Green bond investor presentation
Disclaimer

This presentation contains forward-looking statements that reflect management’s current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.
Our long term sustainability objectives supported by short term targets

Our sustainability objectives

Become a **net-zero** emissions bank by 2050 at the latest

40-50% reduction in emissions across investment and lending portfolios by 2030$^1$

50% reduction in emissions from internal operations by 2030$^1$

Supported by our 2025 sustainability targets$^2$:

**€ EUR >200bn**
Sustainable financing facilitation 2022-2025

90% of exposure to large corporates in climate-vulnerable sectors to be covered by transition plans

80% of the top 200 financed emissions contributors in Nordea Asset Management’s portfolios are either aligned with the Paris Agreement or subject to active engagement

x2 Double the share of net-zero committed AUM

At least 40% representation of each gender at the top three leadership levels$^3$ combined

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1) compared to 2019 baseline  
2) Selection of our medium-term targets – link to full list of targets  
3) Group Leadership Team (GLT), GLT-1 and GLT-2
## Sustainability at the core

### Further strengthened climate targets in our lending portfolio

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sub-sector</th>
<th>Emissions scope</th>
<th>Metric</th>
<th>Base year</th>
<th>Baseline</th>
<th>Target year</th>
<th>Target</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shipping</strong></td>
<td>Vessels</td>
<td>1</td>
<td>AER, gCO2e/dwt-nm</td>
<td>2019</td>
<td>8.3</td>
<td>2030</td>
<td>-30%</td>
<td>8.4 AER (2021)</td>
</tr>
<tr>
<td><strong>Residential real estate</strong></td>
<td>Households and tenant-owner associations</td>
<td>1 and 2</td>
<td>kgCO2e/m²</td>
<td>2019</td>
<td>17.6</td>
<td>2030</td>
<td>-40–50%</td>
<td>17.1 kgCO2e/m² (2022)</td>
</tr>
<tr>
<td><strong>Power production</strong></td>
<td>Electricity generation</td>
<td>1 and 2</td>
<td>gCO2e/kWh</td>
<td>2021</td>
<td>-</td>
<td>2030</td>
<td>-70%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>Crops, plantation and hunting, and animal husbandry</td>
<td>1 and 2</td>
<td>tCOe2/EURm</td>
<td>2021</td>
<td>-</td>
<td>-2030</td>
<td>-40–50%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Oil &amp; gas</strong></td>
<td>Exploration and production</td>
<td>1, 2 and 3</td>
<td>MtCO2e</td>
<td>2019</td>
<td>3.0</td>
<td>2030</td>
<td>-55%</td>
<td>0.06 MtCO2e (2022)</td>
</tr>
<tr>
<td><strong>Offshore</strong></td>
<td>Drilling rigs and offshore service vessels within oil and gas, and shipping</td>
<td>-</td>
<td>EURm</td>
<td>2019</td>
<td>1,885</td>
<td>2025</td>
<td>-100%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Mining</strong></td>
<td>Thermal peat</td>
<td>-</td>
<td>EURm</td>
<td>2022</td>
<td>52</td>
<td>2025</td>
<td>-100%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Thermal coal</td>
<td>-</td>
<td>EURm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Restrictive policy, full phase-out achieved in 2021</td>
</tr>
</tbody>
</table>

1) compared to 2019 baseline and covering lending to corporates and households for business loans, motor vehicles, commercial and residential real estate and shipping: Progress excluding commercial real estate
**Sustainability at the core**

**Actively engaging to drive transition and capture growth opportunities**

**Channelling capital towards sustainable solutions**

<table>
<thead>
<tr>
<th>Green and sustainability-linked loans</th>
<th>Nordea Asset Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total volumes, EURbn</td>
<td>Assets under management, EURbn</td>
</tr>
<tr>
<td></td>
<td>Q4 2022</td>
</tr>
<tr>
<td>Sustainability-linked loans</td>
<td>38%</td>
</tr>
<tr>
<td>Green loans</td>
<td>62%</td>
</tr>
<tr>
<td>% of total lending</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Engaging to support green transition**

**Transition plan for large corporates**

- 2025 target: 90% covered by transition plans
- 2025 target: 80% aligned or subject to active engagement

