Danske Bank's **Approach to Financing the Climate Transition**

LC&I Sustainable Finance
May 2025

Danske Bank

Table of contents

Purpose of Danske Bank's **approach to financing the climate transition**

Danske Bank's approach to financing the climate transition (the 'Approach') is intended to provide customers and other stakeholders with a transparent view of how we at Danske Bank[1] will engage on the topic of financing the climate transition for our large corporate customers. In addition to describing Danske Bank's transition risk assessment methodology, the Approach outlines how we assess our customers' corporate climate transition plans. This in turn enables us to focus on customers that have credible transition strategies and also enables us to support these customers through our role as a financier by unlocking capital to facilitate the execution of the customers' climate transition strategies. Furthermore, we recognise the importance of transition-enabling customers, who also fall under the scope of the Approach, as described in section 2.3.

[1] *The terms 'Danske Bank', 'we' and 'our' are used interchangeably throughout this publication to refer to Danske Bank.*

Danske Bank's role in **supporting the climate transition**

With global emissions and temperatures continuing to increase, climate change remains an urgent challenge. 2024 was the warmest year on record, with temperatures exceeding 1.5°C above pre-industrial levels for the first time. Although the Paris Agreement aims to limit the temperature increase to 1.5°C (averaged over decades), surpassing this threshold highlights the long-term difficulties in achieving this goal. A profound societal transformation is necessary to support the climate transition and alter the trajectory of increasingly severe weather events and significant biodiversity loss.

At Danske Bank, we recognise our role as a leading Nordic financial institution in enabling the climate transition through the financing we provide to our customers. Danske Bank's responsibility and own ambitions for the climate transition were laid out in our Danske Bank Climate Action Plan published in 2023, in which we set a target to become a net-zero bank by 2050 or sooner. This plan encompasses specific targets for reducing emissions from our own direct operations and for reducing our financed emissions, which are the greenhouse gas emissions stemming from the lending and investment services we provide. Details of our progress towards achieving the goals set in our Climate Action Plan are published annually on our website: Publications & policies | Danske Bank

Ultimately, when it comes to reducing our financed emissions, it is the success of our customers in executing their climate transition strategies that makes the greatest tangible difference. As a financial institution, our primary focus is to continue supporting our customers in their own transition journeys by engaging with them on the topic and by providing financing solutions for the investments required to enable our customers to achieve their emission reduction targets.

Contributing to companies' own transitions

Many large companies want to transition to having net-zero carbon emissions or to scale their low-carbon business solutions, with the aim of increasing their chances of achieving long-term financial success through managing the risks or opportunities the climate transition presents. Nevertheless, because of the substantial investments required, transitioning or scaling can come with the risk of losing competitiveness in the short term.

In the evolving landscape of sustainable finance, the traditional approach has mainly involved allocating funds to specific projects or activities through use-of-proceeds financing. In recent years, there has been an increase in the issuance of sustainability-linked loan facilities and the emergence of transition finance. In sustainability-linked arrangements, the cost of borrowing can be directly linked to achieving mutually agreed sustainability targets, allowing the loan margin to be adjusted on the basis of the company's performance against these targets. The sustainable finance products play an important role in raising both awareness and transparency of sustainability efforts as well as facilitating access to dedicated green capital across industries, also beyond transition sectors. However, these funding strategies should not be seen as the only ways that financing can significantly support a company's decarbonisation efforts.

At Danske Bank, we are well equipped to enable our large corporate customers to connect long-term financial success with short-term competitiveness. We believe that all types of loan instruments, credit and guarantee facilities, as well as primary bond and equity market capital raising, can contribute to a company's overall sustainable business model and strategy towards the climate transition. However, this is contingent on the company having a credible and actionable transition plan (as described in section 4), which is something that we assess and review regularly. If our customers commit to their long-term transition, we commit to helping our customers manage the short-term challenges through the inherent risks of the business cycles.

The role of dialogue
Engaging in meaningful dialogue with customers about their transition plans, commitments and associated financial strategies – including capital expenditure, mergers and acquisitions – is a key component of our customer strategy. Typically, these conversations are dynamic and are part of an ongoing relationship rather than being confined to a single meeting before or after a specific transaction. Our transition risk assessments (described in section 4) serve as an excellent starting point for these discussions because they offer us crucial insights into how a company intends to navigate their transition. Danske Bank's Position Statement on Fossil Fuels together with our sectoral climate targets and transition risk assessment are integral to our credit decision process for high-carbon-emitting sectors. These elements ultimately inform our financial services offering, and it is crucial that our customers understand how their actions may diminish or enhance our willingness to provide credit.

