

Equator Principles

Report 2025



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Commitment & Contribution

EIFO (formerly Denmark's Export Credit Agency) joined the Equator Principles in 2004. The Equator Principles provide a voluntary framework for assessing and managing environmental and social risks in transactions. Since the adoption in 2004, EIFO has been involved in the work performed by the Equator Principles Association, including participation in the Steering Committee, Annual Meetings and technical working groups.

In 2025, EIFO co-led the development of the Good Practice Note on Movable Maritime Assets together with Eksfin. Building on this, EIFO operationalised the guidance in 2025 across several ship finance transactions, contributing to a more consistent and risk-based approach to ESG due diligence in the sector.

EIFO also contributed to Equator Principles working group discussions on emerging financing structures, including multi-project and multi-site financing – with a focus on developing more practical and proportionate ESG due diligence approaches that balance assessments across borrower, facility and project level.



In 2022, EIFO also played a leading role in the development of another key Equator Principles resource, the Best Practice Note on Biodiversity Baseline Surveys. This note was designed to support project developers and EPFIs in understanding the importance of early and robust biodiversity assessments. It highlights that inadequate baseline data can result in project delays, increased costs, and heightened stakeholder concerns. By conducting comprehensive surveys across multiple seasons, aligned with international standards such as IFC Performance Standard 6, projects are better equipped to identify and mitigate biodiversity risks. This proactive approach not only encourages good environmental practices, but also contributes to smoother project planning, financing, and implementation.

In addition, EIFO has contributed actively to the development of the Counterparty Climate Risk Assessment (CCRA) guidance, working with other EPFIs to establish a framework for assessing climate-related risks at the corporate level. This work supports alignment with the goals of the Paris Agreement and promotes more consistent climate risk analysis across financial institutions.

The main sector for EIFO's Equator Principles transactions is the wind power sector. The transactions in scope typically include buyer credit transactions over USD 100 million, and project finance transactions over USD 10 million.

EIFO's process assuring Equator Principles compliance lies with EIFO's ESG department whose main responsibility it is to evaluate environmental and social risks. The ESG department follows our ESG and sustainability policy.

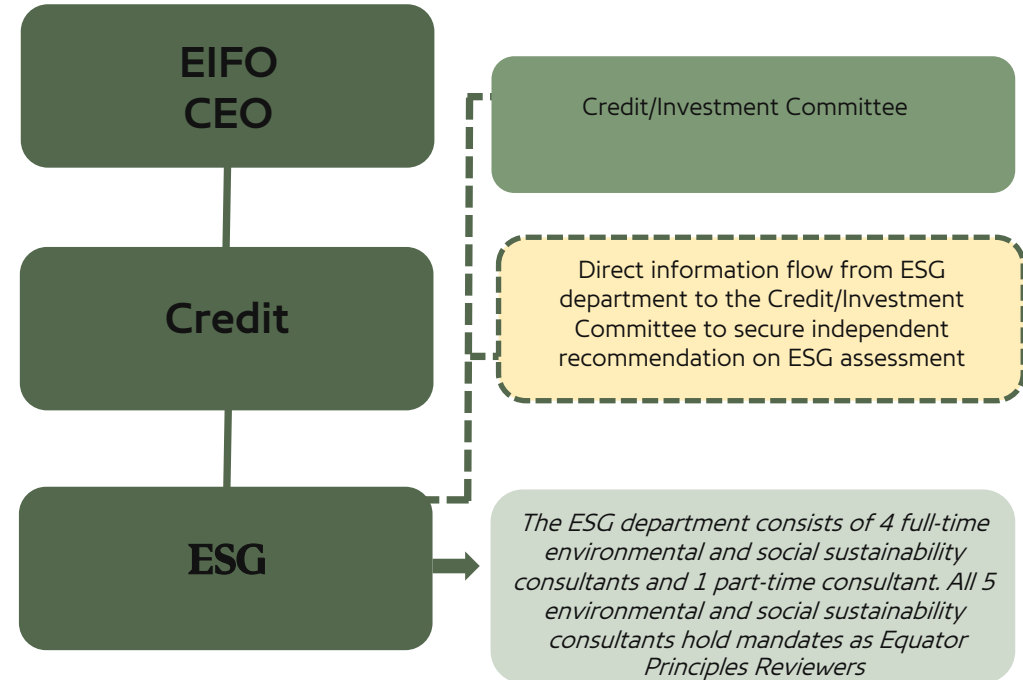
In all Equator Principles transactions, compliance with Equator Principles has been covenanted according to international standards. The projects are all subject to a minimum of annual monitoring during both the construction and operational phases. Projects with expected high CO2 emissions are required under the Equator Principles to report publicly on the emissions. For large emitters, an alternative analysis is also required to evaluate less intensive alternatives.





Implementation in the EIFO Organisation

The Equator Principles are part of EIFO's ESG Policy. EIFO's ESG department carries the overall responsibility for the implementation of the ESG policy, which is revised in alternate years, and is subject to approval by our Board.



Environmental and social sustainability is an integral part of EIFO's risk assessment of transactions. EIFO's internal environmental and social sustainability consultants always take part in EIFO deal teams. Based on the environmental and social sustainability assessment, it is decided by the Management whether the business transaction can be approved or not. An approval may be subject to certain conditions. The conditions attached to the approval will be incorporated into the loan agreement or alternatively a customer agreement.



