

Nordea Sector Guideline for the Fossil Fuel based Industries

**Approved by Nordea Bank's Sustainability and Ethics Committee
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1 Introduction

Nordea is committed to conduct business responsibly and to integrate environmental, social and governance (ESG) factors into all internal processes. Our business is governed by a set of policies and guiding documents approved by the Group Board of Directors and cascaded throughout the organisation.

In relation to all our stakeholders, customers and other business relationships, Nordea's [Code of Conduct](#)¹ is the central document governing our operations, together with the ESG factors outlined in our [Sustainability Policy](#).

Our conduct in relation to employees, workers in the value chain, communities and end users is further supported by the following overarching documents:

- [Nordea Human Rights Policy](#)
- [Nordea Diversity & Inclusion Policy](#)

Nordea is dedicated to adhering to all applicable rules and regulations we are obliged to follow in the markets where we operate and we are committed to ensuring compliance with all applicable sanctions laws and regulations globally and following the sanctions regimes of the EU, UN, US, and the UK on a Group-wide basis, subject to applicable local laws and regulations. In addition to the sanctions that are applied on a Group-wide basis, all Nordea entities are required to comply with sanctions that are applicable within their jurisdiction.

1.1 Definitions

General Definitions

Business relationship	A contractual commercial relationship with a legal person covering the following services: facilitation, investments, lending or procurement.
ESG Factors	Environmental, social or governance matters that, as opportunity and risk drivers: <ul style="list-style-type: none">• have an actual or potential, positive or negative impact on the environment and/or people, through Nordea's own activities or its business relationships (contractual and non-contractual), and/or• are internal or external to Nordea's activities and generate or may generate risks or opportunities that influence or are likely to influence the financial performance of Nordea, its customers, counterparts and service providers in the short, medium, long or very long terms.'
Facilitation	Capital market activities where Nordea acts as a sole or joint arranger of primary debt or equity issuance in the public capital market.
Investment	All investments, excluding the trading book held by Nordea Markets and exceptions specified in or decided as part of the implementation in Nordea's Responsible Investment Policy, Nordea Life & Pension's Responsible Investment Policy, and Nordea's Responsible Investment Distribution Policy

¹ <https://www.nordea.com/en/doc/code-of-conduct.pdf>

Lending	Contractual agreements resulting in credit risk exposure for Nordea through on-balance sheet exposure, including any amount of principal, accrued interest and yield fees owed by the obligor to Nordea.
Nordea	Nordea Group, including Nordea Bank Abp and all its subsidiaries.
Procurement	The full lifecycle of the procurement process including; sourcing, contracting, use of purchasing channels, invoicing and payment and the operations of the procurement object.
Value chain impacts	The impacts caused by Nordea indirectly through the operations of our business relationships.

Sector and thematic framework definitions

Thematic guidelines/Position Statements	Documents describing Nordea's view and position on different sustainability themes, taking the outset in our strategic direction and supported by our view on the business environment where we operate and our material impacts and risk as described in our double materiality assessment.
Value chain	In the context of the Sector and Thematic framework, the value chain consists of Nordea's direct business relationships as defined above.
Sector guidelines	Documents describing Nordea's view on sectors identified as strategically important from an environmental, social and governance perspective, outlining how we address the related risks and impacts relevant for our business relationships in these sectors.
Requirements	The mandatory boundaries for Nordea's business relationships specifying, as relevant and applicable from a proportionality and materiality perspective, exclusion criteria, materiality thresholds or other restrictions relating to harmful activities in scope of each sector.
Expectations	Non-binding statements outlining best practices for Nordea's business relationships intended to support constructive engagement dialogues, striving for alignment with long-term risk mitigating behaviour in line with Nordea's strategy.

