

Nordea

Sustainable Funding Report 2023

July 2024



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Executive summary

The financial sector has an important role to play in driving and accelerating the transition to more sustainable economies. While many banks seek to run their own operations as sustainably as possible, it is primarily through their business that they can make the most positive impact. At Nordea, for example, this involves making financing decisions aimed at driving progress on environmental, social and governance (ESG) issues, and actively engaging with customers, partners and investees to help them steer towards sustainable business practices and operations.

In 2023, we continued to build on our strong position within sustainable financing. We have committed to facilitate more than EUR 200bn in sustainable financing between 2022 and 2025. By the end of 2023 we had already delivered EUR 135bn towards this target. We continued to see strong demand for our sustainable financing and advisory services, despite continued challenging market conditions due to inflation and interest rate increases. We have maintained our position in the Nordic markets as the leading provider of sustainable finance (see e.g. Nordea Annual Report 2023, page 336). Global Finance named Nordea the winner of its 2023 Sustainable Finance Awards in Denmark, Finland and Norway, and Transition/Sustainability-linked loans Western Europe in recognition of our outstanding leadership position.¹ We were also recognised by IFR (International Financing Review) as “Sustainable Issuer” of the year, following our activities in the sustainable bond market in 2023.² These recognitions encourage us to continue our efforts for increased sustainable financing.

In 2023 we issued more than EUR 5bn in sustainable (green, green covered and SLL) bonds across six currencies, bringing our total outstanding sustainable issuance to above EUR 10bn. The yearly review of our Green funding framework, update of our Green bond asset portfolio and renewal of ISS Corporate’s Second Party Opinion (SPO) was initiated in the fourth quarter of the year and finalised after year-end. We only made minor updates to the framework content. We strengthened the coupling of Nordea’s green funding with our general sustainability direction by including updated information on targets,

NZBA (Net-Zero Banking Alliance) commitments and the initiated biodiversity work in the Nordea green funding framework. We also aligned the Green Buildings asset category criteria with the green covered asset category criteria for buildings for increased clarity, by utilising EU taxonomy criteria for substantial contribution to climate change mitigation. By updating our Green bond asset portfolio, we were able to grow the portfolio volume by 38.4% from 2022, reaching EUR 7.52bn in total. The increased volume enables us to continue issuing in green format.

Our deposits with climate focus were launched as a pilot in September 2021 in Norway, with Nordea being the first large bank in the Nordics with this offering in the corporate market. After a successful pilot with positive feedback from the customers, the product was introduced to retail customers in Norway in April 2023 and also to corporate customers in Sweden in June 2023. Since the launch, more than EUR 3bn in total has been invested in the product, and we see increasing customer demand. An equivalent amount of the deposits with climate focus is intended to be invested or reinvested in the assets eligible in our green bond asset portfolio.

For impact reporting purposes, to the extent possible, we base our impact calculations on actual figures reported by our clients. Where estimations are made, we have updated assumptions utilised for calculations where necessary during the year. More information on this can be found in the methodology section of this report.

This report covers all the green and sustainability-linked funding bond operations of Nordea Bank Abp and its mortgage subsidiaries. The asset portfolios and impacts are presented at the asset portfolio level, separately for Nordea Bank and for each Mortgage Credit Institution (MCI) with outstanding green covered bonds, respectively. Our report and impact calculations are based on externally verified green bond asset portfolio figures, as presented by publicly available SPOs. The report covers the calendar year 2023.

For more information on our sustainability work, please see our 2023 Annual Report and particularly the Sustainability notes.

¹ <https://www.nordea.com/en/news/nordea-continues-to-win-top-rankings-in-sustainable-finance>

