Second-Party Opinion

Nykredit Green Bond Framework 2023

Evaluation Summary

Sustainalytics is of the opinion that the Nykredit Green Bond Framework 2023 is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds – i) Green Buildings, ii) Renewable Energy, iii) Clean Transportation, iv) Energy Distribution and Storage, v) Manufacturing, vi) Sustainable Water, Sewage and Waste Management, vii) Sustainable Management of Living Natural Resources and Land Use; and viii) Climate Change Adaptation – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11, 12, 13 and 15.

PROJECT EVALUATION AND SELECTION Nykredit's Green Bond Committee will be responsible for evaluating and selecting projects that are in line with the Framework's eligibility criteria. Nykredit's internal policies and processes for mitigating environmental and social risks related to loans and projects apply to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process in line with market expectation.

MANAGEMENT OF PROCEEDS Nykredit's Group Treasury is responsible for the management of proceeds and will track the allocation of proceeds using a dedicated registry. Nykredit intends to allocate all proceeds within six months of issuance. Any unallocated proceeds will be held temporarily in accordance with Nykredit's standard liquidity management policy. This is in line with market practice.

REPORTING Nykredit intends to report on allocation of proceeds on its website on an annual basis until maturity or full allocation. Allocation reporting will include the total outstanding amount of green bonds, the total amount of net proceeds allocated, a breakdown by category and geographical distribution, and new loans entering the pool over the previous reporting year. In addition, Nykredit is committed to reporting on relevant impact metrics. Sustainalytics views Nykredit's allocation and impact reporting as aligned with market practice.

Second-Party Opinion
Reviewed by:
MORNINGSTAR | SUSTAINALYTICS

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Issuer Location	Copenhagen, Denmark

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Alignment with the Technical Screening Criteria of the EU Taxonomy Delegated Act

Sustainalytics has assessed the Nykredit Green Bond Framework for alignment with the applicable Technical Screening Criteria (TSC) of the EU Taxonomy. The criteria in the Framework's eight green use of proceeds categories map to 61 activities in the EU Taxonomy. Sustainalytics is of the opinion that 59 activities are aligned with the applicable TSC of the EU Taxonomy, while two are partially aligned. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards. The Framework activities were not assessed for their alignment with the Do No Significant Harm (DNSH) criteria of the EU Taxonomy in this second-party opinion.

[1] This document was updated on 26 June 2025 to reflect minor revisions to two categories, namely: Renewable Energy and Energy Distribution and Storage.

Introduction

Nykredit Group ("Nykredit" or the "Bank") is a financial institution based in Copenhagen, Denmark that provides corporate lending, asset management, mortgages, insurance and other banking services. The Bank focuses primarily on lending to homeowners, small and medium-sized enterprises, the agricultural sector, and the rental housing industry in Denmark, Sweden, Germany, Spain, France and Finland.

Nykredit has developed the Nykredit Green Bond Framework dated April 2023 (the "Framework") under which it intends to issue green bonds, such as covered bonds, senior preferred debt, senior non-preferred debt and subordinated debt. The Bank intends to use the proceeds to finance or refinance, in whole or in part, existing or future projects aimed at promoting the transition to a low-carbon and climate resilient economy in Europe. The Framework defines eligibility criteria in eight areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation
4. Energy Distribution and Storage
5. Manufacturing
6. Sustainable Water, Sewage and Waste Management
7. Sustainable Management of Living Natural Resources and Land Use
8. Climate Change Adaptation

Nykredit engaged Sustainalytics to review the Nykredit Green Bond Framework 2023 and provide a second-party opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).[2] The Framework will be published in a separate document.[3]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[4] opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The use of proceeds criteria alignment with the Technical Screening Criteria of the EU Taxonomy Climate Delegated Act;[5] and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.12, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Nykredit's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Nykredit representatives have confirmed (1) they understand it is the sole responsibility of Nykredit to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

[2] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/.
[3] The Nykredit Green Bond Framework 2030 is available on Nykredit's website at: https://www.nykredit.com/en-gb/investor-relations/bond-issuance/green-bonds/green-bond-framework/.
[4] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.
[5] Commission Delegated Regulation (EU) 2021/2139, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139&from=EN

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Nykredit.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Nykredit is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Nykredit has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Nykredit Green Bond Framework

Sustainalytics is of the opinion that the Nykredit Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Nykredit's Green Bond Framework:

- Use of Proceeds:
  - The eligible categories – i) Green Buildings; ii) Renewable Energy; iii) Clean Transportation; iv) Energy Distribution and Storage; v) Manufacturing; vi) Sustainable Water, Sewage and Waste Management; vii) Sustainable Management of Living Natural Resources and Land Use; and viii) Climate Change Adaptation – are aligned with those recognized by the GBP.
  - Sustainalytics notes that the Framework does not specify a look-back period for refinancing opex or loans allocated for the refinancing of opex. Sustainalytics considers it good practice to define a look-back period of up to three years for refinancing opex.
  - Nykredit may finance or refinance general-purpose loans to entities that derive 90% or more of their revenue from activities that comply with the eligibility criteria set out in the Framework. Sustainalytics recognizes that the GBP favours project-based lending, which generally provides more transparency than non-project-based lending. Nevertheless, Sustainalytics recognizes that the financing of pure play companies through green bonds is commonly accepted as an approach that can generate positive impact.
  - The Framework excludes loans or assets with the main purpose for fossil fuel energy generation, nuclear energy generation, tobacco, gambling, production and distribution of controversial weapons or environmentally negative resource extraction such as extraction of fossil fuels, or with an indirect purpose of extraction, storage, transportation or manufacturing of fossil fuels.
  - Under the Green Buildings category, Nykredit may finance or refinance projects according to the following criteria:
    - Construction of new buildings that have a primary energy demand (PED) at least 10% lower than the threshold for nearly zero-energy buildings (NZEB).[6] Sustainalytics considers this expenditure to be aligned with market practice.
    - Acquisition of buildings built before 31 December 2020 that have an energy performance certificate (EPC) label A or which belong to the top 15% of the national or regional building stock expressed as operational PED. Sustainalytics considers this expenditure to be aligned with market practice.

[6] As per national implementation of Directive 2010/31/EU of the European Parliament and of the Council.

- Acquisition of buildings built after 31 December 2020 that have a PED at least 10% lower than the requirement for NZEB at the time of acquisition. Sustainalytics considers these expenditures to be aligned with market practice.
- Renovation of buildings: i) resulting in an improvement in PED of at least a 30% compared to pre-renovation levels; or ii) that comply with the applicable requirements for major renovations.[7] Sustainalytics notes that the EU Taxonomy[8] requires meeting the relevant cost-optimal minimum energy performance requirements in accordance with the Energy Performance of Buildings Directive, which varies among EU Member States. Nykredit has communicated to Sustainalytics that it will report on the energy savings achieved in comparison with the existing building stock in the relevant region. Sustainalytics considers these expenditures to be aligned with market practice.
- Individual renovation measures and services related to the:
  - Installation, maintenance and repair of energy efficiency equipment, such as: i) addition of insulation to existing envelope components; ii) replacement of existing windows with more energy-efficient windows; iii) replacement of existing external doors with more energy-efficient doors; iv) installation and replacement of more energy-efficient light sources; v) installation, replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems; and vi) installation of low-water and energy using kitchen and sanitary water fittings. Nykredit has confirmed to Sustainalytics that it will exclude the financing of water heating systems powered by fossil fuels. In addition, Nykredit intends to report on energy savings from financing of energy-efficient equipment. Sustainalytics considers these expenditures to be aligned with market practice.
  - Installation, maintenance and repair of renewable energy technologies used in buildings, such as: i) solar photovoltaic systems, solar hot water panels and solar transpired collectors; ii) ancillary technical equipment, such as battery storage to store excess energy generated by renewable energy systems, and control systems to monitor and regulate operation of renewable energy systems; iii) electric and absorption heat pumps; iv) wind turbines; v) thermal or electric energy storage units; vi) high efficiency micro combined heat and power (CHP) plants powered by solar energy; and v) heat exchanger or recovery systems. Nykredit has confirmed to Sustainalytics that heat pumps powered by fossil fuels and micro-CHP plants powered by coal, oil or natural gas will be excluded, and heat exchanger and recovery systems will exclude waste heat from fossil fuel production and operations. Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems and refrigerants used for heat pumps will have a global warming potential (GWP) below 675 to be in line with EU Taxonomy. Sustainalytics encourages Nykredit to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life. Sustainalytics considers these expenditures to be in line with market practice.
  - Technical consultations, energy audits and energy management services related to energy performance of buildings. Sustainalytics considers this expenditure to be aligned with market practice.

– Under the Renewable Energy Category, Nykredit may finance or refinance renewable energy projects in accordance with the following criteria:
  - Onshore and offshore wind energy generation facilities and related infrastructure to connect wind power facilities to the grid. Sustainalytics considers this expenditure to be aligned with market practice.

[7] As required by applicable national and regional building regulations for "major renovations" implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded must meet the cost-optimal minimum energy performance requirements of the respective national law or regulation.
[8] European Commission, "Annex to the Commission Delegated Regulation (EU)", at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

- Solar energy generation facilities such as solar PV systems, concentrated solar power (CSP) and solar thermal facilities for production of electricity, heating and cooling. Nykredit may also finance or refinance infrastructure to connect solar power facilities to the grid. Regarding CSP facilities, Nykredit has confirmed to Sustainalytics that the total portion of fossil fuel backup generation would be less than 15%. Sustainalytics considers this expenditure to be aligned with market practice.
- Hydropower projects which: i) are run-of-river without an artificial reservoir; ii) have a power density greater than 5 W/m^2; or iii) have a life cycle GHG emissions intensity lower than 100 gCO_2e/kWh. Nykredit has confirmed to Sustainalytics that all hydropower projects will undergo an environmental and social impact assessment to ensure that there is no significant impact of the project on the environment. Sustainalytics considers it market practice for hydropower projects that have become or will become operational after 2019 to have a power density greater than 10 W/m^2 or have a life cycle GHG emissions intensity lower than 50 gCO_2e/kWh and notes that Nykredit has defined the life cycle GHG emissions intensity threshold at lower than 100 gCO_2e/kWh or power density greater than 5 W/m^2. However, considering the longevity of hydropower assets, newly constructed facilities effectively lock in energy generation for an extended period, and therefore, Sustainalytics encourages Nykredit to favour projects with a lower life cycle GHG emissions intensity or higher power density and to report on the thresholds where feasible.
- Bioenergy projects that produce electricity, heat or cooling from biomass, biogas or bioliquids. Such projects will use feedstock, such as biowaste, wood chips, wood pellets certified by Forest Stewardship Council,[9] Programme for the Endorsement of Forest Certification[10] or Sustainable Biomass Program.[11] Financing of facilities that utilize bioenergy to generate electricity, heat or cooling that are limited to thresholds outlined by the EU Taxonomy Climate Delegated Act. Nykredit may also finance facilities that produce biogas or digestate through anaerobic digestion of biowaste or sewage sludge. Biowaste may include biodegradable garden and park waste, food and kitchen waste from households, restaurants, caterers and retail premises, and comparable waste from food processing plants. The Framework excludes financing bioenergy generation projects that use a blend of renewable fuels with biogas, or biofuel such as sustainable aviation fuels, and biowaste or sewage sludge produce from fossil fuel operations. Sustainalytics considers these expenditures to be aligned with market practice.
- Geothermal projects for electricity, heat or cooling generation with a life cycle GHG emissions intensity below 100 gCO_2e/kWh. Nykredit may also finance related infrastructure that connects geothermal projects to electricity, heating or cooling distribution systems. Sustainalytics considers these expenditures to be aligned with market practice.
- Facilities that produce heating or cooling by reusing waste heat from its own operation. Nykredit has confirmed to Sustainalytics that financed heating and cooling systems will be electricity powered and has also confirmed the exclusion of projects that source waste heat from fossil fuel operations. Sustainalytics considers this activity to be aligned with market practice.
- Installation and operation of electric heat pumps. Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems and Nykredit has confirmed that refrigerants used for heat pumps will have a global warming potential (GWP) below 675, which is in line with the EU Taxonomy. Sustainalytics encourages Nykredit to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life. Sustainalytics considers this expenditure to be aligned with market practice.

– Under the Clean Transportation category, Nykredit may finance of refinance:

[9] Forest Stewardship Council, "About FSC", at: https://fsc.org/en
[10] The Programme for the Endorsement of Forest Certification, "What we do", at: https://pefc.org/what-we-do
[11] Sustainable Biomass Program, "About us", at: https://sbp-cert.org/about-us/

- Purchase, financing, renting, leasing and operation of zero-emission vehicles, such as buses, trucks, personal mobility devices, cars and vehicles for passenger, freight and marine transport. Nykredit has confirmed that it will exclude financing vehicles used to transport fossil fuels or fossil fuels blended with alternative fuels. Sustainalytics considers this expenditure to be aligned with market practice.
- Retrofit, repurposing or upgrade of transport vehicles to zero emissions vehicles. Nykredit has confirmed that it will exclude financing vehicles used to transport fossil fuels or fossil fuels blended with alternative fuels. Sustainalytics considers this expenditure to be aligned with market practice.
- Transportation infrastructure supporting zero emissions vehicles for road, rail or air transportation. Projects may include financing electrified railways and subways, electric vehicle charging stations and electric charging and hydrogen fuelling systems for aircrafts with zero tailpipe CO_2 emissions. Nykredit has communicated to Sustainalytics that it will exclude financing of infrastructure projects used for the transportation and storage of fossil fuels. Sustainalytics considers these expenditures to be aligned with market practice.

– Under the Energy Distribution and Storage category, Nykredit may finance or refinance:
  - Construction and operation of transmission and distribution infrastructure[12,13] in an electricity system[14] that meets at least one of following criteria: i) the system is the interconnected European system and its subordinated systems; ii) more than 67% of newly enabled generation installed capacity in the system is below the emissions threshold of 100 gCO_2e/kWh, measured on a life cycle basis in accordance with electricity generation criteria over a rolling five-year period; iii) the average system grid emissions factor is below 100 gCO_2e/kWh over a rolling five-year period. Nykredit has confirmed to Sustainalytics the exclusion of new transmission and distribution infrastructure dedicated to connecting new fossil power plants or new nuclear power plants to the grid.
  - Construction and operation of transmission systems that directly connect or expand existing direct connections of renewable energy sources to the grid. Sustainalytics considers this expenditure to be aligned with market practice.
  - Construction and operation of electricity storage facilities and thermal energy storage facilities connected to renewables or to an interconnected European electricity system and its subordinate systems. Sustainalytics encourages Nykredit to finance assets that are connected to electricity systems that are predominantly transmitting or enabling the use of renewable energy. Nykredit has confirmed to Sustainalytics that new pumped hydropower energy storage facilities will undergo an environmental and social impact assessment and that no new projects will be financed if the assessment has identified significant risks or expected negative impacts. Sustainalytics considers these expenditures to be in line with market practice.
  - District heating and cooling distribution network infrastructure, where the system uses at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such energy and heat. Nykredit has confirmed to Sustainalytics that the waste heat will not come solely from the production and operation of fossil fuels. Sustainalytics notes that financing will be limited to distribution network infrastructure and not the generation of cogenerated heat, which may be powered by natural gas and financed infrastructure will not be directly connected to fossil fuel-powered CHP plants.
  - Infrastructure for transport and underground long-term storage of CO_2 which adhere to the TSC of the EU Taxonomy for Activity 5.11 - Transport of CO_2 and Activity 5.12 -

[12] This does not include infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that has GHG intensity higher than 100 gCO_2e/kWh measured on a life cycle basis.
[13] This does not include installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944.
[14] Nykredit communicated to Sustainalytics that T&D networks that may be financed will be located in Denmark, Sweden and Finland. In Denmark, more than 67% of newly enabled generation installed capacity in the system is below the emissions threshold of 100 gCO2e/kWh, measured on a life cycle basis in accordance with electricity generation criteria over a rolling five-year period. In Sweden and Finland, the average system grid emissions factor is below 100 gCO2e/kWh over a rolling five-year period.

