

# **Nordea green funding framework**

**August 2022**

**Nordea**

## Contents

<b>1</b>	<b>Introduction</b>	<b>3</b>
<b>2</b>	<b>Use of proceeds</b>	<b>5</b>
<b>2.1</b>	<b>Green bond asset categories and green bond asset portfolio</b>	<b>5</b>
<b>2.2</b>	<b>Green covered bond asset categories and green covered bond asset portfolio</b>	<b>8</b>
<b>3</b>	<b>Selection and evaluation of green bond assets</b>	<b>10</b>
<b>3.1</b>	<b>Selection and evaluation of green assets for green covered bonds</b>	<b>11</b>
<b>4</b>	<b>Management of proceeds</b>	<b>13</b>
<b>4.1</b>	<b>Management of proceeds of green covered bonds</b>	<b>13</b>
<b>5</b>	<b>Reporting</b>	<b>15</b>
<b>6</b>	<b>External review</b>	<b>17</b>
<b>7</b>	<b>Appendix</b>	<b>18</b>
	<b>Disclaimer</b>	<b>19</b>

# 1 Introduction

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

Being a responsible member of society is a cornerstone of our business. We use our reach to increase awareness of sustainable investment and financing alternatives and thereby facilitate the transition towards a resilient, low-carbon economy. We also use our leading capital markets platform to arrange financing, loans and bonds for purposes that generate environmental benefits.

We believe that green bond financing creates transparency regarding the funds allocated to climate change mitigation and other environmentally beneficial uses. This in turn creates a positive benchmark for all investments.

In January 2021, we launched an updated plan to fully integrate sustainability into our business strategy and set a long-term objective to become a net-zero emissions bank by 2050 at the latest. To reach this goal, we set a mid-term objective to reduce the carbon emissions across our lending and investment portfolios by 40–50% by 2030.

We have committed to align our business strategy with the United Nations' Sustainable Development Goals and the Paris Agreement. We are equally committed to supporting our customers in reaching these goals.

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. We have 2023 targets linked to each pillar and two long-term objectives for 2030 linked to the climate action pillar.

At our Capital Markets Day in February 2022, we refined our existing targets and published new ones for 2025.

Our 2023 targets include the following:

- ensure that at least 25% of the savings inflow is into our sustainable offering
- reduce the carbon footprint from Nordea Life & Pensions' listed equity, corporate bond and real estate portfolios by at least 25% by the end of 2024
- grow the share of EU Taxonomy-aligned assets and income and meet disclosure requirements
- work together with our large corporate customers in carbon-intensive industries to set low-carbon transition plans
- reduce the carbon emissions from our internal operations by 30% compared with 2019.

And our new 2025 targets include the following:

- facilitate more than EUR 200bn in sustainable financing by the end of 2025
- ensure that 90% of our exposure to large corporate customers in climate-vulnerable sectors is covered by transition plans by the end of 2025

- double the share of net-zero-committed assets under management by 2025
- by 2025, ensure that 80% of the top 200 emitters in Nordea Asset Management's portfolios are either aligned with the Paris Agreement or else are subject to active engagement to become aligned.

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 deposits<sup>1</sup>), size (including benchmark transactions, public transactions and private placements) and currency. Further details will be provided in the applicable announcements and transaction documentation. Where the process for green covered bonds diverges from our regular green bond process, this is described in the applicable section of the Framework.

As of the Framework's October 2021 update, we have included specific green covered bond considerations within various sections where applicable. We want to enable green covered bond issuances, as large proportions of the European Union's – and the Nordics' – energy consumption and emissions are attributable to the real estate sector. Given our current share of the mortgage market in the Nordic region, we have a significant opportunity to make a positive environmental impact. Focusing on residential mortgages, we aim to strengthen our role as an intermediary to help improve Nordic households' energy efficiency and lower their energy consumption while increasing awareness of cleaner energy sources.

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. We are committed to supporting the growth and integrity of the market for sustainable financing.

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

## 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.<sup>2</sup> The green bond assets comprise financing within the green bond asset categories originated by various Nordea business units, mostly in the Nordic countries.

We will not use the net proceeds of any Nordea-issued green bond or similar instrument to finance 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.