This approach mirrors the way changes in a company's financial profile influence our credit decisions. Consistency and predictability are key to our relationships with customers, and we strive to communicate clearly how we assess a company's overall transition plan and how our assessment subsequently affects our actions.

The role of transition-enabling value chains
A transition-enabling value chain is a value chain that comprises companies in sectors that play a crucial role in facilitating the shift towards a more sustainable and low-carbon economy. These value chains are integral to the development, production and distribution of goods and services that help reduce environmental impact and promote sustainable practices across various economic sectors. Among other things, these enabling value chains include renewable energy technologies, battery technologies, energy transmission and storage, and low-carbon transport.

Not only are these value chains crucial for mitigating climate impact, but they also represent growing markets and opportunities for innovation and investment, driving economic growth alongside ecological sustainability. At Danske Bank, we see a need for facilitating capital to customers in these value chains to support the scaling of these technologies and practices (see appendix B for a list of enabling value chains).

Definition and approach to financing the climate transition

Being an enabler of the transition to a low-carbon society is an integral part of our commercial strategy at Danske Bank. At present, it is important to acknowledge that transition finance is still in its nascent stages and that neither regulation nor frameworks provide a cohesive definition of what constitutes transition finance. The existing principles and criteria set out in regulation and various frameworks – including from the EU Taxonomy, the EU Commission, the UN Principles for Responsible Banking and others (see appendix A for further definitions/frameworks) – may serve as inspiration for how financial markets define and further set the scope for transition finance.

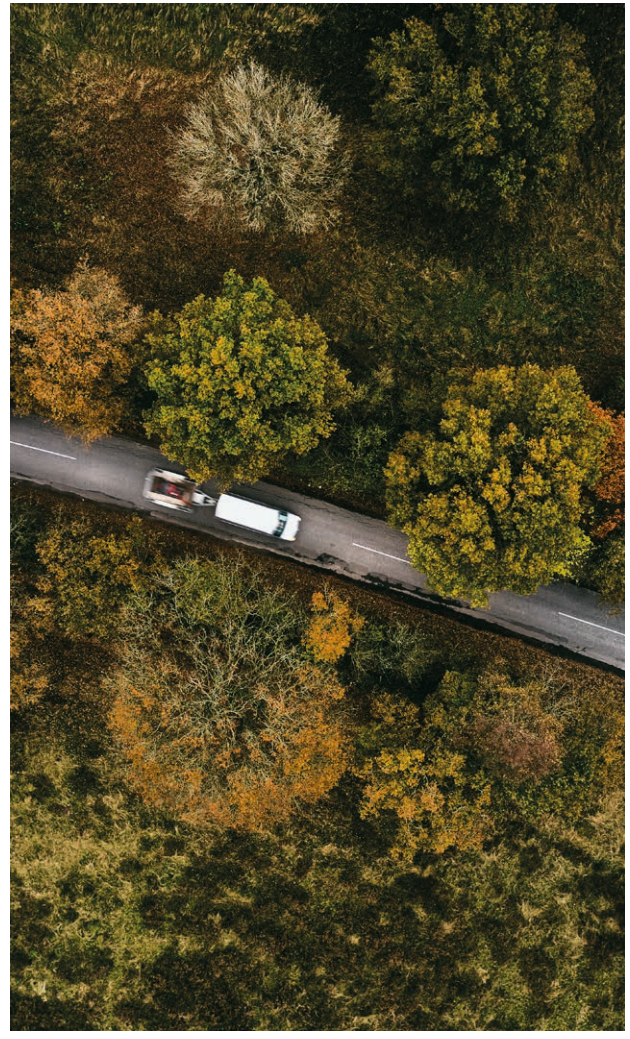
Overall, the main goal of these definitions and guidelines is to direct financial resources towards sectors that need substantial investment to decarbonise but currently lack the necessary scalable technological solutions to reach net zero. The shipping sector and the steel and cement production sectors are examples of hard-to-abate sectors that are essential to decarbonise if the climate transition is to be achieved but which are currently piloting alternative low-emission solutions. Due to the incremental progress expected from companies in these sectors as they work to reduce emissions, our focus is not only on individual investments but also on the credibility of a company's overall transition strategy.

