

Legal name of the issuer: Kingdom of Denmark

LEI: 549300PTO6LS1PTM6607

Website:
Ministry of Finance (link)
Danmarks Nationalbank (link)

Name of the bond assigned by the issuer:
DGB 2.25 per cent 2035 G

ISIN of the bond:
DK0009925182

The ISIN of each bond covered by the KoD EuGB factsheet can be found on the DMO's (Danmarks Nationalbank) webpage (link).

Terms of borrowing for outstanding government bonds and bills are available on the DMO's webpage (link).

Post-issuance review: The allocation report has been subject to post-issuance review, see External Review name and contact detail.

Name of the competent authority that has approved the bond prospectus(es): Not relevant

External Review name and contact details:
S&P Global Ratings Europe
Part 4th Floor, Styne House
Upper Hatch Street
Dublin 2,
Ireland

Lead analyst: Rafael Heim, Associate Director
Review approver: Luisina Berberian, Director

2. Important information

This bond uses the designation 'European Green Bond' or 'EuGB' in accordance with Regulation (EU) 2023/2631 of the European Parliament and of the Council.[1]

DGB EuGBs issued under the KoD EuGB factsheet (link) are also aligned with the four core components of the Green Bond Principles as administered by the International Capital Markets Association.[2]

[1] Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds. Available at: http://data.europa.eu/eli/reg/2023/2631/oj
[2] ICMA Green Bond Principles June 2025: https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf

3. Environmental strategy and rationale

Denmark has set ambitious green goals, aiming to reduce greenhouse gas emissions by 70 pct. by 2030. The Climate Act of 2019[3] serves as a roadmap for this transition, requiring the government to present an annual plan to meet the 2030 target. The plan must balance cost-effectiveness, sustainable business development, and competitiveness. The Ministry of Climate, Energy and Utilities also provides an annual status report on greenhouse gas emissions, which showed a 57 pct. reduction in 2025 compared to 1990 levels.[4] Denmark is committed to the Paris Agreement and the UN's 2030 agenda for sustainable development and has made significant progress in fulfilling the UN's Sustainable Development Goals ("SDGs"), as seen in Denmark's Voluntary National Review.[5]

3.1 Overview

Denmark's national climate policy

Since the Climate law agreement in 2019 significant political agreements have been reached with the goal of achieving the climate targets, generally with a broad backing in the Danish Parliament. For example, in 2022 a green tax reform that notably introduces a tax on firms' CO_2 emissions in the industry sector was agreed. In November 2024, the government presented the Agreement on the Implementation of a Greener Denmark[6] that, among other things, includes a tax on CO_2e emissions in the agricultural sector. In addition, and recognizing that all sectors must contribute to the green transition, agreements on climate initiatives in all major emission sectors have been made, which are outlined in Denmark's updated National Energy and Climate Plan for the period 2021-2030.[7] As part of the agreements, reviews are planned for the sectors to ensure implementation, take account of technological developments, and evaluate the need for new initiatives. Among the sectors covered

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[3] Act No. 965 of 26 June 2020. Available (in English) at: https://www.en.kefm.dk/Media/1/B/Climate%20Act_Denmark%20-%20WEBTILG%C3%86NGELIG-A.pdf

[4] Denmark Climate Status and Outlook 2025. Available (in Danish) at: https://www.kefm.dk/klima/klimastatus-og-fremskrivning/klimastatus-og-fremskrivning-2025

[5] Ministry of Finance (2021), *Voluntary National Review 2021*. Available at: https://en.fm.dk/publications/2021/juni/voluntary-national-review-denmark/

[6] Ministry of Green Transition (2024), Agreement on the Implementation of a Greener Denmark. Available at: https://mgtp.dk/Media/638785917786254152/aftale_om_implementering_af_et_groent_danmark_endelig.pdf

[7] Final update of Denmark's National Energy and Climate Plan for the period 2021-2030. Available (in English) at: https://commission.europa.eu/document/download/13353c72-43bc-486e-bc82-9e8ea7588734_en?filename=DK_FINAL%20UPDATED%20NECP%202021-2030%20%28English%29.pdf

are the energy and utilities sector and the transport sector, which are also among the expenditures financed by DGB EuGBs.

Investments in renewable energy have helped transform the power and heating sector from being the most emitting sector in Denmark to having zero emissions in a few years from now. The transport sector, along with the agricultural sector, are the two sectors estimated to account for the largest share of emissions in 2030. Thus, initiatives to ensure e.g. clean transportation play an important part in the green transition of the Danish society and economy.

