

Nordea green funding framework

December 2023

Nordea

Contents

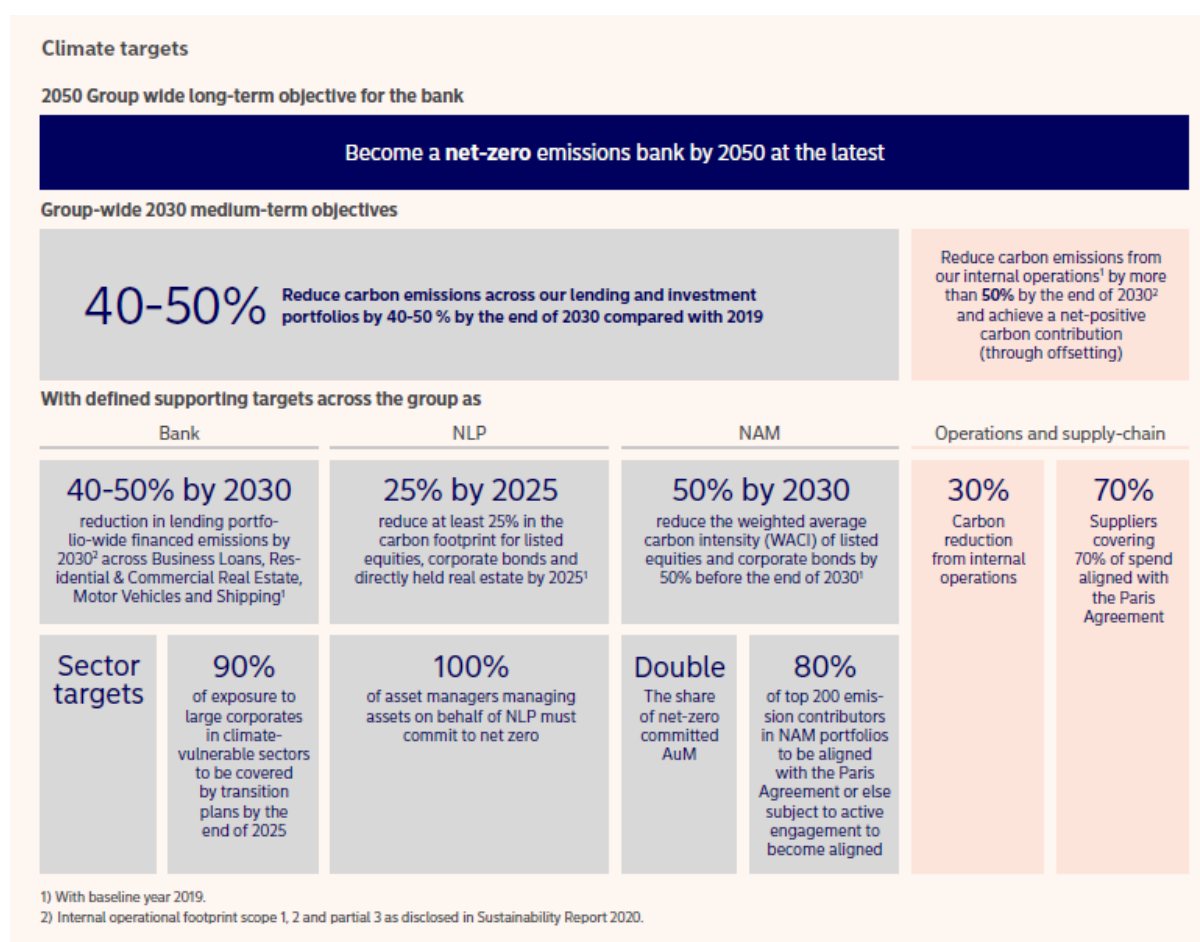
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1 Introduction

Nordea Bank Abp is the largest financial services group in the Nordics and one of the biggest banks in Europe.

Being a sustainable bank is part of our business strategy. At the global level, the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement set the general sustainability agenda as well as the more specific climate agenda. We have a key role to play in reaching society's goals through redirecting investments and financing towards more sustainable technologies and business, and contributing to the creation of a low-carbon, climate resilient and circular economy. To achieve this, we have fully integrated sustainability into our business strategy and introduced measurable medium and long-term objectives and 2023–2025 targets.

Our work rests on four strategic pillars: financial strength, climate action, social responsibility, and governance and culture. We aim to create a significant impact in all four areas by reducing the negative impact and increasing the positive impact of our business activities and internal operations.



At Nordea, we have a long-term perspective and believe that companies with sustainable business models carry lower financial and reputational risk. As ESG factors can have both a negative and a positive impact on Nordea, our customers and business environment, they can be used to identify sustainability risk as well as product offering and investment opportunities. Therefore we integrate ESG factors into risk management processes and develop and offer financial products supporting sustainable practices.

Having joined the Net Zero Banking Alliance in 2021, we have set sector targets that covers a majority of our financed emissions in the lending portfolio.

- o Shipping (vessels): reduce physical emission intensity in our shipping portfolio by 30% from 2019 to 2030.
- o Residential real estate: reduce physical emission intensity in our residential real estate portfolio by 40-50% from 2019 to 2030.
- o Oil and Gas: reduce absolute scope 1, 2 and 3 financed emissions from Exploration and Production by 55% from 2019 to 2030.
- o Thermal peat mining: phase out thermal peat mining by 2025.
- o Power production: reduce the physical emission intensity of the power production lending portfolio by >70% from 2021 to 2030.
- o Agriculture: reduce the economic emission intensity of the agriculture lending portfolio by 40-50% from 2021 to 2030.

