

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Asset Pool

Nordea Bank Abp
09th February 2022

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Overall Evaluation of the Green Bond

Nordea Bank Abp (“Nordea”) commissioned ISS ESG to assist with its Green Bonds by assessing three core elements to determine the sustainability quality of the Bond:

1. Nordea’s Green Bond framework as of October 2021 – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
2. The asset pools (Nordea bank Green Bond asset pool and Nordea Kredit Green Covered asset pool)– whether the projects aligned with ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).
3. Nordea’s sustainability performance, according to the ISS ESG Corporate Rating.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Bonds link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 07.02.2022, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Commercial Banks & Capital Market sector. The issuer is rated 25th out of 300 companies within its sector.</p> <p>The Use of Proceeds financed through this Green Bond Framework are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green Bonds is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP</p>	<p>The Use of Proceeds financed through this Green Bond Framework are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green Bonds is clearly described by the issuer.</p> <p>This SPO covers Nordea Bank's and Nordea Kredit's assets.</p>	<p>Positive</p>
<p>Part 3:</p> <p>Sustainability quality of the Green Bonds</p>	<p>The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Green Bond KPIs. The Green Bond KPIs contain a clear description of eligible asset categories which include renewable energy, green buildings, pollution prevention and control, clean transportation, energy efficiency and sustainable agriculture.</p> <p>All assets of the asset pool are located in highly regulated All All The assets are located in highly regulated countries (Sweden, Denmark, Finland and Norway). Legislative frameworks in those countries set minimum standards, which reduce environmental and social risks.</p>	<p>Positive</p>

¹ The ISS ESG's present evaluation will remain valid until any modification of the Green Bond Framework or addition of new assets into the asset pool by the issuer and as long as the Country Rating does not change (last modification on the 16.07.2020). The controversy check of the underlying assets has been conducted on the 09.02.2022.

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND'S LINK TO NORDEA'S ESG SUSTAINABILITY STRATEGY

A. ASSESSMENT OF NORDEA'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

COMPANY	SECTOR	DECILE RANK	TRANSPARENCY LEVEL
NORDEA BANK Abp	COMMERCIAL BANKS & CAPITAL MARKETS	1	VERY HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the Commercial Banks & Capital Markets sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance



As of 07.02.2022, this rating places Nordea 25th out of 300 companies rated by ISS ESG in the Commercial Banks & Capital Markets sector.

Key Challenges faced by companies in term of sustainability management in this sector are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.

Sustainability Opportunities

In the financial sector, the main sustainability opportunities arise in the provision of financial services with high social and environmental benefits as well as equal access to financial services. The Nordea Star Fund range undertakes detailed positive screenings to identify companies that adhere to ESG criteria and have a future positive impact. Furthermore, Nordea provides accessible banking services for clients with disabilities and banking activities in remote regions. The company also underwrites green bonds. Nordea does not show further significant financial services with high social or environmental benefits.

Sustainability Risks

In order to integrate the assessment of ESG risks into lending decisions, Nordea has developed its Environmental Risk Assessment tool (ERAT) and its Social and Political Risk Assessment tool (SPRAT). Sector specific lending guidelines for forestry, nuclear power and oil services are provided, expecting its customers to undertake environmental baseline studies and environmental impact assessments. In addition, the company's membership with the Equator Principles reinforces its commitment to observe environmental and social minimum standards in project finance. Nordea's general responsible investment approach covers its actively managed funds and is applied using an integration approach and exclusion criteria covering e.g. human and labor rights, business ethics, and environmental protection. For actively managed assets, it excludes companies that have a large and sustained exposure to thermal mining and generate more than 30% of revenue from coal products. In the social dimension, customer and product responsibility as well as employee relations are important challenges. The company has taken some steps to ensure responsible marketing and sales practices. However, there is no clear strategy regarding offshore banking activities and tax compliance as well as regarding the responsible treatment of customers with debt repayment problems. With regard to employees, Nordea has cut more than 2,500 jobs in recent years. Affected employees are offered to join Nordea's internal people matching process to find a new position within Nordea. In certain cases, country-specific voluntary redundancy package, retirement offerings or outplacement support are offered. As the company mostly operates in countries where high legal and factual standards are implemented, risks on health and safety, and work-life balance are limited. Finally, Nordea has established a group-wide code of conduct covering almost all important compliance issues as well as relevant compliance measures such as anonymous and confidential reporting channels are provided for employees. Nevertheless, in May 2018 the company was accused of enabling organized crime to launder roughly EUR 134 million through privately owned exchange offices in Copenhagen, and in October 2018 it was involved in further money laundering allegations.

Governance opinion

Regarding its governance structure, the majority of Nordea's board members are independent (as at April 1, 2020). The company's board chair, Torbjorn Magnusson is not independent as he is the CEO of If P&C Insurance Holding Ltd, a subsidiary of Sampo Oyj. Committees in charge of audit and remuneration are established with half of the board members being independent, yet a committee in charge of nomination seems to be missing. Moreover, Nordea discloses the remuneration of some of its executive management members, which includes long-term incentive components.

Regarding the company's sustainability governance, Nordea has a fully independent sustainability committee in place (as at April 1, 2020). Some sustainability performance objectives are integrated into the variable remuneration of the executives although no details were provided. The company has established a group-wide code of conduct covering almost all important issues, such as corruption, antitrust violations, insider dealings and conflicts of interest. Compliance training is provided to employees as well as anonymous and confidential reporting channels. Nevertheless, in May 2018 the company was accused of enabling organized crime to launder roughly EUR 134 million through privately owned exchange offices in Copenhagen, and in October 2018 it was involved in further money laundering allegations.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of Nordea's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along Nordea's operation process. ISS ESG determined that, based on the information provided by the company, its overall business model has no net impact (contribution and/or obstruction) to the UN SDGs.

Breaches of international norms and ESG controversies

The bank is not facing any severe controversy.

B. CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH NORDEA'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

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

Nordea has committed to aligning its business strategy to be consistent with the goals listed in the Sustainable Development Goals and the Paris Climate Agreement. Furthermore, Nordea is equally committed to supporting its customers to reach these goals.

Nordea's sustainability integration is grouped into four strategic pillars: financial strength, climate action, social responsibility and governance and culture. Each of the four areas is linked to targets for 2023. The climate action pillar also has two long-term objectives for 2030. Nordea aims at having a significant impact in all these four areas by reducing the negative impact and increasing the positive impact from its business activities and internal operations.

The Nordea Group 2023 targets include the following:

- At least 25% of the savings inflow should be in our sustainable offering.
- Nordea Life & Pensions will reduce its carbon emissions intensity for listed equities, corporate bonds and real estate by at least 25% by the end of 2024.
- To grow the share of EU Taxonomy-aligned assets and income and to meet disclosure requirements.
- Work together with our large corporate customers in carbon-intensive industries to set low-carbon transition plans.
- Reduce carbon emissions from our internal operations by 30% compared to 2019.

Rationale for issuance

The categories Nordea has chosen as eligible for use of proceeds from its Green Bonds are presented in section 2 of the Green Bond Framework. The categories have been chosen based on Nordea's overall goal of enabling the transition to a sustainable society in general and combating climate change specifically. It is in these categories that Nordea sees it has the greatest potential to make an impact by generating environmental benefits through their financing efforts. The alignment is further enhanced through their materiality analysis, where climate action was defined as Nordea's top priority for their strategic direction and sustainability focus, as well as the contents of the Sustainable Banking Strategy published in February 2021 referenced above.