Underground permanent geological storage of CO_2.[15] Sustainalytics considers this expenditure to be aligned with market practice.

- Infrastructure dedicated to the transportation and storage of hydrogen. Sustainalytics views this expenditure to be aligned with market practice.
- Energy efficient operation of data centres and related infrastructure according to the most recent version of the European Code of Conduct for Energy Efficiency in Data Centres.[16] Sustainalytics notes that data centres are energy intensive by nature and that the Bank may finance data centres that have implemented the "Expected practices" from the European Code of Conduct, which aligns with the TSC of the EU Taxonomy. While there is no minimum performance in terms of power usage effectiveness, this provides additional evidence that data centres financed have integrated minimum energy efficiency features in several aspects such as cooling and IT equipment. Sustainalytics encourages Nykredit to monitor and report on improvements in energy and carbon performance resulting from such installations.

– Under the Manufacturing category, Nykredit may finance or refinance:
  - Manufacturing of technologies and equipment facilitating energy generation from the following renewable energy sources: wind, solar, geothermal, ambient energy, ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogas.
    - Ambient energy technology and equipment includes electric heat pumps. Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems and Nykredit has confirmed that refrigerants used for heat pumps will have a global warming potential (GWP) below 675, which is in line with the EU Taxonomy. Sustainalytics encourages Nykredit to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life.
    - Nykredit has confirmed to Sustainalytics that manufacturing facilities financed will be wholly dedicated to the production of renewable energy technologies, components and equipment.

    Sustainalytics views these expenditures to be aligned with market practice.
  - Manufacturing of energy-efficient products or equipment for buildings, including:
    - Green building envelopes, such as roofing systems with U-value lower or equal to 0.3 W/m^2K, insulation products with a lambda value lower or equal to 0.06 W/mK, windows with U-value lower or equal to 1.0 W/m^2K. Sustainalytics views this expenditure to be aligned with market practice.
    - Household appliances, light sources and space heating. Nykredit has confirmed to Sustainalytics that appliances financed will belong to the highest two classes of energy efficiency under Regulation (EU) 2017/1369[17] and delegated acts adopted under that Regulation. Sustainalytics notes that Nykredit's reliance on EU energy labels to define eligibility in this category is consistent with the EU Taxonomy Climate Delegated Act. However, Sustainalytics encourages the Bank to adhere to the DNSH criteria for Activity 3.5 – Manufacture of energy efficiency for buildings for the financing of household appliances.
    - Electric heat pumps. Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems and Nykredit has confirmed that refrigerants used for heat pumps will have a global warming potential (GWP) below 675, which is in line with the EU Taxonomy. Sustainalytics encourages Nykredit to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation,

[15] Sustainalytics notes that the CO2 captured and stored might come from various sources which may include carbon-intensive operations, while acknowledging that Nykredit does not exercise any control on such operations where the captured CO2 originates.
[16] European Commission Joint Research Centre European Energy Efficiency Platform (E3P), "Data Centres Code of Conduct", at: https://e3p.jrc.ec.europa.eu/communities/data-centres-code-conduct
[17] Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU.

recycling or destruction of refrigerants at end of life. Sustainalytics views this expenditure to be aligned with market practice.
    - District heating exchangers and cooling systems that meet the district heating and cooling criteria set out in the Framework. Sustainalytics views this expenditure to be aligned with market practice.
    - Smart monitoring and regulation of heating systems. Nykredit has confirmed to Sustainalytics the exclusion of financing systems for fossil fuel-powered operations. Sustainalytics views this expenditure to be aligned with market practice.
    - Other energy efficiency equipment for buildings prescribed under the EU Taxonomy Climate Delegated Act, such as presence and daylight controls for lighting systems, façade and roofing elements with a solar shading or solar control function, energy-efficient building automation and control systems, zoned thermostats and devices for smart monitoring, products for heat metering and thermostatic controls. Nykredit has confirmed to Sustainalytics the exclusion of financing heat metering for natural gas-powered equipment. Sustainalytics views this expenditure to be aligned with market practice.
  - Manufacturing of hydrogen including:
    - Equipment for the production and use of green hydrogen and green hydrogen-based fuels. Sustainalytics considers this expenditure to be aligned with market practice.
    - Manufacturing of green hydrogen and green hydrogen-based fuels. Nykredit has confirmed to Sustainalytics that green hydrogen refers to hydrogen produced by electrolysis powered by renewable energy or produced using 100% sustainably sourced biomass. Nykredit has also confirmed to Sustainalytics that the CO_2 used for the manufacture of green-hydrogen-based synthetic fuels will not be sourced from fossil fuel operations. Sustainalytics considers this expenditure to be aligned with market practice.
- Under the Sustainable Water, Sewage and Waste Management category, Nykredit may finance or refinance:
  - Facilities, activities and technologies that increase efficiency of water use, water recycling and reuse, including: i) construction, extension, operation and renewal of water collection, treatment and supply systems; and ii) construction, extension, operation and renewal of wastewater collection and treatment systems. Nykredit has confirmed to Sustainalytics the exclusion of financing treatment of wastewater from fossil fuel operations. Sustainalytics considers this to be aligned with market practice.
  - Facilities and activities for reuse, recycling and recovery of non-hazardous waste. This includes: i) collection and transport of non-hazardous waste in source segregated fractions; and ii) construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste, which convert at least 50% of the waste (in weight) into secondary raw materials. Nykredit has confirmed to Sustainalytics that waste collection vehicles financed will be zero emissions vehicles. Sustainalytics considers these expenditures to be aligned with market practice.
- Under the Sustainable Management of Living Natural Resources and Land Use category, Nykredit may finance or refinance forestry projects and agricultural crop, and animal activities.
  - Forestry projects include: i) afforestation; ii) restoration of forests; and iii) conservation forestry which adhere to the TSC of the EU Taxonomy for Activity 1.1 – Afforestation, Activity 1.2 – Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event, and for Activity 1.4 – Conservation forestry. Sustainalytics considers these expenditures to be aligned with market practice.
  - Agricultural projects that may be financed are limited to those that may be defined in future versions of the EU Taxonomy. Given that the EU Taxonomy does not yet contain criteria for agricultural activities, Sustainalytics is unable to opine on this sub-category in the Framework.
- Under the Climate Change Adaptation category, Nykredit may finance or refinance:

        - Construction, extension and operation of wastewater collection and treatment facilities, and infrastructure designed to provide protection against water-related hazards, such as storm water systems, sewage or nature-based solutions to manage wastewater, such as green parks, green gardens and green roofing intended to reduce the volume of wastewater produced by buildings. Nykredit has confirmed to Sustainalytics the exclusion of financing of projects involved in treatment of wastewater from fossil fuel operations. Nykredit has also confirmed to Sustainalytics that infrastructure financed will be supported by a vulnerability assessment and an adaptation plan. Sustainalytics considers these expenditures to be aligned with market practice.
        - Adaptation solutions and associated engineering and professional services, which adhere to the TSC of the EU Taxonomy Annex 2 for Activity 6.16 – Infrastructure for water transport such as waterways, harbours and rivers works, pleasure ports, locks, dams and dykes, and associated engineering and professional services. Nykredit has confirmed to Sustainalytics that infrastructure projects financed will be for the purpose of climate adaptation and will be supported by vulnerability assessments and adaptation plans. Sustainalytics considers these expenditures to be aligned with market practice.
- Project Evaluation and Selection:
    - Nykredit has established a Green Bond Committee (the "Committee") which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The Committee consists of representatives from the Bank's Group Treasury, Regulation, Group Finance & Investments, External Relations & Responsibility, Corporates and Institutions, and relevant members of the executive board.
    - Nykredit has internal sustainability policies and processes to mitigate environmental and social risks related to loans and projects, which apply to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional details on risk management systems, see Section 2.
    - Based on the established process for project selection and risk management system, Sustainalytics considers the process to be in line with market practice.
- Management of Proceeds:
    - Nykredit's Group Treasury is responsible for the management of proceeds. It will track the allocation of proceeds from green covered bonds using a registry and a portfolio approach for proceeds from other instruments issued under the Framework.
    - Nykredit intends to allocate all proceeds within six months of issuance. Any unallocated proceeds will be held temporarily in accordance with Nykredit's standard liquidity management policy.
    - Based on the use of a tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
    - Nykredit intends to report on the allocation of proceeds and corresponding impact on its website on an annual basis until maturity or full allocation.
    - Allocation reporting will include the total outstanding amount of green bonds, the total amount of net proceeds allocated from the issuance of green bonds, the breakdown of the Green Registry and Green Portfolio (as these terms are defined in the Framework) by categories, the geographical distribution of the Green Registry and the Green Portfolio, and new loans entering the pool over the previous reporting year.
    - Impact reporting may include total energy savings (in MWh), annual GHG emissions avoided (in tCO_2e), estimated installed capacity of renewable energy (in MW), estimated annual renewable energy production (in GWh), total distance of transmission cables (in km), amount of manufactured technology, equipment and component, annual amount of water saved (in m^3), and forest area (in hectares).
    - Based on Nykredit's commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Nykredit Green Bond Framework aligns with the four core components of the GBP. For detailed information, please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

Alignment with the Technical Screening Criteria of the EU Taxonomy Climate Delegated Act and Minimum Safeguards

Sustainalytics has assessed the Framework's eight eligible green use of proceeds categories against the relevant Technical Screening Criteria in the EU Taxonomy and determined their alignment with one of the Taxonomy's three sets of requirements. The results of this assessment are as follows:

1. Technical Screening Criteria (TSC)
   - The criteria in the eight eligible categories defined in the Framework were mapped to 61 activities of the EU Taxonomy. 59 activities were assessed as aligned and two were assessed as partially aligned with the applicable TSC.
2. Do No Significant Harm (DNSH) Criteria
   - The Framework's activities were not assessed for their alignment with the Do No Significant Harm (DNSH) criteria of the EU Taxonomy in this second-party opinion.
3. Minimum Safeguards
   - Based on a consideration of the policies and management systems applicable to the Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.
   - For Sustainalytics' assessment of alignment with the Minimum Safeguard, see Section 2 below.

Table 1 provides an overview of the alignment of the criteria in the Framework with the TSC applicable for the corresponding activities in the EU Taxonomy.

Table 1: Summary of Alignment of Framework Criteria with the Technical Screening Criteria of the EU Taxonomy

EU Taxonomy Activities Corresponding to Framework Criteria	Alignment with EU Taxonomy Technical Screening Criteria
	TSC
Construction of new buildings	◘
Acquisition and ownership of buildings	◘
Renovation of existing buildings	■
Installation, maintenance and repair of energy efficiency equipment	■
Installation, maintenance and repair of renewable energy technologies	■
Professional services related to energy performance of buildings	■

Electricity generation from wind power	■
Electricity generation from solar photovoltaic technology	■
Electricity generation using concentrated solar power technology	■
Cogeneration of heat/cool and power from solar energy	■
Production of heat/cool from solar thermal heating	■
Electricity generation from hydropower	■
Electricity generation from bioenergy	■
Cogeneration of heat/cool and power from bioenergy	■
Anaerobic digestion of sewage sludge	■
Anaerobic digestion of bio-waste	■
Production of heat/cool from geothermal energy	■
Electricity generation from geothermal energy	■
Production of heat/cool using Waste heat	■
Installation and operation of electric heat pumps	■
Manufacture of low carbon technologies for transport	■
Passenger interurban rail transport	■
Freight rail transport	■
Urban and suburban transport, road and passenger transport	■
Operation of personal mobility devices, cycle logistics	■
Transport by motorbikes, passenger cars and light commercial vehicles	■
Freight transport services by road	■

Sea and coastal passenger water transport	■
Retrofitting of sea and coastal freight and passenger water transport	■
Infrastructure for rail transport	■
Infrastructure enabling low-carbon road transport and public transport	■
Low carbon airport infrastructure	■
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	■
Transmission and distribution of electricity	■
Storage of electricity	■
Storage of thermal electricity	■
District heat/cooling distribution	■
Transport of CO_2	■
Underground permanent geological storage of CO_2	■
Storage of hydrogen	■
Transmission and distribution networks for renewable and low-carbon gases	■
Data processing, hosting and related activities	■
Manufacture of renewable energy technologies	■
Manufacture of energy efficient equipment for buildings	■
Manufacture of equipment for the production and use of hydrogen	■
Manufacture of hydrogen	■
Construction, extension and operation of water collection, treatment and supply systems	■
Renewal of water collection, treatment and supply systems	■

Construction, extension and operation of wastewater collection and treatment	■
Renewal of waste water collection and treatment	■
Collection and transport of non-hazardous waste in source segregated fractions	■
Material recovery from non-hazardous waste	■
Afforestation	■
Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	■
Conservation forestry	■
Construction, extension and operation of water collection, treatment and supply systems	■
Renewal of water collection, treatment and supply systems	■
Construction, extension and operation of wastewater collection and treatment	■
Renewal of wastewater collection and treatment	■
Anaerobic digestion of sewage sludge	■
Infrastructure for water transport	■

Legend	
Aligned	■
Partially aligned	◘
Not aligned	☒

Section 2: Sustainability Strategy of Nykredit

Contribution to Nykredit's sustainability strategy

Nykredit demonstrates a commitment to sustainability through its corporate responsibility strategy which focuses on the development and growth of a greener Denmark through the reduction of emissions from the Bank's lending and investments activities.[18]

Over 99% of Nykredit's carbon emissions are from its lending and investment activities while less than 1% is from its own operations.[19] To address this, Nykredit has committed to achieving net zero GHG emissions across the Bank's lending and investment portfolio, and in its own operations by 2050.[20] To make its investment portfolio carbon neutral by 2050, Nykredit has set a goal of achieving a 60% reduction of carbon

[18] Nykredit, "Together We Are More Corporate Responsibility Report", (2022), at: https://www.nykredit.com/siteassets/ir/files/corporate-responsibility/csr-reports/25.-marts-2022-corporate_responsibility_report_q4_21_2022-02-09_en_.pdf
[19] Nykredit, "Nykredit Group Climate Goals", p.2, (2022), at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf
[20] Nykredit, "Nykredit Group Climate Targets", p.4, at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf

intensity across asset classes between 2020 and 2030.[21] In addition, Nykredit targets having 100% of its invested funds aligned with, aligning with or subject to engagement to encourage alignment with a 1.5°C pathway.[22] The key sectors in Nykredit's loan portfolio with regard to the low-carbon transition are owner-occupied dwellings, real estate and agriculture.[23]

The Bank has established emissions reduction targets for the owner-occupied dwellings and real estate sectors with a view to achieve a 75% decrease in emission intensity from owner-occupied dwellings and residential real estate by 2030 relative to 2021 levels. The Bank also targets a 65% reduction in emissions intensity from commercial real estate by 2030 relative to 2021 levels.[24] To reduce energy consumption and carbon emissions in residential housing, Nykredit launched a green home check-up concept (Energitjek) and a green home loan product (Grønt BoligLån) in 2020.[25] Nykredit has communicated to Sustainalytics that it has facilitated approximately 950 energy check-ups through its Energitjek programme and financed more than 3,200 energy efficiency improvements through green home loans. Nykredit has also issued 7,750 vouchers of DKK 10,000 (EUR 1,343.48) to customers since December 2020 for replacing oil- or gas-fired boilers with heat pumps.[26] In addition, approximately 37% of Nykredit's portfolio consists of commercial properties with an EPC A or B energy label.[27]

Regarding agriculture, the Bank has targeted a reduction in the emissions intensity of its portfolio of 45-55% by 2030 relative to 2021 levels.[28] To achieve its targets, the Bank has allocated DKK 500 million (EUR 67.13 million) to finance machines and tools that provide environmental benefits, such as reduced water consumption and precision agriculture, with beneficial interest rate loans.[29] To enable farmers to reduce their GHG emissions, Nykredit has launched the ESGreen Tool in 2022, which provides knowledge and assistance to farmers and supports them in planning their green transition.[30]