For full list of sector targets and latest updates, please see nordea.com/en/sustainability/our-sustainability-targets

As an emerging theme, we also work with biodiversity in multiple ways across the business, for example in investee company engagements and stakeholder dialogues. Nordea has been part of the working group for United Nations Environment Programme Finance Initiative (UNEP FI) first industry guidance on biodiversity to help the signatory banks to align their portfolios with the Global Biodiversity Framework (GBF). In November 2023 we published a thematic guideline on biodiversity which defines our position and describes our current work and commitments. In this framework we include projects and activities relevant for reducing negative biodiversity impact, for example through preventing pollution and managing forest and agriculture sustainability in the Nordic countries. In this Green funding framework, biodiversity aspects are mainly considered in our Sustainable management of living natural resources asset category as well as in e.g. larger renewable energy investments, where an Environmental impact assessment is required by national legislation in our operating countries.

Supporting our customers' sustainable transition is central to our strategy. We engage with our customers to understand their challenges and opportunities and provide the right sustainable financing solutions and advice. Our leading sustainable finance franchise allows us to offer capital markets financing such as green, social, sustainable and sustainability-linked bonds and loans. These offerings allow us to connect our financing to our customers' ESG objectives and align with relevant sustainable financing criteria. We believe that sustainable bond financing creates transparency regarding the funds allocated to climate change mitigation and other environmentally beneficial uses.

The categories deemed eligible for the use of proceeds from our green bonds are presented in section 2 of this Green funding framework. We selected them based on our overall goal to enable the transition to a sustainable society in general and combat climate change in particular. These are the categories in which we think our financing efforts have the greatest potential to generate environmental benefits.

This Framework applies to transactions in any format (including covered, unsecured, subordinated and structured debt, and deposits¹), size (including benchmark transactions, public transactions and private placements) and currency. Further details will be provided in the applicable announcements

¹ The deposits included under the Framework correspond to fixed-term deposits, which intends to finance an equivalent amount of our green bond asset portfolio.

and transaction documentation. The process for green covered bonds diverges slightly from our regular green bond process. This is described in the applicable section of the Framework.

In this framework's 2023 update, we have strengthened the description of our targets and commitments, and how these relate to our green funding operations. We have also included information on our green asset categories' high level assessment with the EU Taxonomy criteria for substantive contribution to climate change mitigation, previously presented in our Sustainable funding report.

This Framework establishes how we identify, select, verify and report the sustainable financing directly or indirectly financed by the proceeds of our green funding. It also establishes how we manage such proceeds.

The Framework is based on the Green Bond Principles (GBP) published by the International Capital Markets Association. We review it annually and, where necessary, update and expand it as the GBP and market practices evolve. Should we make any criteria stricter in an update, we do not remove assets from the green bond asset portfolio but include them until maturity of the loan. Updated criteria apply for new inclusions from publication of the updated framework. We are committed to supporting the growth and integrity of the market for sustainable financing.

For more information on our sustainability work, please see our latest Annual Report and particularly the Sustainability notes.

2 Use of proceeds

An amount equal to the net proceeds of Nordea-issued green bonds or similar instruments is intended to be used, directly or indirectly, to finance or refinance green bond assets evaluated and selected pursuant to this Framework.² The green bond assets comprise financing within the green bond asset categories originated by various Nordea business units, in the Nordic countries.

We will not use the net proceeds of any Nordea-issued green bond or similar instrument to finance or refinance nuclear or fossil fuel energy operations or operations that we deem to fall within the sectors weapons and defence, coal mining or tobacco. Furthermore, we will not use the net proceeds of any Nordea-issued green bond for financing or refinancing where the customer in question is not deemed eligible according to our corporate customer ESG assessment process.

It should be noted that green bonds, like all other notes we issue, must adhere to the eligibility criteria of the Capital Requirements Regulation and the requirements for own funds and eligible liabilities specified in the Bank Recovery and Resolution Directive. As such, any net proceeds of green bonds qualifying as own funds or eligible liabilities will be fully available to cover losses arising on the balance sheet of the issuer, regardless of their “green” or similar label.

Our ESG assessment process includes an assessment of all large corporate customers with respect to

- governance
- environmental, health and safety management processes
- social aspects, including human and labour rights
- potential controversies.

The net proceeds of the green covered bonds issued by Nordea’s mortgage credit institutions that are wholly owned subsidiaries – Nordea Kredit Realkreditaktieselskab, Nordea Mortgage Bank Plc, Nordea Eiendomskreditt AS and Nordea Hypotek AB (publ) (the “Nordea MCIs”) – are intended to be used, directly or indirectly, to finance or refinance assets that

- are eligible for being included in the general cover pool of the respective Nordea MCI
- satisfy certain eligibility requirements that promote climate-friendly and other environmental purposes.





We evaluate and select these assets pursuant to this Framework, where they are referred to as green covered bond assets.

2.1 Green bond asset categories and green bond asset portfolio

The green bond asset categories listed in the table below are those we have identified as relevant to increasing positive impact or reducing negative impact on the environment.