EIFO's ESG implementation process for relevant A- and B-projects can be briefly described in the following five-step system:

- 1. Risk classification;** The project is classified according to its potential environmental and social (E&S) risks and impacts.
- 2. E&S due diligence;** EIFO conducts E&S due diligence to verify that the project meets relevant standards, through document review and site visits.
- 3. ESG recommendation;** A separate ESG recommendation document is prepared and submitted to EIFO's management as part of the decision-making process.
- 4. Agreement;** If the project is approved by EIFO's management, EIFO enters into a loan agreement with the company or its bank to finance the project. Relevant ESG requirements are integrated into the contractual framework.
- 5. Monitoring;** EIFO monitors the project's environmental and social impact throughout the entire project period, for as long as EIFO is financially involved.

The ESG department performs interpretation and application of international standards, including:

- Equator Principles
- The OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (The "Common Approaches"3)
- IFC Performance Standards and EHS Guidelines
- UN Guiding Principles for Businesses and Human Rights and UN Global Compact
- Assessment of animal welfare conditions
- Overall knowledge of national and international developments within the ESG field.

Independent Review of Equator Principles Implementation

In line with the Equator Principles (EP) Implementation Note, EIFO conducted an internal review of its EP implementation during the reporting period as part of its assurance and governance framework.

The review was conducted independently by EIFO's Compliance function, separate from the ESG function, and assessed whether internal procedures and documentation demonstrate that the Equator Principles are established and applied in practice. The purpose was to identify potential gaps or areas for improvement and thereby support consistent, transparent, and credible implementation of the EP framework.

The review was based on EIFO's ESDD procedures and related documentation for in-scope transactions. The outcomes have informed internal follow-up and strengthened EIFO's ESG due diligence processes – enabling the organisation to act proactively on findings ahead of future independent reviews.

EP Transactions in 2025

In 2025, EIFO approved six transactions under the Equator Principles, four Project Finance transactions and two Project-Related Corporate Loans.

Innovative Technology

One notable transaction involved financing Europe's first industrial-scale geothermal lithium project, combining geothermal energy with Direct Lithium Extraction (DLE). The technology offers significant climate and resource efficiency benefits but also introduces specific environmental and social risks, including induced seismicity, groundwater interaction, and community health and safety impacts. These risks were assessed as manageable through implementation of an Environmental and Social Action Plan (ESAP) and ongoing monitoring.

Multi-Site Corporate Financing

Another transaction was a Project-Related Corporate Loan supporting two renewable energy projects, as well as broader operational and maintenance activities. As the financing did not relate to a single defined project, the ESG assessment focused primarily on the company's Environmental and Social Management System (ESMS), governance structures, and risk management processes, supplemented by project-specific due diligence for the two identified projects. While some improvements were required and captured in project-specific ESAPs, the overall ESG framework was considered robust and capable of managing environmental and social risks across the company's activities.



EP Transactions in 2025

As an EPFI member, EIFO annually reports on transactions subject to the Equator Principles that have reached Financial Close, as well as on its EP implementation processes and experience. The tables below disclose EIFO's 2025 transactions for Project Finance and Project-Related Corporate Loans respectively.



Project Finance:

	Category A	Category B
Number of Projects	3	1
Region:		
<i>Americas</i>	0	1
<i>Europe, Middle East & Africa</i>	3	0
<i>Asia</i>	0	0
Sector:		
<i>Power</i>	2	1
<i>Others</i>	1	0
EP Country Designation:		
<i>Designated Country</i>	3	1
<i>Non-Designated Country</i>	0	0
Independent Review:		
<i>Yes</i>	3	1
<i>No</i>	0	0

Project-Related Corporate Loans:

	Category A	Category B	Category C
Number of Projects	0	1	0
Region:			
<i>Americas</i>	0	1*	0
<i>Europe, Middle East & Africa</i>	0	1*	0
<i>Asia</i>	0	1*	0
Sector:			
<i>Power</i>	0	1	0
<i>Others</i>	0	0	0
EP Country Designation:			
<i>Designated Country</i>	0	0	0
<i>Non-Designated Country</i>	0	1	0
Independent Review:			
<i>Yes</i>	0	1	0
<i>No</i>	0	0	0

* Multiple location.

Project Name:

The table below lists all EP transactions signed by EIFO that reached financial close in 2025 and received client consent for disclosure, as required under EP4

Projects	Sector	Project Location	Category	Transaction type	Independent Review
Lotus Wind	Power	Americas	B	Project Finance	Yes
Baltica 2	Power	Europe, Middle East & Africa	A	Project Finance	Yes
Multisite project	Power	Americas	B	Project-related Corporate Loans	Yes
Vulcan	Others	Europe, Middle East & Africa	A	Project Finance	Yes
East Anglia 3	Power	Europe, Middle East & Africa	A	Project Finance	Yes

Movable Assets - ESG Assessment Outside EP Scope

Although the financing of movable maritime assets (e.g. vessels and mobile offshore units) typically falls outside the formal scope of the Equator Principles, EIFO conducted ESG assessments on such transactions in 2025.

These assessments were based on the *Good Practice Note on Movable Maritime Assets*, co-developed by EIFO and Eksfin.

Equator Principles Categories

Category A

Projects with potential adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented

Category B

Projects with potential *limited* adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely irreversible and readily addressed through mitigation measures

Category C

Projects with *minimal* or *no* adverse environmental and social risks and/or impacts