1.2 Nordea's sustainability strategy

Nordea wants to make a difference for a greater good - not only for ourselves, but for the future and for generations to come. We aim to provide the best possible support for customers transitioning to a more sustainable future, and actively contribute to society to benefit the greater good. To fulfil this aim, the Group Board has decided upon sustainability strategic priorities, integrated in the Nordea strategy. The sector guidelines cascade and implement these strategic priorities of Nordea, where sustainability is at the core, as requirements and expectation for specific sectors.

As a bank, we play a key role in facilitating the achievement of societies' sustainability goals through redirecting investments and financing towards more sustainable technologies, business models and to businesses contributing to a just transition towards a sustainable and net-zero economy. To Nordea, a just transition is a socially and financially inclusive transition towards sustainable and net zero economy leaving no-one behind, and enhancing adherence to human rights.

We work closely with the stakeholders in our value chain to influence and support them in making sustainable choices to accelerate their transition. We support companies in all stages of the transition and strive for alignment on our long-term ambition to achieve net-zero by 2050 at the

latest and respect human rights. To demonstrate our ambition, Nordea has pledged adherence with global alliances and frameworks such as:

- UN Global Compact²,
- Principles for Responsible Investments (PRI)³,
- UNEP-FI Principles for Responsible Banking (PRB)⁴,
- Investor Alliance for Human Rights⁵, and
- Equator Principles⁶.
- Net Zero Banking Alliance⁷,
- Net Zero Asset Owner Alliance⁸,
- Net Zero Asset Manager Initiative⁹

With regards to climate, Nordea is committed to become a bank with net-zero emissions by 2050 at the latest. As part of this commitment, we have set ambitious interim targets across our own operations, lending and investment activities, with an overarching portfolio target to reduce emissions across lending and investment portfolios with 40-50% by 2030, compared to a 2019 baseline. In the lending portfolio, this is supported by sector-specific targets in prioritised carbon-intensive sectors. To read more about Nordea's sustainability targets, please visit [Nordea.com/sustainability](https://www.nordea.com/sustainability).

2 Nordea thematic and sector framework

The thematic and sector framework is an important part of Nordea's sustainability governance. It is a framework consisting of thematic guidelines, position statements and sector guidelines, as further defined under section 1.1.

The following sections are applicable only to sector guidelines. To learn more about our sustainability governance and our sector and thematic framework, please refer to <https://www.nordea.com/en/sustainability/> and our [Sustainability Policy](#).

2.1 Purpose

The purpose of the sector guidelines is twofold:

- to mitigate Nordea's ESG related risks and limit the negative impacts stemming from Nordea's business relationships in scope of the guidelines, by setting requirements for exposure to the most harmful activities.
- to provide guidance to our business relationships for risk mitigating behaviour in sectors vulnerable to environmental, social or governance factors, e.g. by outlining references to best practice standards and relevant international conventions serving to support progress.

² <https://unglobalcompact.org/>

³ <https://www.unpri.org/>

⁴ <https://www.unepfi.org/banking/bankingprinciples/>

⁵ <https://investorsforhumanrights.org/>

⁶ <https://equator-principles.com/>

⁷ <https://www.unepfi.org/net-zero-banking/>

⁸ <https://www.unepfi.org/net-zero-alliance/>

⁹ <https://www.netzeroassetmanagers.org/>

Nordea's sector guidelines also aim to address interdependencies and conflicts relating to different ESG factors, such as climate change mitigation and biodiversity or climate change mitigation and human rights, or the fact that certain sectors, such as the energy sector, are important for the transition of other sectors in the same value chain. These interdependencies and conflicts may affect Nordea's position and sector outlook.

2.2 Scope

The sector guidelines cover all ESG factors that are material to Nordea according to our analysis of the business environment and our Double Materiality Assessment and specifically address harmful activities, key risks and impacts in the sectors most vulnerable to climate, nature and social risks.