² <https://www.ifre.com/story/4375437/ifr-awards-2023-the-winners-gymjgcm2ct>

Impact of allocated proceeds from Nordea Bank Abp

Total impact

658 784 tCO₂
emissions avoided

3 283 GWh
clean energy produced

40 m
m³ water treated

Impact per EUR 1m invested

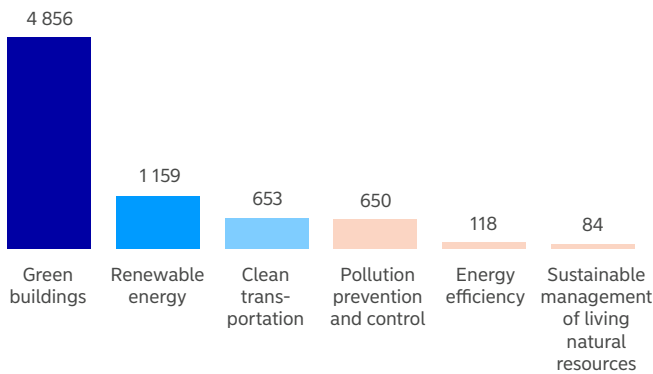
169 tCO₂
emissions avoided

0,8 GWh
clean energy produced

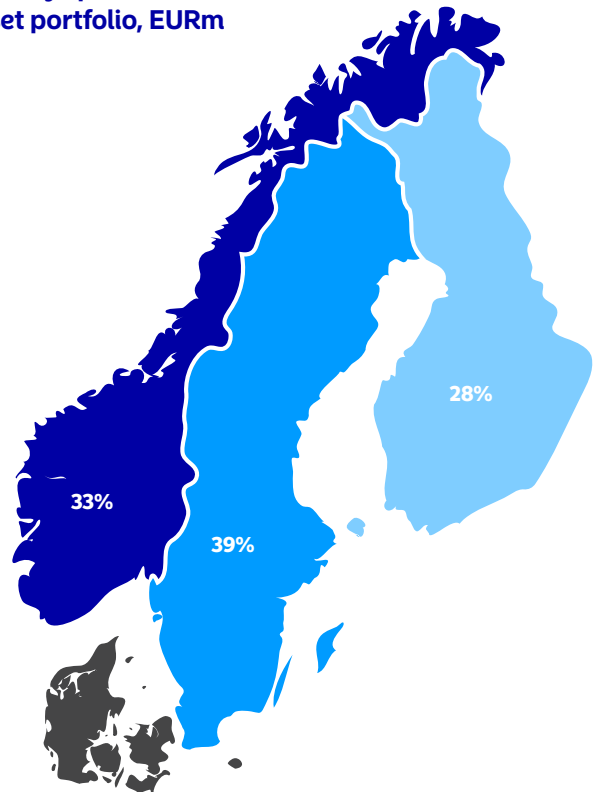
10 200
m³ water treated

Green bond asset portfolio

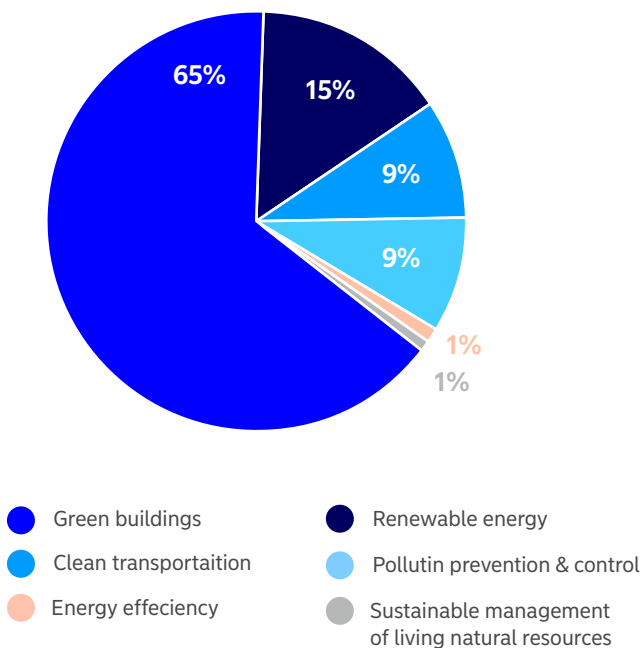
Green bond asset portfolio, EURm



Country split of Green bond asset portfolio, EURm



Green bond asset portfolio, EURm



Country	EURm	Share
Denmark	N/A	N/A
Finland	2,081	28%
Norway	2,522	33%
Sweden	2,918	39%
Total	7,520	100%

Green funding developments in 2023

Established in 2017, the Nordea green funding framework defines how we identify, select, verify, and report the green assets 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 published by the International Capital Markets Association. We review it annually and, where necessary, update and expand it as the Green Bond Principles and market practices evolve.

We have engaged the external ISS Corporate to verify the Nordea green funding framework and our green bond assets. These are reviewed at 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. Our aim is to engage a second party opinion provider in an annual reverification where updates to the framework and new asset inclusions are verified.

