

Green Bond
Investor Report 2024

February 2025

Nykredit
Group



About this report

Nykredit has issued five green covered bonds, one tier 2 green bond and two senior non-preferred bonds. This report provides an overview of the allocation of proceeds from the bonds and the environmental impact achieved through the projects financed.

Nykredit established its first Green Bond Framework in 2019. It has been updated in 2020 and 2023.

The Green Bond Framework has been established in compliance with ICMA's Green Bond Principles. Sustainalytics has provided a second-party opinion on the Framework and considers it to be credible and impactful and aligned with the four core components of ICMA's Principles.

Nykredit has engaged Sustainalytics to review the allocated assets and provide an assessment as to whether they meet the use of proceeds criteria and the reporting commitments set out in the Framework.

The second-party opinion and the annual report are available at nykredit.com/greenbonds.

This report has been prepared solely for informational purposes and does not constitute an offer to sell.

It should be noted that there are persisting methodological challenges of accounting and reporting on environmental impact, including avoided emissions. Uncertainties cannot be entirely eliminated. We strive to rigorously disclose information on methodologies used and assumptions made.

This report are based on data at year-end 2024.



Sustainability at Nykredit

It is a natural part of Nykredit's responsibility as a financial mutual, the largest lender and one of the largest investors in Denmark to contribute to achieving the goals of society, including the UN's 17 Sustainable Development Goals (SDGs), the Paris Agreement and Denmark's green ambitions.

That is why sustainability is embedded in Nykredit's Group strategy, Winning the Double 2.0, with a clear objective: *"Nykredit wants to be the customer-owned, responsible financial provider for people and businesses all over Denmark."*

The objective is translated into three main themes:

- *"A greener and prepared Denmark"*: Nykredit plays a role in fostering a greener Denmark. As the largest lender in Denmark, Nykredit plays a role in building a greener Denmark.
- *"A customer-owned Nykredit"*: Being Denmark's largest lender, Nykredit has a special role to play. We will be active in all of Denmark and support growth – in urban and rural districts alike. This is a pledge that places demands on the Nykredit Group's business model, profitability, capital structure and lending practices.
- *"Responsible business practices"*: Nykredit makes decisions every day that have long-term impacts on our customers and society. It is therefore fundamental to Nykredit that our advice, products and services are responsible, both in a societal context and relative to the individual customer.

Efforts supporting the green transition

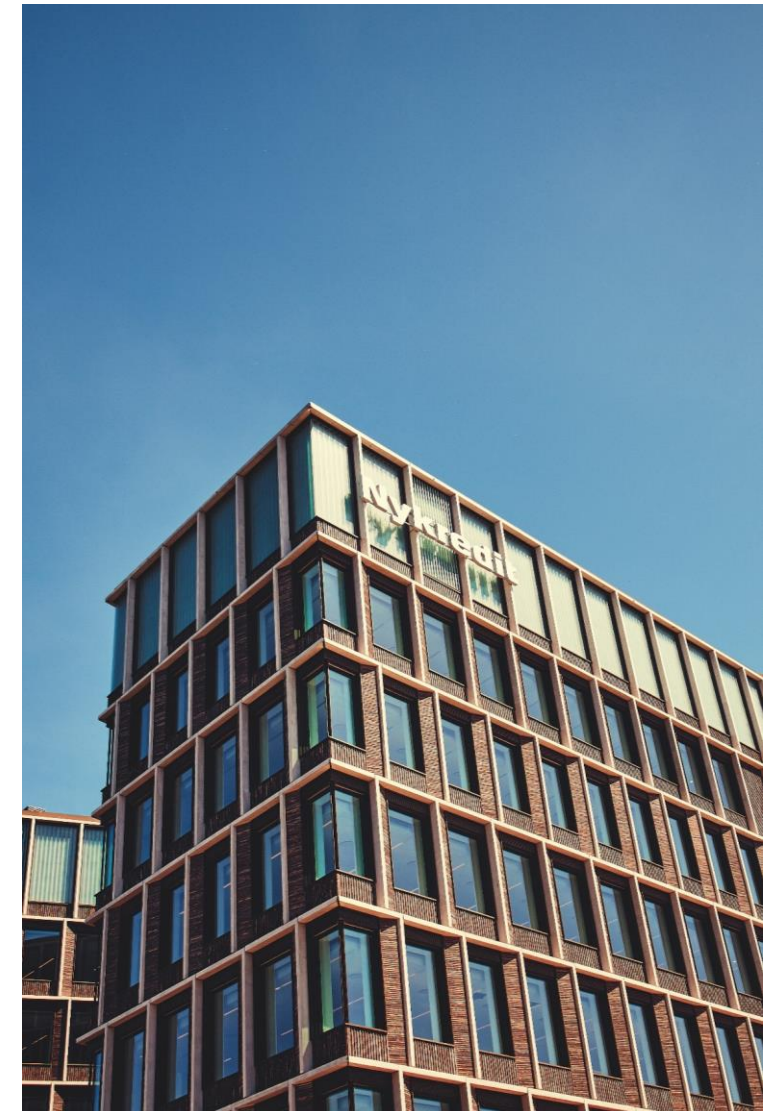
Being a customer-owned financial provider, Nykredit is both committed and uniquely positioned to help solve the challenges faced by society and to make a difference at all times.