Nordea's sector guidelines apply to Nordea's new and existing business relationships within the following areas of operations, unless otherwise outlined in each sector guideline:

- Procurement
- Financing
- Investment
- Facilitation¹⁰

Requirements in scope of the sector guidelines, where sectors are defined by NACE codes, are binding for credit exposures of EUR 1 million or more, but are to be considered for all existing business relationships. Alternative thresholds may apply for individual sectors, as stated in each sector guideline.

The sector guideline requirements are only relevant for Procurement, when the product or service procured by Nordea relates to the specific industry covered in the guideline.

2.3 Implementation

The sector guidelines set out a number of requirements and expectations to support Nordea's progress in line with sector targets and overarching objectives, further described at [Nordea.com/sustainability](https://nordea.com/sustainability).

Requirements are set to limit Nordea's exposure to unmitigated transitional and physical climate risks, nature related risks and impacts, and risks for human rights violations in the value chain and communities.

Expectations are set to encourage customers, portfolio companies and suppliers to aim for best practice and take concrete remediating actions to improve performance.

Nordea will restrict new financing, facilitation, investments and procurement activities to companies verified to not comply with the requirements in the sector guidelines.

Existing business relationships' compliance with the requirements is verified through ongoing activities such as screening and engagement. Controls are implemented based on a risk proportionality approach. If an existing business relationship is found not to comply with the

¹⁰ Phased implementation during 2025-2027.

requirements, Nordea will engage in a dialogue to ensure concrete remediating actions are initiated. If non-compliance persists, preparation for an orderly exit may be considered as an ultimate resort.

Exemptions to sector guideline requirements may be applied to existing business relationships as long as the exposure does not prevent Nordea from reaching its overarching objectives and sector targets and is not in conflict with other applicable regulation for Nordea nor for the business relationship. Exemptions for business relationships are granted by Nordea's Sustainability and Ethics committee after careful consideration of the ESG related risks and benefits associated with the business relationship¹¹. Process for exemptions for business relationships in subsidiaries are further described in local governance documents.

2.4 Due diligence and sanctions controls

In addition to the controls related to the requirements of the sector guidelines, Nordea has an onboarding and periodic review process designed to help identify and mitigate Financial Crime, including sanctions risks. This process includes the application of an enhanced due diligence (EDD) for customers and other business relationships deemed to carry higher risk or being active in an industry with a higher inherent risk. For further reading, please see [Nordea.com](https://www.nordea.com/en/doc/nordea-sanctions-risk-management-policy-statement-0.pdf) for Nordea Sanctions Risk Management Policy Statement¹² and Nordea AML/CTF/ATE Policy Statement¹³.

Nordea recognizes the significance of and challenges associated with respecting human rights and mitigating environmental impacts. In order to address these challenges, and enable mitigation of potential adverse impacts from our business operations, we are adhering to the human rights due diligence process as defined by the UN Guiding Principles on Business Human Rights and the due diligence requirements outlined in the Corporate Sustainability Reporting Directive (CSRD). This includes identifying and assessing potential adverse human rights impacts in our value chain and taking measures to address them.

3 General expectations

The principles in Nordea's Code of Conduct guide the daily work and our business decisions. We take them and all other relevant environmental, social and governance aspects into consideration when evaluating business impacts, risks and opportunities. We also expect our business relationships to align with these principles. Reflecting our own ambition, we expect all business relationships in scope of the guidelines to:

- have a Code of Conduct and compliance function in place, a Supplier Code of Conduct and include clauses on compliance with ESG criteria in their contracts with subcontractors and suppliers, ensuring ethical business practices including whistle blower and grievance mechanisms
- analyse and report material sustainability matters in line with established standards, such as the Corporate Sustainability Reporting Directive (CSRD) (applied to EU companies from Jan 1st 2024 and onwards), as applicable.

¹¹ For credit, the escalation goes first to the executive credit committee, as per the internal credit process.