In 2023 we timed the reverification for December and only made minor updates to the framework content. We strengthened the coupling of Nordea's green funding with our general sustainability direction by including updated in-

formation on targets, NZBA commitments and the initiated biodiversity work in the Nordea green funding framework. We also aligned the Green Buildings asset category criteria with the green covered asset category criteria for buildings for increased clarity, by utilising EU taxonomy criteria for substantial contribution to climate change mitigation. The green bond asset portfolio for Nordea Bank includes only green corporate loans verified on asset level by ISS Corporate. The portfolios for green covered bonds include green mortgage loans and reclassified mortgage assets fulfilling the Green funding framework criteria.

2023 was an active year for our green funding activities. In 2023 we issued more than EUR 5bn in sustainable bonds across six currencies, bringing our total outstanding sustainable issuance to above EUR 10bn. These figures include new issuances from both Nordea Bank as well as our MCIs.

The Green funding framework as well as other public documentation on our green financing is available on our "Green bonds" investor web pages.

Development of the green bond asset portfolio in Nordea Bank Abp

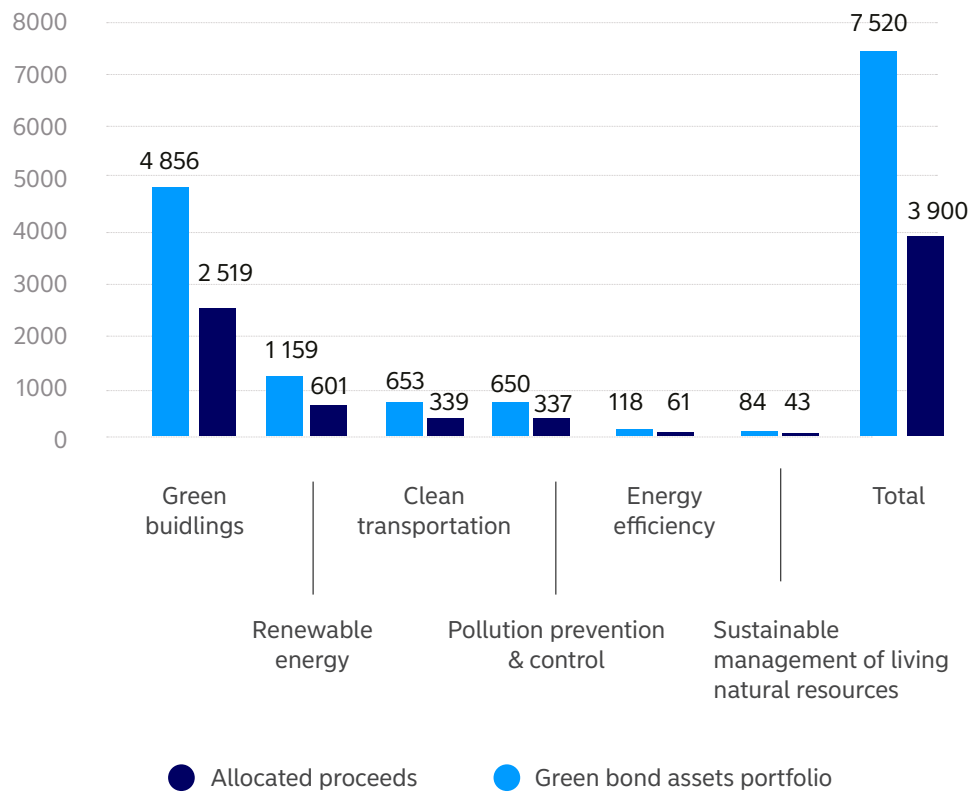
Our focus on sustainable financing is also reflected in the performance of our green bond asset portfolio. In 2023 the portfolio grew by 38% from EUR 5.43bn to EUR 7.52bn, year on year, driven by increased green loan origination as well as some data matching of energy performance certificates to our lending data in the Green Buildings category. We use the latest externally verified portfolio figures for our green bond reporting and impact calculations.

The green bond asset portfolio and allocation of proceeds are presented below.