In recent years, climate change poses a significant and growing challenge, and as Denmark's largest lender and a major asset manager, Nykredit has a unique opportunity to make a difference. Therefore, climate change mitigation is directly incorporated into Nykredit's core values as part of our pledge to society: "We will do our best to create a greener Denmark".

Nykredit's ambition is to achieve net zero GHG emissions from our lending, investments and own operations by 2050 and to put emissions on a Paris-aligned pathway. This ambition has been formalised by joining three acknowledged, global initiatives:

- **The Science Based Targets initiative (SBTi)** – joined in October 2022; validation in June 2024 (covers the entire Nykredit Group)
- **The Net Zero Banking Alliance (NZBA)** – joined in October 2022 (covers the loan portfolio)
- **The Net Zero Asset Managers initiative (NZAM)** – joined in March 2021 (covers the investment portfolio).

In 2024, Nykredit published an updated Climate Transition Plan which describes how Nykredit will proactively pursue our ambition through concrete targets and actions towards 2030. The Plan has been approved by Nykredit's Board of Directors.



Targets supporting the green transition

Nykredit has defined a common framework that includes the Group's climate targets and links them to the overall ambition of reaching net zero emissions by 2050.

The targets are set in accordance with relevant methodologies provided in SBTi, NZBA and NZAM. In June 2024, SBTi validated the climate targets set within the framework of SBTi. All of Nykredit's SBTi-validated

reduction targets are based on recognised decarbonisation pathways that are compatible with the goals of Paris Agreement of limiting global warming to 1.5°C.

More than 99% of the carbon emissions related to the Nykredit Group originate from the activities we finance and invest in. The key driver of our strategy is therefore to assist our customers in achieving a truly sustainable transition. We want to help our customers and make

green choices easier and more cost-effective, thereby accelerating their transition towards a low-emission society.

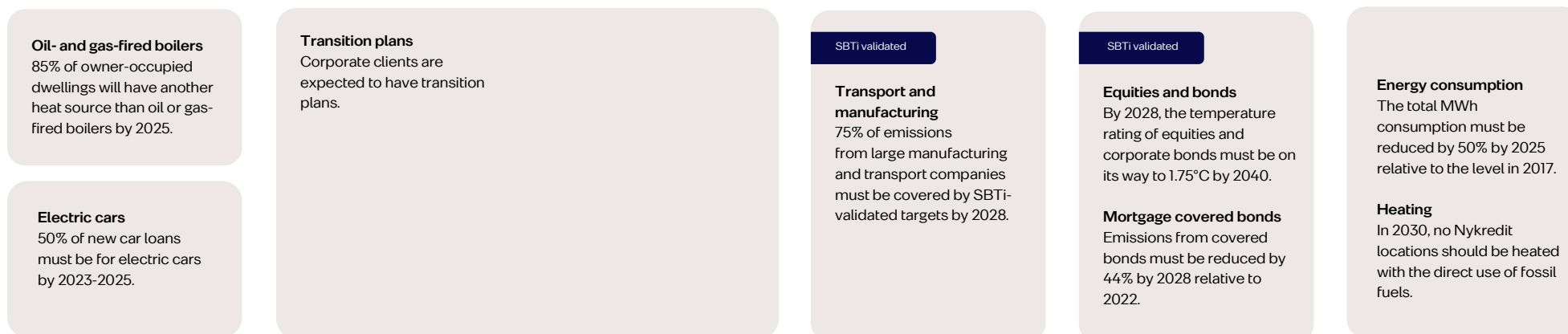
On the other hand, we also expect the businesses we provide funding to and invest in to promote more sustainable practices for the purpose of reducing emissions and future-proofing their own business model.