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<sup>2</sup>The 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 <sup>3</sup> 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"> <li>▪ wind power</li> <li>▪ solar power</li> <li>▪ hydropower</li> <li>▪ integrating renewable energy sources into the transmission network.</li> </ul> <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"> <li>▪ the process results in lifecycle GHG emissions less than 3tCO<sub>2</sub>e/tH<sub>2</sub><sup>45</sup> and the electricity used for production emits less than 100g CO<sub>2</sub>e per kWh</li> <li>▪ 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)</li> </ul> <p>If CO<sub>2</sub> is captured and stored in order to achieve less than 3tCO<sub>2</sub>e/tH<sub>2</sub></p> <ul style="list-style-type: none"> <li>▪ CO<sub>2</sub> transport from the capture point to the injection point does not lead to a leakage of more than 0.5% of the mass of CO<sub>2</sub> transported</li> <li>▪ a leakage detection system is in place and complies with national regulations for the underground permanent geological storage of CO<sub>2</sub>.</li> </ul>	7, 13
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"> <li>▪ automation and intelligence in the power transmission network, distribution and related systems</li> <li>▪ the transmission of electricity produced by renewable sources from the production site to the system grid</li> <li>▪ system grids for electricity where, over rolling five-year periods, 67% of newly connected generation capacity in the grid is below 100g CO<sub>2</sub>e per kWh or the average system grid emissions factor is below 100g CO<sub>2</sub>e per kWh.</li> </ul>	7, 13

<sup>3</sup> Green Bond Principles.

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

<sup>5</sup> 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"> <li>▪ the LEED "Gold" certification</li> <li>▪ the BREEAM "Very good" certification</li> <li>▪ the Miljöbyggnad "Silver" certification (Sweden)</li> <li>▪ the Nordic Swan Ecolabel</li> <li>▪ the DGNB "Gold" certification</li> <li>▪ the RTS "2 stars" certification.</li> </ul> <p>Existing buildings with an annual energy use on a square metre basis at least 25% below the amount stipulated in the relevant Nordic country's applicable national regulations.</p> <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>	11
Pollution prevention and control	<p>Projects or activities and any related infrastructure, equipment, technology and processes for</p> <ul style="list-style-type: none"> <li>▪ water and waste water management</li> <li>▪ waste management, including waste prevention, reduction, collection, treatment, recycling and processing (excluding hazardous waste)</li> <li>▪ the conversion of waste to energy.</li> </ul>	3, 6, 7, 13
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"> <li>▪ electric vehicles, for example trains, buses, cars and ships</li> <li>▪ hydrogen fuel cell vehicles with zero direct (tailpipe) CO2 emissions.</li> </ul>	7, 13
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"> <li>▪ forests certified by the Forest Stewardship Council (the FSC) or the Programme for the Endorsement of Forest Certification (the PEFC)</li> <li>▪ sustainable agriculture in the Nordic countries comprising organic farming certified as compliant with EU and national regulation</li> <li>▪ 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</li> </ul> <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>	2, 14, 15

## 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.

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 issuers 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.

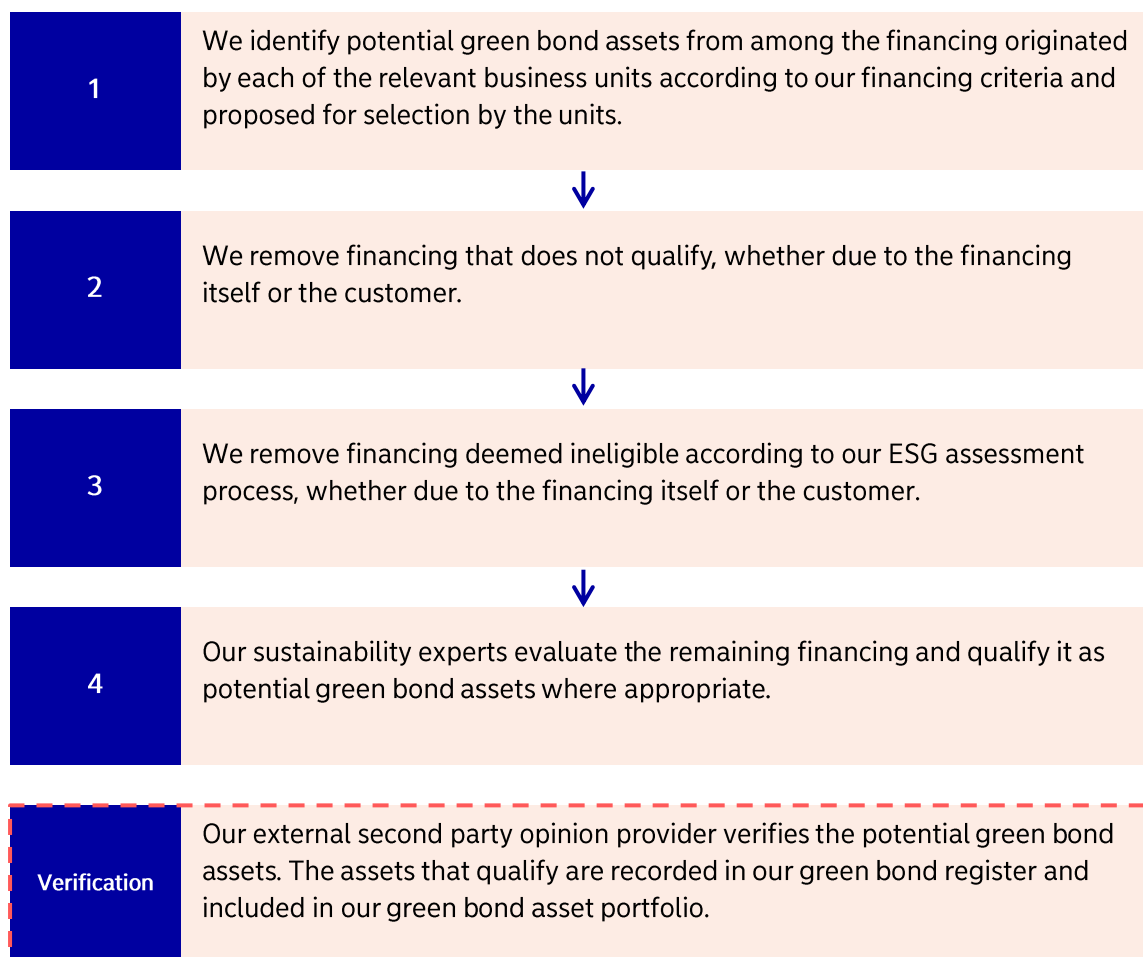
GBP category	Project types
Green residential buildings	<p>Construction of new buildings with a primary energy demand at least 10% below the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the 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"> <li>▪ 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</li> <li>▪ if built after 31 December 2020, meet the criteria specified under “Construction of new buildings” above.</li> </ul>
Energy efficiency	<p>Renovation of existing buildings where</p> <ul style="list-style-type: none"> <li>▪ the renovation meets the applicable requirements for major renovations, or</li> <li>▪ the renovation leads to a PED reduction of at least 30%.</li> </ul> <p>Investments, installations and repairs of equipment resulting in improved energy efficiency. These include investments in</p> <ul style="list-style-type: none"> <li>▪ renewable energy sources</li> <li>▪ energy efficiency improvements</li> <li>▪ overall quality improvement.</li> </ul>