**Alignment with Paris agreement for top 200 emission contributors**

- Facilitated EUR 135bn in sustainable financing
  - Compared to target EUR >200bn by 2025
- New progress report on climate actions and targets published
- #1 Nordic corporate sustainable bonds
- #1 Nordic corporate sustainable loans
Externally validated sustainability commitment

**MSCI**

ESG Rating: AA (AAA to CCC)

**SUSTAINALYTICS**

ESG Score: 15.8 (0 to 100)**

**ISS ESG**

Company Rating: C (A+ to D-)*

**S&P Global**

CSA score: 65 (0 to 100)***

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**Other commitments**

- Co-founders of UNEP FI principles for responsible banking
- Founding members of collective commitment to climate action
- Founding member net-zero asset owner alliance (Life & Pension)
- Founding member net-zero asset manager initiative
- Joined partnership for carbon accounting financials (PCAF)
- Founding member of the Poseidon principles for the shipping industry
- Joined net-zero banking alliance

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**Signatories to international conventions**

Nordea also follows the United Nations’ Universal Declaration of Human Rights, ILO-conventions and the OECD Guidelines for Multinational Enterprises in our operations and business.
Green bonds and green funding framework
Nordea’s sustainability ambitions reflected in capital markets milestones

- Recent sustainable bond issuance include covered bonds, senior bonds and Tier 2 notes across six different currencies: EUR, DKK, SEK, NOK, STG and CHF
- Largest green bond issuer in Europe both by volume and number of deals in 2023
## Use of proceeds - Nordea Bank

Six eligible green bond asset categories in the framework

<table>
<thead>
<tr>
<th>Green bond asset category</th>
<th>Sub category</th>
<th>SDG mapping*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy</td>
<td>Wind power</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Solar power</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hydro power</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Integration of renewable energy into the transmission network</td>
<td>![Image]</td>
</tr>
<tr>
<td></td>
<td>Production of hydrogen</td>
<td>![Image]</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>Energy storage and transmission, district heating</td>
<td>![Image]</td>
</tr>
<tr>
<td>Green buildings</td>
<td>Certified green buildings</td>
<td>![Image]</td>
</tr>
<tr>
<td>Pollution prevention and control</td>
<td>Water and waste water management</td>
<td>![Image]</td>
</tr>
<tr>
<td></td>
<td>Waste management</td>
<td>![Image]</td>
</tr>
<tr>
<td></td>
<td>Waste-to-energy</td>
<td>![Image]</td>
</tr>
<tr>
<td>Clean transportation</td>
<td>Electric cars</td>
<td>![Image]</td>
</tr>
<tr>
<td></td>
<td>Electric vehicles/Hydrogen fuel cell vehicles</td>
<td>![Image]</td>
</tr>
<tr>
<td>Sustainable management of living natural resources</td>
<td>Sustainable forestry</td>
<td>![Image]</td>
</tr>
<tr>
<td></td>
<td>Sustainable agriculture</td>
<td>![Image]</td>
</tr>
<tr>
<td></td>
<td>Sustainable aquaculture</td>
<td>![Image]</td>
</tr>
</tbody>
</table>

* Source: Green and social bonds: A high-level mapping to the sustainable development goals, June 2018

### Comments

- Nordea’s green funding framework adheres to the latest edition of the green bond principles and is reviewed annually, most recently in December 2023.

- Net proceeds of green bonds issued will be used for (re)financing of assets within the eligible green asset categories.

- Green bond asset categories have been identified by Nordea as aiming to increase positive or reduce negative impact on the environment.

- Net proceeds of any Nordea green bond shall **NOT** be used towards financing of:
  - Nuclear or fossil fuel energy operations
  - Weapons and defence
  - Coal mining
  - Tobacco

- ISS Corporate provides a second party opinion (SPO) of the sustainability quality of the bonds including Nordea’s green funding framework, the selection criteria and asset pool, the alignment of the Green Covered Bond asset portfolios with the EU Taxonomy on a best-efforts basis and consistency of the instruments with Nordea’s sustainability strategy.
Selection and evaluation of green bond assets – Nordea Bank