Since 2022, Nykredit has also been financing clean transportation through the Grønt Billån product, which provides low-interest rate car loans for electric, hydrogen and plug-in hybrid cars with the goal of making electric and hybrid cars more affordable.[31,32] In this sense, Nykredit intends to provide 50% of all new car loans between 2023 and 2025 for the purchase of electric cars.[33]

The Bank has also joined the Science Based Targets initiative in 2022 and is a member of the Net Zero Banking Alliance. In addition, Nykredit became a signatory of the Net Zero Asset Managers initiative in 2021.[34]

Sustainalytics is of the opinion that the Nykredit Green Bond Framework is aligned with the Bank's overall sustainability strategy and initiatives and will further the Banks's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include

[21] Nykredit, "Together We Are More Corporate Responsibility Report", p.23, (2022), at: https://www.nykredit.com/siteassets/ir/files/corporate-responsibility/csr-reports/25.-marts-2022-corporate_responsibility_report_q4_21_2022-02-09_en_.pdf
[22] Nykredit, "Sustainable Investment Policy", p.6, (2022), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/nykredit-policy-on-sustainable-investments-december-2022.pdf
[23] Nykredit, "Nykredit Group Climate Targets", p.6, at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf
[24] Nykredit, "Nykredit Group Climate Targets", p.12, at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf
[25] Nykredit, "Sustainable Housing", at: https://www.nykredit.com/en-gb/samfundsansvar/sustainable-development/sustainable-housing/
[26] Nykredit, "Corporate Responsibility Report", p.33, (2021), at: https://www.nykredit.com/siteassets/ir/files/corporate-responsibility/csr-reports/25.-marts-2022-corporate_responsibility_report_q4_21_2022-02-09_en_.pdf
[27] Nykredit, "Corporate Responsibility Report", p.34, (2021), at: https://www.nykredit.com/siteassets/ir/files/corporate-responsibility/csr-reports/25.-marts-2022-corporate_responsibility_report_q4_21_2022-02-09_en_.pdf
[28] Nykredit, "Nykredit Group Climate Targets", p.16, at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf
[29] Nykredit, "Nykredit takes the lead with a new initiative for Green Machine Finance", (2021), at: https://www.nykredit.dk/din-virksomhed/virksomhedstype/til-dig-med-eget-landbrug/nyheder-om-landbrug/2020/09/nykredit-gar-forrest-med-et-nyt-tiltag--til-gron-maskinfinansiering/#kom-godt-videre
[30] Nykredit, "Corporate Responsibility Report", p.38, (2021), at: https://www.nykredit.com/siteassets/ir/files/corporate-responsibility/csr-reports/25.-marts-2022-corporate_responsibility_report_q4_21_2022-02-09_en_.pdf
[31] Nykredit, "Sustainable Housing", at: https://www.nykredit.com/en-gb/samfundsansvar/sustainable-development/sustainable-housing/
[32] Nykredit, , "Low interest rate and fee discount on loans for electric, hydrogen and hybrid cars", at: https://www.nykredit.com/en-gb/presse/news/low-interest-rate-and-fee-discount-on-loans-for-electric-hydrogen-and-hybrid-cars/
[33] Nykredit, "Nykredit Group Climate Targets", p.15, at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf
[34] Nykredit, "Nykredit Group Climate Targets", at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/klimamalsatninger-2030/nykredit-group-climate-targets.pdf

issues involving responsible lending and emissions, effluents and waste generated in construction projects financed by the Bank. Sustainalytics acknowledges Nykredit's limited involvement in the development of specific projects financed under the Framework, but notes that the Bank could be exposed to environmental and social risks associated with the loans that it may provide.

Sustainalytics is of the opinion that Nykredit is able to manage or mitigate potential risks through implementation of the following:

- Nykredit incorporates sustainability risks into its risk management practices. The Bank has integrated ESG factors into its valuation policy, which focuses on the impact of climate change on the valuation of financed properties. Nykredit also conducts an ESG risk assessment for credit analysis on its customers' businesses to determine their climate footprint.[35] Additionally, Nykredit follows the UN Principles for Responsible Banking and the UN Principles for Responsible Investment through which it commits to implementing impact analysis and managing risks to people and the environment resulting from its activities, products and services.[36] Nykredit is also committed to incorporating sustainable practices in its investment processes.[37]
- For risks related to responsible lending, Nykredit has a code of conduct[38] which addresses human rights, labour standards, environment responsibility and anti-corruption, following Danish and international standards, such as the UN Global Compact. Nykredit's credit policy, which also follows the principles of the UN Global Compact, requires compliance with Danish legislation on mortgages, the Danish Financial Business Act and the Totalkredit alliance's framework.[39]
- Regarding emissions, effluents and waste generated in construction, the underlying projects will be based in Denmark, which is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance, legislation systems and institutional capacity to mitigate common environmental and social risks associated with the financed projects.[40] In addition, the projects financed by the Bank have been and will be in the EU, where they must comply with the EU directive for industrial emissions.[41]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Nykredit has policies and procedures in place to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should comply with the International Labour Organization's declaration on Fundamental Rights and Principles at Work.

Human and Labour Rights

Nykredit has implemented the following policies and procedures in relation to human and labour rights:

- The Bank adheres to Danish and international agreements and standards, including the Ten Principles of the UN Global Compact, which the Bank has adopted.[42]
- The Bank integrates ESG factors in the credit analysis of its business customers, which includes assessment of the client's focus on social factors in its value chain and general employment conditions. The Ten Principles of the UN Global Compact are included in the Bank's Credit Policy to avoid transactions with customers engaging in activities in violation of human rights and labour standards.[43]

[35] Nykredit, "Corporate Responsibility Report", (2022), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/rapport_om_samfundsansvar_uk_28022023_.pdf
[36] Nykredit, "Code of Conduct", (2022), at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/code-of-conduct-uk.pdf
[37] Nykredit, "Sustainable Investment Policy", p.5, (2022), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/nykredit-policy-on-sustainable-investments-december-2022.pdf
[38] Nykredit, "Code of Conduct", (2022), at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/code-of-conduct-uk.pdf
[39] Nykredit, "Risk and Capital Management", (2022), at: https://www.nykredit.com/siteassets/ir/files/financial-reporting/risk-and-capital-management-reports/risk_and_capital_management_q4_22_2023-02-08_en.pdf
[40] Equator Principles, "Designated & Non-Designated Countries", (2022), at: https://equator-principles.com/about-the-equator-principles
[41] European Commission, "Industrial Emissions Directive", at: https://ec.europa.eu/environment/industry/stationary/ied/legislation.htm
[42] Nykredit, "Code of Conduct", (2022), at: https://www.nykredit.com/globalassets/nykredit.com/samfundsansvar/pdf/code-of-conduct-uk.pdf
[43] Nykredit, "Corporate Responsibility Report", (2022), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/rapport_om_samfundsansvar_uk_28022023_.pdf

- Nykredit has a Sustainable Investment Policy in place, which requires all funds, all holdings and potential investments to be screened on a rolling basis for compliance with international norms in the areas of human rights and labour rights. This includes compliance with the UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the Paris Agreement and conventions concerning controversial weapons.[44] The Bank also screens more than 10,000 securities on a quarterly basis for breach of international law by the issuer and engages with companies that are identified to be in breach. Companies failing to rectify their behaviour are excluded from the Bank's investments.[45]

Sustainalytics' ESG Risk Rating has evaluated the performance of Nykredit in the area of human and labour rights and has not detected involvement in any significant controversies which would suggest that the above policies are not implemented effectively. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human and labour rights in relation to the activities of the Framework.

Anti-bribery and anti-corruption

Nykredit has implemented the following policies and procedures in relation to anti-bribery and anti-corruption:

- The Bank has adopted the Ten Principles of the UN Global Compact on responsible business practices, which includes a focus on promoting anti-corruption.[46] Nykredit has also established an anti-corruption policy which is aimed at ensuring that employees uphold standards of personal and organisational integrity in dealing with customers and business partners.[47] The managements of Nykredit's individual businesses and companies are obliged to continuously review their areas of responsibility to identify, prevent and manage risks of corruption.[48]
- Nykredit's Policy for the prevention of money laundering, terrorist financing and breach of financial sanctions establishes principles for the Bank's compliance with financial crime legislation such as the Danish AML Act, the Danish Financial Business Act, the Danish Payments Act, and the Danish Penal Code.[49]

Sustainalytics' ESG Risk Rating has evaluated the performance of Nykredit in the area of bribery and corruption and has not detected involvement in any relevant controversies which would suggest that the above policies are adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard anti-bribery and anti-corruption in relation to the activities of the Framework.

Based on these policies, Sustainalytics is of the opinion that Nykredit policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on one below where the impact is specifically relevant in the local context.

Importance of financing green buildings in Denmark

The operation and construction of buildings worldwide accounted for approximately 33% of global CO_2 emissions from energy combustion and industrial processes and approximately 30% of global final energy consumption in 2021.[50] A similar trend can be observed in the EU, where buildings were responsible for approximately 40% of energy consumption and 36% of energy-related GHG emissions.[51] Under the Climate Target Plan 2030, the EU aims to reduce its GHG emissions by 55% by 2030 relative to 1990 levels and achieve

[44] Nykredit, "Sustainable Investment Policy", p.5, (2022), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/nykredit-policy-on-sustainable-investments-december-2022.pdf
[45] Nykredit, "Corporate Responsibility Report", (2022), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/rapport_om_samfundsansvar_uk_28022023_.pdf
[46] Nykredit, "Corporate Responsibility Policy", (2021), at: https://www.nykredit.com/siteassets/om-os/politik-for-samfundsansvar_opdateret-nov-2021_final_oversattelse_uk-00211.pdf
[47] Nykredit, "The Nykredit Group's Anti-Corruption Policy", (2021), at: https://www.nykredit.com/siteassets/om-os/politik-for-modarbejdelse-af-korruption-i-nykredit-koncernen_uk.pdf
[48] Ibid.
[49] Nykredit, "Policy for the prevention of money laundering, terrorist financing and breach of financial sanction", (2021), at: https://www.nykredit.com/globalassets/nykredit.com/pdf/policy-for-the-prevention-of-money-laundering-terrorist-financing-and-breach-of-financial-sanctions.pdf
[50] International Energy Agency, "Buildings: Tracking report – September 2022", (2022), at: https://www.iea.org/reports/buildings
[51] European Commission, "Energy performance of buildings directive", at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

climate neutrality by 2050.[52] To achieve the 2030 target, the EU must reduces buildings' GHG emissions by 60%, final energy consumption by 14% and energy consumption for heating and cooling by 18% relative to 2015 levels.[53] Given that more than 85% of the EU's building stock was built before 2001, the renovation of buildings to improve their energy efficiency is expected to play a major role in decarbonizing the sector.[54] The renovation of existing buildings has the potential to reduce total energy consumption in the EU by an estimated 5-6% and lower total GHG emissions by 5%.[55]

As an EU member, Denmark must comply with the EU 2030 climate target and has committed to reducing its total GHG emissions by 70% by 2030 compared to 1990 levels.[56] In the buildings sector more specifically, the Danish building code update of 2023 introduced a requirement for all new buildings to provide a life cycle assessment with a limit of 12 $kgCO_2e$ per m^2 per year for those larger than 1,000 m^2.[57,58] Supplementary Danish regulation encourages homeowners and businesses to install electric heat pumps and implement other energy saving measures.[59]

Based on the above, Sustainalytics is of the opinion that Nykredit's financing of green buildings in Denmark has the potential to reduce the environmental footprint of the building sector and will support Denmark to achieve their GHG emissions reduction targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Nykredit Green Bond Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
Renewable Energy	7. Affordable and Clean Energy	7.2 Increase substantially the share of renewable energy in the global energy mix.
Clean Transportation	11. Sustainable Cities and Communities	11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Energy Distribution and Storage	9. Industry, Innovation and Infrastructure	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
Manufacturing	9. Industry, Innovation and Infrastructure	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater

[52] European Commission, "2030 Climate Target Plan", at: https://ec.europa.eu/clima/eu-action/european-green-deal/2030-climate-target-plan_en
[53] European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF
[54] Ibid.
[55] European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU", (2019), at: https://ec.europa.eu/energy/sites/ener/files/documents/1.final_report.pdf
[56] OECD, "Towards net zero emissions in Denmark", (2022), at: https://www.oecd-ilibrary.org/docserver/5b40df8f-en.pdf?expires=1675786405&id=id&accname=guest&checksum=603D07FBCE099E793ED3F92F4288131A
[57] Nordic Sustainable Construction, "Denmark introduces CO2 limit for new constructions", at: https://nordicsustainableconstruction.com/news/2023/january/denmark-introduces-co2-limit-for-new-constructions
[58] Buro Happold, "How Denmark leads the way in decarbonising the construction industry", at: https://www.burohappold.com/news/how-denmark-leads-the-way-in-decarbonising-the-construction-industry/
[59] OECD, "Towards net zero emissions in Denmark", (2022), at: https://www.oecd-ilibrary.org/docserver/5b40df8f-en.pdf?expires=1675786405&id=id&accname=guest&checksum=603D07FBCE099E793ED3F92F4288131A

		adoption of clean and environmentally sound technologies and industrial processes
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Sustainable Water, Sewage and Waste Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
	12. Responsible consumption and production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Sustainable Management of Living Natural Resources and Land Use	15. Life on Land	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
Climate Change Adaptation	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Conclusion

Nykredit has developed the Nykredit Green Bond Framework under which it may issue covered bonds, senior preferred debt, senior non-preferred debt and subordinated debt, and use the proceeds to finance projects related to green buildings, renewable energy, clean transportation, energy distribution and storage, manufacturing, sustainable water, sewage and waste management, sustainable management of living natural resources and land use, and climate change adaptation. Sustainalytics considers that the projects funded by the proceeds are expected to provide positive environmental impact.

The Nykredit Green Bond Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for Nykredit to report on their allocation and impact. Sustainalytics believes that the Nykredit Green Bond Framework is aligned with the overall sustainability strategy of the Bank and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11, 12, 13 and 15. Additionally, Sustainalytics is of the opinion that Nykredit has measures in place to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Sustainalytics has assessed the Nykredit Green Bond Framework 2023 with the Technical Screening Criteria of the EU Taxonomy. The criteria in the Framework's eight use of proceeds categories map to 61 activities. Sustainalytics considers 59 activities as aligned and two activities as partially aligned with the applicable TSC of the EU Taxonomy. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards. The Framework activities were not assessed for their alignment with the DNSH criteria of the EU Taxonomy in this second-party opinion.

Based on the above, Sustainalytics is confident that Nykredit is well positioned to issue debt instruments and that the Nykredit Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

Appendices

Appendix 1: Approach to Assessing Alignment of the Technical Screening Criteria of the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the technical screening criteria for the relevant activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable Technical Screening Criteria. Sustainalytics' assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one NACE activity and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a NACE activity. In such cases, Sustainalytics has mapped to the NACE activity that is most relevant with respect to the primary environmental objective and impacts.

In some cases, the Framework criteria cannot be mapped to the TSC of the EU Taxonomy, as some activities are not yet covered by the Taxonomy, and some categories which are traditionally included in green bonds may not be associated with a specific economic activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

The outcome of Sustainalytics' mapping process for Nykredit Framework is shown in Table 2 below.