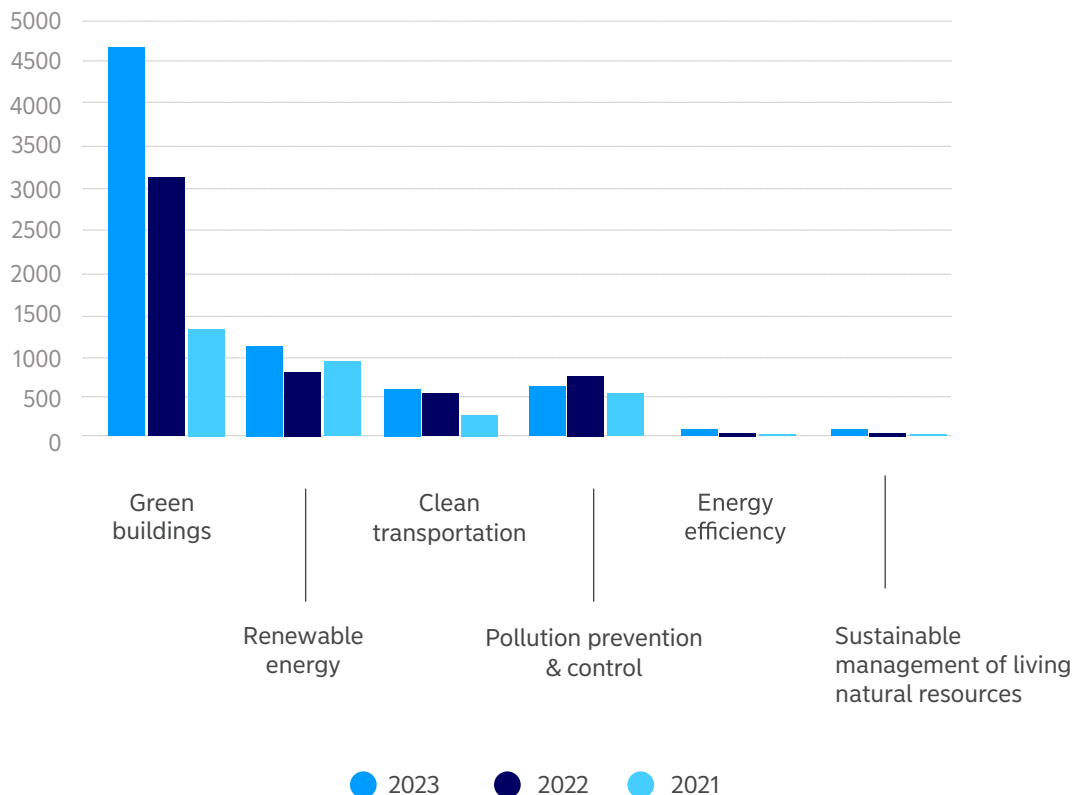


**During 2023,
our green bond
asset portfolio
grew by 38.4%.**













Green bond asset portfolio amount and allocation of proceeds, EURm



Green bond asset portfolio development, EURm



Impact of the green bond asset portfolio

Category	Sub-category	Green Bond Asset portfolio amount, EURm	Annual emissions avoided, tCO ₂ e	Annual energy production, GWh	Annual energy savings, MWh	Annual water withdrawn or treated, m ³	SDGs
Clean transportation	Electric cars	333	12 560				
	Electric Trains	319	7 196				
	Subtotal	653	19 756				
Energy Efficiency	Energy efficiency in buildings	47	3 031				
	Transmission	71		0			
	Subtotal	118	3 031	0			
Green Buildings	Green Buildings	4 856	13 081		68 487		
	Subtotal	4 856	13 081				
Renewable energy	Hydro	638	322 749	1 690			
	Solar	8	650	3			
	Wind	514	474 005	2 482			
	Subtotal	1 159	797 404	4 175			
Pollution Prevention and control	Waste to Energy	433	436 998	2 155			
	Water and Waste Water Treatment	217				76	
	Subtotal	650	436 998	2 155			
Sustainable management of living natural resources	Sustainable aquaculture	74					
	Sustainable forestry	10					
	Subtotal	84					
Grand Total		7 520	1 270 270	6 330	68 487	76	