The Green Bond Framework is intended to accommodate transactions in any format (for example covered, unsecured, subordinated debt), size (for example benchmark, public transactions, private placement) and currencies. Further details will be provided in the applicable announcements and transaction documentation. Where the Green Bond process for Green Covered Bond issuances

diverges from Nordea’s regular Green Bond process, it is described in the applicable section of the framework.

As of the October 2021 update of this Green Bond Framework, Nordea includes specific Green Covered Bond considerations within the various sections of the framework where applicable. They want to enable Green Covered Bond issuances, as the real estate sector represents a domain where a large portion of the energy consumption and emissions arises in the EU, including the Nordics. Nordea’s current share of the mortgage market in the Nordic region offers an important opportunity to make a positive environmental impact. With a focus on residential mortgages, they aim at strengthening their role as an intermediary to help improve the energy efficiency and lower the energy consumption of Nordic households while also increasing the awareness about cleaner sources of energy.

This Green Bond Framework sets the basis for the identification, selection, verification and reporting of the sustainable financing that is eligible for being directly or indirectly financed by the proceeds of the Green Bonds issued by Nordea, and the management of such proceeds.

The Green Bond Framework undergoes a yearly review and is updated and expanded as the GBP and market practices evolve, as considered necessary. Nordea is committed to supporting the growth and integrity of the market for sustainable financing.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Bond with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Commercial Banks & Capital Markets sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds category. For this sector, a key issue is increasing sustainability related lending.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Green Buildings	✓	✓	Contribution to a material objective
Renewable energy (Solar power, wind power, Hydropower)	✓	✓	Contribution to a material objective
Sustainable Agriculture	✓	✓	Contribution to a material objective
Energy efficiency	✓	✓	Contribution to a material objective
Waste-to-energy	✓	✓	Contribution to a material objective
Water and Wastewater treatment	✓	✓	Contribution to a material objective

Clean transportation (Electric cars, ferries, and trains)	✓	✓	Contribution to a material objective
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Opinion: *ISS ESG finds that the Use of Proceeds financed through this Green Finance Framework are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing Green Finance Instruments is clearly described by the issuer.*

PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

The amount equal to the net proceeds of the Green Bonds issued by Nordea is intended to be used, directly or indirectly, to finance or refinance Green Bond Assets that have been evaluated and selected by Nordea pursuant to this Green Bond Framework². The Green Bond Assets comprise financing within the Green Bond Asset Categories which are, or have been, originated by the various business units of Nordea mostly in the Nordic countries.

Importantly, however, the net proceeds of any Nordea Green Bond will not be used towards financing nuclear or fossil fuel energy operations or operations that are deemed by Nordea to be in the sectors "Weapons and Defence", "Coal Mining" or "Tobacco". Additionally, any existing financing of customers which are deemed not to be eligible in reference to Nordea's corporate customer Environment, Social and Governance ("ESG") assessment process will not be selected for financing or refinancing by the net proceeds of any Green Bond issued by Nordea.

It should be noted that Green Bonds, like any other notes issued by Nordea, will be fully subject to the application of the eligibility criteria of the Capital Requirements Regulation and the requirements of the Bank Recovery and Resolution Directive for own funds and eligible liabilities instruments and, as such, any net proceeds of the Green Bonds qualifying as own funds or eligible liabilities will be fully available to cover any and all losses arising on the balance sheet of the relevant issuer (in the same way as any other instrument not classified as Green Bonds) regardless of their "green" or other similar label.

The Nordea 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 (MCIs) that are wholly owned subsidiaries (Nordea Kredit Realkreditaktieselskab, Nordea Mortgage Bank Plc, Nordea Eiendomskreditt AS and Nordea Hypotek AB (publ), collectively, 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, and
- satisfy certain eligibility requirements that promote climate-friendly and other environmental purposes.

These assets are evaluated and selected by Nordea pursuant to this Green Bond Framework ("Green Assets").

[Green bond asset / Green covered bond asset categories and green bonds / Green covered bond asset portfolio](#)

The Green Bond Asset Categories in the list below have been identified by Nordea as aiming to increase the positive or reduce the negative impact on the environment. The list includes examples of each category³.

Nordea has opted for an asset level verification which means that any addition to the Green Bond Asset Portfolio is subject to verification by the external Second Party Opinion provider. Nordea aims at acquiring a Second Party Opinion

² The final terms of an issue of Green Bonds will specify the use of proceeds of that issue.

³ This table has been built by ISS ESG based on information provided by the issuer

including information on updates made to this Green Bond Framework as well as to the Green Bond Asset Portfolio on a yearly basis.

Green Asset Portfolios will be included in the general cover pool of the respective Nordea MCI. Hence, no separate cover pools with Green Portfolio Assets only will be created. However, all issuers utilise this framework including the process descriptions, Green Asset Categories and subsequent criteria. We aim to optimise portfolio selection locally amongst the four different pools. Local variations in identifying eligible Green Assets exist.

GREEN ASSET CATEGORY	SUBCATEGORIES	NORDEA BANK ASSET POOL (GREEN BONDS)		NORDEA KREDIT ASSET POOL (GREEN COVERED BONDS)	
		Assets included in Portfolio	Share of Asset Portfolio	Assets included in Portfolio	Share of Asset Portfolio
Renewable Energy <i>Generation and transmission of energy from renewable sources and manufacturing of the related equipment for relevant subcategories.</i>	Wind power	Yes	EUR 341.5m (9.1%)	Yes	EUR 85m (5.7%)
	Solar power	Yes	EUR 0.3m (0.02%)	No	EUR 0m (0%)
	Hydro power	Yes	EUR 569m (15.2%)	No	EUR 0m (0%)
	Integration of renewable energy into the transmission network	No	EUR 0m (0%)	No	EUR 0m (0%)
Energy Efficiency <i>Infrastructure, equipment, technology and processes related to smart grids, energy storage and district heating including automation and intelligence in the power transmission network, distribution and related systems.</i>	Smart grids	No	EUR 0m (0%)	No	EUR 0m (0%)
	Energy storage	No	EUR 0m (0%)	No	EUR 0m (0%)
	District heating	Yes	EUR 0.5m (0.03%)	Yes	EUR 607m (40.6%)
Green Buildings <i>Commercial or residential buildings</i>	Commercial and residential real estate	Yes	EUR 1.857m (49.4%)	Yes	EUR 553m (37%)