It is precisely the credibility of the customers' overall transition strategy that shapes our view and approach towards financing the transition. We are committed to supporting our customers in their transitions, and we will do this with a focus on long-term financial stability at a pace intended to be in alignment with the Paris Agreement.

At Danske Bank, we view transition finance as encompassing any financial services provided to support customers in executing their climate transition strategies at an entity level as well as any financial services to customers that are contributing to the transition to a low-carbon society (transition-enabling value chains). This entity-level approach differs from the more traditional activity-level financing, and it reflects a more holistic approach to financing the transition.

Consequently, the scope of transition financing for qualifying entities also extends across general corporate financing, such as revolving credit facilities (RCFs) and other loan agreements, irrespective of whether such financing includes a sustainability-linked feature or not. Furthermore, although not common market practice, including climate transition-enabling customers in the scope of transition financing reflects our interpretation of the objective of current guidance and frameworks.

The following section describes our transition risk assessment methodology that we leverage to identify entities that fall under the scope of the Approach.



Transition risk assessment methodology

Our transition risk assessment methodology was developed to assess financial risks at an entity level, stemming from societies transitioning away from a fossil fuel-based economy in alignment with the goals of the Paris Agreement. The assessment is used for all Large Corporates and Institutions (LC&I) customers in defined high-carbon-emitting sectors and is integrated into the Danske Bank Group's credit risk management process, which means that it is managed and governed in line with the principles of the Danske Bank Group's three-lines-of-defence model.[2]

The methodology used to assess the contribution that the transition risk makes towards the customer's overall credit risk comprises two aspects: a **net-zero alignment assessment** and an **execution risk assessment**. The results of these assessments are combined to give a transition risk assessment score (figure 1).

Figure 1: Transition risk assessment components

Currently, the methodology is calibrated for the following high-emitting sectors (figure 2):

Figure 2: Sectors in scope of transition risk assessment

- Automotives manufacturing
- Cement
- Chemicals
- Freight transportation
- Machinery*
- Metals and mining
- Oil and gas
- Power utilities
- Shipping

These sectors have been chosen on the basis of an internal assessment that leveraged publicly available information and internal insights. This includes qualitative evaluation of sector-specific insights and customer dialogue in sectors most exposed to climate transition risks.

Note: The transition risk assessment is one component of a broader comprehensive ESG risk assessment process conducted for our corporate customers in LC&I as part of the Danske Bank Group's credit risk management process. This ESG risk assessment covers various aspects, including the customer's strategy, governance, disclosure and accountability, as well as the quality of ESG risk identification and mitigation.

** Only if fossil fuel exposure is deemed meaningful according to a joint assessment between the LC&I Sustainable Finance Team and Group Risk Management*
[2] For more information on the Danske Bank Group's sustainability risk management process and policies, please refer to our Risk Management 2024 report

Net-zero alignment assessment

Our net-zero alignment assessment builds on the approach developed by the Institutional Investors Group on Climate Change in their Net Zero Investment Framework[3], specifically the recommendations for criteria assessing the Paris-alignment of portfolio companies. Based on the assessment criteria, a customer's net-zero alignment is scored on a four-point scale, ranging from 'Achieving net-zero' to 'Not aligned'. The assessment relies on publicly available disclosures and information obtained through direct engagement with our customers.

The net-zero alignment assessment consists of scoring criteria across five key categories: ambition, targets, emissions performance, decarbonisation strategy and capital allocation alignment (figure 3).

When we assess and score a company's net-zero alignment, we not only assess the presence of a corporate transition plan but also the integrity of the plan. This includes assessing the disclosure of aligned capital expenditure (CAPEX), the ambition of the emission reduction targets and the risk associated with the execution of the decarbonisation plan.