Total impact

1 270 270 tCO₂
emissions avoided

6 330 GWh
clean energy produced

76 m
m³ water treated

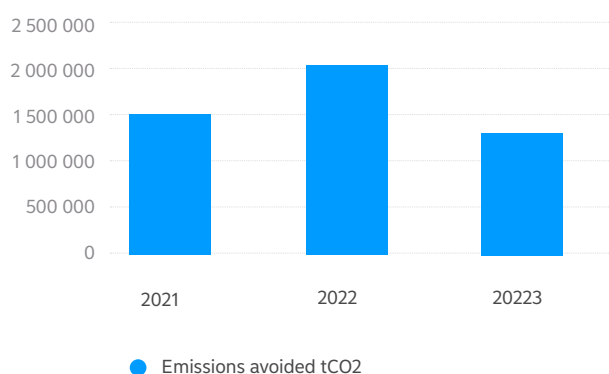
Impact per EUR 1m invested

168.9 tCO₂
emissions avoided

0.8 GWh
clean energy produced

0.01 m
m³ water treated

Total impact (CO₂) development 2021 to 2023³







³ Decreased amount of avoided emissions in 2023 due to updated emission factors in NPSI position paper.

Outstanding green bonds from Nordea Bank Abp as of year-end 2023

Bond	Issuer	Type	Rating	Nominal amount	Issue date	Maturity date	Listing	ISIN
Nordea green bond EUR 750m, senior preferred, 7-year	Nordea Bank Abp	Senior preferred	Standard & Poor's: AA-; Moody's: Aa3; Fitch: AA	EUR 750m	28 May 2019	28 May 2026	LGX	XS2003499386
Nordea green bond EUR 500m, senior non-preferred, 10-year	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: Baa; Fitch: AA-	EUR 500m	19 March 2021	19 March 2031	LGX	XS2321526480
Nordea green bond EUR 1000m, senior non-preferred, 5-year	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: A3; Fitch: AA-	EUR 1000m	16 February 2022	16 February 2027	LGX	XS2443893255
Nordea green bond CHF 300m, senior non-preferred, 5-year	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: Aaa; Fitch: AA-	CHF 300m	26 May 2023	26 May 2028	SIX	CH1264823514
Nordea green bond GBP 300m, senior non-preferred, 3-year	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: A3; Fitch: AA-	GBP 300m	2 June 2023	2 June 2026	XMSM	XS2630401631
Nordea green bond SEK 3000m, senior non-preferred, 3-year FRN	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: Aaa; Fitch: AA-	SEK 2000m	2 June 2023	2 June 2026	XMSM	XS2631864787
Nordea green bond SEK 3000m, senior non-preferred, 3-year FXD	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: Aaa; Fitch: AA-	SEK 1000m	2 June 2023	2 June 2026	XMSM	XS2631851701
Nordea green bond NOK 850m, senior non-preferred, 5-year FRN	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: Aaa; Fitch: AA-	NOK 850m	6 June 2023	6 June 2028	XOSL	NO0012933516
Nordea green bond NOK 950m, senior non-preferred, 5-year FXD	Nordea Bank Abp	Senior non-preferred	Standard & Poor's: A; Moody's: Aaa; Fitch: AA-	NOK 950m	6 June 2023	6 June 2028	XOSL	NO0012933524
Nordea green Tier 2 EUR 500m, Tier 2, 10.25-year	Nordea Bank Abp	Tier 2	Standard & Poor's: A-; Moody's: Baa1; Fitch: A	EUR 500m	23 November 2023	23 February 2034	XMSM	XS2723860990

Nordea Green funding framework

Eligible activities, green bond asset categories




GBP category ⁴	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/tH₂⁵⁶ 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. 	 

⁴ Green Bond Principles.

⁵ Calculated using one of the following methodologies: [Article 28\(5\) of Directive \(EU\) 2018/2001](#),

⁶ ISO 14067:2018119 or ISO 14064-1:2018120.

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

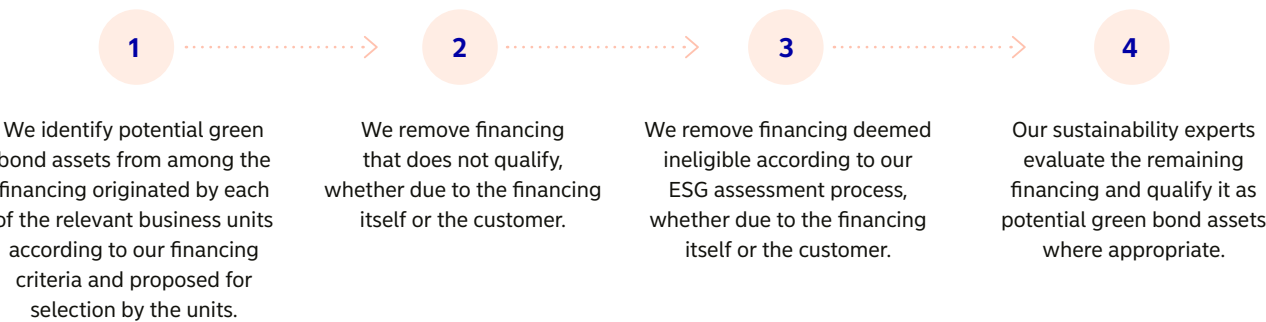
GBP category	Project types	SDGs
Green buildings	<p>Commercial or residential buildings with at least one of the following certifications:</p> <ul style="list-style-type: none"> the LEED "Gold" certification the BREEAM "Excellent" certification the Miljöbyggnad "Silver" certification (Sweden) the Nordic 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 MarineTrust Standard or equivalent certifications.</p>	