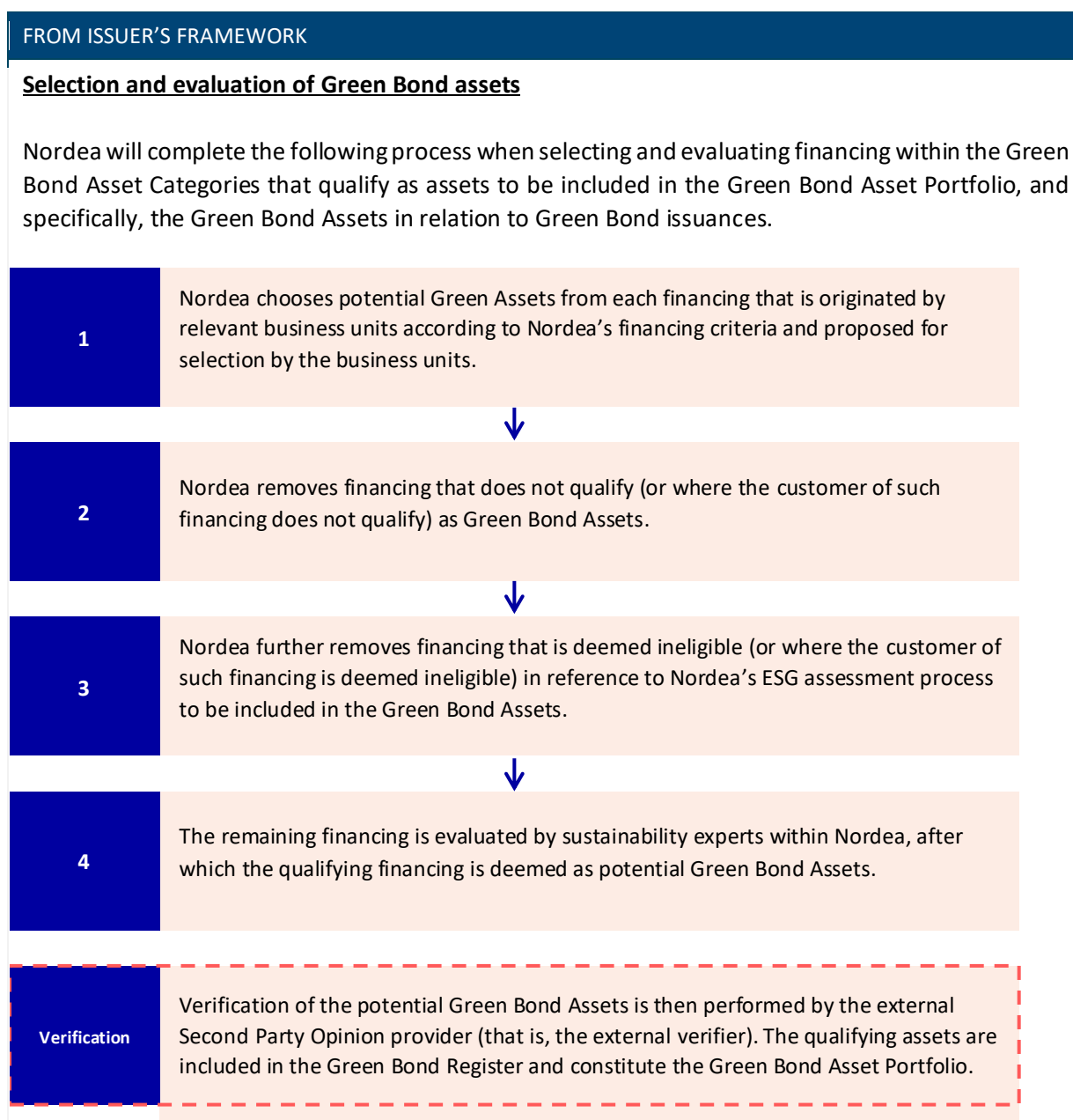
<i>with at least any of the selected certifications⁴</i>					
Pollution Prevention and Control <i>Projects or activities and any related infrastructure, equipment, technology and processes toward the relevant subcategories.</i>	Water management (water supply) and wastewater management	Yes	EUR 213.4m (5.7%)	Yes	EUR 89m (6%)
	Waste-to-energy	Yes	EUR 400.8m (10.7%)	Yes	EUR 128m (8.5%)
Clean Transportation <i>Projects, activities and related equipment, technology and processes towards clean transportation infrastructure, including expansion and improvements of train and metro networks, stations and rolling stock for passenger or freight transportation, such as the relevant subcategories.</i>	Electric cars	Yes	EUR 86.7m (2.3%)	No	EUR 0m (0%)
	Public transportation (electric trains)	Yes	EUR 284.8m (7.6%)	No	EUR 0m (0%)
	Public transportation (electric ferries)	Yes	EUR 1.7m (0.04%)	No	EUR 0m (0%)
Sustainable Management of Living Natural Resources <i>Projects or activities related to sustainable forestry or agriculture in the Nordic countries, including acquisition, maintenance and management of relevant subcategories.</i>	Forests certified by Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC") (Sweden)	No	EUR 0m (0%)	No	EUR 0m (0%)
	Sustainable agriculture in the Nordic countries comprised of organic farming as certified in compliance with the EU and national regulation	No	EUR 0m (0%)	Yes	EUR 34m (2.3%)

⁴ The LEED "gold" certification, the BREEAM "very good" certification, the Miljöbyggnad "Silver" certification (Sweden), Nordic Swan Ecolabel, the RTS "2 stars" certification, or renovations and refurbishments of commercial or residential buildings leading to reduced, or existing buildings having an annual energy use on a m2 basis that is at least 25% lower than the applicable national regulations in the relevant Nordic country, or that lead to an annual reduction of energy use on a m2 basis of at least 25 %.

Total asset pool volume	Nordea Bank: EUR 3,756m	Nordea Kredit: EUR 1,496m
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Opinion: ISS ESG considers the Use of Proceeds description provided by the Nordea Green Bond Framework as aligned with the GBP. The prescribed categories are all within the GBP and the exclusions ensure further adherence to the standard. A detailed analysis of the Green Bond asset pool and the Green Covered Bond asset pool is available in Part III of this SPO. Please, note that ISS ESG has provided a separate SPO including an analysis of the alignment of the eligible project categories for Nordea’s green covered bonds with the proposed draft EU Taxonomy Technical Annex (EU Taxonomy Delegated Act) in November 2021.

2. Process for Project Evaluation and Selection



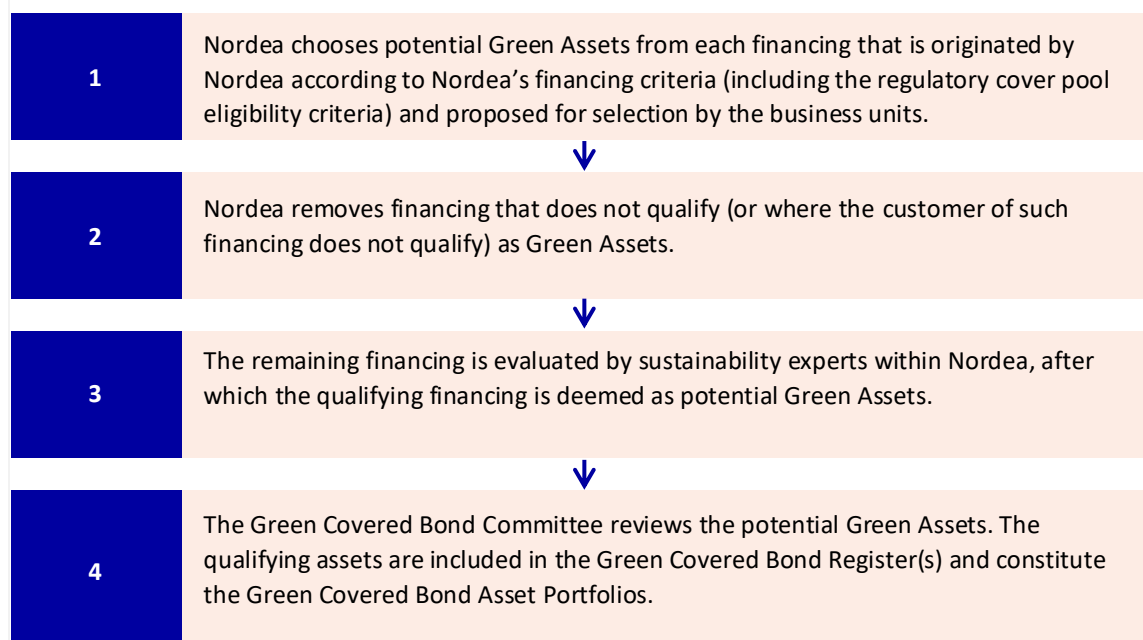
The confirmation process is thereafter undertaken by a Green Bond Committee within Nordea in respect of the assessments made by other staff in relation to the Green Bond Asset Categories. The Green Bond Committee will also review the Green Bond Asset Portfolio on a semi-annual basis. Allocation of the proceeds of any Green Bond issuances to the Green Bond Assets is done on a portfolio level, where the proceeds of a Green Bond issuance are allocated to all assets in the Green Bond Asset Portfolio in equal shares.