¹² <https://www.nordea.com/en/doc/nordea-sanctions-risk-management-policy-statement-0.pdf>

¹³ <https://www.nordea.com/en/doc/nordea-aml-ctf-ate-policy-statement-0.pdf>

- support a just and orderly transition to a low-carbon economy when engaging with policy makers and refrain from participating in any direct or indirect advocacy activities aimed at weakening climate policy
- have environment, health, and safety (EHS) management systems that meet standards such as the ISO 14001 and OHSAS 18001 where relevant

Commitment to the following international conventions and standards is encouraged for all Nordea's business relationships in line with our own ambitions and commitments:

- The United Nations Global Compact¹⁴,
- The United Nations Guiding Principles on Business and Human Rights¹⁵.
- OECD guidelines for multinational enterprises¹⁶,
- The United Nations Sustainable Development Goals¹⁷,
- Paris Agreement on climate change¹⁸,
- Kunming-Montreal Global Biodiversity Framework¹⁹

Nordea's business relationships are expected to identify, assess and manage their ESG related impacts, risks and opportunities and to develop transition plans to support their progress. Nordea expects all business relationships to be open to engagement and constructive dialogue on the contents of the transition plan, with the ambition to align targets and actions with the Paris Agreement and other applicable international goals on sustainability. Nordea engages with customers across sectors to decrease dependency on fossil fuels through energy efficiency measures and increased use of low carbon energy sources.

4 Global outlook for fossil fuels

Fossil fuels – defined as coal, oil, natural gas and peat – have played a pivotal role in driving industrial growth and economic prosperity world-wide. In 2023 fossil fuels represented app 80% of the world's energy mix²⁰ and 40%²¹ of the Nordic energy consumption. It is used e.g. in construction, electricity generation for industry, to heat and light homes and offices, to produce medical supplies, computers and digital devices, metals, plastics and agricultural products and to propel cars, trucks, ships and aircraft.

The IPCC concludes that society needs to transition to significantly less primary energy from fossil coal, oil as well as gas already by 2030. Decarbonizing of power production and distribution is essential for the transition to a low carbon society. Combustion of fossil fuels is the largest man-made source of greenhouse gases, of which burning of thermal coal is the single largest contributor, accounting for one third of the 1°C average temperature rise already observed. Thus, thermal coal

¹⁴ <https://unglobalcompact.org/>

¹⁵ <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>

¹⁶ https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/06/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_a0b49990/81f92357-en.pdf

¹⁷ <https://sdgs.un.org/goals>

¹⁸ <https://unfccc.int/process-and-meetings/the-paris-agreement>

¹⁹ <https://www.cbd.int/gbf>

²⁰ World Energy Outlook 2024 by International Energy agency

²¹ Tracking Nordic Clean energy Progress, Nordic Energy Research, April 2020

phase out is the most urgent fossil fuel-related emissions driver²² to address and it is specifically part of the global climate agreement agreed by all countries at COP26 in Glasgow 2021. At COP28 two years later in Dubai it was agreed to transition away from all fossil fuels.

The EU has adopted a long-term strategy to become an economy with net-zero greenhouse gas emissions by 2050. The objective is at the heart of the European Green Deal and the step-by-step transition beyond the combustion of fossil coal, oil and gas in the EU and Nordic region. The EU and most of the Nordic countries, also have intermediate climate and energy targets in legislation for 2030 and sector by sector decarbonisation roadmaps²³ which all result in lowered fossil fuel dependencies.

There is a stark contrast between demand and supply curves for oil and gas in scenarios based on current policies and what is required in scenarios limiting the global temperature rise to 1.5°C. In its stated policy scenario, the International Energy Agency (IEA) estimates that both oil and gas demand increase slightly by 2030 relative to 2023, with significant regional divergence. Advanced economies generally see demand declines and emerging and developing economies are estimated to see growing demand. In Europe, oil demand is estimated to decline with 12% by 2030 and gas demand with 9% in the current policy scenario. The estimated demand declines in this scenario are not sufficient to meet the 1.5°C goal, which would require more transformative and significantly accelerated action from all parts of society with coordinated actions on both demand and supply side.