Green covered bond asset categories

GBP category	Project types
Green residential buildings	<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.
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.

Process for project evaluation and selection

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



Verification: Our external second party opinion provider verifies the potential green bond assests. The assets that qualify are recorded in our green bond register and included 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 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.

Sustainability-linked loan funding

Our Sustainability-linked loan (SLL) Funding Framework represents a further step in our effort to incorporate environmental considerations in our core operations. Nordea launched the framework in 2022, allowing investors to support our SLL financing activities that tackle climate change. Following the successful inaugural issuance in 2022, we continued to develop the concept together with ISS Corporate in 2023. We also grew our SLL funding asset portfolio, which enabled us to issue our first EUR denominated bond based on the SLL funding framework. You can read more about our SLL funding in the latest Sustainability-linked loan bond report and the SLL funding framework available on Nordea.com.

The SLL funding framework builds on the successful development of the 'use-of-proceeds' bond market, such as green bonds, whilst also recognizing the considerable developments seen in the 'sustainability-linked' loan market.

An amount equal to net proceeds of the SLL Funding issued by Nordea is intended to be used, in whole or in part, to finance or refinance a pool of sustainability-linked loans, that have been evaluated and selected by Nordea, and reviewed by an external reviewer to meet the criteria outlined in the framework. To be eligible for selection, a loan must meet each of the below criteria:

- Alignment with the edition of the Sustainability-linked loan Principles (LMA, APLMA, LSTA) that was last published when the facility was signed.
- Positive contribution to the Climate Change Mitigation Impact Objectives highlighted in table below
- Materiality of KPIs and ambitiousness of SPTs validated by an external reviewer.

KPI criteria for Nordea SLL Funding

Impact Objectives	Description of KPIs included
Climate Change Mitigation	<p>Climate Change Mitigation covers activities focused on actions to combat climate change and its impacts. KPIs considered may include, but are not limited to:</p> <ul style="list-style-type: none">• Reduction of GHG Scope emissions• Reduction of energy consumption• Reduction of direct or use-phase GHG emissions• Reduction of activities with significant indirect GHG emissions• Increase in products or services with significant substitution effects <p>To the extent feasible, preference will be given to KPIs defined in absolute terms, but intensity measures may also be considered. Similarly, 'internal' KPIs (that is, measured by the companies themselves) will be given priority over 'external' KPIs (such as ESG ratings or assessments) unless where the external KPI is considered material.</p> <p>Standards and methodologies considered may include, but are not limited to:</p> <ul style="list-style-type: none">• Science Based Targets initiative• Transition Pathway Initiative• International Maritime Organisation

Impact from Nordea mortgage credit institutions

Outstanding green bonds from Nordea mortgage credit institutions (MCIs) as of year-end 2023

Bond	Issuer	Type	Rating	Nominal amount	Issue date	Maturity date	Listing	ISIN
Green covered mortgage bond	Nordea Kredit Realkreditaktieselskab	DKK benchmark, Cibor 6M interest rate premium -0.13, tap covered 3 year	Standard & Poor's AAA	DKK 7,504m	26 April 2021	July 2024	Nasdaq OMX Copenhagen	DK0002050608
Green covered mortgage bond	Nordea Kredit Realkreditaktieselskab	DKK benchmark, Cibor 6M interest rate premium +0.08, tap covered 4 year	Standard & Poor's AAA	DKK 8,228m	31 March 2022	July 2026	Nasdaq OMX Copenhagen	DK0002054279
Green covered mortgage bond	Nordea Eiendomskreditt AS	NOK 7bn FRN covered 5-year	Moody's: Aaa	NOK 7bn	November 2021	September 2026	Euronext Oslo	NO0011151771
Green covered mortgage bond	Nordea Eiendomskreditt AS	NOK 7bn FRN covered 5-year	Moody's: Aaa	NOK 7bn	22 November 2023	22 November 2028	Euronext Oslo	NO0013072991
Green covered mortgage bond	Nordea Mortgage Bank Plc	EUR 1bn covered 3-year	Moody's: Aaa	EUR 1 bn	1 December 2022	1 December 2025	Euronext Dublin	XS2561746855