The Green Bond Committee has representatives from:

- Relevant unit within the Group Sustainability functions [Group Sustainability]
- Relevant Treasury functions [Group Treasury]
- Relevant business units within the Large Corporates & Institutions and Business Banking business areas [Large Corporates & Institutions and/or Business Banking Business Areas (for example relevant Industry teams)]
- Relevant unit within the business risk organisation [Business Risk Implementation and Support unit within the relevant Business Area]
- Relevant unit within the Legal functions
- Relevant unit within the Investor Relations function

Selection and evaluation for Green Covered Bonds

The Nordea MCIs will complete the following specific process when selecting and evaluating financing within the Green Covered Bond Asset Categories that qualify as Green Assets to be included in the Green Asset Portfolios.



The Green Covered Bond Committee meets and reviews potential Green Assets on a quarterly basis. Allocation of the proceeds of any Green Covered Bond issuances to the Green Covered Bond Assets is done on a portfolio level, where the proceeds of a Green Covered Bond issuance are intended to

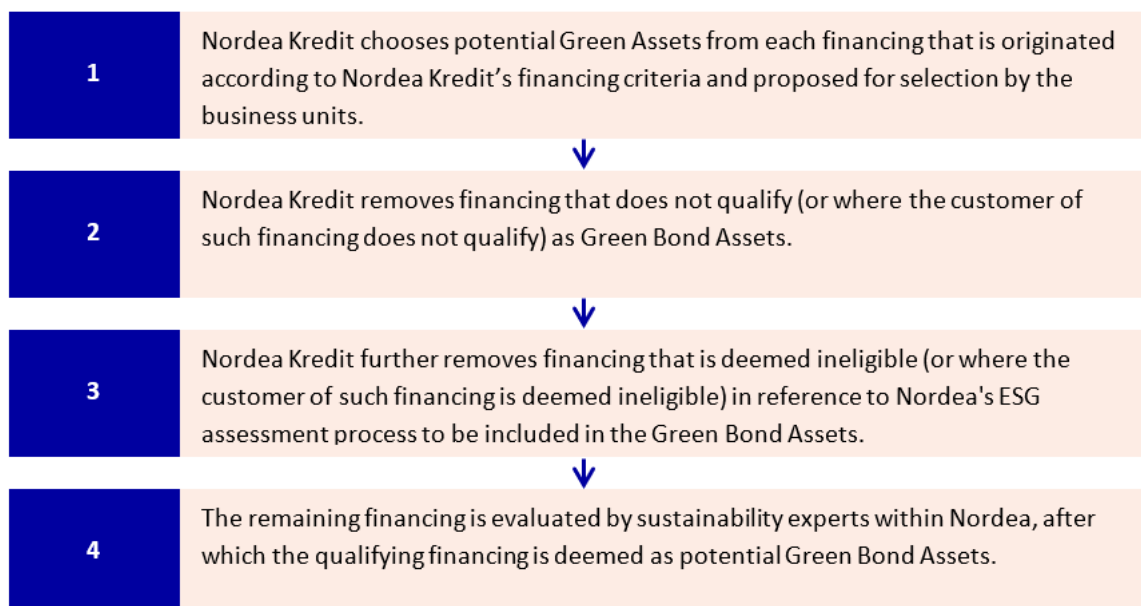
be allocated, directly or indirectly, to all assets in the Green Covered Bond Asset Portfolio in equal shares. The Green Covered Bond Committee has representatives from:

- Nordea MCIs
- Group Treasury
- Group Sustainability
- Relevant unit within the business risk organisation [Business Risk Implementation and Support unit within the relevant Business Area]
- Relevant unit within the Legal functions

Selection and evaluation for Nordea Kredit Green Bond assets

As Nordea Kredit complies with the strict balance principle utilizing match funding in Denmark, additions to the selection and evaluation process, as well as to the management of proceeds, are needed. The approval of assets for Nordea Kredit's separate Green Bond Asset Portfolio needs to be continuous.

Nordea Kredit follows a modified process when selecting and evaluating financing within the Green Bond Asset Categories that qualify as assets to be included in Nordea Kredit's Green Bond Asset Portfolio. The process is described below.



The confirmation process is thereafter undertaken by Nordea Kredit's Green Bond Committee in respect of the assessments made by other staff in relation to the Green Bond Asset Categories. The Green Bond Committee will also review Nordea Kredit's Green Bond Asset Portfolio and confirm the allocation of the proceeds of Green Bond issuances to Green Bond Assets. Nordea Kredit's Green Bond Committee will further confirm any replacement of repaid Green Bond Assets with assets from the Green Bond Asset Portfolio or, if such are not available, to liquidity funding accounts.

For Nordea Kredit, an initial verification of the framework for selection of assets took place in 2020. During upcoming Second Party Opinion updates, the provider will provide Nordea Kredit with a re-verification including a detailed screening of the sustainability quality of the Nordea Kredit mortgages financed through the bond(s) and of their underlying assets.

Opinion: ISS ESG finds that the process for Project Evaluation and Selection aligns with the GBP, including the methodology of the Green Bond Committee. The different steps around the decision making process are well described, and inclusion of assets based on systematic external (re-) verification (excluding Green Covered Bonds but including Nordea Kredit's Green Covered Bonds) exceeds best market practices. However, the financing criteria could be more transparent.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

For Green Bonds

Nordea has established a Green Bond Register in relation to Green Bonds issued by Nordea for the purpose of recording the Green Bond Asset Portfolio and the intended allocation of the net proceeds from Green Bonds to Green Bond Assets.

The amount equal to the net proceeds of the Green Bonds issued by Nordea will be deposited in the general funding accounts, but can be identified in the Green Bond Register. It is the intention of the issuer to allocate, directly or indirectly, an amount equal to the net proceeds in accordance with the principles set out in this Green Bond Framework.

The composition and amount of Green Bond Assets will be reviewed quarterly by the Financial Reporting and Control unit within Group Finance to account for any repayments and bonds drawn and compare those records with the allocations detailed in the Green Bond Register.