Figure 3: Net-zero alignment criteria

Criteria
1. Ambition: a long-term 2050 goal consistent with achieving net zero
2. Targets: Short- and medium-term emissions reduction targets (scope 1, 2 and material scope 3)
3. Emissions performance: current emissions intensity performance (scope 1, 2 and material scope 3) relative to targets
4. Decarbonisation strategy: a quantified plan detailing measures for reducing emissions, including green revenue proportions and potential growth
5. Capital allocation alignment: company capital expenditures consistent with net-zero emissions by 2050

Alignment categories

Achieving net zero	Aligned to net-zero pathway	Aligning to net-zero pathway	Not aligned
Current emissions at/close to 2050 net-zero level + investment plan/business model in line with net zero	Fulfil all 5 criteria	Partial fulfilment of 1-5 criteria	Poor alignment to any of the criteria

[3] *Net Zero Investment Framework (iigc.org)*

Execution risk assessment

Our execution risk assessment complements the net-zero alignment assessment by taking a stance on the economic and technological feasibility of a customer's emission reduction trajectory and strategy. Technological feasibility focuses on the availability of the required solutions to decarbonise the industrial process in question, ranging from currently in use at commercial scale, such as wind and solar power generation in electricity production, to first pilot projects currently being tested, such as direct reduced iron production using hydrogen. Economic feasibility relates to the role of government support schemes such as carbon taxation or production subsidised in making decarbonised industrial production financially viable.

Based on the qualitative assessment of these two components, customers are assessed as having either a low, medium or high execution risk (figure 4).

Figure 4: Execution risk matrix

	Low risk	Medium risk	High risk
Execution risk assessment	Technology largely exists to achieve net zero	Elements of the technology to achieve net zero exist but further innovation is required	Necessary technology does not yet exist to achieve net zero
	and/or	and/or	and/or
	Limited government incentives are needed to facilitate the transition	Some government incentives are needed to facilitate the transition, e.g. make available technology or solutions more inexpensive	Very dependent on government incentives to support the transition, e.g. to make available technology or solutions more inexpensive

Transition risk assessment score

The net-zero alignment assessment and the execution risk assessment scores are combined to give a final transition risk assessment score based on the matrix depicted below (figure 5).

- 'Transitioned' customers are assessed as having successfully reached a state where their operations are aligned with a net-zero economy.
- 'Transitioning' customers are progressing in line with their own sectoral net-zero pathway but are still exposed to some execution risk.
- 'Start of transition' customers have commenced their journey towards a net-zero pathway alignment.
- 'Lagging transition' customers are considered as not having appropriately engaged on the topic in their strategic planning or governance, for example by not setting a clear long-term net-zero target.

By linking the outcomes of the net-zero alignment assessment and the execution risk assessment, we gain a holistic view of a company's strategic position and operational challenges in its journey toward transitioning to a net-zero future.

To track the latest performance of our customers in implementing their climate transition strategies, we periodically update the transition risk assessment scores for all relevant customers at least once a year. The various transition risk assessment categories are continually monitored as part of the Danske Bank Group's risk management process.

The outcome of the assessment has a number of implications. Primarily, the transition risk assessment score contributes to the overall credit assessment of customers and can support the sustainability-related engagement with these customers. Secondly, since the transition risk assessment evaluates the credibility of customers' transition plans, we leverage the resulting score to determine whether the financing we provide to these customers can be viewed as supporting the climate transition.

Figure 5: Transition risk assessment matrix

Net-zero alignment assessment/ Execution risk assessment	Achieving net zero	Aligned to a net-zero pathway	Aligning towards a net-zero pathway	Not aligned
Low execution risk	Transitioned	Transitioning	Start of transition	Lagging transition
Medium execution risk	Transitioned	Transitioning	Start of transition	Lagging transition
High execution risk	Transitioned	Start of transition	Lagging transition	Lagging transition

As a result, the engagement with customers fulfilling one of the following criteria is viewed as financing the climate transition:

1. *Customers that are assessed as 'Transitioned', 'Transitioning' or 'Start of transition'.*
2. *Customers that are deemed as supporting enabling value chains (i.e. transition-enabling value chains).*

Note: Although the 'Transitioned' category includes customers that have already reached a point where their operations are aligned with a net-zero economy, these customers have been included as part of financing the climate transition as they require further capital and other financial services to expand their operations which are integral to supporting the climate transition of the broader society.

Customers with lower-than-expected performance but who have initiated their transition and are categorised as 'Start of transition' are also included as part of financing the climate transition. This is because such customers include high-potential companies in hard-to-abate sectors who may only recently have set out their plans to transition to net zero. Including these customers ensures that these customers can be provided with the means and support to transition adequately.