Bond	Issuer	Type	Rating	Nominal amount	Issue date	Maturity date	Listing	ISIN
Green covered mortgage bond	Nordea Mortgage Bank Plc	EUR 1bn covered 3-year	Moody's: Aaa	EUR 1 bn	23 August 2023	31 August 2026	Euronext Dublin	XS2673972795
Green covered mortgage bond	Nordea Hypotek AB	SEK 6bn covered 5-year	Moody's: Aaa	SEK 6bn	18 November 2022	25 November 2027	Nasdaq Sthlm OMX	SE0013360856
Green covered mortgage bond	Nordea Hypotek AB	SEK 6bn covered 5-year	Moody's: Aaa	SEK 6bn	4 October 2023	27 October 2028	Nasdaq Sthlm OMX	SE0013361177

Green bond developments in the Nordea MCIs

2023 marked an active year also for our MCIs and our green covered bond activities. We issued new bonds from all our four MCIs over the course of the year. This was enabled through enhanced EPC (Energy performance certificate) data and continued work on identifying green assets on our balance sheet, which enabled us to grow our green covered bond asset portfolios in Finland and Norway. During the year, we also made some methodological updates in our green covered asset identification, leading to both positive (Finland and Norway) and negative (Sweden) impacts on volumes in the green portfolios. The changes in volumes are also reflected in the impact figures presented in the tables below. In our Green fund-

ing framework, we made no changes to the criteria we utilise for our green covered bond issuances.

For Nordea Kredit Realkreditaktieselskab, our Danish mortgage subsidiary, the Green bond asset portfolio also continued to grow in 2023. Nordea Kredit utilises not only the green covered bond asset categories as presented in our framework, but also green bond asset categories as mortgage lending is used for many types of assets in Denmark. The impact calculations are based on Nordea Kredit's latest externally verified green bond asset portfolio figures, as presented by the publicly available SPO.

Nordea Eiendomskreditt AS	YE 2023
Lending to Green Buildings (NOK)	32 791 759 345
Green Covered Bonds (NOK)	14 000 000 000
Percentage of proceeds allocated to Green Assets	100.0%
Usage of Green Covered Bond Asset Portfolio	43 %
Estimated amount of energy saved (GWh)	24.3
Estimated amount of emissions avoided (tCO2e)	7 640
Emissions avoided allocated proceeds (tCO2e)	3 262

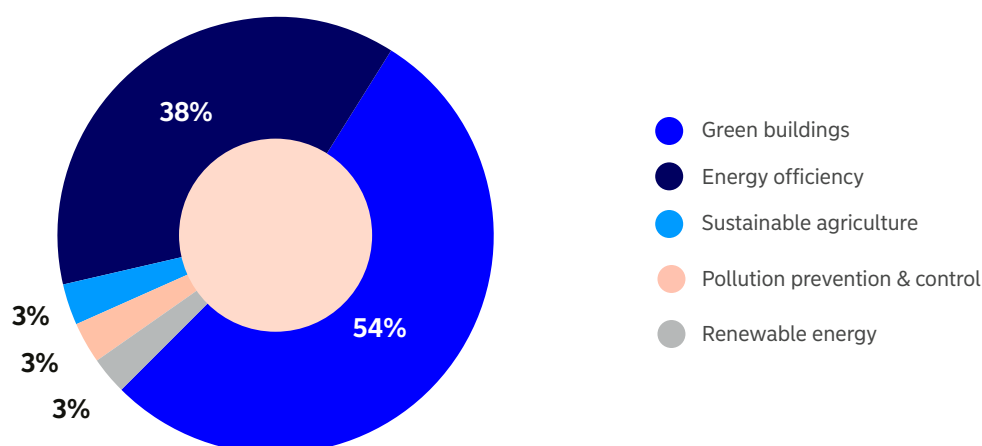
Nordea Hypotek AB	YE 2023
Lending to Green Buildings (SEK)	26 833 193 230
Green Covered Bonds (SEK)	12 000 000 000
Percentage of proceeds allocated to Green Assets	100.0%
Usage of Green Covered Bond Asset Portfolio	45 %
Estimated amount of energy saved (GWh)	13.7
Estimated amount of emissions avoided (tCO2e)	4 324
Emissions avoided allocated proceeds (tCO2e)	1 934