²The final terms of a green bond issue will specify how the proceeds of that issue are to be used.








We have opted for asset-level verification, which means that any new addition to the green bond asset portfolio must be verified by our external second party opinion provider. We aim to acquire a second party opinion on both the portfolio and updates made to this Framework on an annual basis.

GBP ³ category	Project types	SDGs
Renewable energy	<p>The generation and transmission of energy from renewable sources and the manufacturing of related equipment for</p> <ul style="list-style-type: none"> ▪ wind power ▪ solar power ▪ hydropower ▪ integrating renewable energy sources into the transmission network. <p>Hydropower must be generated in the Nordic countries by small-scale plants, run-of-river plants, or refurbished larger hydropower plants where, if financing a refurbishment, the refurbishment does not entail any increase in the size of the impoundment facility.</p> <p>The production of hydrogen where</p> <ul style="list-style-type: none"> ▪ the process results in lifecycle GHG emissions less than 3tCO₂e/tH₂⁴⁵ and the electricity used for production emits less than 100g CO₂e per kWh ▪ the GHG savings from the use of hydrogen-based synthetic fuels amount to at least 70%, as per Article 25(2) and Annex V of Directive (EU) 2018/2001 (the Renewable Energy Directive) <p>If CO₂ is captured and stored in order to achieve less than 3tCO₂e/tH₂</p> <ul style="list-style-type: none"> ▪ CO₂ transport from the capture point to the injection point does not lead to a leakage of more than 0.5% of the mass of CO₂ transported ▪ a leakage detection system is in place and complies with national regulations for the underground permanent geological storage of CO₂. 	 
Energy efficiency	<p>Infrastructure, equipment, technology and processes related to energy transmission, energy storage, district heating and heat pumps, including</p> <ul style="list-style-type: none"> ▪ automation and intelligence in the power transmission network, distribution and related systems ▪ the transmission of electricity produced by renewable sources from the production site to the system grid ▪ system grids for electricity where, over rolling five-year periods, 67% of newly connected generation capacity in the grid is below 100g CO₂e per kWh or the average system grid emissions factor is below 100g CO₂e per kWh. 	 

³ Green Bond Principles.

⁴ Calculated using one of the following methodologies: [Article 28\(5\) of Directive \(EU\) 2018/2001](#), ISO 14067:2018119 or ISO 14064-1:2018120.

⁵ Verified by an independent third party deemed reliable by Nordea or in accordance with [Article 30 of Directive \(EU\) 2018/2001](#) where applicable.

Green buildings	<p>Commercial or residential buildings with at least one of the following certifications:</p> <ul style="list-style-type: none"> ▪ the LEED "Gold" certification ▪ the BREEAM "Excellent" certification ▪ the Miljöbyggnad "Silver" certification (Sweden) ▪ the Nordic Swan Ecolabel ▪ the DGNB "Gold" certification ▪ the RTS "3 stars" certification. <p>Construction of new buildings with a primary energy demand at least 10% below the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as-built Energy Performance Certificate (EPC).</p> <p>Acquisition and ownership of buildings which</p> <ul style="list-style-type: none"> ▪ if built before 31 December 2020, have at least a class A EPC or are adequately demonstrated to be within the top 15% of the relevant type of national or regional building stock in operational primary energy demand (PED) terms ▪ if built after 31 December 2020, meet the criteria specified under "Construction of new buildings" above. <p>Renovations and refurbishments of commercial or residential buildings resulting in an annual reduction in primary energy demand on a square metre basis of at least 30%.</p>	
Pollution prevention and control	<p>Projects or activities and any related infrastructure, equipment, technology and processes for</p> <ul style="list-style-type: none"> ▪ water and waste water management ▪ waste management, including waste prevention, reduction, collection, treatment, recycling and processing (excluding hazardous waste) ▪ the conversion of waste to energy. 	   
Clean transportation	<p>Projects or activities and related equipment, technology and processes for producing, maintaining and improving clean transport infrastructure. These include expansions of and improvements to train and metro networks, stations and rolling stock for passenger or freight transport such as</p> <ul style="list-style-type: none"> ▪ electric vehicles, for example trains, buses, cars and ships ▪ hydrogen fuel cell vehicles with zero direct (tailpipe) CO2 emissions. 	 

Sustainable management of living natural resources	<p>Projects or activities related to sustainable forestry, agriculture or aquaculture in the Nordic countries. These include the acquisition, maintenance and management of</p> <ul style="list-style-type: none"> ▪ forests certified by the Forest Stewardship Council (the FSC) or the Programme for the Endorsement of Forest Certification (the PEFC) ▪ sustainable agriculture in the Nordic countries comprising organic farming certified as compliant with EU and national regulation ▪ sustainable aquaculture in the Nordic countries comprising land-based fish farming facilities with waste water treatment operating in accordance with limits set in relevant national operating permits <p>Criteria related to the sourcing of feed: soy must be sustainable and deforestation free as evidenced by a ProTerra or equivalent certification. Marine-based feed ingredients must comply with the standards of the Marine Stewardship Council, the MarinTrust Standard or equivalent certifications.</p>	
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2.2 Green covered bond asset categories and green covered bond asset portfolio

The green covered bond asset categories listed in the table below are those we have identified as relevant to increasing the positive impact or reducing the negative impact of residential buildings on the environment, while encouraging energy efficiency in buildings and reducing household energy consumption. Although this Framework is based on the GBP, the project types and their criteria refer to the technical screening criteria defined by the EU Taxonomy delegated acts and associated annexes (for climate change mitigation). For clarity, the volume of green covered bond assets differ from the household lending volumes presented in Nordea's Capital and Risk Management Report, due to some methodological variations.