It is Nordea's intention to maintain an aggregate amount of assets in the Green Bond Asset Portfolio that is at least equal to the aggregate net proceeds of all Nordea Green Bonds that are concurrently outstanding. In practice, this means that whenever Nordea issues a new Green Bond, our aim is to allocate the proceeds of that specific bond to the Green Bond Asset Portfolio at the time of issuance. However, there may be periods when a sufficient aggregate amount of Green Bond Assets has not yet been allocated to the Green Bond Register to fully cover the proceeds of each Green Bond, either as the result of changes in the composition of Green Bond Assets or the issuance of additional Green Bonds. Any portion of the net proceeds of Green Bonds not allocated to Green Bond Assets in the Green Bond Register will be held in accordance with Nordea's normal liquidity management policy.

The Green Bond Register will contain relevant information to identify each Green Bond and the Green Bond Assets relating to it, including the country, category and nature of the Green Bond Assets. The Green Bond Register will form the basis for the impact reporting.

For Green Covered Bond

Nordea will establish a register in relation to Green Covered Bonds issued by the Nordea MCIs for the purpose of recording the Green Asset Portfolios and the intended allocation of the net proceeds from Green Covered Bonds to Green Assets (“Green Covered Bond Register”)⁵. However, Nordea will not create any separate cover pool with Green Assets only.

The net proceeds of the Green Covered Bonds issued by the Nordea MCIs will be deposited in the general funding accounts, but can be identified in the Green Covered Bond Register. It is the intention of the issuer to allocate, directly or indirectly, an amount equal to the net proceeds in accordance with the principles set out in this Green Bond Framework. Any portion of the net proceeds of Green Covered Bonds not allocated to Green Covered Bond Assets in the Green Bond Register will be held in accordance with Nordea’s normal liquidity management policy.

The composition and amount of Green Assets will be reviewed quarterly by the Nordea MCIs.

The Green Covered Bond Register will contain relevant information to identify each Green Covered Bond and the Green Covered Bond Assets relating to it, including the country, category, volume and nature of the Green Assets. The Green Covered Bond Register will form the basis for the impact reporting.

Opinion: ISS ESG finds that the Management of Proceeds according to Nordea’s Green Bond Framework is aligned with the GBP. This particularly involves the application of the Green Bond Register.

4. Reporting

FROM ISSUER’S FRAMEWORK

Nordea will annually publish on its website a Green Bond Report that provides:

- the amount of net proceeds allocated within each Green Bond Asset Category and, when possible and relevant, further information related to the type, number and location of the Green Bond Assets included in each Green Bond Asset 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 that have been financed or refinanced by the net proceeds of Green Bonds.

In each annual Green Bond Report, Nordea will also include information on the environmental impacts of the Green Bond Assets or Green Bond Portfolio for each Green Bond Asset Category. Nordea aims to include in the reporting the indicators outlined in the table below, subject to the availability of information and baseline data. The impact reporting will include a description of the applied methodology. Nordea will publish an annual Green Bond report if it has Green Bonds outstanding. Starting 2022 (reporting year 2021), Nordea aims at aligning the timing of Green Bond

⁵ The Green Covered Bond Register is separate from any other register kept by the Nordea MCIs for regulatory, governance, monitoring and other purposes in relation to the covered bonds and specifically the cover pools.

Reporting with other investor-directed publications of the bank such as the Annual Reports and Sustainability Reports.

Nordea will provide information on its Green Covered Bonds and the Green Covered Bond Assets in the yearly Green Bond Report. Allocation and impact reporting will be presented on individual issuer level.

GBP category	Nordea subcategory	Impact measurement indicators	
Renewable Energy	Wind, hydro and solar	Installed renewable energy production capacity (MW)	Estimation of avoided CO2e emissions compared to baseline
Energy Efficiency	Energy transmission, energy storage, district heating	Amount of energy saved (MW)	Estimation of avoided CO2e emissions
Green Buildings	Green buildings	Amount of energy saved (MW)	Estimation of avoided CO2e emissions
Pollution Prevention and Control	Water and waste water management, waste management	Water withdrawals or treatment capacity (m3/day or t/day)	
	Waste to energy	Production capacity (MW)	Estimation of avoided CO2e emissions
Clean Transportation	Public transportation / freight transportation	Estimation of avoided CO2e emissions	
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 (MW)	Estimation of avoided CO2e emissions
	Acquisition and ownership of buildings		
Energy Efficiency	Energy-efficient households	Amount of energy saved (MW)	Estimation of avoided CO2e emissions

Opinion: ISS ESG finds that the reporting is fully aligned to the requirements of the GBP. This includes publishing on a regular basis and disclosure of the type of content that will be reported.

External review

FROM ISSUER'S FRAMEWORK

Nordea has engaged ISS ESG to act as an external verifier of this Green Bond Framework and the Green Bond Assets. As described in section 3 of this framework, the Green Assets of Nordea Bank Abp are reviewed on asset level before inclusion in the Green Bond Asset Portfolio. The Green Assets included in the Green Covered Bond Register, and the Green Covered Bond process, follow a

SECOND PARTY OPINION

Sustainability Quality of the
Green Bond Asset Pool



separate track in terms of verification. The Second Party Opinion is publicly available on Nordea's website.

Assets that have been verified by the external verifier to be consistent with the GBP, this Green Bond Framework and the verifier's own criteria, as evidenced by a "Second Party Opinion" published on Nordea's website, will be included in the Green Bond Asset Portfolio.

PART III: SUSTAINABILITY QUALITY OF THE ASSET POOL

A. CONTRIBUTION OF THE GREEN (COVERED) BOND TO THE UN SDGs










Based on the assessment of the sustainability quality of the Green Bond and Green Covered Bond asset pools and using a proprietary methodology, ISS ESG assessed the contribution of the Nordea's Green Bonds and Nordea Kredit's Green Covered Bonds to the Sustainable Development Goals defined by the United Nations (UN SDGs).





The SDG assessment applies to all asset categories in both asset pools, the green bond asset pool and the green covered bond asset pool.

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS CATEGORY	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS	
Renewable energy: <i>Wind power</i>	Significant contribution		
Renewable energy: <i>Solar power</i>	Significant contribution		
Renewable energy: <i>Small-scale Hydro power (<10MW)</i>	Significant contribution		
Energy efficiency: <i>Infrastructure, equipment, technology and processes related to energy transmission, energy storage, district heating and heat pumps</i>	Significant contribution		
Green buildings: <i>Commercial buildings certified with BREEAM, LEED, HQE or equivalent</i>	Significant contribution		

Green buildings: <i>Residential buildings certified with EPC label</i>	Limited Contribution ⁶	
Pollution prevention and control: <i>Water supply</i>	Significant contribution	
	Limited contribution	
Pollution prevention and control: <i>Wastewater</i>	Significant contribution ⁷	
	Limited contribution	
Pollution prevention and control: <i>Waste-to-energy (from biogenic waste)</i>	Limited contribution	 
Clean transportation: <i>Electric cars</i>	Limited contribution	 
Clean transportation: <i>Electric trains (public)</i>	Limited contribution	 
Clean transportation: <i>Electric ferries (public)</i>	Limited contribution	 
Sustainable Management of Living Natural Resources: <i>Products from relevant certified sustainable forestry</i>	Limited contribution	

⁶ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs.