Mechanisms to **prevent carbon lock-in**

Transition finance, the objective of which is to support the decarbonisation of hard-to-abate sectors, often faces the challenge of avoiding carbon lock-in. The Organisation for Economic Co-operation and Development (OECD)[4] defines carbon lock-in as a situation in which high-emission infrastructure or assets continue to be used despite the availability of low-emission alternatives. This delay in or prevention of transitioning to near-zero or zero-emission alternatives can hinder efforts to decarbonise sectors and achieve climate goals. Mechanisms to prevent carbon lock-in are crucial to ensure that investments align with the temperature goals of the Paris Agreement. Inspired by the OECD guidance, we have embedded several mechanisms to identify the risk of carbon lock-in at the company and sector levels.

For all sectors for which Danske Bank has externally communicated emission reduction targets, the net-zero alignment assessment makes use of external pathways to guide our assessment of the veracity of a company's own emission reductions targets. Emission targets are benchmarked against external pathways to measure their ambition and alignment to net zero. Additionally, it is crucial that we track and monitor how a company intends to achieve the emission reductions targets it has committed to. We do this by examining the company's decarbonisation strategy, which we require to include a quantifiable plan that sets out the actions and measures that will be deployed to achieve the targets. Sector-specific requirements are also a key element within our assessment of the decarbonisation strategy; for example, companies in the mining sector must have a specified plan to exit from fossil fuels.

Our net-zero alignment assessment also requires a company to provide us with a capital allocation plan that clearly demonstrates that the capital investments made by the company are consistent with achieving a Paris-aligned net-zero emissions scenario by 2050. CAPEX plans are also screened through a sector-specific lens; for example, entities in the shipping sector are expected to provide us with an indication of their actual and planned investments in alternative and dual-fuel vessels. Furthermore, the execution risk assessment part of our transition risk assessment includes an evaluation of the availability of commercially viable technology that can be considered a feasible option for facilitating the transition towards a net-zero economy.

Danske Bank position statements and policies

Danske Bank has several sector-specific position statements and policies[5] that address the mitigation of carbon lock-in risks at a sector-specific level. Please see the table below (figure 6) for an overview of our policies and position statements related to specific industries.

Figure 6: Danske Bank position statements and policies

Sector	Details
Oil and gas	It is noteworthy that a significant portion of our lagging transition exposure is in the oil and gas exploration and production (E&P) sector. The 'No expansion' clause in our Position Statement on Fossil Fuels means that currently no E&P company aligns with our policy, and we therefore do not extend new loans to E&P companies.
Coal- and peat-fired power generation and mining	By 2030, companies that have coal- and peat-fired power generation and heating will have been phased out from Danske Bank's financing product portfolios. Danske Bank will not provide financing services to thermal coal mining companies or provide financing services to companies that generate more than 5% of their combined revenues from coal-fired and/or peat-fired power generation and heating or to companies that expand coal-fired or peat-fired power generation and heating. Danske Bank will not participate in project finance for unabated fossil fuels.
Gas-fired power generation	We do not project finance unabated fossil fuel power generation, including gas-fired power facilities. We acknowledge the need to eventually phase out gas-fired power generation, albeit over a more extended timeline than for coal. Although some of our customers may maintain gas-fired units within their energy portfolios, our ambitious sector-specific target for 2030 of 54.2 kg of CO_2 per MWh indicates that by the end of this decade the role that gas-fired power production plays within our financing portfolio will be minimal.

[4] OECD Mechanisms to Prevent Carbon Lock-in in Transition Finance
[5] https://danskebank.com/sustainability/publications-and-policies

Governance

Danske Bank anchors the governance of sustainability at the level of the Board of Directors (BoD) and the Executive Leadership Team (ELT). The roles and responsibilities are described in the Danske Bank Group's Sustainability Policy.

Responsibility for the Approach is anchored at the level of the ELT with the Head of Large Corporates & Institutions (LC&I). The Approach, and the publication hereof, has been approved by the Head of LC&I.

The Approach overall is owned and maintained by the LC&I Sustainable Finance Team. This entails yearly review, updates and monitoring to maintain the integrity and relevance of the Approach in close collaboration with relevant functions.