Assets that we deem to meet the criteria stated below and to be eligible for inclusion in cover pools will be recorded as assets that qualify for financing or refinancing, whether directly or indirectly, with the net proceeds of green covered bond issues. These assets (referred to as green covered bond assets) are subsequently included in the general cover pool of the respective Nordea MCI. No separate cover pools comprising green covered bond assets only will be created. However, all Nordea issuing entities use this Framework, including the process descriptions, green asset categories and associated criteria. We aim to optimise portfolio selection locally in the four different covered bond pools. Local variations in identifying eligible green assets exist.

Green covered bonds can also rely on the definitions for green bond asset categories set out in section 2.1 of this Framework. However, for green buildings and building-related energy efficiency measures, the green covered bond asset categories are as stated below.

GBP category	Project types
Green residential buildings	Construction of new buildings with a primary energy demand at least 10% below the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of

	<p>the European Parliament and of the Council. The energy performance is certified using an as-built Energy Performance Certificate (EPC).</p> <p>Acquisition and ownership of buildings which</p> <ul style="list-style-type: none"> ▪ if built before 31 December 2020, have at least a class A EPC or are adequately demonstrated to be within the top 15% of the relevant type of national or regional building stock in operational primary energy demand (PED) terms ▪ if built after 31 December 2020, meet the criteria specified under “Construction of new buildings” above.
Energy efficiency	<p>Renovation of existing buildings where</p> <ul style="list-style-type: none"> ▪ the renovation meets the applicable requirements for major renovations, or ▪ the renovation leads to a PED reduction of at least 30%. <p>Investments, installations and repairs of equipment resulting in improved energy efficiency. These include investments in</p> <ul style="list-style-type: none"> ▪ renewable energy sources ▪ energy efficiency improvements ▪ overall quality improvement. <ul style="list-style-type: none"> ▪ Such investments may encompass geothermal heating, water meters, windows, doors, light sources, etc.

2.3 Nordea green bond asset categories and EU Taxonomy alignment

The EU Taxonomy requires companies to disclose information about their exposure to Taxonomy-eligible activities in 2022 and Taxonomy-aligned activities in 2024 under the Non-Financial Reporting Directive (Directive 2014/95/EU).

During 2021 we performed a high-level assessment of the green bond asset categories in our Green funding framework (GFF). We compared the framework’s criteria for green bond asset categories with the EU Taxonomy’s “Substantial contribution to climate change mitigation” criteria for corresponding economic activities. We did not assess the “Do no significant harm” aspects.

The assessment was made according to the scale below:

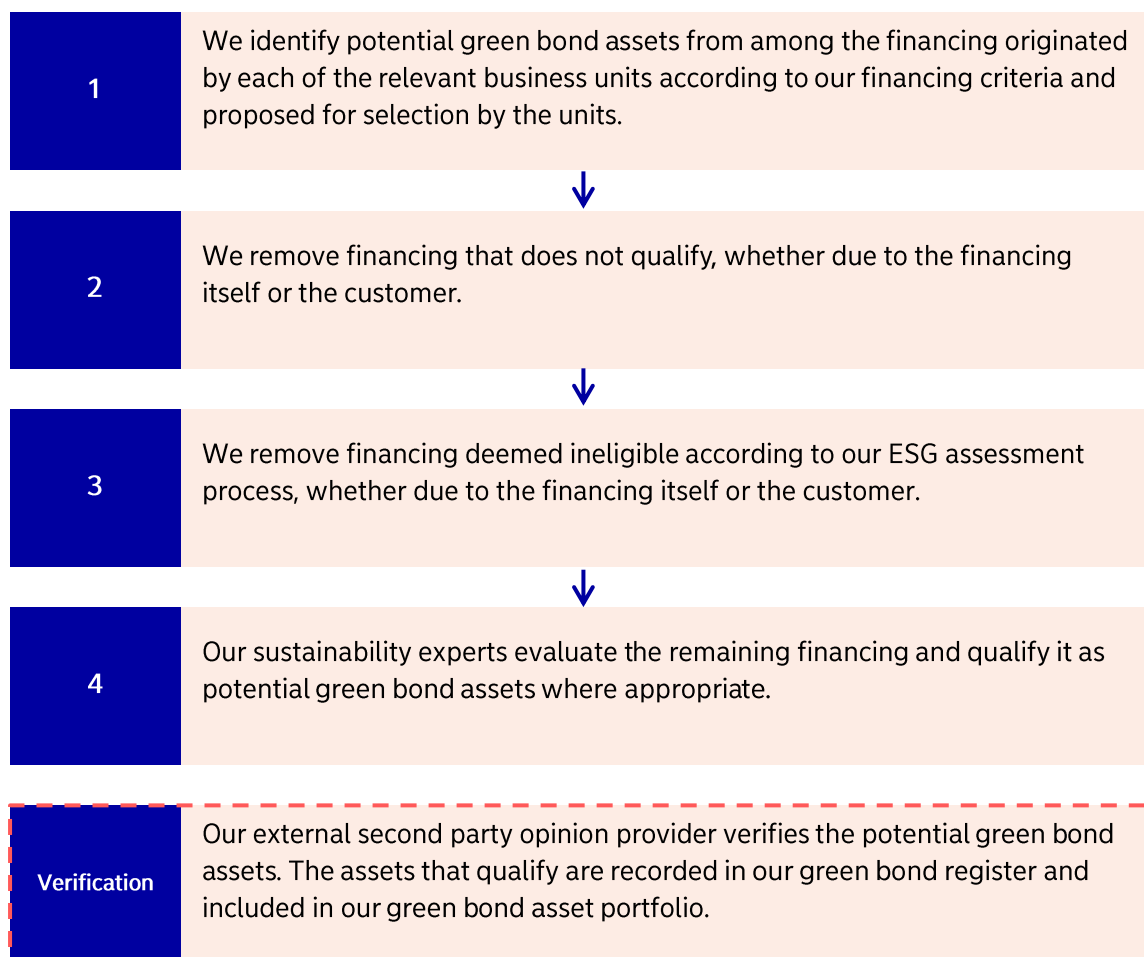
Aligned	All or most of the criteria included in the substantial contribution criteria
Partially aligned	Some of the criteria included in the substantial contribution criteria
Not aligned	Criteria not included in the substantial contribution criteria