A robust decision-making process defines how green bond assets are approved

<table>
<thead>
<tr>
<th>Internal evaluation</th>
<th>External evaluation</th>
<th>Committee sign-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>We identify potential green bond assets from among the financing originated by each of the relevant business units according to our financing criteria and proposed for selection by the units.</td>
<td>We remove financing that does not qualify, whether due to the financing itself or the customer.</td>
<td>Our sustainability experts evaluate the remaining financing and qualify it as potential green bond assets where appropriate.</td>
</tr>
<tr>
<td>4</td>
<td>Verification</td>
<td>Confirmation</td>
</tr>
<tr>
<td>Our external second party opinion provider verifies the potential green bond assets. The assets that qualify are recorded in our green bond register and included in our green bond asset portfolio.</td>
<td>Our Sustainable Funding Committee (SFC) subsequently confirms the assessments made by our staff in relation to the green bond asset categories.</td>
<td></td>
</tr>
</tbody>
</table>

Use of proceeds | Selection and evaluation of green bond assets - Nordea Bank | Management of proceeds

Nordea
Management of proceeds – Nordea Bank

Nordea Bank - green assets versus issuance, (EURbn)*

- 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 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.

- The composition and amount of green bond assets is internally reviewed on a quarterly basis to account for repayments and drawings.

- 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.

- 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.

* Green bond asset portfolio size according to latest verified information, November 2023
## Covered bonds

### Nordea covered bond operations

<table>
<thead>
<tr>
<th>Nordea Eiendomskreditt</th>
<th>Nordea Hypotek</th>
<th>Nordea Kredit</th>
<th>Nordea Mortgage Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislation</td>
<td>Norwegian</td>
<td>Swedish</td>
<td>Finnish</td>
</tr>
<tr>
<td>Cover pool assets</td>
<td>Norwegian residential mortgages</td>
<td>Swedish residential mortgages primarily</td>
<td>Danish residential &amp; commercial mortgages primarily</td>
</tr>
<tr>
<td>Cover pool size*</td>
<td>EUR 21.3bn (eq.)</td>
<td>EUR 57.8bn (eq.)</td>
<td>Pool 1: EUR 19.7bn/ Pool 2: EUR 5.6bn</td>
</tr>
<tr>
<td>Covered bonds outstanding*</td>
<td>EUR 15.1bn (eq.)</td>
<td>EUR 31.5bn (eq.)</td>
<td>Pool 1: EUR 15.6bn/ Pool 2: EUR 4bn</td>
</tr>
<tr>
<td>OC*</td>
<td>41%</td>
<td>83%</td>
<td>7%**</td>
</tr>
<tr>
<td>Issuance currencies</td>
<td>NOK</td>
<td>SEK</td>
<td>DKK, EUR</td>
</tr>
<tr>
<td>Rating (Moody’s / S&amp;P)</td>
<td>Aaa/ -</td>
<td>Aaa / -</td>
<td>- / AAA</td>
</tr>
<tr>
<td>Outstanding green covered bonds</td>
<td>EUR 1.25bn</td>
<td>EUR 1.1bn</td>
<td>EUR 2.1bn</td>
</tr>
</tbody>
</table>

*Data as per Q3
**The figures in Nordea Kredit only include capitalcentre2 (SDRO). Nordea Kredit no longer reports for CC1 (RO), as this capitalcentre only accounts for a minor part (<1%) of the outstanding volume of loans and bonds.
### Use of proceeds – green covered bonds

Three eligible green covered bond asset categories in the framework

<table>
<thead>
<tr>
<th>Green bond asset category</th>
<th>Sub category</th>
<th>SDG mapping*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new buildings</td>
<td>Energy performance certificate (EPC) is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB)</td>
<td></td>
</tr>
<tr>
<td>For buildings built before 31 December 2020</td>
<td>EPC class A or alternatively within the top 15% of the national or regional building stock</td>
<td></td>
</tr>
<tr>
<td>Renovations</td>
<td>Major renovations or leading to a reduction of primary energy demand (PED) of at least 30%</td>
<td></td>
</tr>
</tbody>
</table>

- The net proceeds of the green covered bonds issued by either Nordea Eiendomskreditt AS, Nordea Hypotek AB (publ), Nordea Kredit Realkreditaktieselskab, or Nordea Mortgage Bank Plc (the “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, and

- satisfy certain eligibility requirements that promote climate-friendly and other environmental purposes.