Methane is a powerful greenhouse gas and the second largest contributor to global warming. The oil and gas industry is one of the largest sources of anthropogenic methane emissions, and is the sector with the greatest potential for methane emissions reduction. In 2021 alone, the global oil and gas industry wasted \$19 billion of natural gas due to methane emissions²⁴.

For the world to reach net-zero by 2050, carbon capture and storage (CCS) is necessary to remove and permanently store CO₂ from point sources and from the atmosphere. The oil and gas sector is central in prospecting and developing geological storage sites for CO₂ and in establishing well-functioning value chains for CCS. The CCS market is expected to be regional since a shorter distance from source to storage is key to managing operating expenses. The demand for carbon storage in Europe is expected to rapidly increase when carbon taxes increase, the EU ETS allowance system becomes more ambitious and high permanence emission removals are phased in.

5 Nordea position

Nordea recognises the responsibility to work towards a just transition to a net-zero economy and to a sustainable society.

As the largest bank in the Nordics with extensive presence in all Nordic countries, Nordea's business and lending activities reflect, to varying extent, the economic activity and sectoral composition in each of its home markets. In Norway, oil and gas have been a vital part of the economic

²² Global Warming of 1.5 °C, IPCC Special Report 2018 (revised 2019).

²³ eg Fossil Free Sweden 21 sector decarbonisation road maps, Klimapartnerskapen 13 sector decarbonisation roadmaps in Denmark, Finland Ministry of Economic Affairs and Employment 13 sector decarbonisation roadmaps.

²⁴ Oil & Gas Methane Partnership 2.0, UNEP, European Commission

development, accounting for more than 60% of its total value of exported goods in 2023²⁵, and will continue to play a role in the transition to a low-carbon future while also contributing to energy security in Europe.

Nordea's strategy in the fossil fuel based industries is to identify performance leaders with robust net-zero aligned transition plans and support them in close dialogue. In instances when a transition plan is in place but not Paris aligned we aim to engage in dialogue to strengthen it.

Nordea's sector targets for the lending portfolio in this sector are the following:

- Reduce absolute scope 1, 2 and 3 financed emissions from oil and gas Exploration and Production by 55% from 2019 to 2030.
- Full exit from thermal coal in 2021
- Full exit from offshore in 2025
- Full exit from thermal peat in 2025²⁶

Nordea believes that active engagement is the most effective strategy to achieve real-economy impact through the operations of our customers and investees. To this end, we have set the following targets:

- Ensuring that, by the end of 2025, 80% of the top 200 emitters in Nordea Asset Management's portfolios are either aligned with the Paris Agreement or are subject to active engagement to become aligned by the end of 2024.
- Ensuring that, by the end of 2025, 90% of our lending exposure to large corporate customers in the fossil fuel-based sector shall be covered by transition plans.

For capital markets facilitation, Nordea adheres to the updated target setting guidelines issued by the Net Zero Banking Alliance and will consider the inclusion of targets for capital market activities and facilitated emissions as part of the review process of existing financed emissions targets.

In relation to the wider Arctic region north of the Arctic Circle, Nordea's priority is to assess and promote sound management of biodiversity and ecosystem risks. We recognize that such risks are especially severe in offshore locations enclosed by the southernmost extent of winter sea ice.

This Sector guideline covers Oil, Gas & Offshore²⁷ companies and Mining companies operating in exploration, extraction or production of coal²⁸, peat, oil & gas (NACE codes B.05, B.06, B.08.92, B.09.1, C.19.2, D.35.21). Also included are oil & gas pipeline and thermal coal heat & power production companies (NACE codes D.35.11, D.35.22, H.49.5).²⁹

²⁵ www.norskipetroleum.no

²⁶ With the exception of potential energy security measures in Finland after the publication this guideline

²⁷ offshore companies, defined as companies within oil and gas industry engaged in drilling for hydrocarbons in the ocean.