The ownership and review of the transition risk assessment methodology is anchored with Group Risk Management and the process is incorporated into our Credit Risk Policy. The review and monitoring of transition enabling value chains is anchored with the LC&I Sustainable Finance Team.

Any changes to the Approach will need to be reviewed and approved by the Head of LC&I.

The BoD has oversight over and receives regular information on Danske Bank's sustainability efforts, including the implementation and management of the Approach and the associated risks. We use Danske Bank Group policies, and related position statements, in our daily work, and these form the foundation for a constructive and forward-looking dialogue with our customers on transition planning and associated financial strategies. Ongoing training of employees is conducted to ensure consistent assessments of customers' transition plans and transition-enabling value chains in line with the Approach.

Our Sustainability Policy and position statements are publicly available.

Disclaimer

This publication (the "Publication") has been prepared by Danske Bank A/S ("Danske Bank"). Danske Bank is under supervision by the Danish Financial Supervisory Authority (Finanstilsynet). The Publication is for informational purposes only providing an overview of Danske Bank's intended approach to financing large corporates' climate transition activities. It is not to be relied upon as investment, legal, accounting, tax, financial or other professional advice. It does not constitute a recommendation, offer or solicitation of an offer to trade a financial instrument or any other banking, investment, insurance or other product or service in any jurisdiction. Always consult with professional advisers as to the suitability and appropriateness of an investment.

The Publication is not associated with any bespoke labelled financial products.

While reasonable care has been taken to ensure that the content of this Publication is fair, true and not misleading, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or reasonableness of the information, methodologies, assumptions, opinions, and-forward looking statements contained in this Publication, including information from a third party. Any forward-looking statements made in this Publication reflect Danske Bank's current view of future events and are based on expectations, projections and estimations that involve large uncertainties and risks, including, but not limited to, the following: evolving science; developing methodologies and scenarios; variation in standards; future market conditions; technological developments, which vary significantly from industry to industry; challenges regarding data availability, accuracy and verifiability; changes in regulation; and realisation of government plans and strategic objectives. Methodologies, assumptions, opinions, and any forward-looking statements may therefore be subject to change and should not be viewed as reliable indicators of future performance or as complete or accurate accounts of actual performance. Caution must be exhibited when interpreting the Publication. Danske Bank undertakes no obligation to update or revise any forward-looking statements or other information contained in this Publication. Danske Bank, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this Publication.

Danske Bank A/S
Bernstorffsgade 40
DK-1577 København V

CVR No. 611262 28
www.danskebank.com

Appendix

Appendix A: Definitions of 'transition finance' (non-exhaustive)
Existing frameworks that provide guidance on what may constitute as transition finance. These are subject to change and develop given the nascent stage of transition financing.

EU Taxonomy	Economic activities with a substantial contribution to climate change mitigation that, despite not having a technologically or economically feasible low-carbon alternative, support the transition to a climate-neutral economy consistent with a pathway to limit temperature increase to 1.5°C above pre-industrial levels. The activity shall: • have GHG-emissions levels that correspond to the best performance in the sector or industry • not hamper the development and deployment of low-carbon alternatives • not lead to a lock-in of carbon-intensive assets over their lifetime
EU Commission recommendation on facilitating finance for the transition to a sustainable economy	Financing of investments compatible with and contributing to the transition towards a climate-neutral economy in a timeframe consistent with the goals of the Paris Agreement and the climate objectives of the European Union, including: • Investments in undertakings or economic activities with a credible transition plan at the activity or undertaking level • Investment in undertakings or economic activities with credible science-based targets, where proportionate, that are supported by information ensuring integrity, transparency and accountability • Investments in Taxonomy-aligned economic activities
EU Platform on Sustainable Finance	Transition finance is understood as financing aimed at improving climate and environmental performance to facilitate a sustainable economy, aligning with the EU's climate and environmental goals and social commitments, while avoiding carbon-intensive lock-in • Transition plans are vital tools for securing transition finance, and financial market participants along with public authorities should view them as opportunities for robust planning and transparent communication • Effective transition finance requires investments based on solid corporate transition plans and science-based targets
ICMA Climate Transition Finance Handbook	Guidance for issuers of sustainable finance instruments, both use of proceeds and general corporate purpose, on core elements that need to be considered with raising funds to finance the issuers climate transition strategy. The core elements include: • Issuer's climate transition strategy and governance • Business model environmental materiality • Climate transition strategy and targets to be science-based • Transparency in implementing the strategy
Glasgow Financial Alliance for Net Zero	Four key approaches for the financial sector to support net-zero transition of the real economy through financing: • The development and scaling of climate solutions to replace high-emitting technologies or services • Companies that are already aligned to a 1.5°C degrees pathway • The transition of real-economy firms according to transparent and robust net-zero transition plans in line with 1.5°C-aligned sectoral pathway • The accelerated managed phaseout of high-emitting physical assets
UN Principles for Responsible Banking	A leading responsible bank mobilises significant amounts of capital to promote sustainable development, while ensuring do-no-harm and leave-no-one-behind principles. • Allocates funds towards a low-carbon transition, including low-carbon clients as well as specifically defining financing to support the transition of high-emitting clients, and the climate resilience of clients, projects and products.