GB asset category	Alignment	Comments
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Renewable energy	Aligned	Solar, wind, hydrogen production and renewable energy-related activities align with the Taxonomy substantial contribution criteria for climate change mitigation. For hydropower, we lack the specific emissions threshold described in the Taxonomy.
Energy efficiency	Partially	Our energy efficiency category is a diverse category with a number of corresponding activities in the Taxonomy TSC. District heating and heat pumps are included in the Taxonomy. For electric grids, we meet the exact substantial contribution criteria, however this is the only activity for which specific criteria are utilised in this category.
Green buildings	Partially	The eligibility of existing buildings is based on the Taxonomy substantial contribution criteria for climate change mitigation. Some of the certificates that we consider eligible include sufficient energy performance requirements, but an asset-level assessment is needed to determine the exact level of alignment with the Taxonomy TSC.
Pollution prevention and control	Partially	Waste management activities and water and waste water management activities are being developed for the remaining four environmental objectives of the Taxonomy. Waste to energy is not included in the Taxonomy TSC as an activity-mitigating climate change. However, we include bioenergy production in this category.
Clean transportation	Aligned	We only see electric or hydrogen cell based means of transportation as eligible for green bond financing, which is stricter than the Taxonomy substantial contribution criteria.
Sustainable management of living natural resources	Partially	For sustainable forestry, we have Programme for the Endorsement of Forest Certification and Forest Stewardship Council certification that cover the sustainable forest management practices described in the Taxonomy TSC. Carbon sinks are excluded from our criteria. For sustainable farming activities, we use a different set of criteria than the Taxonomy. Sustainable aquaculture is not included in the Taxonomy.
Green residential buildings	Aligned	This green covered bond asset category is based on the Taxonomy substantial contribution criteria for climate change mitigation. As per the Second Party Opinion obtained from ISS ESG in 2022, full alignment with the criteria is reached.
Energy efficiency	Aligned	This green covered bond asset category is based on the Taxonomy substantial contribution criteria for climate change mitigation. As per the Second Party Opinion obtained from ISS ESG in 2022, full alignment with the criteria is reached.

3 Selection and evaluation of green bond assets

We use the following process to determine which financing within the green bond asset categories qualifies for inclusion in our green bond asset portfolio.



Our Sustainable Funding Committee (SFC) subsequently confirms the assessments made by our staff in relation to the green bond asset categories.

The SFC is the governance and executive committee for discussions and decisions regarding our Green funding framework and green bond asset portfolio. It is a subcommittee of the Asset & Liability Committee (ALCO) and was established and endorsed by the Head of Group Treasury. Its members review the Committee's membership composition on an annual basis.

The SFC is responsible for our green bond process and for ensuring that the relevant units adhere to it. It is also responsible for ensuring that our Green funding framework is up to date and complete. The SFC decides on how assets in the green bond asset portfolio are used and proposes to the ALCO the principles for allocating the green bond asset portfolio between different units in the bank. It also manages the practical allocation of the portfolio to relevant business projects related to wholesale funding and deposits.