⁷ Wastewater management for disadvantaged/underserved residential customers. AS per ISS ESG proprietary methodology, Wastewater service for residential customers has limited contribution to SDG 13 and wastewater service for corporate customers has no impact on SDG 13.

<p>Sustainable Management of Living Natural Resources: <i>Organic farming (EU/National certified)</i></p>	<p>Significant contribution</p>	 
<p>Sustainable Management of Living Natural Resources: <i>Aquaculture (relevant certification)</i></p>	<p>No net impact</p>	

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ASSET POOL

Methodology of assessment of the sustainability of the assets

ISS ESG evaluates whether the underlying assets included or to be included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs defined by ISS ESG. This evaluation is based on legislation frameworks applicable, policies and lending guidelines applied at Nordea and on asset specific information provided by the issuer (e.g. Technical Due Diligence reports, Environmental Impact Assessment report, Buildings labels and certificates reports, location).

In subsequent years, Nordea undertakes a commitment for ISS ESG to re-assess the sustainability quality of the assets to which proceeds of the issuances have been, or future issuances will be allocated.

As part of this assessment, ISS ESG includes the SDGs with which each KPI is associated. ISS ESG notes that this list of associations is based on a previously existing ISS ESG methodology.

The environmental and social risks assessment is divided by asset pool, one sub-section for the green bond asset pool and one sub-section for the green covered bonds asset pool.

B. 1 Evaluation of the Green Bond assets

Wind energy

As a Use of Proceeds category, wind energy has a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Site selection	

- ✓ 100% of the projects are not located in key biodiversity areas (Ramsar sites, UNESCO World Heritage, IUCN protected areas I-IV).



- ✓ 100% of underlying assets comply with local regulations which provide for minimum standards regarding the assessment of possible environmental impacts of wind power plants (i.e. environmental impact assessment compulsory for large scale plants, basic environmental screenings).



Community dialogue

- ✓ 100% of the assets feature community dialogue as an integral part of the planning process (e.g. sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).



Environmental aspects of construction and operation

- ✓ 100% of underlying assets comply with local regulations and have measures in place that ensure high environmental standards during the construction phase (e.g. noise mitigation, minimization of environmental impact during construction work).



- ✓ 100% of underlying assets comply with local regulations and have measures to protect habitat and wildlife during operation of the power plant (e.g. avifauna monitoring, regulations on noise and shadows).



Working conditions during construction and maintenance work and dam safety

- ✓ 100% of the assets provide for high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Solar

As a Use of Proceeds category, solar panels have a significant contribution to SDG 7 “Affordable and Clean Energy” and SDG 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

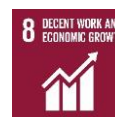
Site selection

- ✓ The projects is not located in key biodiversity areas (Ramsar sites, UNESCO World Heritage, IUCN protected areas I-IV).



Supply chain standards

- No information is available on high labour and health and safety standards in the supply chain of the deployed solar modules (e.g. ILO core conventions).



Environmental aspects of construction and operation

- No information is available on whether solar modules conversion efficiency is of at least 15%.



- ✓ 100% of the assets provide for high environmental standards regarding takeback and recycling of solar modules at end-of-life stage (e.g. in line with WEEE requirements).

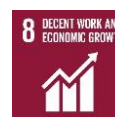


- ✓ 100% of the assets provide for high standards regarding the reduction or elimination of toxic substances within solar panels (e.g. in line with RoHS requirements or other relevant standards).



Working conditions during construction and maintenance work

- ✓ 100% of the assets provide for high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Hydro energy

As a Use of Proceeds category, hydro energy has a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI

ASSOCIATION WITH THE SDGS

Site selection

- ✓ 83% of the projects in the asset pool are not located in key biodiversity areas (Ramsar sites, IUCN protected areas I-IV). For the remaining assets, no information is available.



- ✓ 73% of the assets underwent environmental impact assessments at the planning stage. Six assets have no environmental impact assessments available given its all old hydro power station or for the remaining 2 assets no information is available.



Community dialogue

- ✓ 100% of underlying assets comply with local regulations which provide for good standards regarding the consideration of local residents' interests during the planning phase (e.g. public dialogue schemes).



Environmental aspects of construction and operation

- ✓ 83% of underlying assets comply with local regulations that generally require the mitigation of negative environmental impacts during the construction phase. Six assets have no environmental impact assessments available given its all old hydropower station or for the remaining 2 assets no information is available.



- Specific measures and/or standards during the construction phase were not disclosed (e.g. renaturation after construction work).



- ✓ 83% of underlying assets comply with local regulations that generally require the mitigation of negative environmental impacts during operation phase. Six assets have no environmental impact assessments available given its all old hydro power station or for the remaining 2 assets no information is available.



- Specific measures and/or standards to protect habitat and wildlife were not disclosed (e.g. provision of fish passes, fish-friendly turbines, provision for sediment transport, management of erosion risks).



Working conditions during construction and maintenance work and dam safety

- ✓ 100% of the assets provide for high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions).



Controversy assessment





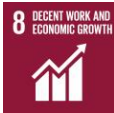


A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer. Except for one asset for which during the winter of 1964, seven people lost their lives in a snow avalanche in Hornindalsfjella while they were involved

in construction work for the company. Four others lost their lives in other accidents during the hydro plant development in the years 1958-1964.

Green buildings

As a Use of Proceeds category, green buildings have a significant contribution to SDG 11 “Sustainable Cities and Communities”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Pre-requisite	
<ul style="list-style-type: none"> ✓ All projects underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency 	 
Site selection	
<ul style="list-style-type: none"> ✓ 97% of relevant underlying assets are located in metropolitan areas. For the remaining assets, no information is available. 	
<ul style="list-style-type: none"> ✓ 97% of relevant underlying assets are located within 1 km from one or more modalities of public transport. For the remaining assets, no information is available. 	
Construction standards	
<ul style="list-style-type: none"> ✓ 100% of the assets are located where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions). 	
<ul style="list-style-type: none"> ✓ Over 50% of relevant underlying assets provide for sustainable procurement regarding building materials (e.g. recycled materials). 	
Water use minimization in buildings	
<ul style="list-style-type: none"> ✓ Over 50% of assets provide for measures to reduce water consumption (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting). 	
Safety of buildings users	

- ✓ 100% of assets provide for measures to ensure operational safety (e.g. emergency exits, fire sprinklers, fire alarm systems).



Sustainability labels / Certificates

- ✓ 87% of underlying assets are certified to a strict Green Building standard. Less than 50% of the asset pool, obtained a (or an equivalent of a) BREEAM “Very Good”, while the majority of the portfolio obtained a slightly less detailed certification such as the Swedish Miljöbyggnad “Silver” label or a Nordic Swan Ecolabel. For the remaining assets, no information is available.



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Wastewater treatment

As a Use of Proceeds category, wastewater treatment has a significant contribution to SDG 6 “Clean Water and Sanitation” and a limited contribution to SDG 3 “Good Health and Wellbeing”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
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Site selection

- ✓ 100% of underlying assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural World Heritage, IUCN protected areas I-IV).
- ✓ 100% of underlying assets underwent environmental impact assessments at the planning stage.