2. Determining Alignment with the Technical Screening Criteria of EU Taxonomy

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant technical screening criteria of the EU Taxonomy. Alignment with the TSC is usually based on the specific criteria contained in the issuer's Framework and may in many cases also be based on management systems and processes and/or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds, as well as examining the regulatory context in the geographical location in which the issuer will finance activities and projects. (This assessment is included in Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant TSC.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU / NACE Activity	NACE Code	Primary EU Environmental Objective	Refer to Table
Green Buildings	Construction of new buildings	7.1. Construction of new buildings.	F41.1, F41.2 and F43	Mitigation	Table 3
	Acquisition and Ownership of Buildings	7.7. Acquisition and ownership of buildings	L68		Table 4
	Renovation of existing buildings	7.2. Renovation of existing buildings	F41 and F43		Table 5
	Individual measures and professional services	7.3. Installation, maintenance and repair of energy efficiency equipment.	F42, F43, M71, C16, C17, C22, C23, C25,		Table 6

			C27, C28, S95.21, S95.22 and C33.12		
		7.6. Installation, maintenance and repair of renewable energy technologies.	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		Table 7
		9.3. Professional services related to energy performance of buildings.	M71		Table 8
Renewable Energy	Wind energy	4.3. Electricity generation from wind power	D35.11 and F42.22	Mitigation	Table 9
	Solar energy	4.1. Electricity generation using solar photovoltaic technology	D35.11 and F42.22		Table 10
		4.2. Electricity generation using concentrated solar power technology	D35.11 and F42.22		Table 11
		4.17. Cogeneration of heat/cool and power from solar energy	D35.11 and D35.30		Table 12
		4.21. Production of heat/cool from solar thermal heating	35.30		Table 13
	Hydropower	4.5. Electricity generation from hydropower	D35.11 and F42.22		Table 14
	Bioenergy	4.8. Electricity generation from bioenergy	D35.11		Table 15
		4.20. Cogeneration of heat/cool and power from bioenergy	D35.11 and D35.30		Table 16
		5.6. Anaerobic digestion of sewage sludge	E37.00 and F42.99		Table 17
		5.7. Anaerobic digestion of bio-waste	E38.21, F42.99		Table 18
	Geothermal energy	4.22. Production of heat/cool from geothermal energy.	D35.30		Table 19
		4.6. Electricity generation from geothermal energy	D35.11 and F42.22		Table 20
	Waste heat/cooling recovery	4.25. Production of heat/cool using waste heat	D35.30		Table 21
	Heat Pumps	4.16. Installation and operation of electric heat pumps.	D35.30 and F43.22		Table 22
Clean Transportation	Low carbon transport	3.3. Manufacture of low carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, and C33.17	Mitigation	Table 23

		6.1. Passenger interurban rail transport	H49.10 and N77.39		Table 24
		6.2. Freight rail transport	H49.20 and N77.39		Table 25
		6.3 Urban and suburban transport, road passenger transport	H49.31, H49.3.9, N77.39 and N77.11		Table 26
		6.4 Operation of personal mobility devices, cycle logistics	N77.11 and N77.21		Table 27
		6.5 Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39 and N77.11		Table 28
		6.6. Freight transport services by road	H49.4.1, H53.10, H53.20 and N77.12		Table 29
		6.11. Sea and coastal passenger water transport	H50.10, N77.21 and N77.34		Table 30
		6.12. Retrofitting of sea and coastal freight and passenger water transport	H50.10, H50.2, H52.22, C33.15, N77.21 and N.77.34		Table 31
	Low carbon transport infrastructure	6.14 Infrastructure for rail transport	F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		Table 32
		6.15 Infrastructure enabling low-carbon road transport and public transport	F42.11, F42.13, F71.1 and F71.20		Table 33
		6.17 Low carbon airport infrastructure	F41.20 and F42.99		Table 34
		7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		Table 35
Energy Distribution and storage	Distribution and storage of electricity	4.9. Transmission and distribution of electricity	D35.12, D35.13	Mitigation	Table 36
		4.10. Storage of electricity	No dedicated code		Table 37
		4.11. Storage of thermal energy	J63.11		Table 38
	Distribution and storage heat/cooling	4.15. District heating/cooling distribution	D35.30		Table 39
		5.11. Transport of CO_2	F42.21 and H49.50		Table 40

	Transportation and storage of CO_2	5.12. Underground permanent geological storage of CO_2	E39.00		Table 41
	Distribution and storage of Hydrogen	4.12. Storage of hydrogen	E39.00		Table 42
		4.14. Transmission and distribution networks for renewable and low-carbon gases	D35.22, F42.21 and H49.50		Table 43
	Data management and solutions	8.1. Data processing, hosting and related activities	E38.11		Table 44
Manufacturing	Manufacturing of renewable energy technologies	3.1. Manufacture of renewable energy technologies	C25, C27 and C28	Mitigation	Table 45
	Manufacturing of energy efficient equipment for buildings	3.5. Manufacture of energy efficiency equipment for buildings	C16.23, C23.11, C23.20, C23.31, C23.32, C23.43, C.23.61, C25.11, C25.12, C25.21, C25.29, C25.93, C27.31, C27.32, C27.33, C27.40, C27.51, C28.11, C28.12, C28.13, and C28.14		Table 46
	Manufacturing of Hydrogen	3.2. Manufacture of equipment for the production and use of hydrogen.	C25, C27 and C28		Table 47
		3.10. Manufacture of hydrogen	C20.11		Table 48
Sustainable water, sewage and waste management	Water supply and wastewater management	5.1. Construction, extension and operation of water collection, treatment and supply systems	E36.00, F42.99	Mitigation	Table 49
		5.2. Renewal of water collection, treatment and supply systems	E36.00 and F42.99		Table 50
		5.3. Construction, extension and operation of waste water collection and treatment	E37.00, F42.99		Table 51
		5.4. Renewal of waste water collection and treatment.	E37.00		Table 52
	Wate Management	5.5. Collection and transport of non-hazardous waste in source segregated fractions	E38.11		Table 53
		5.9. Material recovery from non-hazardous waste.	E38.32 and F42.99		Table 54

Sustainable management of living natural resources and land use	Agriculture	Not assessed			
	Forestry	1.1. Afforestation	A2	Mitigation	Table 55
		1.2. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event,	A2		Table 56
		1.4. Conservation forestry	A2		Table 57
Climate Change Adaption	Wastewater management	5.1. Construction, extension and operation of water collection, treatment and supply systems	E36.00, F42.99	Adaptation	Table 58
		5.2. Renewal of water collection, treatment and supply systems	E36.00 and F42.99		Table 59
		5.3 Construction, extension and operation of waste water collection and treatment	E37.00 and F42.99		Table 60
		5.4. Renewal of waste water collection and treatment	E37.00		Table 61
		5.6. Anaerobic digestion of sewage sludge	E37.00 and F42.99		Table 62
	Water Transport Infrastructure	6.16. Infrastructure for water transport	F42.91, F71.1 or F71.20		Table 63

Appendix 2: Comprehensive Technical Screening Criteria of EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of Issuer's Framework criteria with the EU Taxonomy's TSC criteria for the relevant NACE activity.

Table 3

Framework Activity assessed	Construction of new buildings		
EU Activity	7.1 Construction of new buildings		
NACE Code	F41.1, F41.2 and F43		
EU Technical Screening Criteria		***Alignment with Technical Screening Criteria***	
Mitigation	Confirm that for constructions of new buildings the following criteria apply:	For criterion 1, Nykredit has confirmed that it will finance the construction of new buildings with Primary Energy Demand (PED) at least 10% lower than the threshold set for NZEB requirements or the requirements of a similar relevant directive applicable in Sweden and Denmark. Nykredit has also confirmed that the buildings will have an EPC label certification.	Partially Aligned

	1. The Primary Energy Demand (PED),[60] defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.[61] The energy performance is certified using an as built Energy Performance Certificate (EPC). 2. For buildings larger than 5000 m^2,[62] upon completion, the building resulting from the construction undergoes testing for airtightness and thermal integrity,[63] and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. 3. For buildings larger than 5000 m^2,[64] the life-cycle Global Warming Potential (GWP)[65] of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.	For criteria 2 and 3, Nykredit has communicated to Sustainalytics that it may finance or refinance loans for buildings larger than 5000m^2. Nykredit expects projects to meet conditions of these criteria given that existing building regulation regarding airtightness and insulation in Sweden and Denmark are robust but is unable to guarantee that all projects will meet these criteria Given that Nykredit is unable to guarantee all projects will meet criteria 2 and 3, Sustainalytics considers this activity to be partially aligned with TSC of EU Taxonomy.	

Table 4

Framework Activity assessed		Acquisition and Ownership of Buildings		
EU Taxonomy Activity		7.7. Acquisition and ownership of buildings		
Associated NACE Code		L68		
EU Technical Screening Criteria			**Alignment with Technical Screening Criteria**	
Mitigation	1.	For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or	1. Nykredit has confirmed that for acquisition of buildings built before 31 December 2020, the buildings will have an EPC label A or	Partially Aligned

[60] The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m2 per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC)
[61] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13)
[62] For residential buildings, the testing is made for a representative set of dwelling/apartment types
[63] The testing is carried out in accordance with EN13187 (Thermal Performance of Buildings - Qualitative Detection of Thermal Irregularities in Building Envelopes - Infrared Method) and EN 13829 (Thermal performance of buildings. Determination of air permeability of buildings. Fan pressurisation method) or equivalent standards accepted by the respective building control body where the building is located.
[64] For residential buildings, the calculation and disclosure are made for a representative set of dwelling/apartment types.
[65] The GWP is communicated as a numeric indicator for each life cycle stage expressed as kgCO2e/m2 (of useful internal floor area) averaged for one year of a reference study period of 50 years. The data selection, scenario definition and calculations are carried out in accordance with EN 15978 (BS EN 15978:2011. Sustainability of construction works. Assessment of environmental performance of buildings. Calculation method). The scope of building elements and technical equipment is as defined in the Level(s) common EU framework for indicator 1.2. Where a national calculation tool exists or is required for making disclosures or for obtaining building permits, the respective tool may be used to provide the required disclosure. Other calculation tools may be used if they fulfil the minimum criteria laid down by the Level(s) common EU framework (version of [adoption date]: https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/412/documents), see indicator 1.2 user manual.

	regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. 2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of the Annex I of the Climate Delegated Act that are relevant at the time of the acquisition. 3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW), demonstrate that it is efficiently operated through energy performance monitoring and assessment.[66]	which belongs to the top 15% of the national or regional building stock expressed as operational PED. 2. Nykredit has confirmed that the Bank will ensure the acquisition of buildings built after 31 December 2020 to have a PED at least 10% lower than the requirement for NZEB at the time of acquisition. For buildings larger than 5000m^2, the Bank expects projects to meet conditions of these criteria given that existing building regulation regarding airtightness and insulation in Sweden and Denmark are robust but is unable to guarantee that all projects will meet these criteria. 3. For the financing of large non-residential buildings, Nykredit has confirmed that that it will ensure the fulfilment of this criterion. Given that Nykredit is unable to guarantee the buildings larger than 5000 m^2 will meet all the criteria specified in TSC 7.1, Sustainalytics considers this activity to be partially aligned with TSC of EU Taxonomy.	

Table 5

Framework Activity assessed	Renovation of existing buildings		
EU Taxonomy Activity	7.2. Renovation of existing buildings		
Associated NACE Codes	F41 and F43		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The building renovation complies with the applicable requirements for major renovations.[67] Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 %.[68]	Nykredit confirmed compliance to any one of the criteria mentioned under this activity	Aligned

[66] This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.
[67] As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU, the energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.
[68] The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account) and can be achieved through a succession of measures within a maximum of three years.

Table 6

Framework Activity assessed	Individual measures and professional services		
EU Taxonomy Activity	7.3. Installation, maintenance and repair of energy efficiency equipment		
Associated NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22 and C33.12		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation: a) addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive); b) replacement of existing windows with new energy efficient windows; c) replacement of existing external doors with new energy efficient doors; d) installation and replacement of energy efficient light sources; e) installation, replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies; f) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E to the Annex I of the Climate Delegated Act and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the Union market.	Nykredit may finance the following projects: i) addition of insulation to existing envelope components, ii) replacement of existing windows with new energy efficiency windows, iii) replacement of existing external doors with new energy efficiency doors, iv) installation and replacement of energy efficiency light sources, and v) installation, replacement, maintenance and repair of heating, ventilation and air conditioning and water heating system; and vi) installation of low- water and energy using kitchen and sanitary water fittings. Nykredit confirmed that all projects financed will comply with the criteria mentioned under this activity	Aligned

Table 7

Framework Activity assessed	Individual measures and professional services		
EU Taxonomy Activity	7.6. Installation, maintenance and repair of renewable energy technologies		
Associated NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in one of the following individual measures, if installed on-site as technical building systems: a) installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment; b) installation, maintenance and repair of solar hot water panels and the ancillary technical equipment; c) installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment; d) installation, maintenance and repair of wind turbines and the ancillary technical equipment; e) installation, maintenance and repair of solar transpired collectors and the ancillary technical equipment; f) installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment; g) installation, maintenance and repair of high efficiency micro-CHP (combined heat and power) plant; h) installation, maintenance and repair of heat exchanger/recovery systems.	Nykredit may finance the following projects: i) solar photovoltaic systems, solar hot water panels and solar transpired collectors; ii) ancillary technical equipment such as battery storage to store excess energy generated by renewable energy systems and control systems to monitor and regulate operation of renewable energy systems; iii) electric and absorption heat pumps; iv) wind turbines; v) thermal or electric energy storage units; vi) high efficiency micro combined heat and power plants; and vii) heat exchanger or recovery systems. Nykredit confirmed that all projects financed will comply with the criteria mentioned under this activity	Aligned

Table 8

Framework Activity assessed	Individual measures and professional services		
EU Taxonomy Activity	9.3. Professional services related to energy performance of buildings		
Associated NACE Code	M71		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in one of the following: (a) technical consultations (energy consultations, energy simulations, project management, production of energy performance contracts, dedicated trainings) linked to the improvement of energy performance of buildings;	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

	(b) accredited energy audits and building performance assessments; (c) energy management services; (d) energy performance contracts; (e) energy services provided by energy service companies (ESCOs).		

Table 9

Framework Activity assessed	Wind energy		
EU Taxonomy Activity	4.3. Electricity generation from wind power		
Associated NACE Codes	D35.11 and F42.22		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity generates electricity from wind power.	The Framework includes financing of onshore and offshore wind energy generation facilities, which is eligible by default.	Aligned

Table 10

Framework Activity assessed	Solar energy		
EU Taxonomy Activity	4.1. Electricity generation using solar photovoltaic technology		
Associated NACE Codes	D35.11 and F42.22		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity generates electricity using solar PV technology.	The Framework includes financing of solar power using solar PV technology, which is eligible by default.	Aligned

Table 11

Framework Activity assessed	Solar energy		
EU Taxonomy Activity	4.2. Electricity generation using concentrated solar power (CSP) technology		
Associated NACE Codes	D35.11 and F42.22		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity generates electricity using CSP technology.	The Framework includes financing of solar power using CSP technology, which is eligible by default.	Aligned

Table 12

Framework Activity assessed	Solar energy		
EU Taxonomy Activity	4.17. Cogeneration of heat/cool and power from solar energy		
Associated NACE Codes	D35.11 and D35.30		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in the cogeneration[69] of electricity and heat/cool from solar energy.	The Framework includes financing of cogeneration of electricity and heat/cool from solar energy, which is eligible by default.	Aligned

Table 13

Framework Activity assessed	Solar energy		
EU Taxonomy Activity	4.21. Production of heat/cool from solar thermal heating		
Associated NACE Code	D35.30		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity produces heat/cool using solar thermal heating.	The Framework includes financing of heat/cool generation using solar thermal heating, which is eligible by default.	Aligned

Table 14

Framework Activity assessed	Hydro power		
EU Taxonomy Activity	4.5. Electricity generation from hydropower		
Associated NACE Codes	D35.11 and F42.22		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with either of the following criteria: (a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; (b) the power density of the electricity generation facility is above 5W/m^2; (c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO2e/kWh. The life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or,	Nykredit confirmed compliance to any one of the criteria mentioned under this activity.	Aligned

[69] Cogeneration is defined in Article 2 point 30 of Directive 2012/27/EU.

	alternatively, using ISO 14067:201870, ISO 14064-1:201871 or the G-res tool. Quantified life-cycle GHG emissions are verified by an independent third party.		