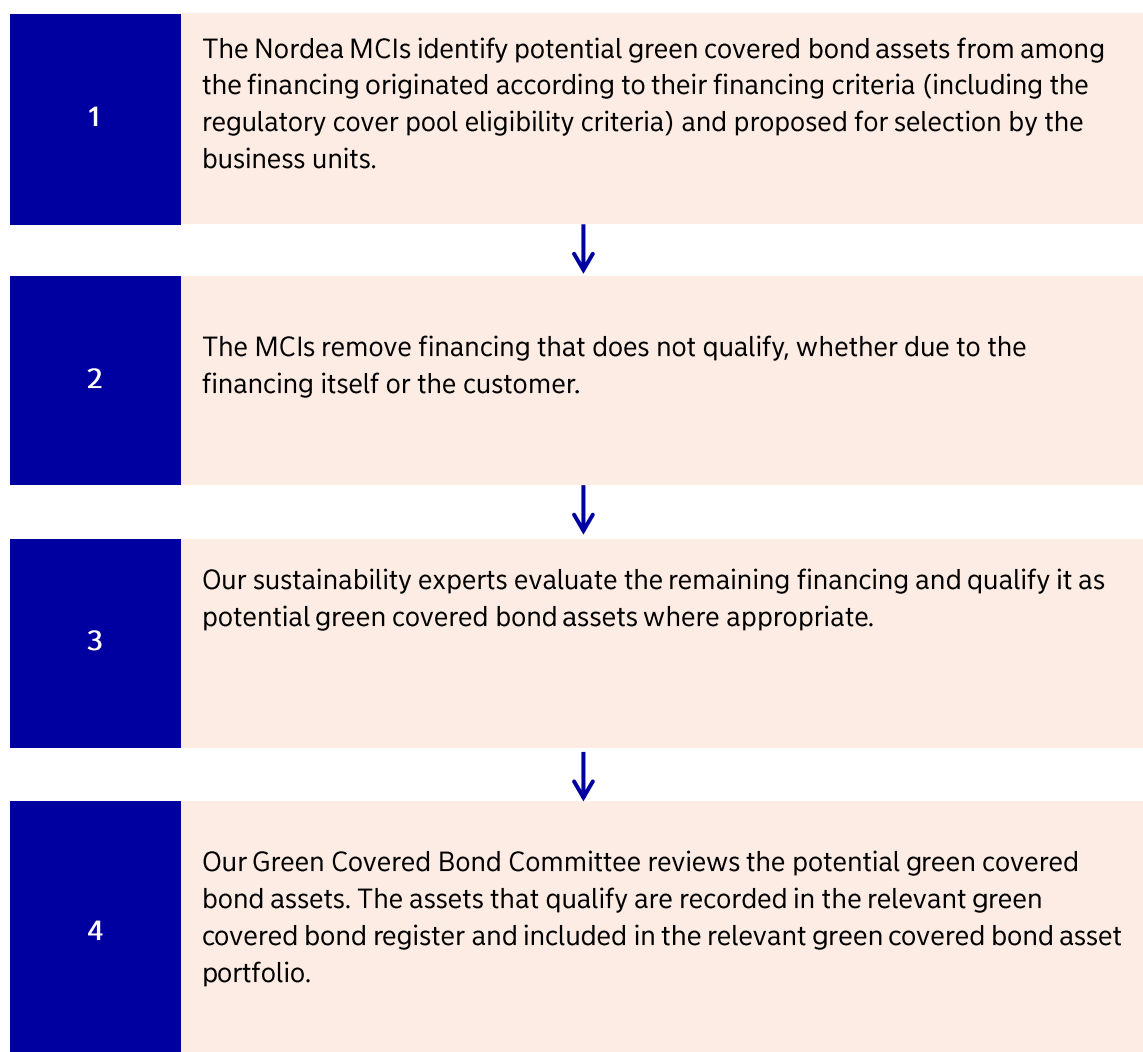
The SFC reviews the green bond asset portfolio on a semi-annual basis. The proceeds of green bond issues or deposits are allocated to green bond assets at the portfolio level. They are thus allocated to all assets in the green bond asset portfolio in equal shares.

The SFC has representatives from the following:

- relevant Treasury functions
- relevant units within Group Sustainability
- relevant units within Business Banking
- relevant units within Large Corporates & Institutions
- relevant units within Personal Banking
- relevant units within the business risk organisation
- relevant units within the legal functions
- relevant units within Investor Relations
- relevant unit within Group Risk (non-voting member)

3.1 Selection and evaluation of green assets for green covered bonds

The Nordea MCIs use the following process to determine which financing within the green covered bond asset categories qualifies for inclusion in our green covered bond asset portfolios.



The Green Covered Bond Committee is a subcommittee of the SFC. It meets to review potential green assets on a quarterly basis.

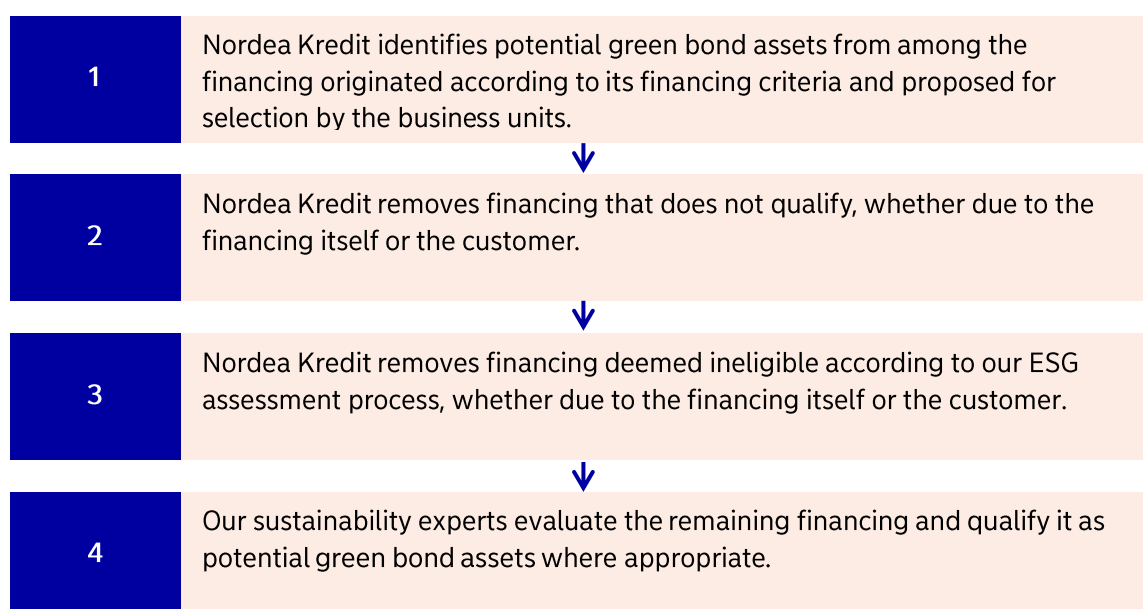
The proceeds of green covered bond issues are allocated to green covered bond assets at the portfolio level. They are thus intended to be allocated, directly or indirectly, to all assets in the green covered bond asset portfolio in equal shares.