Net zero by 2050

2030 reduction targets

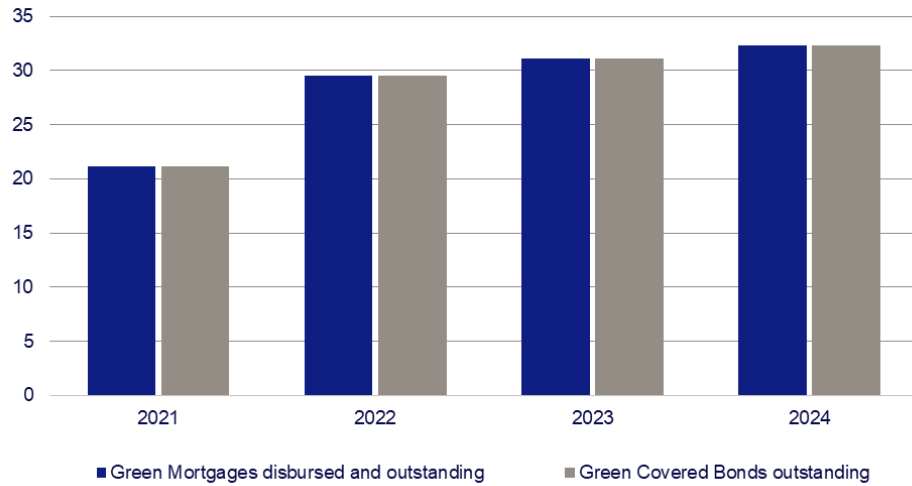


Other key targets

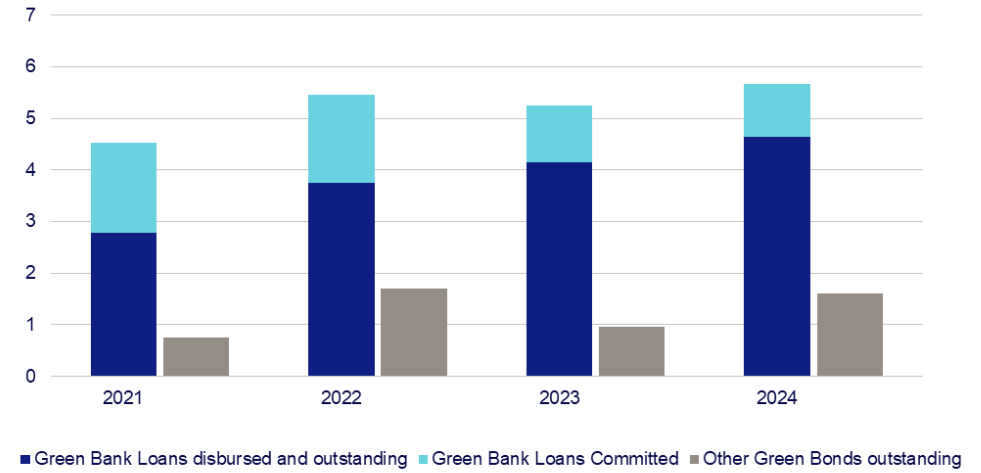


Executive summary

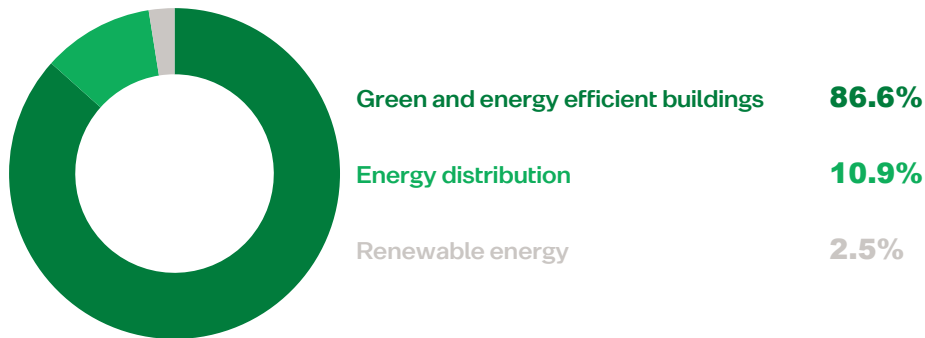
Green Covered Bonds Issuance and Green Mortgage Portfolio
DKK billions