Table 15

Framework Activity assessed	Bioenergy		
EU Taxonomy Activity	4.8. Electricity generation from bioenergy		
Associated NACE Code	D35.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. 2. The greenhouse gas emission savings from the use of biomass are at least 80% in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001. 3. Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of the Annex I of the Climate Delegated Act, as applicable. 4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels. 5. For electricity generation installations with a total rated thermal input from 50 to 100 MW, the activity applies high-efficiency cogeneration technology, or, for electricity-only installations, the activity meets an energy efficiency level associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants.[72] 6. For electricity generation installations with a total rated thermal input above 100 MW, the activity complies with one or more of the following criteria:	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[70] ISO standard 14067:2018, Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification (version of [adoption date]: https://www.iso.org/standard/71206.html).
[71] ISO standard 14064-1:2018, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (version of [adoption date]: https://www.iso.org/standard/66453.html).
[72] Implementing Decision (EU) 2017/1442

	a) attains electrical efficiency of at least 36%; b) applies highly efficient CHP (combined heat and power) technology as referred to in Directive 2012/27/EU of the European Parliament and of the Council;[73] c) uses carbon capture and storage technology. Where the CO_2 that would otherwise be emitted from the electricity generation process is captured for the purpose of underground storage, the CO_2 is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of the Annex I of the Climate Delegated Act.		

Table 16

Framework Activity assessed	Bioenergy		
EU Taxonomy Activity	4.20. Cogeneration of heat/cool and power from bioenergy		
Associated NACE Codes	D35.11 and D35.30		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. 2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least 80 % in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001. 3. Where the cogeneration installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of the Annex I of the Climate Delegated Act, as applicable. 4. Points 1 and 2 do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[73] Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

Table 17

Framework Activity assessed		Bioenergy		
EU Taxonomy Activity		5.6 Anaerobic digestion of sewage sludge		
Associated NACE Codes		E37.00 and F42.99		
EU Technical Screening Criteria			**Alignment with Technical Screening Criteria**	
Mitigation	1.	A monitoring and contingency plan is in place in order to minimise methane leakage at the facility.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned
	2.	The produced biogas is used directly for the generation of electricity or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.		

Table 18

Framework Activity assessed		Bioenergy		
EU Taxonomy Activity		5.7. Anaerobic digestion of bio-waste		
Associated NACE Codes		E38.21 and F42.99		
EU Technical Screening Criteria			**Alignment with Technical Screening Criteria**	
Mitigation	1.	A monitoring and contingency plan is in place in order to minimise methane leakage at the facility.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned
	2.	The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.		
	3.	The bio-waste that is used for anaerobic digestion is source segregated and collected separately.		
	4.	The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment.		
	5.	In the dedicated bio-waste treatment plants, the share of food and feed crops[74] used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock.		

[74] As defined in Article 2, point (40), of Directive (EU) 2018/2001.

Table 19

Framework Activity assessed	Geothermal energy		
EU Taxonomy Activity	4.22. Production of heat/cool from geothermal energy		
Associated NACE Code	D35.30		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The life cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO_2e/kWh. 2. Life cycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. 3. Quantified life cycle GHG emissions are verified by an independent third party	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 20

Framework Activity assessed	Geothermal energy		
EU Taxonomy Activity	4.6. Electricity generation from geothermal energy		
Associated NACE Codes	D35.11 and F42.22		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	Life cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100gCO_2e/kWh. Life cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life cycle GHG emissions are verified by an independent third party.	Nykredit confirmed compliance to all criteria mentioned under this activity	Aligned

Table 21

Framework Activity assessed	Waste heat/cooling recovery
EU Taxonomy Activity	4.25. Production of heat/cool using waste heat
Associated NACE Code	D35.30
EU Technical Screening Criteria	**Alignment with Technical Screening Criteria**

Mitigation	The activity produces heat/cool from waste heat.	The Framework includes generation of heating or cooling using waste heat, which is eligible by default.	Aligned

Table 22

Framework Activity assessed	Heat pumps		
EU Taxonomy Activity	4.16 Installation and operation of electric heat pumps		
Associated NACE Codes	D35.30 and F43.22		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The installation and operation of electric heat pumps complies with both of the following criteria: (a) refrigerant threshold: Global Warming Potential does not exceed 675; (b) energy efficiency requirements laid down in the implementing regulations188 under Directive 2009/125/EC are met.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 23

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	3.3. Manufacture of low carbon technologies for transport		
Associated NACE Codes	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The economic activity manufactures, repairs, maintains, retrofits[75], repurposes or upgrades: (a) trains, passenger coaches and wagons that have zero direct (tailpipe) CO_2 emissions; (b) trains, passenger coaches and wagons that have zero direct tailpipe CO_2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode); (c) urban, suburban and road passenger transport devices, where the direct (tailpipe) CO_2 emissions of the vehicles are zero;	Nykredit confirmed compliance to criteria a, c, e, g, h, j, m, i, l(i) and k(i) under this activity.	Aligned

[75] For points (j) to (m), the criteria related to retrofitting are covered in Sections 6.9 and 6.12 of the Annex I of the Climate Delegated Act.

	(d) until 31 December 2025, vehicles designated as categories M2 and M3[76] that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle)[77], and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 of the European Parliament and of the Council[78] and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Commission Regulation (EU) No 582/2011[79] where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle[80]. Where such standard is not available, the direct CO_2 emissions of the vehicles are zero; (e) personal mobility devices with a propulsion that comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity; (f) vehicles of category M1 and N1 classified as light-duty vehicles[81] with: (i) until 31 December 2025: specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 of the European Parliament and of the Council[82], lower than 50gCO_2/km (low- and zero-emission light-duty vehicles); (ii) from 1 January 2026: specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero;		

[76] As referred to in Article 4(1), point (a), of Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (OJ L 151, 14.06.2018, p. 1)
[77] As set out in point 3 of part C of Annex I to Regulation (EU) 2018/858.
[78] Regulation (EC) No 595/2009 of the European Parliament and of the Council of 18 June 2009 on type-approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and on access to vehicle repair and maintenance information and amending Regulation (EC) No 715/2007 and Directive 2007/46/EC and repealing Directives 80/1269/EEC, 2005/55/EC and 2005/78/EC (OJ L 188, 18.7.2009, p. 1).
[79] Commission Regulation (EU) No 582/2011 of 25 May 2011 implementing and amending Regulation (EC) No 595/2009 of the European Parliament and of the Council with respect to emissions from heavy duty vehicles (Euro VI) and amending Annexes I and III to Directive 2007/46/EC of the European Parliament and of the Council (OJ L 167, 25.6.2011, p. 1).
[80] Until 31/12/2022, the EURO VI, step E as set out in Regulation (EC) No 595/2009.
[81] As defined in Article 4(1), points (a) and (b) of Regulation (EU) 2018/858).
[82] Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO_2 emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (OJ L 111, 25.4.2019, p. 13).

	(g) vehicles of category L[83] with tailpipe CO_2 emissions equal to 0g CO_2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 of the European Parliament and of the Council[84]; (h) vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7,5 tonnes that are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242 of the European Parliament and of the Council[85], (i) vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7,5 tonnes that are zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or 'low-emission heavy-duty vehicles' as defined in Article 3, point (12) of that Regulation; (j) inland passenger water transport vessels that: (i) have zero direct (tailpipe) CO_2 emissions; (ii) until 31 December 2025, are hybrid and dual fuel vessels using at least 50 % of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation; (k) inland freight water transport vessels, not dedicated to transporting fossil fuels, that: (i) have zero direct (tailpipe) CO_2 emission; (ii) until 31 December 2025, have direct (tailpipe) emissions of CO_2 per tonne kilometre (gCO_2/tkm), calculated (or estimated in case of new vessels) using the Energy Efficiency Operational Indicator[86], 50 % lower than the average reference value for emissions of CO_2 defined for heavy duty vehicles		

[83] As defined in Article 4 of Regulation (EU) No 168/2013 of the European Parliament and of the Council of 15 January 2013 on the approval and market surveillance of two- or three-wheel vehicles and quadricycles (OJ L 60, 2.3.2013, p. 52).
[84] Regulation (EU) No 168/2013 of the European Parliament and of the Council of 15 January 2013 on the approval and market surveillance of two- or three-wheel vehicles and quadricycles (OJ L 60, 2.3.2013, p. 52).
[85] Regulation (EU) 2019/1242 of the European Parliament and of the Council of 20 June 2019 setting CO_2 emission performance standards for new heavy-duty vehicles and amending Regulations (EC) No 595/2009 and (EU) 2018/956 of the European Parliament and of the Council and Council Directive 96/53/EC (OJ L 198, 25.7.2019, p. 202).
[86] The Energy Efficiency Operational Indicator is defined as the ratio of mass of CO_2 emitted per unit of transport work. It is a representative value of the energy efficiency of the ship operation over a consistent period which represents the overall trading pattern of the vessel. Guidance on how to calculate this indicator is provided in the document MEPC.1/Circ. 684 from IMO.

	(vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; (l) sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities, that are not dedicated to transporting fossil fuels, that: (i) have zero direct (tailpipe) CO_2 emissions; (ii) until 31 December 2025, are hybrid and dual fuel vessels that derive at least 25 % of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports; (iii) until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have (iv) until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022[87] if the vessels are able to run on zero direct (tailpipe) CO_2 emission fuels or on fuels from renewable sources[88]; (m) sea and coastal passenger water transport vessels, not dedicated to transporting fossil fuels, that: (i) have zero direct (tailpipe) CO_2 emissions; (ii) until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports; (iii) until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO_2 emission fuels or on fuels from renewable sources[89].		

[87] EEDI requirements applicable on 1 April 2022 as agreed by the Marine Environment Protection Committee of the International Maritime Organization on its seventy fourth session.
[88] Fuels that meet the technical screening criteria specified in Sections 3.10 and 4.13 of the Annex I of the Climate Delegated Act .
[89] Fuels that meet the technical screening criteria specified in Sections 3.10 and 4.13 of the Annex I of the Climate Delegated Act.

Table 24

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	6.1 Passenger interurban rail transport		
Associated NACE Codes	H49.10 and N77.39		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with one of the following criteria: a) the trains and passenger coaches have zero direct (tailpipe) CO_2 emissions; b) the trains and passenger coaches have zero direct (tailpipe) CO_2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode).	Nykredit confirmed that projects complying with the following criterion are eligible: (a) the trains and passenger coaches have zero direct (tailpipe) CO2 emissions.	Aligned

Table 25

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	6.2 Freight rail transport		
Associated NACE Codes	H49.20 and N77.39		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity complies with one or both of the following criteria: a) the trains and wagons have zero direct tailpipe CO_2 emission; b) the trains and wagons have zero direct tailpipe CO_2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode). 2. The trains and wagons are not dedicated to the transport of fossil fuels.	Nykredit confirmed that projects complying with the following criterion are eligible: (a) the trains and wagons have zero direct tailpipe CO2 emission Nykredit confirmed that the infrastructure financed will not be dedicated to the transport of fossil fuels.	Aligned

Table 26

Framework Activity assessed	Low carbon transportation
EU Taxonomy Activity	6.3 Urban and suburban transport, road passenger transport

Associated NACE Codes	H49.31, H49.3.9, N77.39 and N77.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with the one of following criteria: a) the activity provides urban or suburban passenger transport and its direct (tailpipe) CO_2 emissions are zero; [90] b) until 31 December 2025, the activity provides interurban passenger road transport using vehicles designated as categories M2 and M3[91] that have a type of bodywork classified as 'CA' (single-deck vehicle),[92] 'CB' (double-deck vehicle), 'CC' (singledeck articulated vehicle) or 'CD' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle.[93] Where such standard is not available, the direct CO_2 emissions of the vehicles are zero.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 27

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	6.4. Operation of personal mobility devices, cycle logistics		
Associated NACE Codes	N77.11 and N77.21		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The propulsion of personal mobility devices comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. 2. The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[90] This includes Motor buses with type of bodywork classified as 'CE' (low-floor single-deck vehicle), 'CF' (low-floor double-deck vehicle), 'CG' (Articulated low-floor single-deck vehicle), 'CH' (Articulated low-floor double-deck vehicle), 'CI' (open top single deck vehicle) or 'CJ' (open top double deck vehicle), as set out in point 3 of part C of Annex I to Regulation (EU) 2018/858.
[91] As referred to in Article 4(1), point (a), of Regulation (EU) 2018/858.
[92] As set out in point 3 of part C of Annex I to Regulation (EU) 2018/858.
[93] Until 31/12/2021, the EURO VI, step E as set out in Regulation (EC) No 595/2009.

Table 28

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	6.5. Transport by motorbikes, passenger cars and light commercial vehicles		
Associated NACE Codes	H49.32, H49.39 and N77.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with the following criteria: a) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: i) until 31 December 2025, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO_2/km (low-and zero-emission light-duty vehicles); ii) from 1 January 2026, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero. b) for vehicles of category L, the tailpipe CO_2 emissions equal to 0g CO_2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 29

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	6.6. Freight transport services by road		
Associated NACE Codes	H49.4.1, H53.10, H53.20 and N77.12		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity complies with one of the following criteria: (a) vehicles of category N1 have zero direct (tailpipe) CO_2 emissions; (b) vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242; (c) vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7,5 tonnes are one of the following:	Nykredit confirmed compliance to any of the criteria mentioned under this activity. Nykredit confirmed that the infrastructure financed will not be dedicated to the transport of fossil fuels.	Aligned

	(i)'zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242; (ii) where technologically and economically not feasible to comply with the criterion in point (i), 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of that Regulation. 2. Vehicles are not dedicated to the transport of fossil fuels.		

Table 30

Framework Activity assessed	Low carbon transportation		
EU Taxonomy Activity	6.11. Sea and coastal passenger water transport		
Associated NACE Codes	H50.10, N77.21 and N77.34		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with one or more of the following criteria: (a) the vessels have zero direct (tailpipe) CO_2 emissions; (b) where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, hybrid and dual fuel vessels derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports; (c) where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI)[94] value 10% below the EEDI requirements applicable on 1 April 2022261, if the vessels are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources.[95]	Nykredit confirmed that projects complying with the following criterion are eligible: (a) the vessels have zero direct (tailpipe) CO2 emissions.	Aligned

Table 31

Framework Activity assessed	Low carbon transportation
EU Taxonomy Activity	6.12. Retrofitting of sea and coastal freight and passenger water transport

[94] Energy Efficiency Design Index (version of [adoption date]: http://www.imo.org/fr/MediaCentre/HotTopics/GHG/Pages/EEDI.aspx).
[95] Fuels that meet the technical screening criteria specified in sections 3.10 and 4.13 of the Annex I of the Climate Delegated Act.

Associated NACE Codes	H50.10, H50.2, H52.22, C33.15, N77.21 and N.77.34		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Until 31 December 2025, the retrofitting activity reduces fuel consumption of the vessel by at least 10 % expressed in grams of fuel per deadweight tons per nautical mile, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations. 2. Vessels are not dedicated to the transport of fossil fuels.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 32

Framework Activity assessed	Low carbon transportation infrastructure		
EU Taxonomy Activity	6.14. Infrastructure for rail transport		
Associated NACE Codes	F42.12, F42.13, M71.12, M71.20, F43.21, and H52.21		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity complies with one of the following criteria: (a) the infrastructure (as defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council) is either: (i) electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797; (ii) new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO_2 emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797; (iii) until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network[96] and its indicative extensions to third countries, nor any nationally, supranationally or	Nykredit confirmed compliance to any one of the criteria mentioned under this activity. Nykredit confirmed that infrastructure financed will not be dedicated to the transport or storage of fossil fuels.	Aligned

[96] In accordance with Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

	internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797; (b) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; (c) infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail. 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.		