* Source: Green and social bonds: A high-level mapping to the sustainable development goals, June 2018
Selection of green covered bond assets

Selection process

1. The Nordea MCIs identify potential green covered bond assets from among the financing originated according to their financing criteria (including the regulatory cover pool eligibility criteria) and proposed for selection by the business units.

2. The MCIs remove financing that does not qualify, whether due to the financing itself or the customer.

3. Our sustainability experts evaluate the remaining financing and qualify it as potential green covered bond assets where appropriate.

4. Our Green Covered Bond Committee reviews the potential green covered bond assets. The assets that qualify are recorded in the relevant green covered bond register and included in the relevant green covered bond asset portfolio.

- 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.

- The proceeds are thus intended to be allocated, directly or indirectly, to all assets in the green covered bond asset portfolio in equal shares.
Use of proceeds – green covered bonds

Outstanding green covered bonds and green mortgage assets*, EURbn

- We have established green covered bond registers recording 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.

- 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.

* As of 31 December 2023
Nordea green assets
Nordea green asset portfolios

Green asset portfolios*, EURbn

- Continued strong growth in green assets across categories and jurisdictions
- Nordea Bank’s green bond asset portfolio increased from EUR 5.4bn to EUR 7.5bn
- Mortgage subsidiaries increased from asset growth, improved data and methodology updates

As per Q4 2023
Reporting and external review
External review – ISS Corporate SPO

Highlights from ISS Corporate’s second party opinion

- The Issuer has defined a formal concept for its Green Bonds and Green Covered Bonds, regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA Green Bond Principles. This SPO refers to the assets of Nordea Bank and Nordea’s wholly owned subsidiaries Nordea Krono, Nordea Häämeesinvest, Nordea Hypoteki AB and Nordea MTG BV (the “Nordea MCO’s”).

- Nordea’s project characteristics, due diligence processes and policies have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act of June 2023), on a best-efforts basis. The nominated Green Covered Bonds are considered to be:
  - Aligned with the Climate Change Mitigation Criteria.
  - Some Do No Significant Harm Criteria have not been met due to a lack of available information.

- The key sustainability objectives and the rationale for issuing Green Finance Instrument are clearly described by the Issuer. The majority of the project categories considered are in line with the sustainability objectives of the Issuer.
### Nordea Bank sustainable funding report

<table>
<thead>
<tr>
<th>Category</th>
<th>Subcategory</th>
<th>Impact measurement indicators</th>
<th>Sustainable funding reporting contents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable energy</strong></td>
<td>Wind, hydro, solar and hydrogen production</td>
<td>Installed renewable energy production capacity (MW)</td>
<td>- 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</td>
</tr>
<tr>
<td></td>
<td>Energy transmission, energy storage, district heating</td>
<td>Amount of energy saved (MWh)</td>
<td>- the remaining balance of net proceeds not yet allocated to green bond assets</td>
</tr>
<tr>
<td><strong>Energy efficiency</strong></td>
<td>Green buildings</td>
<td>Amount of energy saved (MWh)</td>
<td>- where appropriate and subject to confidentiality arrangements, examples of green bond assets financed or refinanced by the net proceeds of green bonds.</td>
</tr>
<tr>
<td><strong>Pollution prevention and control</strong></td>
<td>Water and waste water management, waste management</td>
<td>Water withdrawal or treatment capacity (m3/day or t/day)</td>
<td>- Information on environmental impacts of the green bond assets</td>
</tr>
<tr>
<td></td>
<td>Conversion of waste to energy</td>
<td>Production capacity (MW)</td>
<td>It is Nordea’s intention to report these figures on an annual basis as long as we have green bonds outstanding</td>
</tr>
<tr>
<td><strong>Clean transportation</strong></td>
<td>Public transport / freight transport</td>
<td>Estimated CO2e emissions avoided</td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable management of living natural resources</strong></td>
<td>Sustainable forestry, agriculture and aquaculture</td>
<td>Land area certified</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO2e emissions per kilo produced</td>
<td></td>
</tr>
</tbody>
</table>
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