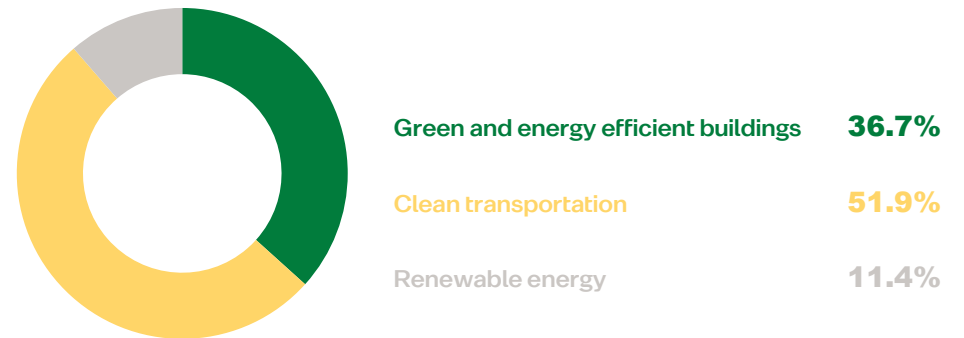
Other Green Bonds Issuance and Green Bank Loan Portfolio
DKK billions







Green Mortgage distribution
Based on disbursed amounts



Green Bank Loans distribution
Based on disbursed amounts



CO₂e impact and key indicators of green loans

Categories	Outstanding disbursed amounts (DKK millions)	Annual emissions avoided (tCO ₂ e)	Impact (tCO ₂ e/DKK million)
 Green and energy efficient buildings	29,704	2,786*	0.1
 Renewable energy	1,329	92,659	69.7
 Clean transportation	2,359	21,191	9.0
 Energy distribution	3,520	n/a	n/a
Total	36,912	116,636	
Disbursed amount with CO₂e impact	33,392		
Impact, tCO₂e per DKK million			3.5

*5,285 tCO₂e if benchmarked against a national average reference building

Attribution to Nykredit Green Bond Investors

Total outstanding green bonds divided by total outstanding and disbursed loan amounts

92%

Methodology

Key reporting principles

The reporting on Nykredit's environmental impact is based on ICMA's Harmonised Framework for Impact Reporting (June 2024) and the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (March 2024).




The full-year impact is accounted for regardless of when an asset was included in the Green Asset Register. The reporting period is based on one financial year. The reported distribution and impact are based on the status of the Green Asset Register as at 31 December, 2023. Impact is calculated on a project-by-project basis but reported at aggregated portfolio level.

Impact methodology

Calculation methods, assumptions and relevant baselines are specified below. It should be noted that calculation of environmental impact is subject to uncertainties which cannot be entirely eliminated.

Only impact resulting from Nykredit's share of the financing is reported on. Nykredit reports on the basis of the share of the project's total investment cost that has been financed with proceeds from the green bond. To the extent possible, Nykredit source actual figures reported by our clients (e.g. production figures).

The reported impact is based on amounts disbursed and outstanding for a project.

	Calculation of emissions avoided	Parameters and assumptions
	Green and energy-efficient buildings (Expected energy demand for reference building (kWh) – Expected annual energy demand for financed building (kWh)) * Emission factor of heating source (gCO ₂ e/kWh)	Emission factor per heating source (baseline): <ul style="list-style-type: none"> Electricity: 191 gCO₂e/kWh (Source: Nordic Public Sector Issuers) District heating: 61 (Denmark) and 84 (Sweden) gCO₂e/kWh (Source: The Danish Energy Agency) Natural gas: 156gCO₂e/kWh (Source: The Danish Energy Agency) Expected energy demand for reference building: <ul style="list-style-type: none"> Buildings built before 31 December 2020: <ul style="list-style-type: none"> Denmark: Minimum requirement set by the building code BR08 (EPC B label). Sweden: Top 15 % of the national building stock based on guidance from the Swedish Building Owners (Fastighetsägarna). New buildings and buildings built after 31 December 2020: <ul style="list-style-type: none"> Denmark: National building standard (EPC A2015 label) Sweden: National building standard (EPC C label)
	Renewable energy (Baseline emission factor (gCO ₂ e/kWh) – asset specific emission factor (gCO ₂ e/kWh)) * annual production of energy (kWh)	Baseline emission factor (electricity): 191 gCO ₂ e/kWh (Nordic Public Sector Issuers) Asset specific emission factor (solar and wind): 0 gCO ₂ e/kWh
	Clean transportation (Alternative fuel-based emission factor (gCO ₂ e/km) – vehicle specific emission factor (gCO ₂ e/km)) * annual kilometres	Alternative fuel-based transportation emission factor: 137 gCO ₂ e/km (Source: Danish Center for Environment and Energy (DCE)) Vehicle-specific emission factor: Based on WLTP data. In the absence of vehicle specific data, estimates from DCE for each vehicle type are used. Average driving distance for Danish cars (Source: DCE): <ul style="list-style-type: none"> Electric vehicles: 17,914 km/year Plugin hybrid: 23,706 km/year Low-emission vehicles with emissions up to 50 gCO ₂ /km (plug-in hybrids) are only accounted for until March 2023 when the Green Bond Framework was updated to include only zero-emissions vehicles as eligible.