Table 33

Framework Activity assessed	Low carbon transportation infrastructure		
EU Taxonomy Activity	6.15. Infrastructure enabling low-carbon road transport and public transport		
Associated NACE Codes	F42.11, F42.13, F71.1 and F71.20		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity complies with one or more of the following criteria: (a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO_2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); (b) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; (c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems. 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.	Nykredit confirmed that projects complying with the following criterion are eligible: (a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS). Nykredit confirmed that infrastructure financed will not be dedicated to the transport or storage of fossil fuels.	Aligned

Table 34

Framework Activity assessed	Low carbon transportation infrastructure		
EU Taxonomy Activity	6.17. Low carbon airport infrastructure		
Associated NACE Codes	F41.20 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity complies with one or more of the following criteria: (a) the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO_2 emissions: electricity charging and hydrogen refuelling; (b) the infrastructure is dedicated to the provision of fixed electrical ground power and preconditioned air to stationary aircrafts; (c) the infrastructure is dedicated to the zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations. 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.	Nykredit confirmed that projects complying with the following criterion are eligible: (a) the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO_2 emissions: electricity charging and hydrogen refuelling. Additionally, Nykredit confirmed that the infrastructure financed will not be dedicated to the transport or storage of fossil fuels.	Aligned

Table 35

Framework Activity assessed	Low carbon transportation infrastructure		
EU Taxonomy Activity	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		
Associated NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	Installation, maintenance or repair of charging stations for electric vehicles.	Nykredit confirmed that it intends to finance installation, maintenance or repair of charging stations for electric vehicles, which is eligible by default.	Aligned

Table 36

Framework Activity assessed	Distribution and storage of electricity
EU Taxonomy Activity	4.9. Transmission and distribution of electricity
Associated NACE Codes	D35.12, D35.13
EU Technical Screening Criteria	**Alignment with Technical Screening Criteria**

Mitigation	The activity complies with one of the following criteria: 1. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria: a) the system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems; b) more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO_2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; c) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO_2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO_2e/kWh measured on a life cycle basis is not compliant. Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant. 2. The activity is one of the following: a) construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO_2e/kWh measured on a life cycle basis to a substation or network; b) construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to compliance with the technical screening criteria under the transport Section of the Annex I of the Climate Delegated Act; c) installation of transmission and distribution transformers that comply with the Tier 2 (1 July 2021) requirements set out in Annex I to the Commission Regulation (EU) No	Nykredit confirmed compliance with any one of the mentioned criteria under this activity.	Aligned

	548/2014[97] and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588-1[98] d) construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation; e) installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including: i) sensors and measurement tools (including meteorological sensors for forecasting renewable production); ii) communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed). f) installation of equipment such as, but not limited to future smart metering systems or those replacing smart metering systems in line with Article 19(6) of Directive (EU) 2019/944 of the European Parliament and of the Council[99], which meet the requirements of Article 20 of Directive (EU) 2019/944, able to carry information to users for remotely acting on consumption, including customer data hubs; g) construction/installation of equipment to allow for exchange of specifically renewable electricity between users; h) construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant. For the purposes of this Section, the following specifications apply: a) the rolling five-year period used in determining compliance with the thresholds is based on five consecutive historical years, including the year for which the most recent data are available; b) a 'system' means the power control area of the transmission or distribution network where the infrastructure or equipment is installed;		

[97] Commission Regulation (EU) No 548/2014 of 21 May 2014 on implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to small, medium and large power transformers (OJ L 152, 22.5.2014, p. 1).
[98] CEI EN 50588-1 Medium power transformers 50 Hz, with highest voltage for equipment not exceeding 36 kV.
[99] Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158/125, 14.6.2019),

	c) transmission systems may include generation capacity connected to subordinated distribution systems; d) distribution systems subordinated to a transmission system that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation; e) to determine compliance, it is possible to consider a system covering multiple control areas which are interconnected and with significant energy exchanges between them, in which case the weighted average emissions factor across all included control areas is used, and individual subordinated transmission or distribution systems within that system is not required to demonstrate compliance separately; f) it is possible for a system to become non-compliant after having previously been compliant. In systems that become non-compliant, no new transmission and distribution activities are compliant from that moment onward, until the system complies again with the threshold (except for those activities that are always compliant, see above). Activities in subordinated systems may still be compliant, where those subordinated systems meet the criteria of this Section; g) a direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or to the network.		

Table 37

Framework Activity assessed	Distribution and storage of electricity		
EU Taxonomy Activity	4.10. Storage of electricity		
Associated NACE Code	No associated code		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity is the construction and operation of electricity storage including pumped hydropower storage. Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the criteria for manufacturing of the corresponding product specified in Sections 3.7 to 3.17 of the Annex I. In case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

	Section 3.10 of the Annex I of the Climate Delegated Act, re-electrification of hydrogen is also considered part of the activity.		

Table 38

Framework Activity assessed	Distribution and storage of electricity		
EU Taxonomy Activity	4.11. Storage of thermal energy		
Associated NACE Code	J63.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity stores thermal energy, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES).	Nykredit confirmed compliance to the criteria mentioned under this activity.	Aligned

Table 39

Framework Activity assessed	Distribution and storage of heat/cooling		
EU Taxonomy Activity	4.15. District heating/cooling distribution		
Associated NACE Code	D35.30		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with one of the following criteria: a) for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU; b) for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network; c) the activity is the following: i) modification to lower temperature regimes; ii) advanced pilot systems (control and energy management systems, Internet of Things).	Nykredit confirmed compliance with any one of the mentioned criteria under this activity.	Aligned

Table 40

Framework Activity assessed	Transportation and storage of CO_2		
EU Taxonomy Activity	5.11. Transport of CO_2		
Associated NACE Codes	F42.21 and H49.50		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The CO_2 transported from the installation where it is captured to the injection point does not lead to CO_2 leakages above 0.5 % of the mass of CO_2 transported. 2. The CO_2 is delivered to a permanent CO_2 storage site that meets the criteria for underground geological storage of CO_2 set out in Section 5.12 of the Annex I of the Climate Delegated Act; or to other transport modalities, which lead to permanent CO_2 storage site that meet those criteria. 3. Appropriate leak detection systems are applied and a monitoring plan is in place, with the report verified by an independent third party. 4. The activity may include the installation of assets that increase the flexibility and improve the management of an existing network.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 41

Framework Activity assessed	Transportation and storage of CO_2		
EU Taxonomy Activity	5.12. Underground permanent geological storage of CO_2		
Associated NACE Code	E39.00		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Characterisation and assessment of the potential storage complex and surrounding area, or exploration within the meaning of Article 3, point (8), of Directive 2009/31/EC of the European Parliament and of the Council[100] is carried out in order to establish whether the geological formation is suitable for use as a CO_2 storage site. 2. For operation of underground geological CO_2 storage sites, including closure and post-closure obligations:	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[100] Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006 (OJ L 140, 5.6.2009, p. 114).

	(a) appropriate leakage detection systems are implemented to prevent release during operation; (b) a monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place, with the regular reports checked by the competent national authority. 3. For the exploration and operation of storage sites within the Union, the activity complies with Directive 2009/31/EC. For the exploration and operation of storage sites in third countries, the activity complies with ISO 27914:2017[101] for geological storage of CO_2.		

Table 42

Framework Activity assessed	Distribution and storage of hydrogen		
EU Taxonomy Activity	4.12. Storage of hydrogen		
Associated NACE Code	No associated code		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity is one of the following: a) construction of hydrogen storage facilities; b) conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; c) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in Section 3.10. of the Annex I of the Climate Delegated Act.	Nykredit confirmed compliance with any one of the mentioned criteria under this activity.	Aligned

Table 43

Framework Activity assessed	Distribution and storage of hydrogen		
EU Taxonomy Activity	4.14. Transmission and distribution networks for renewable and low-carbon gases		
Associated NACE Codes	D35.22, F42.21 and H49.50		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity consists in one of the following:	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[101] ISO Standard 27914:2017, Carbon dioxide capture, transportation and geological storage — Geological storage (version of [adoption date]: https://www.iso.org/standard/64148.html).

	a) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low carbon gases; b) conversion/repurposing of existing natural gas networks to 100% hydrogen; c) retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system; 2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.		

Table 44

Framework Activity assessed	Data management and solutions		
EU Taxonomy Activity	8.1 Data processing, hosting and related activities		
Associated NACE Code	J63.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The activity has implemented all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency[102], or in CEN-CENELEC document CLC TR50600-99-1 "Data centre facilities and infrastructures – Part 99-1: Recommended practices for energy management".[103] The implementation of those practices is verified by an independent third-party and audited at least every three years. 2. Where an expected practice is not considered relevant due to physical, logistical, planning or other constraints, an explanation of why the expected practice is not applicable or practical is provided. Alternative best practices from the European Code of Conduct on Data Centre Energy Efficiency or other equivalent	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[102] The most recent version of the European Code of Conduct on Data Centre Energy Efficiency is the latest version published at the Joint Research Centre European Energy Efficiency Platform (E3P) website, https://e3p.jrc.ec.europa.eu/communities/data-centres-code-conduct, with a transition period of six months starting from the day of its publication (the 2021 version is available at https://e3p.jrc.ec.europa.eu/publications/2021-best-practice-guidelines-eu-code-conduct-data-centreenergy-efficiency).
[103] Issued on 1 July 2019 by the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC), (version of [adoption date]: https://www.cenelec.eu/dyn/www/f?p=104:110:508227404055501::::FSP_ORG_ID,FSP_PROJECT,FS P_LANG_ID:1258297,65095,25).

	sources may be identified as direct replacements if they result in similar energy savings. 3. The global warming potential (GWP) of refrigerants used in the data centre cooling system does not exceed 675.		

Table 45

Framework Activity assessed	Manufacturing of renewable energy technologies		
EU Taxonomy Activity	3.1. Manufacture of renewable energy technologies		
Associated NACE Codes	C25, C27 and C28		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The economic activity manufactures renewable energy technologies.	The Framework includes financing of the manufacture of renewable energy technologies, which is eligible by default.	Aligned

Table 46

Framework Activity assessed	Manufacturing of energy efficient equipment for buildings		
EU Taxonomy Activity	3.5 Manufacture of energy efficiency equipment for buildings		
Associated NACE Codes	C16.23, C23.11, C23.20, C23.31, C23.32, C23.43, C.23.61, C25.11, C25.12, C25.21, C25.29, C25.93, C27.31, C27.32, C27.33, C27.40, C27.51, C28.11, C28.12, C28.13, C28.14		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The economic activity manufactures one or more of the following products and their key components[104]: (a) windows with U-value lower or equal to 1,0 W/m^{2}K; (b) doors with U-value lower or equal to 1,2 W/m^{2}K; (c) external wall systems with U-value lower or equal to 0,5 W/m^{2}K; (d) roofing systems with U-value lower or equal to 0,3 W/m^{2}K; (e) insulating products with a lambda value lower or equal to 0,06 W/mK; (f) household appliances falling into the highest two populated classes of energy efficiency in accordance with Regulation (EU)	Nykredit confirmed that it intends to finance the manufacture of one or more products and their key components mentioned under this activity.	Aligned

[104] Where relevant, the U-value is calculated according to the applicable standards, e.g. EN ISO 10077-1:2017 (windows and doors), EN ISO 12631:2017 (curtain walls) and EN ISO 6946:2017 (other building components and elements).

	2017/1369 of the European Parliament and of the Council[105] and delegated acts adopted under that Regulation; (g) light sources rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; (h) space heating and domestic hot water systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; (i) cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; (j) presence and daylight controls for lighting systems; (k) heat pumps compliant with the technical screening criteria set out in Section 4.16 of the Annex I of the Climate Delegated Act; (l) façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation; (m) energy-efficient building automation and control systems for residential and non-residential buildings; (n) zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings, and sensoring equipment; (o) products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building, and for central heating systems; (p) district heating exchangers and substations compliant with the district heating/cooling distribution activity set out in Section 4.15 of the Annex I of the Climate Delegated Act; (q) products for smart monitoring and regulating of heating system, and sensoring equipment.		

[105] Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (OJ L 198, 28.7.2017, p. 1).

Table 47

Framework Activity assessed	Manufacturing of hydrogen		
EU Taxonomy Activity	3.2. Manufacture of equipment for the production and use of hydrogen		
Associated NACE Codes	C25, C27 and C28		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The economic activity manufactures equipment for the production of hydrogen compliant with the Technical Screening Criteria set out in Section 3.10 of the Annex I I of the Climate Delegated Act and equipment for the use of hydrogen.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 48

Framework Activity assessed	Manufacturing of hydrogen		
EU Taxonomy Activity	3.10. Manufacture of hydrogen		
Associated NACE Code	C20.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity complies with the life cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life cycle GHG emissions lower than 3tCO_2e/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO_2e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001. Life cycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018[106] or ISO 14064-1:2018[107]. Quantified life cycle GHG emissions savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party. Where the CO_2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO_2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of the Annex I of the Climate Delegated Act.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[106] ISO standard 14067:2018, Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification (version of [adoption date]: https://www.iso.org/standard/71206.html).
[107] ISO standard 14064-1:2018, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (version of [adoption date]: https://www.iso.org/standard/66453.html).

Table 49

Framework Activity assessed	Water supply and wastewater management		
EU Taxonomy Activity	5.1. Construction, extension and operation of water collection, treatment and supply systems		
Associated NACE Codes	E36.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The water supply system complies with one of the following criteria: a) the net average energy consumption for abstraction and treatment equals to or is lower than 0.5 kWh per cubic meter produced water supply. Net energy consumption may take into account measures decreasing energy consumption, such as source control (pollutant load inputs), and, as appropriate, energy generation (such as hydraulic, solar and wind energy); b) the leakage level is either calculated using the Infrastructure Leakage Index (ILI)[108] rating method and the threshold value equals to or is lower than 1.5 or is calculated using another appropriate method and the threshold value is established in accordance with Article 4 of Directive (EU) 2020/2184 of the European Parliament and of the Council.[109] That calculation is to be applied across the extent of water supply (distribution) network where the works are carried out, i.e., at water supply zone level, district metered area(s) (DMAs) or pressure managed area(s) (PMAs).	Nykredit confirmed compliance with either of the mentioned criteria under this activity.	Aligned

Table 50

Framework Activity assessed	Water supply and wastewater management		
EU Taxonomy Activity	5.2. Renewal of water collection, treatment and supply systems		
Associated NACE Codes	E36.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The renewal of the water supply system leads to improved energy efficiency in one of the following ways:	Nykredit confirmed compliance with either of the mentioned criteria under this activity.	Aligned

[108] The Infrastructure Leakage Index (ILI) is calculated as current annual real losses (CARL)/unavoidable annual real losses (UARL): The current annual real losses (CARL) represent the amount of water that is actually lost from the distribution network (i.e. not delivered to final users). The unavoidable annual real losses (UARL) take into consideration that there will always be some leakage in a water distribution network. The UARL is calculated based on factors such as the length of the network, the number of service connections and the pressure at which the network is operating.
[109] Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (recast) (OJ L 435, 23.12.2020, p. 1).

	a) by decreasing the net average energy consumption of the system by at least 20% compared to own baseline performance averaged for three years, including abstraction and treatment, measured in kWh per cubic meter produced water supply; b) by closing the gap by at least 20% either between the current leakage level averaged EN 117 EN over three years, calculated using the Infrastructure Leakage Index (ILI) rating method and an ILI of 1.5[110] or between the current leakage level averaged over three years, calculated using another appropriate method, and the threshold value established in accordance with Article 4 of Directive (EU) 2020/2184. The current leakage level averaged over three years is calculated across the extent of water supply (distribution) network where the works are carried out, i.e., for the renewed water supply (distribution) network at district metered area(s) (DMAs) or pressure managed area(s) (PMAs).		