The Agreement on the Implementation of a Greener Denmark (Green Tripartite) leads to a historic land-use transformation of Danish nature, including the establishment of 250,000 hectares of forest and the conversion of 140,000 hectares of low-lying carbon-rich soils and peripheral areas from agricultural use to wetlands to restore the lands' natural hydrology. These elements are both included as Eligible Green Expenditures in the KoD EuGB factsheet (link) and, in synergy with the rest of the agreement, will contribute to improved water quality, reduced climate impact, and at the same time provide significantly more space for nature as well as better conditions for biodiversity and drinking water protection.

Seeking to make an imprint on the international climate agenda

The Climate Act showcases Denmark's commitment to leading the global transition to a greener future. Despite Denmark's small contribution to global emissions (less than 0.1 pct.), the government aims to make a significant impact on the international climate agenda. To achieve this, Denmark promotes ambitious climate policies within the European Union (EU) and has also appointed a climate ambassador to represent Denmark in international climate negotiations and push for increased global climate ambition in implementing the Paris Agreement.

Sustainable finance as a conduit for change

The transition to a sustainable economy is a pressing priority, requiring significant investments to meet the Paris Agreement and UN's 2030 Agenda for Sustainable Development goals. Financial markets play a crucial role in achieving this goal by directing capital towards sustainable investments. The EU is taking a leading role in driving this change through ambitious regulations to "green" the economy, marking a fundamental shift in how financial markets operate. The Kingdom of Denmark will issue DGB EuGBs to contribute to these developments.

3.2 Link with the assets, turnover, CapEx, and OpEx key performance indicators

The Kingdom of Denmark is not subject to Article 8 of the Taxonomy Regulation.

3.3 Link to the transition plans

Latest annual plan (Klimaprogram 2025) (link)

NECP from June 2024 (link)

4. Allocation of bond proceeds

4.1 Allocation to taxonomy-aligned economic activities

Box 2
Information on allocation of proceeds

- The Kingdom of Denmark is allocating the proceeds according to the gradual approach. The DGB EuGBs are not securitised bonds.
- In 2025, a new 10-year European Green Bond was issued via syndication, raising DKK 6.81 billion. This bond was later reopened, and an additional DKK 1.46 billion was issued through an auction, bringing the total issuance to DKK 8.27 billion. DKK 16.186 billion in Eligible Green Expenditures from the period January-December 2024 was identified. Of this amount, DKK 8.27 billion has been allocated, which means that all proceeds from the 2025 issuance of DGB EuGBs have been fully allocated.
- 100 pct. of the proceeds from the issuance of DGB EuGBs in 2025 were allocated to environmentally sustainable activities under Article 3 of Regulation (EU) 2020/852.
- 100 pct. of the proceeds from the issuance of DGB EuGBs in 2025 were used for refinancing Eligible Green Expenditures from the period January–December in 2024[8].
- The Kingdom of Denmark confirms compliance with Article 3, point (c), of Regulation (EU) 2020/852 (minimum safeguards) as laid out in *Annex III - Minimum [9]Safeguards Alignment*.
- The Kingdom of Denmark maintains an updated estimate of the expected volume of revenue loss associated with allocations to eligible tax relief at the websites of the Ministry of Finance and Danmarks Nationalbank (MoF, DMO).

Table A presents the allocation of proceeds from the Kingdom of Denmark's 2025 issuance of European Green Bonds. The DGB EuGBs issued in 2025 raised total proceeds of DKK 8.27 billion. The Government recorded DKK 16.186 billion in Eligible Green Expenditures for the period January–December 2024, as reflected in the government accounts and defined in the KoD EuGB factsheet (link).

[8] For more detailed information on the expenditure period covered for each issuance, please refer to the Kingdom of Denmark's Annex I: Selection and Evaluation of Eligible Green Expenditures and Management of Proceeds, available at: https://fm.dk/media/a1ufkzst/annex-i-selection-and-evaluation-of-eligible-green-expenditures-andmanagement-of-proceeds.pdf
[9] Annex III: Minimum Safeguards Methodology, available at: https://nationalbanken.dk/media/p2ajn51c/annex-iii minimum-safeguards-compliance.pdf

As the volume of Eligible Green Expenditures exceeded the amount raised, all proceeds from the 2025 issuance were fully allocated in accordance with the prioritisation set out in the KoD EuGB factsheet (link). Proceeds were first allocated to expenditures under activities 1.1, 2.1, 4.1, 4.3, 4.9, and 4.17, with the remaining amount allocated to activity 6.14. No proceeds were allocated to economic activities not aligned with the technical screening criteria of the EU Taxonomy.

Table A

Taxonomy alignment of proceeds information for bonds making use of the gradual approach to the allocation of bond proceeds

The table follows the template in Table A, Annex II to the Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds. A table with all information in columns is available in an Excel file on the Ministry of Finance website (link).