Green and energy-efficient buildings



Buildings account for approx. 40% of energy consumed and 36% of energy-related greenhouse gas emissions in the EU (European Commission). As one of the Denmark's largest providers of loans to owner occupied dwellings and real estate, Nykredit aims to support the green transition through energy renovations and financing of existing and construction of new energy-efficient buildings.

Calculated avoided emissions from financing to this asset category accounts to 2,786 tCO₂e. This figure would increase to approx. 5,285 tCO₂e if financed building are benchmarked against a national average reference building.

Key data

Total amount disbursed 29,704 DKK million	No. of green building projects 219 projects
Energy savings 40,811 MWh	Annual GHG emissions avoided 2,786 tCO ₂ e
Impact 0.1 tCO ₂ e per DKK million	

Primary UN SDG contribution



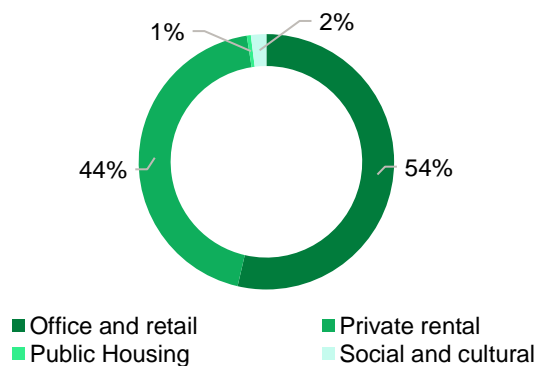
Industry, innovation and infrastructure

Primary EU Taxonomy Environmental Objective



Climate change mitigation

Outstanding amount disbursed



Renewable energy



Replacing fossil fuels with renewable energy sources like wind and solar plays a crucial role in the Danish and European decarbonisation efforts. Investments in renewable energy are necessary to increase production and reduce greenhouse gas emissions.

Nykredit Nykredit's efforts are focused on supporting the shift towards greener electricity and heat production by providing funding for renewable energy as well as the necessary infrastructure.

Key data

Total amount disbursed 1,329 DKK million	No. of renewable energy projects 6 projects
Estimated installed capacity 290 MW	Estimated annual energy production 485 GWh
Annual GHG emissions avoided 92,659 tCO ₂ e	Impact 69,7 tCO ₂ e per DKK million

Primary UN SDG contribution



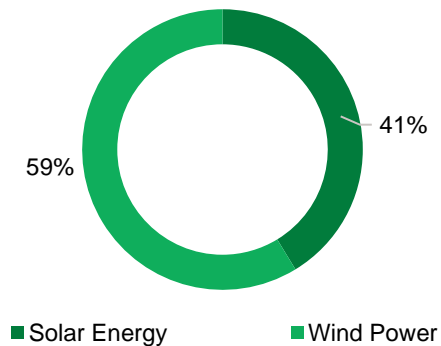
Affordable and clean energy

Primary EU Taxonomy Environmental Objective



Climate change mitigation

Outstanding amount disbursed



Clean transportation



The ongoing replacement of fossil fuel vehicles with zero-emission vehicles is an essential part of the journey towards achieving decarbonisation in the transportation sector, which accounts for almost 25% of the EU's greenhouse gas emissions. Passenger cars are responsible for around 16% of the EU's greenhouse gas emissions (European Commission).