Nordea Mortgage Bank Plc	YE 2023
Lending to Green Buildings (EUR)	2 563 080 212
Green Covered Bonds (EUR)	2 000 000 000
Percentage of proceeds allocated to Green Assets	100.0%
Usage of Green Covered Bond Asset Portfolio	78 %
Estimated amount of energy saved (GWh)	29.8
Estimated amount of emissions avoided (tCO2e)	9 377
Emissions avoided allocated proceeds (tCO2e)	7 317

Nordea Kredit green bond asset portfolio

Green bond asset category	Volume DKKm
Green buildings	8 258
Energy efficiency	5 812
Sustainable agriculture	524
Pollution prevention and control	412
Renewable energy	395
Total	15 401

Green bond asset category split



Nordea Kredit green bond asset portfolio impact

Category	Annual emissions avoided, tCO2e	Annual energy production, GWh	Annual energy savings, MWh	Annual water withdrawn or treated, m m3	Certified land area ha
Energy Efficiency*	168 951				
Green Buildings	5 300		16 826		
Sustainable Agriculture					4 410
Water and Waste Water Treatment				31	
Wind	52 994	256			
Total	227 245	256	16 826	31	4 410

*Energy efficiency & Waste to energy categories combined, mostly CHP/district heating assets



Methodology notes

In 2022, we put in efforts to refine our impact calculation methodology. Data sourcing was improved and baselines and assumptions specified, to account for national and local differences in our operating environment. This led to an increased accuracy in the impact reported. In 2023, we continued this work, reviewing and updating assumptions where necessary.

To the extent possible, we source actual figures reported by our clients (e.g. production figures for renewable energy assets). Due to variations in data availability, some of the figures utilised are older than the reporting year 2023 figures.

We report the estimated impact of the assets financed by our green funding at an aggregate level per category. The 2023 calculations cover the period 1 January to 31 December inclusive. To the extent possible, the reporting is based on real data reported by the project teams, companies or other organisations.

Where real data is not available, estimates of the relevant asset type and location are used. We include the expected annual impacts (ex ante) of projects under construction and aggregate these with the actual known impacts (ex post) of projects in operation. The full-year impact is accounted for regardless of when during the year the asset was added to the green bond asset portfolio.

Estimates are based on either the average of similar assets (in terms of size and location) within the green bond asset portfolio or national averages (e.g. for “Green buildings”, apartment size and energy consumption). The avoided CO₂ emissions and other impacts are reported in accordance with Nordea’s debt financing share. It is assumed that new energy capacity crowds out fossil fuel-based generation. Hence, wind, solar and hydropower are assumed to crowd out CO₂ emissions in line with the defined emission factor.

We have opted to use the emission factor of 191g CO₂/kWh presented in the Nordic Public Sector Issuers (NPSI) Position Paper on Green Bonds Impact Reporting. The position paper and emission factor were updated in 2024, resulting in fewer avoided emissions per kWh. This baseline represents a European mainland mix, including Norway. The emission factor is calculated as a combined margin in line with the International Financial Institutions’ harmonised framework methodology, comprising a build margin and an operating margin. The same combination of build margin (50%) and operating margin (50%) is used for all energy projects. We will continue updating this baseline in accordance with any updates to the NPSI Position Paper or other relevant guidelines.

For “Green buildings”, we use national building standards as a baseline for measuring impacts. As the NPSI Position Paper suggests, we disclose the energy savings from green buildings as a net value in relation to national building requirements. We have both commercial and residential buildings in the green bond asset portfolio, and respective national building requirements are used based on the year of construction. For buildings where we are not able to obtain actual energy consumption figures, we estimate the energy savings based on the building certificate requirements, national building requirements, year of construction and floor area.

It should be noted that, in general, when we have to estimate annual energy output instead of using actual generation figures, the results are less accurate and provide an order of magnitude estimate of electricity produced and thus of CO₂ emissions avoided. The same applies to estimates in relation to the other green bond asset categories.

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