Expenditure name, location and description	**Appropriation account**	**Type and sector of economic activities funded by the bond(s)**		**Other information**		**Eligible amount (mill. DKK)**	**Amount of proceeds allocated from the bond(s)**	
Name *Location* Basic description		Types/sectors	NACE codes	EU Taxonomy activity	UN SDGs		Bond proceeds allocated	Allocated amount as share of eligible amount
Renewable energy						**6,714**	**6,714**	**100 pct.**
Electricity transmission *Denmark* Energinet	40.21.54	Energy	D35.12 D35.13	4.9		4,946	4,946	100 pct.
Subsidies for renewable energy *Denmark* PV systems and other small WE systems	29.25.25.10 29.25.25.15 29.25.25.20 29.25.30.20		D35.11	4.1		176	176	100 pct.
Subsidies for renewable energy *Denmark* Offshore wind	29.25.22			4.3		897	897	100 pct.
Subsidies for renewable energy *Denmark* Onshore wind	29.25.23.10 29.25.23.11 29.25.23.13 29.25.23.20			4.3		327	327	100 pct.
Subsidies for renewable energy *Denmark* Household wind systems	29.25.23.14			4.3		68	68	100 pct.
Taxation of electricity *Denmark* Tax expenditure, exemption for own con-sumption of electricity from solar energy	38.22.01.20			4.17		300	300	100 pct.

Table A

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Environmentally Sustainable Management of Living Natural Resources and Land Use						**476**	**476**	**100 pct.**
Afforestation *Denmark* Subsidy for afforestation	27.22.02.81	Forestry	A2	1.1		-	-	-
Restoration of wetlands *Denmark* Subsidy for conversion of low-lying agricul-tural lands	27.22.02.32 27.31.04.45	Environmental protection and restoration activities	N/A	2.1		476	476	100 pct.
Clean Transportation						**8,996**	**1080**	**12 pct.**
Femern A/S Landanlæg *Denmark* Rail infrastructure investment projects	40.21.42	Transport	F.42.1.2 F.42.13 H.49.1.0 H.49.2.0	6.14		2,433	292	12 pct.
Banedanmark *Denmark* Rail infrastructure investment projects	28.63.08					2,612	314	12 pct.
Banedanmark *Denmark* Rail infrastructure renovation and mainte-nance	28.63.05.10.22					1,850	222	12 pct.
Banedanmark *Denmark* Rail infrastructure operation	28.63.05.10.51					1,634	196	12 pct.
Banedanmark *Denmark* Rail infrastructure operation	28.63.05.20.51					-	-	-
Banedanmark *Denmark* Rail infrastructure operation	28.63.04					467	56	12 pct.
Total						**16,186**	**8,270**	**51 pct.**

Table A

Taxonomy alignment of proceeds information for bonds making use of the gradual approach to the allocation of bond proceeds

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Additional information

2.2 Bond proceeds allocated in the reporting period:
All bond proceeds issued in each reporting period are allocated in the allocation report covering this period.

3. Share of total proceeds used for financing:
100 pct. of the proceeds from DGB EuGBs are used for refinancing, cf. KoD EuGB factsheet (link).

5. Amount of proceeds allocated from the bond(s) that are taxonomy aligned:
100 pct. of the proceeds from DGB EuGBs are taxonomy aligned, cf. KoD EuGB factsheet (link).

6.1 Targeted environmental objective:
The targeted environmental objective for all expenditures, as referred to in Article 9 of Regulation (EU) 2020/852, is Climate Change Mitigation (CCM).

6.2 Screening criteria:
Delegated Regulation (EU) 2022/1214 of 9 March 2022 (Complementary Climate Delegated Act) and Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending the Climate Delegated Act

6.3 Methodology and assumptions:
The Eligible Green Expenditures' alignment with the applicable technical screening criteria is documented in Annex II: *DNSH alignment*[10].

7. Nature of environmentally sustainable assets expenditures and technical screening criteria:
Not applicable to KoD EuGBs. The Eligible Green Expenditures entail accounts on the Budget Act and an additional tax expenditure that is calculated separately from the Budget Act, as further explained in *Annex IV - Projected Eligible Green Expenditures*[11].

[10] Annex II: DNSH Alignment, available at: https://nationalbanken.dk/media/3ojnzj2w/annex-ii-dnsh-alignment.pdf
[11] Annex IV: Projected Eligible Green Expenditures, available at: https://nationalbanken.dk/media/gaaipsel/annex-iv projected-eligible-green-expenditures.pdf

4.2 Allocation to specific taxonomy-aligned economic activities

The Kingdom of Denmark finances the following green enabling activities under the EU Taxonomy:

- 4.9. Transmission and distribution of electricity (NACE codes D35.12 and D35.13).