Nykredit has set a target that 50% of new car loans must be for electric cars by 2023-2025. Nykredit is on track to achieve the target, not least by low prices. Green Bond Framework 2023 only includes zero-emissions vehicles which means that they are the only eligible assets for bond ISINs opened after April 2023.

Key data

Total amount disbursed 2,359 DKK million	No. of low and zero emission cars financed 10,668 Cars
Annual GHG emissions avoided 21,191 tCO ₂ e	Impact 9.0 tCO ₂ e per DKK million

Primary UN SDG contribution



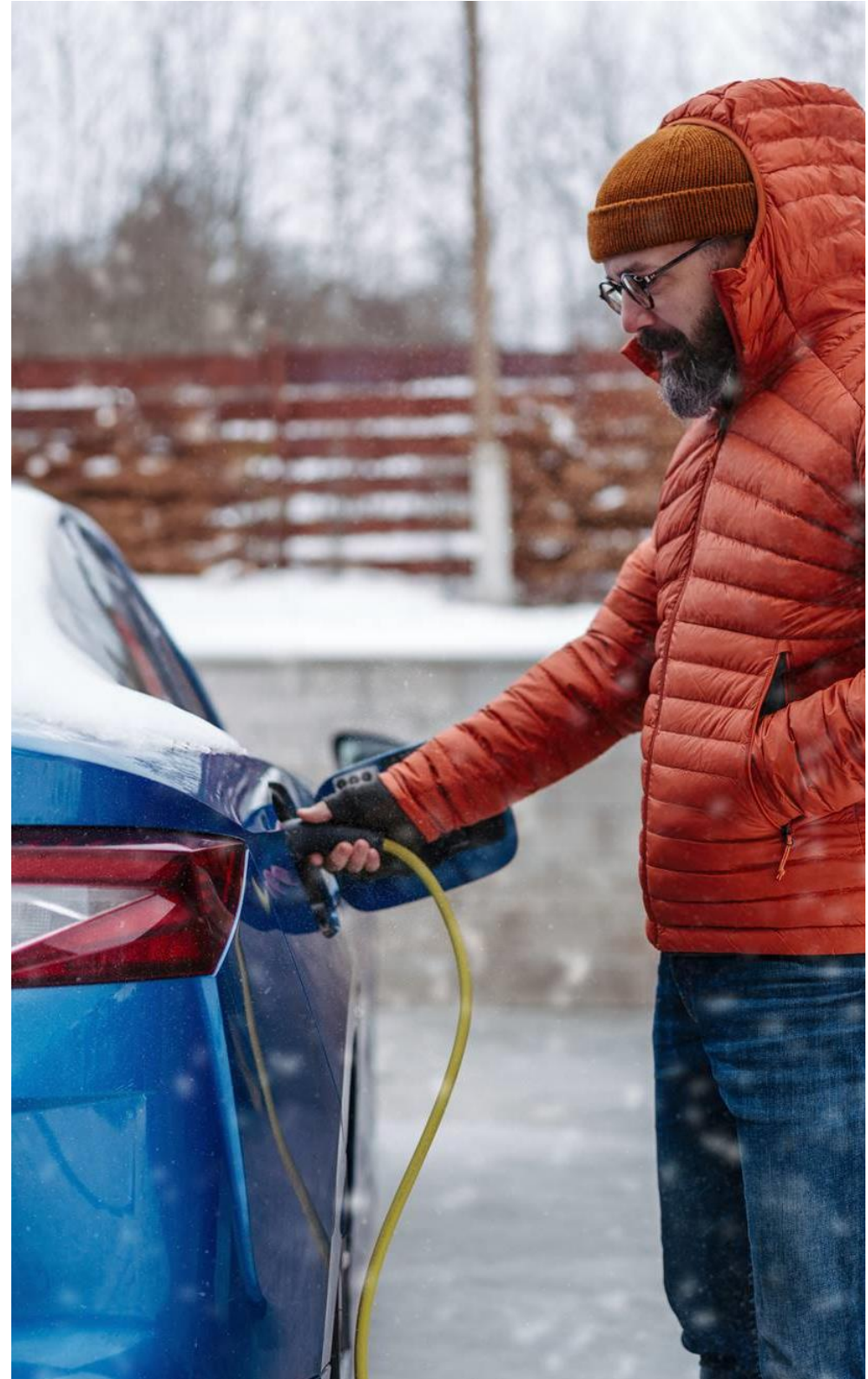
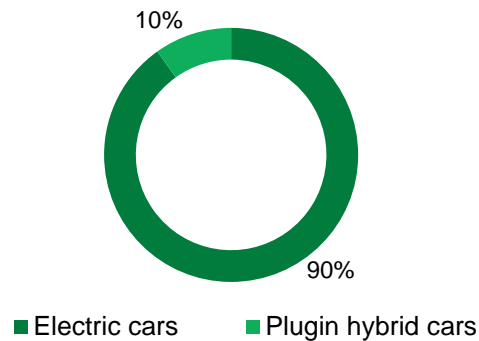
Sustainable cities and communities