The Green Covered Bond Committee has representatives from the following:

- the Nordea MCIs
- Group Treasury
- Group Sustainability
- relevant units within the business risk organisation
- relevant units within the legal functions.

As Nordea Kredit complies with the match funding principle in Denmark, its selection and evaluation process and management of proceeds are handled slightly differently. Assets for Nordea Kredit's separate green bond asset portfolio need to be approved on a continuous basis.

Nordea Kredit's process for determining which financing within the green bond asset categories qualifies for inclusion in its green bond asset portfolio is described below.



Nordea Kredit's Green Bond Committee subsequently approves the assessments made by Nordea Kredit's staff in relation to the green bond asset categories. The Committee also reviews Nordea Kredit's green bond asset portfolio and confirms the allocation of the proceeds of green bond issues to green bond assets.

Our second party opinion provider has verified Nordea Kredit's asset selection framework on an annual basis since 2020. This also includes a detailed screening of the sustainability quality of the Nordea Kredit mortgages financed through the bond(s) and of their underlying assets.

4 Management of proceeds

We have established a green bond register, where we record the composition of our green bond asset portfolio and state how we intend to allocate the net proceeds of our green bonds and deposits to green bond assets.

An amount equal to the net proceeds of our green bonds and deposits is placed in our general funding accounts but can be identified in the green bond register. We intend to allocate, directly or indirectly, an amount equal to such proceeds in accordance with this Framework.

The composition and volume of our green bond assets are reviewed on a quarterly basis by the Financial Reporting and Control unit within Group Finance.

We intend to maintain an aggregate amount of assets in the green bond asset portfolio at least equal to the aggregate net proceeds of all our outstanding green bonds and deposits. In practice, this means that whenever we issue a new green bond or launch a new green deposit, we aim to simultaneously allocate the proceeds of that bond or deposit to the green bond asset portfolio. However, there may be periods when the aggregate amount of green bond assets recorded in the green bond register does not fully cover the proceeds of our green bonds and deposits. This may be due to changes in the composition of the green bond assets or the issuance/launch of additional green bonds or deposits. Any portion of the net proceeds of green bonds or deposits not recorded in the register as allocated to green bond assets is held in accordance with our normal liquidity management policy.

The green bond register contains information on each green bond and the green bond assets relating to it. This includes the category, sub-category and volume of the green bond assets and the country in which they are located. The register forms the basis of our impact reporting.

4.1 Management of proceeds of green covered bonds

We have also established green covered bond registers, where we record the composition of the green covered bond asset portfolios and state how we intend to allocate the net proceeds of green covered bonds issued by the Nordea MCIs to green covered bond assets.⁶ However, we do not have and will not create any separate cover pool with green assets only.

The net proceeds of the green covered bonds issued by the Nordea MCIs are deposited in our general funding accounts but can be identified in the green covered bond registers. The issuers intend to allocate, directly or indirectly, an amount equal to the net proceeds in accordance with this Framework. Any portion of the net proceeds of green covered bonds not recorded in the registers as allocated to green covered bond assets is held in accordance with our normal liquidity management policy.

The Nordea MCIs review the composition and volume of the green covered bond assets on a quarterly basis.

⁶ The green covered bond registers are separate from the other registers kept by the Nordea MCIs for regulatory, governance, monitoring and other purposes related to the covered bonds and specifically the cover pools.

The green covered bond registers contain information on each green covered bond and the green covered bond assets relating to it. This includes the category, sub-category and volume of the green assets, and the country in which they are located. The registers form the basis of our impact reporting.

5 Reporting

Each year, provided that we have green bonds outstanding, we publish on our website a Sustainable funding report that specifies

- the amount of net proceeds allocated within each green bond asset category and, when possible and relevant, information on the type, number and location of green bond assets included in each category
- the remaining balance of net proceeds not yet allocated to green bond assets
- where appropriate and subject to confidentiality arrangements, examples of green bond assets financed or refinanced by the net proceeds of green bonds.

In each report, we also include information on the environmental impacts of the green bond assets or green bond asset portfolio for each green bond asset category. In addition, we aim to include the indicators outlined in the table below, subject to the availability of information and baseline data.

The impact reporting includes a description of the methodology applied.

We provide information on our green covered bonds and green covered bond assets in the Sustainable funding report. Allocation and impact reporting are presented at the individual issuer entity.