Community dialogue

- ✓ 100% of underlying assets comply with local regulations which provide for good standards regarding the consideration of local residents’ interests during the planning phase (e.g. information meetings).



Environmental aspects of construction and operation

- ✓ 100% of underlying assets feature measures to prevent leakage of sewerage systems (e.g. monitoring).
- ✓ 100% of underlying assets use sewage sludge for energy generation and apply strict environmental standards for agricultural use of and landfill of sewage sludge. For one asset, no information is available on a strategy to reduce environmental impacts of sewage sludge disposal (e.g. regarding the reduction of agricultural use and landfill disposal).
- ✓ 100% of the assets provide for high standards regarding the quality of treated water.



Working conditions during construction and operation

- ✓ 100% of assets provide for high labour and health and safety standards for construction and operation work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Waste-to-energy (biomass)

As a Use of Proceeds category, waste-to-energy (biomass) has a limited contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS-ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS- ESG KPI

ASSOCIATION WITH THE SDGS

Consideration or environmental aspects during planning and construction

- ✓ 100% of the assets underwent environmental impact assessments at the planning stage.
- ✓ 100% of the assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural World Heritage, IUCN protected areas I-IV).



- ✓ 100% of underlying assets are required to have minimum environmental mitigation measures during the construction phase, according to legislation.



- No specific information is available on projects that meet high environmental standards and requirements during the construction phase (e.g. noise mitigation, minimisation of environmental impact during construction work).



Environmental aspects of waste-to-energy plants

- ✓ More than 45% of underlying assets provide for high standards concerning environmentally safe operation of plants (e.g. strict control of air emissions, measures to prevent the release of residues).



- ✓ 55% of the assets apply cogeneration technology.



Safety aspects of waste-to-energy plants

- ✓ 100% of the assets provide for high safety standards (e.g. regarding fire, explosions).



Community dialogue

- ✓ 100% of the assets feature community dialogue as an integral part of the planning process and construction phase (e.g. sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).



Working conditions during construction and operation

- ✓ 100% of assets provide for high labour and health and safety standards for construction and operation work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Electric cars

As a Use of Proceeds category, electric cars have a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS- ESG KPI	ASSOCIATION WITH THE SDGS
Production standards	
<ul style="list-style-type: none"> ✓ 100% of the assets provide for a comprehensive environmental management system at the car manufacturing sites. No information is available for the remaining assets. ✓ 82% of underlying assets provide for high labour and health and safety standards at the car manufacturing sites. (e.g. ILO core conventions). 	 
Environmental aspects of cars	
<ul style="list-style-type: none"> ✓ For 53% of underlying assets a comprehensive life-cycle-assessments have been conducted. No information is available for the remaining assets. ✓ 100% of the assets have optimized energy efficiency during operation. 	  
Social aspects of cars	
<ul style="list-style-type: none"> ✓ 99% of the assets ensure product safety (minimum 3 Stars rating on NCAP crash test). 	
Controversy assessment	
Due to the nature of the assets, a controversy assessment is not deemed necessary	

Electric trains

As a Use of Proceeds category, electric trains have a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Production standards	

- ✓ 100% of underlying assets provide for a comprehensive environmental management system at the manufacturing sites of trains.
- ✓ 100% of underlying assets provide for high labour and health and safety standards at the manufacturing sites of trains (e.g. ILO core conventions).



Environmental aspects of trains

- No information is available on whether assets have conducted comprehensive life-cycle assessments.
- ✓ For 100% of underlying assets energy efficiency during operation is optimised (e.g. through energy recovery systems for trains).



Social aspects of trains

- ✓ 100% of underlying assets ensure health and safety for both passengers and operators (e.g. vigilance control, minimisation of noise exposure, accessibility).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Electric ferries

As a Use of Proceeds category, electric ferries have a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS-ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS- ESG KPI

ASSOCIATION WITH THE SDGS

Production standards

- ✓ 100% of underlying assets provide for a comprehensive environmental management system at the manufacturing sites of ferries.
- ✓ 100% of underlying assets provide measures which ensure high labour and health and safety standards at the manufacturing sites of ferries (e.g. ISO certifications).



Environmental aspects of ferries

- No information is available on whether assets have conducted comprehensive life-cycle assessments.
- ✓ For 100% of underlying assets energy efficiency during operation is optimised (electric ferries).



Social aspects of ferries

- No information is available on measures to ensure health and safety for both passengers and operators (e.g. accessibility, minimisation of noise exposure).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

B.2 Evaluation of the Green Covered Bond assets

Wind energy

As a Use of Proceeds category, wind energy has a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Site selection	
<ul style="list-style-type: none"> ✓ 100% of the projects are not located in key biodiversity areas (Ramsar sites, UNESCO World Heritage, IUCN protected areas I-IV). 	
<ul style="list-style-type: none"> ✓ 100% of underlying assets comply with local regulations which provide for minimum standards regarding the assessment of possible environmental impacts of wind power plants (i.e. environmental impact assessment compulsory for large scale plants, basic environmental screenings). 	
Community dialogue	

- ✓ 100% of the assets feature community dialogue as an integral part of the planning process (e.g. sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).



Environmental aspects of construction and operation

- ✓ 100% of underlying assets comply with local regulations and have measures in place that ensure high environmental standards during the construction phase (e.g. noise mitigation, minimization of environmental impact during construction work).
- ✓ 100% of underlying assets comply with local regulations and have measures to protect habitat and wildlife during operation of the power plant (e.g. avifauna monitoring, regulations on noise and shadows).



Working conditions during construction and maintenance work and dam safety

- ✓ 100% of the assets provide for high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Green buildings

As a Use of Proceeds category, green buildings have a significant contribution to SDG 11 “Sustainable Cities and Communities”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Pre-requisite	
<ul style="list-style-type: none"> ✓ All projects underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency 	 
Site selection	
<ul style="list-style-type: none"> ✓ 100% of relevant underlying assets are located in metropolitan areas. 	
<ul style="list-style-type: none"> ✓ 100% of relevant underlying assets are located within 1 km from one or more modalities of public transport. 	
Construction standards	
<ul style="list-style-type: none"> ✓ 100% of the assets are located where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions). 	
<ul style="list-style-type: none"> ○ No information is available on measures for sustainable procurement regarding building materials (e.g. recycled materials). 100% of the assets are located in Denmark, where a national strategy for sustainable construction is under discussion⁸. 	
Water use minimization in buildings	
<ul style="list-style-type: none"> ○ No information is available on measures to reduce water consumption (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting). 	
Safety of buildings users	
<ul style="list-style-type: none"> ✓ 100% of assets provide for measures to ensure operational safety (e.g. emergency exits, fire sprinklers, fire alarm systems). 	 

⁸ [National Strategy for Sustainable Konstruktion.pdf \(im.dk\)](#)

Sustainability labels / Certificates

- The assets are not certified with strict Green Buildings Standards (i.e BREEAM) but 100% of the assets received an EPC label from A to BB.



Controversy assessment

A controversy assessment on the included projects reveals that on September 26, 21, Akelius announced the sale of its entire portfolio in Germany, Sweden and Denmark to the real estate group Heimstaden. Tenants from Heimstaden in Berlin and from Akelius in Berlin and Hamburg criticize the mega-deal because it creates another large corporation on the Berlin real estate market.