	<ul style="list-style-type: none"><li>▪ Such investments may encompass geothermal heating, water meters, windows, doors, light sources, etc.</li></ul>
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### 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.

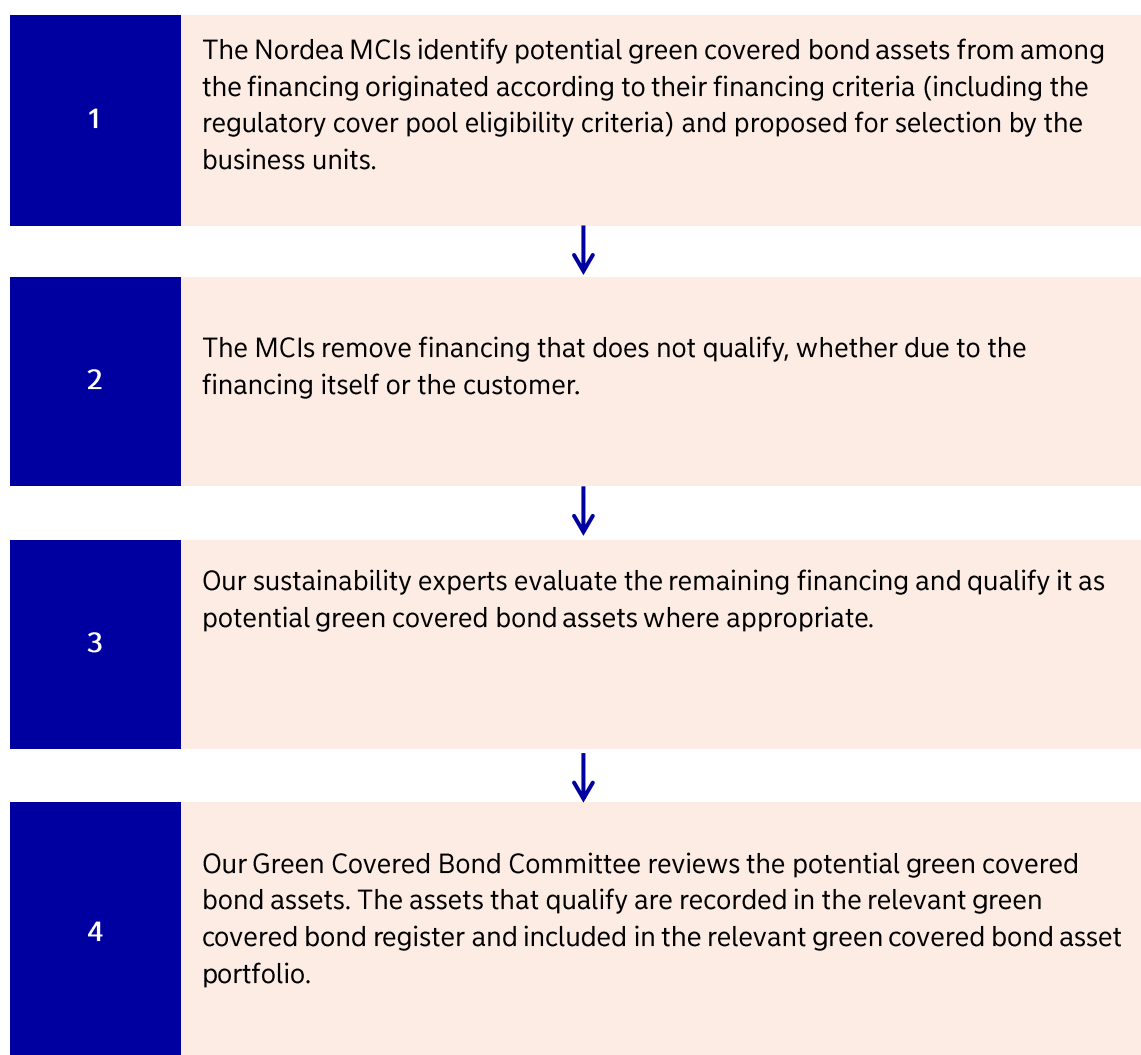
The SFC reviews the green bond asset portfolio on a semi-annual basis. The proceeds of green bond issues or deposits are allocated to green bond assets at the portfolio level. They are thus allocated to all assets in the green bond asset portfolio in equal shares.