Primary EU Taxonomy Environmental Objective



Climate change mitigation

Outstanding amount disbursed



Energy distribution



Denmark aims to be a leading country within renewable energy. This entails well-functioning transmission grids. Construction and operation of efficient transmission and distribution systems that transport electricity are essential to increasing the stability, flexibility and availability of renewable energy. Therefore investments in effective transmissions systems are a catalyst for the green transition.

Nykredit supports the investment demand by providing financing for energy distribution networks that transmit around 2,500 GWh annually (based on Nykredit financing share of project's total investment cost) which accounts about 7 % of Denmark total energy demand.

Key data

Total amount disbursed 3,520 DKK million	No. of energy distribution projects 2 projects
Distance of transmission cables 11,970 Km	Annual energy transmitted 2,570 GWh
No. of power transformers 5,553 Transformers	

Primary UN SDG contribution

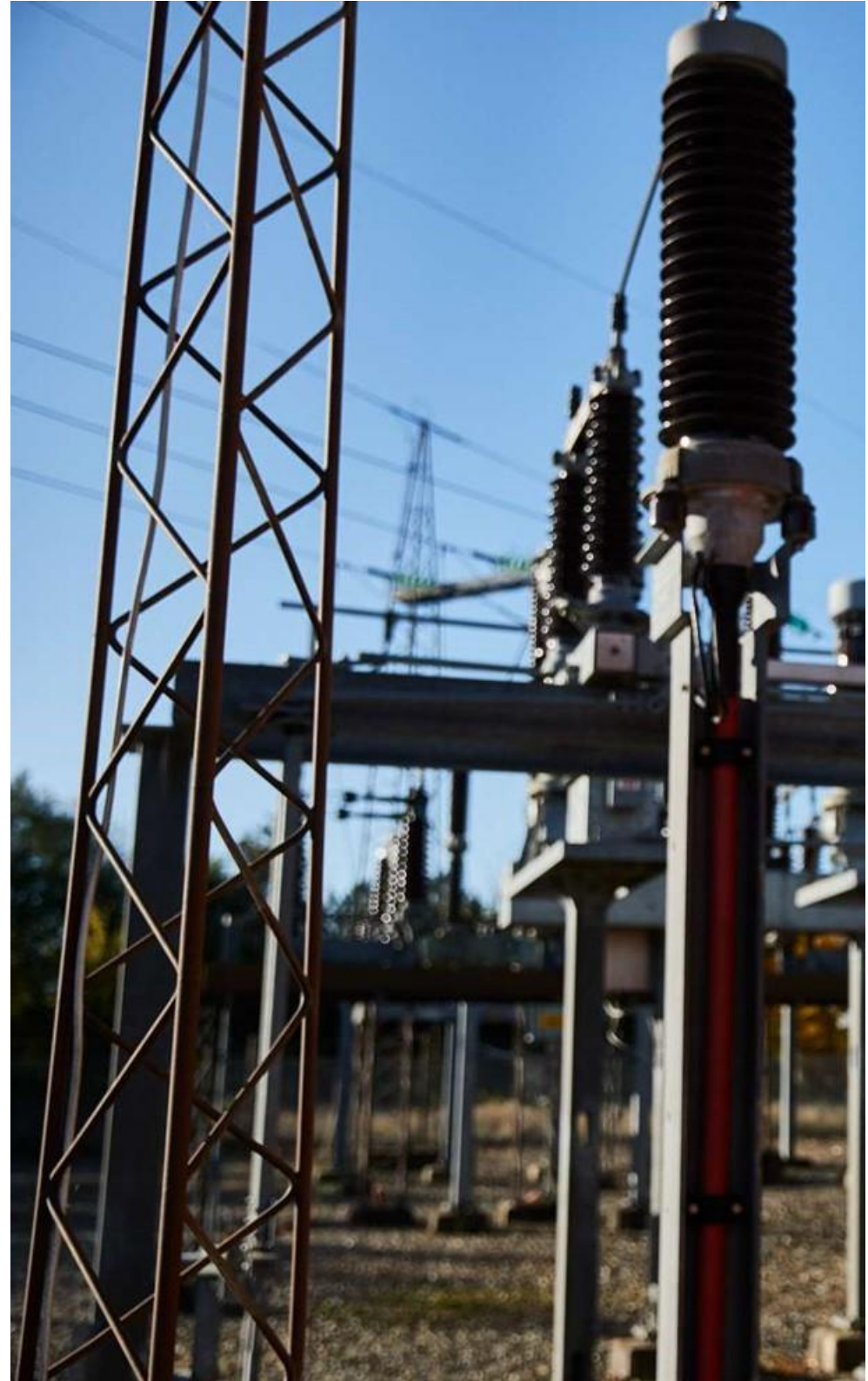


Industry, innovation and infrastructure

Primary EU Taxonomy Environmental Objective



Climate change mitigation



Nykredit Green Bond issuance

<p>ISIN DK0009539975</p> <p>Status SDO</p> <p>Rating AAA (S&P)</p> <p>Issue date 14-09-2022</p> <p>Maturity date 01-04-2026</p> <p>Currency DKK</p> <p>Outstanding volume 4,202m</p> <p>Coupon 3M CIBOR + 30 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2023</p>	<p>ISIN DK0009538738</p> <p>Status SDO</p> <p>Rating AAA (S&P)</p> <p>Issue date 22-08-2022</p> <p>Maturity date 01-10-2026</p> <p>Currency SEK</p> <p>Outstanding volume 11,808m</p> <p>Coupon 3M STIBOR + 75 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2020</p>	<p>ISIN DK0030451539</p> <p>Status Senior non-preferred</p> <p>Rating A+/BBB+ (Fitch/S&P)</p> <p>Issue date 22-04-2024</p> <p>Maturity date 02-06-2028</p> <p>Currency SEK</p> <p>Issue size 400m</p> <p>Coupon 3M STIBOR + 105 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2023</p>