Wastewater treatment

As a Use of Proceeds category, wastewater treatment has a significant contribution to SDG 6 “Clean Water and Sanitation” and a limited contribution to SDG 3 “Good Health and Wellbeing”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
Site selection	
<ul style="list-style-type: none"> ✓ 100% of underlying assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural World Heritage, IUCN protected areas I-IV). 	
<ul style="list-style-type: none"> ○ No information is available on whether the assets underwent an environmental impact assessment at the planning stage. 	
Community dialogue	
<ul style="list-style-type: none"> ✓ 100% of underlying assets comply with local regulations which provide for good standards regarding the consideration of local residents’ interests during the planning phase (e.g. information meetings). 	
Environmental aspects of construction and operation	
<ul style="list-style-type: none"> ○ No information is available on measures to prevent leakage of sewerage systems (e.g. monitoring). 	

- No information is available on a strategy to reduce environmental impacts of sewage sludge disposal (e.g. regarding the reduction of agricultural use and landfill disposal).
- ✓ 100% of the assets provide for high standards regarding the quality of treated water.



Working conditions during construction and operation

- ✓ 100% of assets provide for high labour and health and safety standards for construction and operation work (e.g. ILO core conventions).








Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Waste-to-energy (biomass)

As a Use of Proceeds category, waste-to-energy (biomass) has a limited contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS-ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS- ESG KPI	ASSOCIATION WITH THE SDGS
Consideration or environmental aspects during planning and construction	
<ul style="list-style-type: none"> ✓ 100% of the assets underwent environmental impact assessments at the planning stage. ✓ 100% of the assets are not located in key biodiversity areas (e.g. exclusion of Ramsar sites, UNESCO Natural World Heritage, IUCN protected areas I-IV). ✓ 100% of underlying assets are required to have minimum environmental mitigation measures during the construction phase, according to legislation. ○ No specific information is available on projects that meet high environmental standards and requirements during the construction phase (e.g. noise mitigation, minimisation of environmental impact during construction work). 	    
Environmental aspects of waste-to-energy plants	

- No specific information is available on standards concerning environmentally safe operation of plants (e.g. strict control of air emissions, measures to prevent the release of residues).
- No specific information is available on cogeneration technology.



Safety aspects of waste-to-energy plants

- ✓ 100% of the assets provide for high safety standards (e.g. regarding fire, explosions).



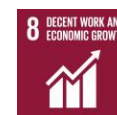
Community dialogue

- ✓ 100% of the assets feature community dialogue as an integral part of the planning process and construction phase (e.g. sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).



Working conditions during construction and operation

- ✓ 100% of assets provide for high labour and health and safety standards for construction and operation work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Energy efficiency

As a Use of Proceeds category, energy efficiency has a significant contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action”.

The table below presents the findings of an ISS-ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS- ESG KPI

ASSOCIATION WITH THE SDGS

Improvement in energy efficiency

- ✓ Over 50% of relevant underlying assets underwent an energy efficiency improvement of 20% or more. For the remaining assets, no specific



information or calculation are available on energy efficiency improvement.

Environmental aspects

- ✓ 90% of relevant underlying assets do not contain substances of concern, have set up recycling measures for the end of life and good and bidding environmental standards within their supply chain.



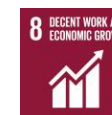
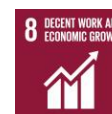
Safety measures

- ✓ 100% of the assets provide for high operational safety standards (e.g. regarding control center, electrical flow and consumption monitoring).



Working conditions during construction and operation

- ✓ 100% of assets provide for high labour and health and safety standards for construction and operation work (e.g. ILO core conventions).
- ✓ 100% of assets ensure good and binding labour and health and safety standards within the supply chain.



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

Sustainable Agriculture

As a Use of Proceeds category, Sustainable Agriculture has a significant contribution to SDGs 2 “Zero hunger” and 15 “Life on land” when producing organic certified products.

The table below presents the findings of an ISS-ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS- ESG KPI

ASSOCIATION WITH THE SDGS

Soil and Biodiversity management in agricultural production

- ✓ 95% of the assets have been certified organic farming from the Danish Agricultural agency and therefore provide for sustainable soil and biodiversity management along the value chain. The certification provides guidance on pesticides and chemical fertiliser use, crop management and soil degradation. However, no information is available on deforestation avoidance.



- ✓ 95% of the assets have been certified 'Organic Farming' by the Danish Agricultural Agency and therefore do not use genetically modified organisms, including feed.



Water conservation in agricultural production

- ✓ 100% of the assets are located in Denmark, a country exposed to moderate water stress. However, no specific information is available on whether the assets underwent a water impact assessment.



- No specific information is available on whether assets are subject to freshwater use reduction targets or provide for appropriate measures.

Climate Impact of agricultural production

- ✓ 95% of the assets are subject to greenhouse gas emissions reduction measures (e.g. crop selection, reduced energy consumption, no use of energy-intense synthetic fertilizers). However, no information is available on deforestation avoidance.



Animal Welfare in livestock and poultry farming

- ✓ 95% of the assets have been certified 'Organic Farming' by the Danish Agricultural Agency and therefore provide for high standards regarding animal welfare, living environment, mutilations, feed, transportation and slaughter. Indeed, the Danish Board of Agriculture has set up some measures for animal welfare (disease prevention, husbandry practices, high-quality feed, exercise, appropriate stocking density and housing in sufficiently good and hygienic conditions).



Impact of Aquaculture and fisheries on aquatic ecosystems

N/A Not applicable – Not assets are included in the pool.



Food safety management system

- ✓ 91% of the assets have been certified organic farming from the Danish Agricultural Agency (State-controlled Organic Eco-Label).



Working conditions

- ✓ 100% of assets provide for high labour and health and safety standards for construction and operation work (e.g. ILO core conventions).



Controversy assessment

A controversy assessment on the included projects did not reveal any controversial activities or practices that could be attributed to the issuer.

DISCLAIMER

1. Validity of the SPO: For Nordea's outstanding Green Bond issuances and as long as the asset portfolio does not change, until the first to occur of (a) the release of ISS ESG's next annual verification of these issuances (expected in 2022) or (b) December 31, 2022.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
5. We would point out that this SPO, in particular the images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are protected under copyright and trademark law. Any use thereof shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

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ANNEX 1: Methodology

ISS ESG Green KPIs

The ISS ESG Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Nordea’s Green Bonds.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Nordea (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Nordea’s Green Bonds contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

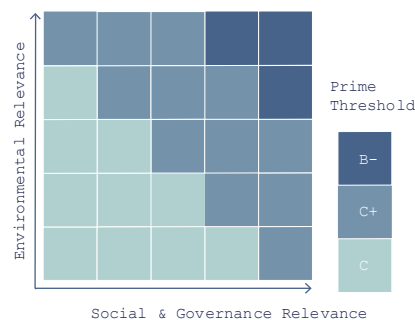
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

Nordea commissioned ISS ESG to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Green Bond aligns with the GBP and to assess the sustainability credentials of its Green Bond, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by Nordea

ISSUER'S RESPONSIBILITY

Nordea's responsibility was to provide information and documentation on:

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bonds to be issued by Nordea based on ISS ESG methodology and in line with the ICMA GBP.

The engagement with Nordea took place in November 2021.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

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