- 6.14. Infrastructure for rail transport (NACE Codes F42.12, F42.13, H49.10, and H49.2.0).

Approximately 72.9 pct. of the 2025 EuGB issuances were allocated to enabling activities under the EU Taxonomy, with DKK 4.946 bn allocated to Eligible Green Expenditures related to the transmission and distribution of electricity.

No 2025 DGB EuGB proceeds have been allocated to transitional activities under the EU Taxonomy.

No 2025 DGB EuGB proceeds have been allocated to taxonomy-aligned activities related to nuclear energy and fossil gas.

4.3 Allocation to economic activities not aligned with the technical screening criteria

No 2025 DGB EuGB proceeds have been allocated to economic activities that are not aligned with the technical screening criteria of the EU Taxonomy.

4.4 Issuance costs

The Kingdom of Denmark has allocated the proceeds from the 2025 issuance of DGB EuGBs to Eligible Green Expenditures defined in the KoD EuGB factsheet (link), without deducting costs related to the issuance of the bonds.

5. Environmental impact of bond proceeds

Not applicable.

6. Information on reporting

The Kingdom of Denmark's impact and allocation reporting on its DGB EuGBs will be available on the Ministry of Finance's website (link) and on Danmarks Nationalbank's website (link).

This allocation report has been published by the Kingdom of Denmark in accordance with Article 11(1) of Regulation (EU) 2023/2631 within 270 days after the last day of the calendar year of issuance.

The Kingdom of Denmark has obtained a post-issuance review of the allocation report in accordance with Article 11 and Article 13 of Regulation (EU) 2023/2631 that confirms that an amount equivalent to the proceeds from the issuance of DGB EuGBs in 2025 has been allocated in accordance with the KoD EuGB factsheet (link).

Impact reports will be published by the Kingdom of Denmark in accordance with Article 12 of Regulation (EU) 2023/2631. The Kingdom of Denmark will publish the impact reports following the allocation of proceeds and at least within the lifetime of the DGB EuGBs.

7. CapEx plan

The Kingdom of Denmark has only allocated proceeds from the issuance of DGB EuGBs to expenditures that are fully aligned with the EU Taxonomy. The CapEx plan referred to in Article 7 of Regulation (EU) 2023/2631 is therefore not applicable to the Kingdom of Denmark.

8. Other relevant information

Box 3
Other relevant information

Twin bond concept
The Kingdom of Denmark's DGB EuGBs are issued as twin bonds. This means that DGB EuGBs are issued with the same financial characteristics as one of the central government's existing conventional on-the-run bonds, i.e. the same maturity, interest payment dates, and coupon rate. This twinning supports the liquidity in the DGB EuGBs, as investors, at any time, will have the opportunity to switch the DGB EuGBs for the corresponding and more liquid conventional bond, it has been twinned to, one-to-one. Investors will not be able to switch the conventional twin bond to the corresponding DGB EuGBs twin bond.

More information on the twin bond concept is available at:
https://www.nationalbanken.dk/en/government-debt/funding-strategy/green-bonds

Supplementary documents
Annex I - Selection and Evaluation of Eligible Green Expenditures and Management of Proceeds, available at:
https://fm.dk/media/a1ufkzst/annex-i-selection-and-evaluation-of-eligible-green-expenditures-and-management-of-proceeds.pdf

Annex II - DNSH Alignment, available at: https://fm.dk/media/qw2huo0w/annex-ii-dnsh-alignment.pdf

Annex III - Minimum Safeguards Alignment, available at: https://fm.dk/media/olejk5zi/annex-iii-minimum-safeguards-compliance.pdf

Annex IV - Projected Eligible Green Expenditures, available at: https://fm.dk/media/yjabtb3u/annex-iv-projected-eligible-green-expenditures.pdf

Supplementary documents for Denmark's Environmental and Climate Strategy
Act No. 965 of 26 June 2020. Available (in English) at:
https://www.en.kefm.dk/Media/1/B/Climate%20Act_Denmark%20-%20WEBTILG%C3%86NGELIG-A.pdf

Denmark Climate Status and Outlook 2025. Available (in Danish) at:
https://www.kefm.dk/klima/klimastatus-og-fremskrivning/klimastatus-og-fremskrivning-2025

Voluntary National Review 2021, available at:
https://en.fm.dk/publications/2021/juni/voluntary-national-review-denmark/

Latest annual plan (Klimaprogram 2025), available at:
https://www.kefm.dk/Media/638948087473597195/Klimaprogram%202025.pdf

NECP from June 2024, available at:
https://commission.europa.eu/publications/denmark-final-updated-necp-2021-2030-submitted-2024_en

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