<p>ISIN DK0009546244</p> <p>Status RO</p> <p>Rating AAA (S&P)</p> <p>Issue date 21-03-2024</p> <p>Maturity date 01-10-2027</p> <p>Currency DKK</p> <p>Outstanding volume 10,692m</p> <p>Coupon 3M CIBOR + 7 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2023</p>	<p>ISIN DK0009547135</p> <p>Status SDO</p> <p>Rating AAA (S&P)</p> <p>Issue date 14-06-2024</p> <p>Maturity date 01-10-2028</p> <p>Currency SEK</p> <p>Outstanding volume 6,440m</p> <p>Coupon 3M STIBOR + 52 BPS</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2023</p>	<p>ISIN DK0030398110</p> <p>Status Senior non-preferred</p> <p>Rating A+/BBB+ (Fitch/S&P)</p> <p>Issue date 16-04-2024</p> <p>Maturity date 16-04-2029</p> <p>Currency SEK</p> <p>Issue size 600m</p> <p>Coupon 3M STIBOR + 121 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2023</p>
<p>ISIN DK0009540049</p> <p>Status SDO</p> <p>Rating AAA (S&P)</p> <p>Issue date 14-09-2022</p> <p>Maturity date 01-04-2026</p> <p>Currency DKK</p> <p>Outstanding volume 7,824m</p> <p>Coupon 3M CIBOR + 14 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2020</p>	<p>ISIN DK0030513585</p> <p>Status Tier 2</p> <p>Rating A-/BBB (Fitch/S&P)</p> <p>Issue date 26-10-2022</p> <p>Maturity date 26-10-2032</p> <p>Currency DKK</p> <p>Outstanding volume 950m</p> <p>Coupon 3M CIBOR + 390 bps</p> <p>Listing Nasdaq Copenhagen</p> <p>Framework GBF 2020</p>	<p>Nykredit has issued a total of five <u>green covered bonds</u> (SDO and RO). The covered bonds are used to fund mortgages and other eligible assets in Denmark and Sweden. Nykredit taps the bonds on an ongoing basis in line with the match-funding principle.</p> <p>Nykredit has issued one <u>tier 2 bond</u> and two <u>senior non-preferred bonds</u> based on eligible assets from Nykredit Bank. The issuances took place in the form of private placements.</p>



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