GBP category	Nordea subcategory	Impact measurement indicators	
Renewable energy	Wind, hydro, solar and hydrogen production	Installed renewable energy production capacity (MW)	Estimated CO2e emissions avoided relative to baseline
Energy efficiency	Energy transmission, energy storage, district heating	Amount of energy saved (MWh)	Estimated CO2e emissions avoided
Green buildings	Green buildings	Amount of energy saved (MWh)	Estimated CO2e emissions avoided
Pollution prevention and control	Water and waste water management, waste management	Water withdrawal or treatment capacity (m3/day or t/day)	
	Conversion of waste to energy	Production capacity (MW)	Estimated CO2e emissions avoided relative to baseline
Clean transportation	Public transport / freight transport	Estimated CO2e emissions avoided	
Sustainable management of living natural resources	Sustainable forestry, agriculture and aquaculture	Land area certified	CO2e emissions per kilo produced
Green buildings	Construction of new buildings	Amount of energy saved (MWh)	Estimated CO2e emissions avoided
	Acquisition and ownership of buildings		
Energy efficiency	Energy-efficient households	Amount of energy saved (MWh)	Estimated CO2e emissions avoided

6 External review

We have engaged the external provider ISS-Corporate to verify this Framework and our green bond assets. As described in section 3, our green bond assets are reviewed at the asset level before being included in the green bond asset portfolio. Both the green assets recorded in the green covered bond registers and the green covered bond process follow a separate track in terms of verification. The second party opinion is publicly available on our website.

Assets verified by the external provider as consistent with the GBP, this Framework and the provider's own criteria, as evidenced by a "Second Party Opinion" published on our website, are included in our green bond asset portfolio.

7 Appendix

We have signed and, as applicable, publicly stated our adherence and commitment to the following:

- UN Environment Programme Finance Initiative (signed 2001)
- UN Global Compact (signed 2002)
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- ILO conventions
- OECD Guidelines for Multinational Enterprises
- Equator Principles (signed 2007)
- Paris Pledge for Action in support of COP 21 (signed 2015)
- UN Convention against Corruption
- Rio Declaration on Environment and Development
- UN Principles for Responsible Investments (signed 2007)
- Responsible Ship Recycling Standards (RSRS)
- Montreal Carbon Pledge (signed 2014)
- Investor Alliance for Human Rights (signed 2016)
- Collective Commitment to Climate Action (signed 2019)
- Principles for Responsible Banking (PRB) (signed 2019)
- The Partnership for Carbon Accounting Financials (PCAF) (signed 2020)
- Net-Zero Banking Alliance (NZBA) (signed 2021)
- Finance for Biodiversity Pledge (signed 2021)
- The Poseidon Principles

In addition, we follow the guidelines listed below.

- Nordea Code of Conduct
- Nordea Sustainability Policy
- Nordea Responsible Investment Policy
- Nordea Supplier Code of Conduct
- Position statements and internal industry guidelines

The above lists detail the commitments most relevant for green bonds. For a full list of our external commitments, guidelines and policy documents, visit

<https://www.nordea.com/en/sustainability/commitments-and-policies/>
<https://www.nordea.com/en/sustainability/policies>

Disclaimer

Any decision to purchase a green bond should be made solely on the basis of the information contained in the offering document produced in connection with the offering of the bond. Prospective investors are required to make their own independent investment decisions and seek advice from an independent financial adviser or other professional adviser before deciding to invest. They should carefully consider and review the terms and conditions applicable to the bond.

No assurance is or can be given by Nordea that any green bond or green asset will meet investor expectations or requirements regarding such "green" or similar labels. These include requirements under Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the EU Taxonomy) and Regulation (EU) 2020/852. Moreover, no assurance is or can be given by Nordea that adverse environmental and/or other impacts will not occur through the implementation of the projects or uses related to any green bond or green asset.

No assurance or representation is given by Nordea or any other person as to the suitability or reliability for any purpose whatsoever of any third party's opinion or certification (whether or not solicited by Nordea) made available in connection with the issue of any green bond. This applies in particular to the ability of any green asset to fulfil any environmental and/or other criteria. Any such opinion or certification is not a recommendation by Nordea or any other person to buy, sell or hold any green bond.

While Nordea's intention is to allocate, directly or indirectly, green bond proceeds to green assets as set out in its Green funding framework, there can be no assurance that this will be done within a certain time frame or at all. Any failure to apply green bond proceeds for the intended purpose or to adhere to the Green funding framework will not constitute an event of default or a breach of any other contractual obligation under the terms and conditions applicable to the relevant bond.

No assurance is given by Nordea that the use of proceeds of any green bond will satisfy any present or future investor expectations or requirements regarding investment criteria or guidelines with which the investor or their investments are required to comply – in particular with regard to the direct or indirect environmental impact of the uses of the green assets. Such criteria or guidelines may correspond to any present or future applicable law or regulations, or to the investor's own bylaws or other governing rules or investment portfolio mandates.

This Green funding framework is subject to change and is not intended nor can be relied on to create any legal rights or contractual obligations. Any green bond issued is subject to the terms and conditions of that bond only. It does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, any green bond. The Framework is not intended to be distributed to, or used by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. Nordea does not assume any duty or liability whatsoever, whether arising in tort, contract or otherwise, as a result of any failure to adhere to or comply with the Framework.

With respect to green covered bonds, any prospective investor should be aware that the cover pool to which a green covered bond relates does not consist of green assets only. Hence, a green covered bond is not secured by green assets only.