The SFC has representatives from the following:

- relevant Treasury functions
- relevant units within Group Sustainability
- relevant units within Business Banking and 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.

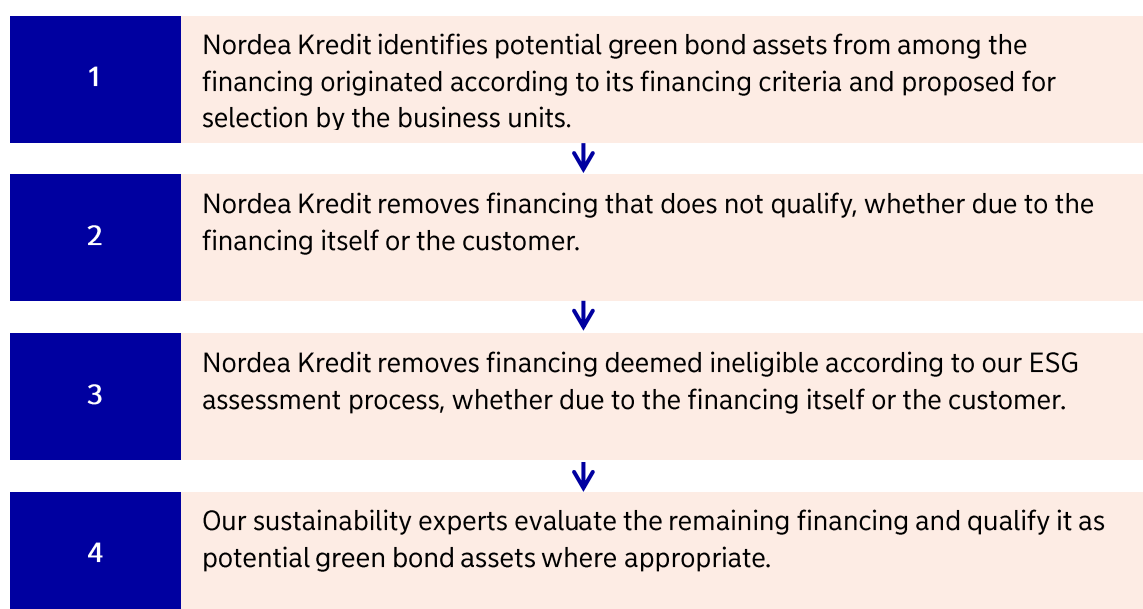
The proceeds of green covered bond issues are allocated to green covered bond assets at the portfolio level. They are thus intended to be allocated, directly or indirectly, to all assets in the green covered bond asset portfolio in equal shares.

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 confirms 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.<sup>6</sup> 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.

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<sup>6</sup> 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 green bond 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. In 2022 (for the reporting year 2021), we started aiming to time our green bond reporting to coincide with our other investor-directed publications, for example the Annual Report.

The green bond report forms the basis of the green deposit report provided to customers at the maturity of the deposits in which they have placed funds.

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

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 ESG 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)
- Collective Commitment to Climate Action (signed 2019)
- Principles for Responsible Banking (PRB) (signed 2019)

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.