²⁸ Coal companies, defined as companies operating in thermal coal mining, coal exploration, coal processing, Coal to liquids (CtL) and Coal to gas (CtG).

²⁹ NACE REV 2.1 https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32023R0137#anx_1

6 Requirements

Nordea requires companies in our business relationships to comply with national legislation and policies.

6.1 Investments

Requirements stated below are applicable to all investments, as defined in section 1.1, unless otherwise specified. For Article 8 and 9 funds³⁰ managed by Nordea Asset Management (NAM), requirements are further specified in the [Paris Aligned Fossil Fuel Policy](#). For additional information on subsidiary sustainability policies please refer to <https://www.nordea.com/en/sustainability/policies-sector-guidelines>

6.1.1 Conventional oil and gas exploration and production

The Paris Aligned Fossil Fuel policy applies to all NAM Article 9 funds and to Article 8 funds with a small number of exceptions, which means investments are not made in :

- Companies with >5% revenues from exploration, production or distribution of fossil fuels, unless there is a transition plan in line with the Paris Agreement

For all products managed by Nordea Life & Pension (NLP)³¹, investments are not made in:

- companies actively engaged in exploration and production of oil and gas, unless there is a transition plan in line with the Paris Agreement.

6.1.2 Unconventional oil and gas³²

For Article 6 products managed by NAM, investments are not made in:

- companies with substantial and sustained exposure to oil sands with a 5% revenue threshold.

For Article 9 funds and Article 8 funds managed by NAM, with a small number of exceptions, investments are not made in:

- companies that are involved in so-called unconventional fossil fuel extraction methods. These methods include Arctic drilling, oil sands extraction, and hydraulic fracturing (shale oil/gas)

For all products managed by NLP, investments are not made in:

- companies involved in the extraction of unconventional oil and gas

³⁰ in accordance with Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR)

³¹ all insurance- and pension-based investment products, where Nordea Life & Pension makes decisions as to which internally or externally managed instruments, such as funds, mandates, structured investment products or single securities, to invest in

³² Unconventional oil and gas include oil sands, shale oil and shale gas.

6.1.3 Arctic drilling³³

NAM and NLP do not invest in companies involved in oil and gas extraction through Arctic drilling.

6.1.4 Thermal coal

NAM and NLP do not invest in:

- companies with large and sustained exposure to coal mining, defined as having a 5% revenue threshold on thermal coal and a 30% revenue threshold on total coal (including metallurgical coal³⁴).

In addition, NAM does not invest in:

- Electric utilities without commitment to phase-out coal by 2040 (35% revenue threshold for advanced economies, 50% for others).⁸
- Companies with coal power expansion plans if existing coal power revenue exceed 10% or coal capacity exceed 5GW.⁹
- Companies with coal expansion plans of > 1 GW.

For products managed by NLP, investee companies with revenues from coal mining below those thresholds, as well as power generation companies, need to have a transition plan in line with the Paris Agreement to be investable.

6.2 Financing and facilitation

Any expansion of the portfolio beyond current business relationships will be subject to thorough assessments of the nature of the ESG related risks and impacts, also taking into consideration aspects of energy security and geopolitics.

6.2.1 Oil and gas exploration & production

Nordea does not provide or facilitate financing to:

- Projects dedicated to expanding exploration and production of oil and gas.

6.2.2 Unconventional oil and gas

Nordea does not provide or facilitate financing to:

- Projects dedicated to expanding exploration and production of unconventional oil and gas.

³³ arctic drilling and for this Nordea uses the arctic definition as offshore locations enclosed by the southernmost extent of winter sea ice above the Arctic Circle

³⁴ The threshold on metallurgical coal is higher as there are currently no widely available alternatives. Nevertheless, Nordea has chosen to apply a threshold and expects to adjust it downwards as applicable coal-free technologies appear, eg in the area of steel production.