Appendix B: List of enabling value chains

Companies that are critical to enabling the climate transition of the economy are those that play a pivotal role in shifting from traditional fossil fuel-based energy systems to sustainable, low-carbon and renewable energy sources.[6] A company may be classified as 'enabling' when it provides upstream or downstream contributions to the following value chains:

Wind power value chain
- Input of raw materials
- Production of mechanical components for wind energy
- IT solutions for wind energy, such as control and monitoring systems
- Transport dedicated to wind energy solutions
- Offshore wind power subcontractors
- Wind installation, operations and maintenance
- Recycling of wind energy equipment
- End-of-life handling of wind energy equipment

Solar power value chain
- Polysilicon production
- Other input of raw materials
- Manufacturing of solar panels including components (ingot, wafer, cell, module and inverters and module equipment)
- Solar installation, operations and maintenance
- Recycling of solar energy equipment
- End-of-life handling of solar energy equipment

Bioenergy value chain
- Sustainable bioenergy feedstock providers
- Feedstock processors (e.g. drying, grinding, pelletising or torrefying biomass)
- Biofuel production and biopower generation
- Biowaste management and recycling
- Biomass logistics and transportation providers
- Biomass technology providers and manufacturers
- Biomass technology equipment manufacturers

Hydrogen value chain
- Electrolyser equipment and catalysts manufacturing
- Green hydrogen production
- Hydrogen derivative production
- Manufacturing of equipment for hydrogen derivative production
- Hydrogen transport and fuel infrastructure developers
- Manufacturing of technologies utilising hydrogen
- Application/use of green hydrogen

Battery value chain
- Raw material extraction/mining and refining
- Cathode and anode material production
- Electrolyte and separator production
- Cell manufacturing
- Battery pack assembly
- Grid integration (operation of electric vehicles, electronic devices or energy storage systems)
- Facilitation of battery reuse and recycling

Energy transmission and storage value chain
- Electricity transmission infrastructure developers
- Manufacturing of equipment for energy transmission, including cables, transformers, switchgear, towers, insulators and substation equipment
- Grid integration technology manufacturing
- District heating and cooling infrastructure in which the system uses at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such energy and heat
- Storage solution for energy that is not covered by the hydrogen or battery value chains, including pumped hydropower and thermal energy storage solutions

Carbon capture and storage (CCS) value chain, including carbon sequestration
- Development and implementation of technologies to capture carbon from industrial processes and power plants, including post-combustion capture, amine-based solvents and modular systems
- Pipeline companies and shipping firms that transport compressed CO_2 from capture sites to storage locations
- Geology and subsurface operators for CO_2 storage
- Manufacturing of captured CO_2 into alternative products
- End-to-end CCS project development, including financing and management
- Afforestation and reforestation management
- Soil management
- Wetland restoration
- Peatland conservation

Energy-efficiency value chain

Manufacturing of energy-efficiency equipment for buildings, including.
- Energy-efficient envelope components such as windows and doors
- Household appliances, including cooling/lighting/ventilation/heating and hot water systems populated in the two highest EU energy-efficiency classes
- Electric heat pumps and district heating exchangers
- Energy-efficient building automation, metering, thermostat and control solutions

Low-carbon transport value chain
- Manufacture of low-carbon vehicles
- Operation, management and manufacturing of low-carbon transportation
- Manufacturing of low-carbon transport infrastructure

[6] *This view on enabling activities is also reflected in the Climate Bonds Initiative report - Navigating Corporate Transitions*