Table 51

Framework Activity assessed	Water supply and wastewater management		
EU Taxonomy Activity	5.3 Construction, extension and operation of wastewater collection and treatment		
Associated NACE Codes	E37.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The net energy consumption of the wastewater treatment plant equals to or is lower than: a) 35 kWh per population equivalent (p.e.) per annum for treatment plant capacity below 10000 p.e.; b) 25 kWh per population equivalent (p.e.) per annum for treatment plant capacity between 10000 and 100000 p.e.; c) 20 kWh per population equivalent (p.e.) per annum for treatment plant capacity above 100000 p.e. Net energy consumption of the operation of the wastewater treatment plant may take into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs), and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy).	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[110] The Infrastructure Leakage Index (ILI) is calculated as current annual real losses (CARL)/unavoidable annual real losses (UARL): The current annual real losses (CARL) represent the amount of water that is actually lost from the distribution network (i.e. not delivered to final users). The unavoidable annual real losses (UARL) take into consideration that there will always be some leakage in a water distribution network. The UARL is calculated based on factors such as the length of the network, the number of service connections and the pressure at which the network is operating.

	2. For the construction and extension of a wastewater treatment plant or a waste water treatment plant with a collection system, which are substituting more GHG-intensive treatment systems (such as septic tanks, anaerobic lagoons), an assessment of the direct GHG emissions is performed.[111] The results are disclosed to investors and clients on demand		

Table 52

Framework Activity assessed	Water supply and wastewater management		
EU Taxonomy Activity	5.4 Renewal of waste water collection and treatment		
Associated NACE Code	E37.00		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. The renewal of a collection system improves energy efficiency by decreasing the average energy consumption by 20% compared to own baseline performance averaged over three years, demonstrated on an annual basis. That decrease of energy consumption can be accounted for at the level of the project (i.e. the collection system renewal) or, across the downstream waste water agglomeration (i.e. including the downstream collection system, treatment plant or discharge of waste water). 2. The renewal of a waste water treatment plant improves energy efficiency by decreasing the average energy consumption of the system by at least 20% compared to own baseline performance averaged over three years, demonstrated on an annual basis. 3. For the purposes of points 1 and 2, the net energy consumption of the system is calculated in kWh per population equivalent per annum of the waste water collected or effluent treated, taking into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs) and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy). 4. For the purpose of point 1 and 2, the operator demonstrates that there are no material changes relating to external conditions, including modifications to discharge authorisation(s) or	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[111] For example, following IPCC guidelines for national GHG inventories for waste water treatment (version of [adoption date]: https://www.ipccnggip.iges.or.jp/public/2019rf/pdf/5_Volume5/19R_V5_6_Ch06_Wastewater.pdf)

	changes in load to the agglomeration that would lead to a reduction of energy consumption, independent of efficiency measures taken.		

Table 53

Framework Activity assessed	Waste Management		
EU Taxonomy Activity	5.5. Collection and transport of non-hazardous waste in source segregated fractions		
Associated NACE Code	E38.11		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	All separately collected and transported non-hazardous waste that is segregated at source is intended for preparation for reuse or recycling operations.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 54

Framework Activity assessed	Waste Management		
EU Taxonomy Activity	5.9. Material recovery from non-hazardous waste		
Associated NACE Codes	E38.32 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity converts at least 50 %, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 55

Framework Activity assessed	Forestry projects, including afforestation, conservation, and restoration of forests		
EU Taxonomy Activity	1.1 Afforestation		
Associated NACE Code	A2		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Afforestation plan and subsequent forest management plan or equivalent instrument	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

	1.1. The area on which the activity takes place is covered by an afforestation plan of a duration of at least five years, or the minimum period prescribed in national law, developed prior to the start of the activity and continuously updated, until this area matches the definition of forest as set out in national law or where not available, is in line with the FAO 1.2. Preferably through the afforestation plan, or if information is missing, through any other document, detailed information is provided on the following points: (a) description of the area according to its gazetting in the land registry; (b) site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomass, in order to protect land with high carbon stock; (c) management goals, including major constraints; (d) general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; (e) definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; (f) compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; (g) measures deployed to establish and maintain the good condition of forest ecosystems; (h) consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law); (i) assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; (j) assessment of impact on food security; (k) all DNSH criteria relevant to afforestation 1.3. When the area becomes a forest, the afforestation plan is followed by a subsequent forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan.[112] The forest management plan or the equivalent instrument covers a period of 10 years or more and is continuously updated.		

[112] Forest area that has a long-term (ten years or more) documented management plan, aiming at defined management goals, and which is periodically revised, FAO Global Resources Assessment 2020. Terms and definitions (version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).

	1.4. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: (a) management goals, including major constraints; [113] (b) general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; (c) definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; (d) definition of the area according to its gazetting in the land registry; (e) compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; (f) measures deployed to maintain the good condition of forest ecosystems; (g) consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law); (h) assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; (i) all DNSH criteria relevant to forest management 1.5. The activity follows the best afforestation practices laid down in national law, or, where no such best afforestation practices have been laid down in national law, the activity complies with one of the following criteria: (a) the activity complies with Commission Delegated Regulation (EU) No 807/2014;[114] (b) the activity follows the "Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC" [115] 1.6. The activity does not involve the degradation of land with high carbon stock[116]		

[113] Including an analysis of (i) long-term sustainability of the wood resource (ii) impacts/pressures on habitat conservation, diversity of associated habitats and condition of harvesting minimising soil impacts.
[114] Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions (OJ L 227, 31.7.2014, p. 1)
[115] Forest Europe Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC adopted by the MCPFE Expert Level Meeting on 12-13 November, 2008 and by the PEBLDS Bureau on behalf of the PEBLDS Council on 4 November, 2008 (version of [adoption date]: https://www.foresteurope.org/docs/other_meetings/2008/Geneva/Guidelines_Aff_Ref_ADOPTED.pdf)
[116] Land with high-carbon stock means wetlands, including peatland, and continuously forested areas within the meaning of Article 29(4)(a), (b) and (c) of Directive (EU) 2018/2001

	1.7. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010 of the European Parliament and of the Council[117] 1.8. The afforestation plan and the subsequent forest management plan or equivalent instrument provide for monitoring that ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area 2. Climate benefit analysis 2.1. For areas that comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: (a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity; (b) long-term climate benefits are considered demonstrated by proof of alignment with Article 29(7), point (b), of Directive (EU) 2018/2001 2.2. For areas that do not comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: (a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity.		

[117] Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23)

	(b) the projected long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baseline, referred to in point 2.2, where long term corresponds to the longer duration between 100 years and the duration of an entire forest cycle. 2.3. The calculation of climate benefit complies with all of the following criteria: (a) the analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.[118] The climate benefit analysis is based on transparent, accurate, consistent, complete and comparable information, covers all carbon pools impacted by the activity, including above-ground biomass, belowground biomass, deadwood, litter and soil, relies on the most conservative assumptions for calculations and includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage. (b) the business as-usual practices, including harvesting practices, are ones of the following: (i) the management practices as documented in the latest version of the forest management plan or equivalent instrument before the start of the activity, if any; (ii) the most recent business-as-usual practices prior to the start of the activity; (iii) the practices corresponding to a management system ensuring that carbon stocks and sinks levels in the forest area are maintained or strengthened over the long term as set out in Article 29(7), point (b), of Directive (EU) 2018/2001. (c) the resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used. (d) emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance with Regulation (EU) 2020/852, provided that the climate benefit analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories regarding emissions and removals due to natural disturbances.		

[118] 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (version of [adoption date]: https://www.ipcc-nggip.iges.or.jp/public/2019rf/)

	2.4. Forest holdings under 13ha are not required to perform a climate benefit analysis. 3. Guarantee of permanence 3.1. In accordance with national law, the forest status of the area in which the activity takes place is guaranteed by one of the following measures: (a) the area is classified in the permanent forest estate as defined by the FAO;[119] (b) the area is classified as a protected area; (c) the area is the subject of any legal or contractual guarantee ensuring that it will remain a forest. 4. Audit Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria are verified by either of the following: (a) the relevant national competent authorities; (b) an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder, and may not be involved in the development or operation of the activity. 5. Group assessment The compliance with the criteria for substantial contribution to climate change mitigation and with DNSH criteria may be checked: (a) at the level of the forest sourcing area[120] as defined in Article 2, point (30), of Directive (EU) 2018/2001; (b) at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits.		

[119] Forest area that is designated to be retained as forest and may not be converted to other land use, FAO Global Resources Assessment 2020. Terms and definitions (version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf)
[120] 'Sourcing area' means the geographically defined area from which the forest biomass feedstock is sourced, from which reliable and independent information is available and where conditions are sufficiently homogeneous to evaluate the risk of the sustainability and legality characteristics of the forest biomass

Table 56

Framework Activity assessed	Forestry projects, including afforestation, conservation, and restoration of forests		
EU Taxonomy Activity	1.2. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event		
Associated NACE Code	A2		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Forest management plan or equivalent instrument 1.1. The activity takes place on area that is subject to a forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan'[121]. The forest management plan or the equivalent instrument covers a period of 10 years or more, and is continuously updated. 1.2. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: (a) management goals, including major constraints[122]; (b) general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; (c) definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; (d) definition of the area according to its gazetting in the land registry; (e) compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; (f) measures deployed to maintain the good condition of forest ecosystems; (g) consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law); (h) assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; (i) all DNSH criteria relevant to forest management.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[121] Forest area that has a long-term (ten years or more) documented management plan, aiming at defined management goals, and which is periodically revised.
FAO Global Resources Assessment 2020. Terms and definitions (version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).
[122] Including an analysis of (i) long term sustainability of the wood resource (ii) impacts/pressures on habitat conservation, diversity of associated habitats and condition of harvesting minimizing soil impacts.

	1.3. The sustainability of the forest management systems, as documented in the plan referred to in point 1.1, is ensured by choosing the most ambitious of the following approaches: (a) the forest management matches the applicable national definition of sustainable forest management; (b) the forest management matches the Forest Europe definition[123] of sustainable forest management, and complies with the Pan-European Operational Level Guidelines for Sustainable Forest Management[124]; (c) the management system in place complies with the forest sustainability criteria laid down in Article 29(6) of Directive (EU) 2018/2001, and as of the date of its application with the implementing act on operational guidance for energy from forest biomass adopted under Article 29(8) of that Directive. 1.4. The activity does not involve the degradation of land with high carbon stock[125]. 1.5. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010. 1.6. The forest management plan or equivalent instrument provides for monitoring which ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area. 2. Climate benefit analysis 2.1. For areas that comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: (a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years		

[123] The stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems.
Resolution H1 General Guidelines for the Sustainable Management of Forests in Europe Second Ministerial Conference on the Protection of Forests in Europe (Forest Europe), 16-17 June 1993, Helsinki/Finland (version of [adoption date]: https://www.foresteurope.org/docs/MC/MC_helsinki_resolutionH1.pdf).
[124] Annex 2 of the Resolution L2. Pan-European Operational Level Guidelines for Sustainable Forest Management. Third Ministerial Conference on the Protection of Forests in Europe 2-4 June 1998, Lisbon/Portugal (version of [adoption date]: https://foresteurope.org/wp-content/uploads/2016/10/MC_lisbon_resolutionL2_with_annexes.pdf#page=18).
[125] Land with high-carbon stock means wetlands, including peatland, and continuously forested areas within the meaning of Article 29(4)(a), (b) and (c) of Directive (EU) 2018/2001.

	starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity; (b) long-term climate benefits are considered demonstrated by proof of alignment with Article 29(7), point (b), of Directive (EU) 2018/2001. 2.2. For areas that do not comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: (a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity. (b) the projected long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baseline, referred to in point 2.2, where long term corresponds to the longer duration between 100 years and the duration of an entire forest cycle. 2.3. The calculation of climate benefit complies with all of the following criteria: (a) the analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories[126]. The climate benefit analysis is based on transparent, accurate, consistent, complete and comparable information, covers all carbon pools impacted by the activity, including above-ground biomass, below-ground biomass, deadwood, litter and soil, relies on the most conservative assumptions for calculations and includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage. (b) the business-as-usual practices, including harvesting practices, are one of the following: (i) the management practices as documented in the latest version of the forest management plan or equivalent instrument before the start of the activity, if any;		

[126]2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (version of [adoption date]: https://www.ipcc-nggip.iges.or.jp/public/2019rf/).

	(ii) the most recent business-as-usual practices prior to the start of the activity; (iii) the practices corresponding to a management system ensuring that carbon stocks and sinks levels in the forest area are maintained or strengthened over the long term as set out in Article 29(7), point (b), of Directive (EU) 2018/2001. (c) the resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used. (d) emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance with Regulation (EU) 2020/852, provided that the climate benefit analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories regarding emissions and removals due to natural disturbances. 2.4. Forest holdings under 13ha are not required to perform a climate benefit analysis. 3. Guarantee of permanence 3.1. In accordance with national law, the forest status of the area in which the activity takes place is guaranteed by one of the following measures: (a) the area is classified in the permanent forest estate as defined by the FAO[127]; (b) the area is classified as a protected area; (c) the area is the subject of any legal or contractual guarantee ensuring that it will remain a forest. 3.2. In accordance with national law, the operator of the activity commits that future update to the forest management plan or equivalent instrument, beyond the activity that is financed, will continue to seek the climate benefits as determined in point 2. Besides, the operator of the activity commits to compensate any reduction in the climate benefit determined in point 2 with an equivalent climate benefit resulting from the conduct of an activity that corresponds to one of the forestry activities defined in this Regulation. 4. Audit		

[127]Forest area that is designated to be retained as forest and may not be converted to other land use, (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).

	Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria are verified by either of the following: (a) the relevant national competent authorities; (b) an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder, and may not be involved in the development or operation of the activity. 5. Group assessment The compliance with the criteria for substantial contribution to climate change mitigation and with DNSH criteria may be checked: (a) at the level of the forest sourcing area[128] as defined in Article 2, point (30), of Directive (EU) 2018/2001; (b) at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits.		

Table 57

Framework Activity assessed	Forestry projects, including afforestation, conservation, and restoration of forests		
EU Taxonomy Activity	1.4. Conservation forestry		
Associated NACE Code	A2		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. Forest management plan or equivalent instrument 1.1. The activity takes place on area that is subject to a forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[128] 'Sourcing area' means the geographically defined area from which the forest biomass feedstock is sourced, from which reliable and independent information is available and where conditions are sufficiently homogeneous to evaluate the risk of the sustainability and legality characteristics of the forest biomass.

	equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan'[129]. The forest management plan or equivalent instrument covers a period of 10 years or more and is continuously updated. 1.2. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: (a) management goals, including major constraints; (b) general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; (c) definition of the forest habitat context, main forest tree species and those intended and their extent and distribution, in accordance to the local forest ecosystem context; (d) definition of the area according to its gazetting in the land registry; (e) compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; (f) measures deployed to maintain the good condition of forest ecosystems; (g) consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law); (h) assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; (i) all DNSH relevant to forest management. 1.3. The forest management plan or the equivalent instrument: shows a primary designated management objective[130] that consists in protection of soil and water[131], conservation of		

[129]Forest area that has a long-term (ten years or more) documented management plan, aiming at defined management goals, and which is periodically revised.
FAO Global Resources Assessment 2020. Terms and definitions (version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).
[130]The primary designated management objective assigned to a management unit (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).
[131] Forest where the management objective is protection of soil and water. (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).

	biodiversity[132] or social services[133] based on the FAO definitions; (b) promotes biodiversity-friendly practices that enhance forests' natural processes; (c) includes an analysis of: (i) impacts and pressures on habitat conservation and diversity of associated habitats; (ii) condition of harvesting minimizing soil impacts; (iii) other activities that have an impact on conservation objectives, such as hunting and fishing, agricultural, pastoral and forestry activities, industrial, mining, and commercial activities. 1.4. The sustainability of the forest management systems as documented in the plan referred to in point 1.1 is ensured by choosing the most ambitious of the following approaches: (a) the forest management matches the national definition of sustainable forest management, if any; (b) the forest management matches the Forest Europe definition[134] of sustainable forest management and complies with the Pan-European Operational Level Guidelines for Sustainable Forest Management[135]; (c) the management system in place shows compliance with the forest sustainability criteria as defined in Article 29(6) of Directive (EU) 2018/2001, and as of the date of its application with the implementing act on operational guidance for energy from forest biomass adopted under Article 29(8) of that Directive. 1.5 The activity does not involve the degradation of land with high carbon stock[136]. 1.6. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010.		