⁸ Advanced economies are [defined by IEA](#) as the OECD regional grouping plus Bulgaria, Croatia, Cyprus, Malta and Romania

⁹ Expansion plans includes projects that are announced, pre-permitted, permitted or under construction and which will result in new coal-fired power capacity of at least 100 MW prorated.

6.2.3 Arctic drilling

Nordea does not provide or facilitate financing to:

- Projects dedicated to expanding exploration and production through arctic drilling.

For companies involved in exploration, development and/or extraction in the Barents Sea it is required that they operate under a license awarded by the Norwegian Ministry of Energy and Petroleum with the permission to carry out said activities by the Norwegian Environment Agency and the Norwegian Petroleum Safety Authority.

6.2.4 Thermal coal

Nordea does not provide or facilitate financing to:

- Companies having more than 5% of their revenues coming directly from thermal coal, covering coal-fired energy production companies and/or mining companies that are extracting thermal coal.
- Companies with expansion plans for thermal coal or new and pre-construction phase thermal coal activities.
- Projects dedicated to thermal coal mining, new thermal coal power plants or thermal coal transport infrastructure construction.

Nordea requires that existing financing customers, using thermal coal in power production or mining, are planning to exit power production and mining based on thermal coal by 2030 latest for industrialised countries and a full phase out globally by latest 2040.

6.2.5 Thermal peat

Nordea does not provide or facilitate financing to:

- Companies with expansion plans for thermal peat or new and pre-construction phase thermal peat activities
- Projects dedicated to thermal peat mining or new thermal peat power or heat plants.
- New customers having more than 5% of their revenues coming directly from thermal peat, covering peat-fired energy production companies and/or mining companies that are extracting thermal peat.

Nordea requires that existing financing customers, using thermal peat in power or heat production or mining thermal peat, are committed to exit power and heat production based on thermal peat and mining thermal peat by 2025³⁵ latest.

7 Expectations

Any business relationship exempt from the above requirements will be carefully monitored and is expected to strive towards fulfilling Nordea's general and sector specific expectations, focusing on reducing the adverse impact.

³⁵ With the exception of potential energy security measures in Finland after the publication this guideline

We expect all business relationships to work with peers to control their methane emissions and improve the accuracy and transparency of methane emissions reporting in the oil and gas sector.

We expect companies to recognise the critical role of environmental conservation in their planning and operational management. They should lead by developing best practices, commit to relevant standards and conventions that prioritise sustainability and integrate this in their management planning and decision processes. This includes adopting strategies to reduce carbon emissions, enhance energy efficiency and engage in biodiversity conservation efforts, thereby ensuring a responsible and proactive approach to environmental stewardship. This includes, but is not limited to, adherence to the following standards:

- UN Global Compact
- Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat (RAMSAR)
- the Convention on Biological Diversity (CBD) Oil and Gas Climate Initiative (OGCI)
- the OSPAR Convention
- the Oil & Gas Methane Partnership 2.0, or OGCI methane initiative, and to commit to end all routine and non-emergency flaring and venting operations no later than 2030.
- the International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC)
- the United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention with regards to sites listed therein and,
- the International Union for Conservation of Nature and Natural Resources (IUCN) with regards to protected areas defined therein.
- the EU Technical Expert Group and Partnership for Carbon Accounting Financials global standard for financed emissions accounting, with respect to inclusion of scope 3 emissions in carbon accounting for oil & gas and mining companies (i.e., NACE L2: 05-09, 19, 20)
- commitment to Extractive Industries Transparency Initiative (EITI) disclosure principles.
- transparent and high quality disclosure of climate impact and material sustainability impacts in their value chain
- adhering to the United Nations "Protect, Respect and Remedy" framework set out in the UN Guiding Principles for Business and Human Rights.