[132] Forest where the management objective is conservation of biological diversity. Includes but is not limited to areas designated for biodiversity conservation within the protected areas. (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).
[133] Forest where the management objective is social services. (FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf)
[134] The stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems.
Resolution H1 General Guidelines for the Sustainable Management of Forests in Europe Second Ministerial Conference on the Protection of Forests in Europe (Forest Europe), 16-17 June 1993, Helsinki/Finland (version of [adoption date]: https://www.foresteurope.org/docs/MC/MC_helsinki_resolutionH1.pdf)
[135] Annex 2 of the Resolution L2. Pan-European Operational Level Guidelines for Sustainable Forest Management. Third Ministerial Conference on the Protection of Forests in Europe 2-4 June 1998, Lisbon/Portugal (version of [adoption date]: https://foresteurope.org/wp-content/uploads/2016/10/MC_lisbon_resolutionL2_with_annexes.pdf#page=18).
[136] Land with high-carbon stock means wetlands, including peatland, and continuously forested areas within the meaning of Article 29(4)(a), (b) and (c) of Directive (EU) 2018/2001.

	1.7. The forest management plan or equivalent instrument provides for monitoring which ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area. 2. Climate benefit analysis 2.1. For areas that comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: (a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity; (b) long-term climate benefits are considered demonstrated by proof of alignment with Article 29(7), point (b), of Directive (EU) 2018/2001. 2.2. For areas that do not comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: (a) the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity. (b) the projected long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baseline, referred to in point 2.2, where long term corresponds to the longer duration between 100 years and the duration of an entire forest cycle. 2.3. The calculation of climate benefit complies with all of the following criteria: (a) the analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas		

	Inventories[137]. The climate benefit analysis is based on transparent, accurate, consistent, complete and comparable information, covers all carbon pools impacted by the activity, including above-ground biomass, below-ground biomass, deadwood, litter and soil, relies on the most conservative assumptions for calculations and includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage. (b) the business as-usual practices, including harvesting practices, are one of the following: (i) the management practices as documented in the latest version of the forest management plan or equivalent instrument before the start of the activity, if any; (ii) the most recent business-as-usual practices prior to the start of the activity; (iii) the practices corresponding to a management system ensuring that carbon stocks and sinks levels in the forest area are maintained or strengthened over the long term as set out in Article 29(7), point (b), of Directive (EU) 2018/2001. (c) the resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used. (d) emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance with the criteria of Regulation (EU) 2020/852, provided that the climate benefit analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories regarding emissions and removals due to natural disturbances. 2.4. Forest holdings under 13ha are not required to perform a climate benefit analysis. 3. Guarantee of permanence 3.1. In accordance with national law, the forest status of the area in which the activity takes place is guaranteed by one of the following measures: (a) the area is classified in the permanent forest estate as defined by the FAO[138] ;		

[137] 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (version of [adoption date]: https://www.ipcc-nggip.iges.or.jp/public/2019rf/).
[138] 60 Forest area that is designated to be retained as forest and may not be converted to other land use.
(FAO Global Resources Assessment 2020. Terms and definitions version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).

	(b) the area is classified as a protected area; (c) the area is the subject of any legal or contractual guarantee ensuring that it will remain a forest. 3.2. In accordance with national law, the operator of the activity commits that future updates to the forest management plan or equivalent instrument, beyond the activity that is financed, will continue to seek the climate benefits as determined in point 2. Besides, the operator of the activity commits to compensate any reduction in the climate benefit determined in point 2 with an equivalent climate benefit resulting from the conduct of an activity that corresponds to one of the forestry activities defined in this Regulation. 4. Audit Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria are verified by either of the following: (a) the relevant national competent authorities; (b) an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder, and may not be involved in the development or operation of the activity. 5. Group assessment The compliance with the criteria for substantial contribution to climate change mitigation and with DNSH criteria may be checked: (a) at the level of the forest sourcing area[139] as defined in Article 2, point (30), of Directive (EU) 2018/2001; (b) at the level of a group of forest holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits.		

[139] 'Sourcing area' means the geographically defined area from which the forest biomass feedstock is sourced, from which reliable and independent information is available and where conditions are sufficiently homogeneous to evaluate the risk of the sustainability and legality characteristics of the forest biomass.

Table 58

Framework Activity assessed	Wastewater management		
EU Taxonomy Activity	5.1. Construction, extension and operation of water collection, treatment and supply systems		
Associated NACE Codes	E36.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Adaptation	1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity. 2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to this Annex by performing a robust climate risk and vulnerability assessment with the following steps: (a) screening of the activity to identify which physical climate risks from the list in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to this Annex, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: (a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios[140] consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. 3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[141] scientific peer-reviewed publications and open source[142] or paying models.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[140] Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.
[141] Assessments Reports on Climate Change: Impacts, Adaptation and Vulnerability, published periodically by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change produces, https://www.ipcc.ch/reports/.
[142] Such as Copernicus services managed by the European Commission

	4. The adaptation solutions implemented: (a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (b) favour nature-based solutions[143] or rely on blue or green infrastructure[144] to the extent possible; (c) are consistent with local, sectoral, regional or national adaptation plans and strategies; (d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; (e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.		

Table 59

Framework Activity assessed	Wastewater management		
EU Taxonomy Activity	5.2. Renewal of water collection, treatment and supply systems		
Associated NACE Codes	E36.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Adaptation	1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity. 2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to this Annex by performing a robust climate risk and vulnerability assessment with the following steps: (a) screening of the activity to identify which physical climate risks from the list in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to this Annex, a climate risk	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[143] Nature-based solutions are defined as 'solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions'. Therefore, nature-based solutions benefit biodiversity and support the delivery of a range of ecosystem services (version of [adoption date]: https://ec.europa.eu/info/research-and-innovation/researcharea/environment/nature-based-solutions_en/).
[144] See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Green Infrastructure (GI) — Enhancing Europe's Natural Capital (COM/2013/0249 final).

	and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: (a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios[145] consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. 3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[146] scientific peer-reviewed publications and open source[147] or paying models. 4. The adaptation solutions implemented: (a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (b) favour nature-based solutions[148] or rely on blue or green infrastructure[149] to the extent possible; (c) are consistent with local, sectoral, regional or national adaptation plans and strategies; (d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; (e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.		

[145] Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.
[146] Assessments Reports on Climate Change: Impacts, Adaptation and Vulnerability, published periodically by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change produces, https://www.ipcc.ch/reports/.
[147] Such as Copernicus services managed by the European Commission.
[148] Nature-based solutions are defined as 'solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions'. Therefore, nature-based solutions benefit biodiversity and support the delivery of a range of ecosystem services (version of [adoption date]: https://ec.europa.eu/info/research-and-innovation/researcharea/environment/nature-based-solutions_en/).
[149] See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Green Infrastructure (GI) — Enhancing Europe's Natural Capital (COM/2013/0249 final).

Table 60

Framework Activity assessed	Wastewater management		
EU Taxonomy Activity	5.3 Construction, extension and operation of wastewater collection and treatment		
Associated NACE Code	E37.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Adaptation	1. The net energy consumption of the waste water treatment plant equals to or is lower than: (a) 35 kWh per population equivalent (p.e.) per annum for treatment plant capacity below 10 000 p.e.; (b) 25 kWh per population equivalent (p.e.) per annum for treatment plant capacity between 10 000 and 100 000 p.e.; (c) 20 kWh per population equivalent (p.e.) per annum for treatment plant capacity above 100 000 p.e. Net energy consumption of the operation of the waste water treatment plant may take into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs), and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy). 2. For the construction and extension of a wastewater treatment plant or a wastewater treatment plant with a collection system, which are substituting more GHG-intensive treatment systems (such as septic tanks, anaerobic lagoons), an assessment of the direct GHG emissions is performed. The results are disclosed to investors and clients on demand.	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

Table 61

Framework Activity assessed	Wastewater management		
EU Taxonomy Activity	5.4 Renewal of waste water collection and treatment		
Associated NACE Code	E37.00		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Adaptation	1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity. 2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to this Annex by performing a robust climate risk and vulnerability assessment with the following steps:	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

	(a) screening of the activity to identify which physical climate risks from the list in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to this Annex, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: (a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios[150] consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. 3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[151] scientific peer-reviewed publications and open source[152] or paying models. 4. The adaptation solutions implemented: (a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (b) favour nature-based solutions[153] or rely on blue or green infrastructure[154] to the extent possible; (c) are consistent with local, sectoral, regional or national adaptation plans and strategies;		

[150] Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.
[151] Assessments Reports on Climate Change: Impacts, Adaptation and Vulnerability, published periodically by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change produces, https://www.ipcc.ch/reports/.
[152] Such as Copernicus services managed by the European Commission.
[153] Nature-based solutions are defined as 'solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions'. Therefore, nature-based solutions benefit biodiversity and support the delivery of a range of ecosystem services (version of [adoption date]: https://ec.europa.eu/info/research-and-innovation/researcharea/environment/nature-based-solutions_en/).
[154] See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Green Infrastructure (GI) — Enhancing Europe's Natural Capital (COM/2013/0249 final).

	(d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; (e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.		

Table 62

Framework Activity assessed	Wastewater management		
EU Taxonomy Activity	5.6 Anaerobic digestion of sewage sludge		
Associated NACE Codes	E37.00 and F42.99		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Adaptation	1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity. 2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to this Annex by performing a robust climate risk and vulnerability assessment with the following steps: (a) screening of the activity to identify which physical climate risks from the list in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to this Annex, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: (a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios[155] consistent with the	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[155] Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.

	expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. 3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[156] scientific peer-reviewed publications and open source[157] or paying models. 4. The adaptation solutions implemented: (a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (b) favour nature-based solutions[158] or rely on blue or green infrastructure[159] to the extent possible; (c) are consistent with local, sectoral, regional or national adaptation plans and strategies; (d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; (e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.		

Table 63

Framework Activity assessed	Water transport infrastructure		
EU Taxonomy Activity	6.16. Infrastructure enabling low carbon water transport		
Associated NACE Codes	F42.91, F71.1 or F71.20		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Adaptation	1. The activity complies with one or more of the following criteria:	Nykredit confirmed compliance to all criteria mentioned under this activity.	Aligned

[156] Assessments Reports on Climate Change: Impacts, Adaptation and Vulnerability, published periodically by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change produces, https://www.ipcc.ch/reports/.
[157] Such as Copernicus services managed by the European Commission.
[158] Nature-based solutions are defined as 'solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions'. Therefore, nature-based solutions benefit biodiversity and support the delivery of a range of ecosystem services (version of [adoption date]: https://ec.europa.eu/info/research-and-innovation/researcharea/environment/nature-based-solutions_en/).
[159] See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Green Infrastructure (GI) — Enhancing Europe's Natural Capital (COM/2013/0249 final).

	(a) the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO_2 emissions: electricity charging, hydrogen-based refuelling; (b) the infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth; (c) the infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO_2 emissions; (d) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods. 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.		

Appendix 3: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Nykredit
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Nykredit Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 30, 2023
Publication date of review publication: **Original publication date *[please fill this out for updates]*:**	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – i) Green Buildings, ii) Renewable Energy, iii) Clean Transportation, iv) Energy Distribution and Storage, v) Manufacturing, vi) Sustainable Water, Sewage and Waste Management, vii) Sustainable Management of Living Natural Resources and Land Use; and viii) Climate Change Adaptation – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, 11, 12, 13, and 15.

Use of proceeds categories as per GBP:

☒	Renewable energy	☐	Energy efficiency
☐	Pollution prevention and control	☒	Environmentally sustainable management of living natural resources and land use
☐	Terrestrial and aquatic biodiversity conservation	☒	Clean transportation
☒	Sustainable water and wastewater management	☒	Climate change adaptation
☐	Eco-efficient and/or circular economy adapted products, production technologies and processes	☒	Green buildings
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	☐	Other *(please specify)*: Energy Distribution and Storage and Manufacturing

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Nykredit's Green Bond Committee will be responsible for evaluating and selecting projects that are in line with the Framework's eligibility criteria. Nykredit's internal policies and processes for mitigating environmental and social risks related to loans and projects apply to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process in line with market expectation.

Evaluation and selection

☐	Credentials on the issuer's environmental sustainability objectives	☒	Documented process to determine that projects fit within defined categories
☐	Defined and transparent criteria for projects eligible for Green Bond proceeds	☒	Documented process to identify and manage potential ESG risks associated with the project
☐	Summary criteria for project evaluation and selection publicly available	☐	Other *(please specify)*:

Information on Responsibilities and Accountability

☐ Evaluation / Selection criteria subject to external advice or verification

☐ In-house assessment

☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Nykredit's Group Treasury is responsible for the management of proceeds and will track the allocation of proceeds using a dedicated registry. Nykredit intends to allocate all proceeds within six months of issuance. Any unallocated proceeds will be held temporarily in accordance with Nykredit's standard liquidity management policy. This is in line with market practice.

Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☐ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other *(please specify)*:

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements

☒ Allocation to a portfolio of disbursements

☐ Disclosure of portfolio balance of unallocated proceeds

☐ Other *(please specify)*:

4. REPORTING

Overall comment on section (if applicable):

Nykredit intends to report on allocation of proceeds on its website on an annual basis until maturity or full allocation. Allocation reporting will include the total outstanding amount of green bonds, the total amount of net proceeds allocated, a breakdown by category and geographical distribution, and new loans entering the pool over the previous reporting year. In addition, Nykredit is committed to reporting on relevant impact metrics. Sustainalytics views Nykredit's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other *(please specify):*

Information reported:

☒ Allocated amounts

☐ Green Bond financed share of total investment

☒ Other *(please specify):* total outstanding amount of Green Bonds; total amount of net proceeds allocated from the issuance of Green Bonds; breakdown of the Green Registry and the Green Portfolio by Green Asset Categories; geographical distribution of the Green Registry and the Green Portfolio; New loans entering the pool over the previous reporting year

Frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

Information reported (expected or ex-post):

☒ GHG Emissions / Savings

☒ Energy Savings

☐ Decrease in water use

☒ Other ESG indicators (please specify): Total amount disbursed (DKKm); Total energy savings (measured in MWh); Annual GHG emissions avoided (measured in tCO_2e); Impact (measured in tCO_2e per DKKm); Total amount disbursed (DKKm); Estimated installed capacity (measured in MW); Estimated annual energy production (measured in GWh); Total distance of transmission cables (measured in km); Annual energy transmitted (measured in MW); Total no. of power transformers; Amount of transported and stored CO_2 (measured in tonnes); Amount of manufactured technology, equipment, and component; Estimated installed capacity (measured in MW); Annual amount of wastewater treated, reused or avoided

(measured in m^3 or %); Annual amount of water saved (measured in m^3 or %; Annual amount of recycled material (measured in tonnes); Area of certified or sustainable farm land (measured in hectares), no. of farm units; Forest area (measured in hectares); Net carbon sequestration (measured in tonnes per year); and Type of investment and the purpose

Frequency

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Means of Disclosure

☐ Information published in financial report ☐ Information published in sustainability report

☐ Information published in ad hoc documents ☒ Other (please specify): Green Bond Reporting

☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion) ☐ Certification

☐ Verification / Audit ☐ Rating

☐ Other *(please specify):*

Review provider(s): Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

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