

BMO Financial Group

Sustainable Bond Framework

April 2024

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About BMO

Established in 1817, BMO Financial Group is the eighth largest bank in North America by assets, with total assets of \$1.3 trillion.¹

We are a highly diversified financial institution, providing a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services. We serve thirteen million customers across Canada and the United States, and in select markets globally, through three integrated operating groups.

13 million
customers globally

\$1.3 trillion
in total assets

8th largest
bank in North America
by assets

1817
serving customers for
206 years and counting

BMO's Purpose to **Boldly Grow the Good in business and life** empowers us to explore new opportunities that support our customers and communities – because we believe that success can and must be mutual.

**BOLDLY GROW
THE GOOD**
IN BUSINESS AND LIFE

For a Thriving Economy

Providing access to capital and valuable financial advice – investing in businesses, supporting home ownership and strengthening the communities we serve, while driving innovation that makes banking easier

For a Sustainable Future

Being our clients' lead partner in the transition to a net-zero world, delivering on our commitments to sustainable financing and responsible investing

For an Inclusive Society

Committing to zero barriers to inclusion through investments, financial products and services, and partnerships that remove systemic barriers for underrepresented customers, employees and communities – and drive inclusion and equitable growth for everyone

Our commitment to sustainability is embedded in our strategy and is fundamental to our Purpose. We identify the most significant effects of our business operations, products and services on interested parties and the communities in which we operate. We take steps to manage our business in a manner that is consistent with our risk management – and commercial opportunity – aligned sustainability objectives, considering our impact on communities, society and interested parties. We apply a variety of sustainability practices and benchmarks to capture opportunities and manage risks in key areas such as sustainable finance, climate change, human rights, and diversity, equity and inclusion.

¹ Financial information is presented as of January 31, 2024.

BMO's Climate Ambition

To be our clients' lead partner in the transition to a net-zero world is one of the bank's strategic priorities. It encompasses the following focus areas:

Commitment

Acting on our commitment to a sustainable future, we are advancing the transformation to a net-zero world by maintaining carbon neutrality and 100% renewable electricity purchases for our operations, and targeting net-zero financed emissions in our lending by 2050.

Capabilities

BMO's Sustainable Finance and Energy Transition and Sustainable Services groups, supported by the BMO Climate Institute, provide thought leadership at the intersection of climate change and finance, allowing us to be the premier advisor to clients and partner on climate risk and opportunity.

Client Partnership and Commercialization

We are committed to helping our clients adapt to climate change, offering products and services that support their transition to a net-zero economy.

Convening for Climate Action

The BMO Climate Institute is driving insights and bringing together industry, government, researchers and investors to catalyze the climate conversation, collaborate on solutions and accelerate a socially and economically just net-zero transition.

For further information on BMO's sustainability strategy, initiatives, targets, awards and recognition, please refer to our latest reports published online, at our-impact.bmo.com/reports.



Introduction

Sustainable Bond Program

BMO's Sustainable Bond Program supports our Purpose and advances our commitments for a sustainable future, an inclusive society and a thriving economy.

Introduced in 2019, the program helps advance our Climate Ambition, our Zero Barriers to Inclusion 2025 strategy, our commitment to sustainable financing, our implementation of the United Nations Principles for Responsible Banking (UNPRB), and our engagement with investors on sustainability issues. Since the establishment of the Sustainable Bond Program in September 2019 we have successfully issued:

- Our inaugural US\$500 million three-year BMO Sustainability Bond, in October 2019
- Our first social bond, a \$750 million five-year BMO Women in Business Bond, in March 2021



Transition to a net-zero economy

BMO is committed to supporting the transition from a carbon-intensive economy to one that aligns with net-zero objectives and the long-term ambition to limit global warming to 1.5°C.

This includes supporting sustainability activities of companies operating in carbon intensive sectors that are important to the North American economy, as well as businesses at the leading edge of the clean technology sector. We believe that companies across this spectrum have a role to play in the transition to a lower carbon and climate resilient economy.

Nuclear's place in low-carbon economy

According to the International Energy Agency (IEA), nuclear power is the second-largest source of low-carbon electricity today, providing 10% of global electricity supply, or 18% of supply in advanced economies.² According to the IEA's roadmap for net-zero emissions by 2050, achieving the pace of CO₂ emissions reductions in line with the Paris Agreement requires substantial investments into decarbonization and low-carbon energy, as well as almost doubling of current nuclear capacity globally to reach 812 gigawatts by 2050.

Nuclear power has a role to play in a net-zero world, particularly if regulatory and legislative safeguards are in place to ensure the highest level of safety at all stages of the nuclear energy lifecycle. Nuclear power, enabled by refurbishment of existing nuclear generation facilities as well as small modular reactors (SMRs), is critical to Canada's and the world's alignment with net-zero scenarios while still meeting increasing electricity demand.

¹ The BMO Sustainability Bond matured on November 1, 2022.

² Nuclear Power in a Clean Energy System; International Energy Agency: <https://www.iea.org/reports/nuclear-power-in-a-clean-energy-system>

Sustainable Bond Framework

BMO has developed an updated Sustainable Bond Framework under which it may issue four types of bonds, collectively called “Sustainable Bonds.”

Each type of bond’s proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing Assets (as defined in “Use of Proceeds” section) and in alignment with the four core components of the Sustainable Bond Framework.



Sustainability Bonds
proceeds apply to green and social assets



Green Bonds
proceeds apply to green assets



Transition Bonds
proceeds apply to transition assets



Social Bonds
proceeds apply to social assets

Following the International Capital Market Association (ICMA) Green Bond Principles (2021), Social Bond Principles (2023) and Sustainability Bond Guidelines (2021), the Sustainable Bond Framework is based on four core components:

1. Use of proceeds
2. Process for evaluation and selection
3. Management of proceeds
4. Reporting

This Sustainable Bond Framework is also informed by the guidance from ICMA’s Climate Transition Finance Handbook (2023) as it relates to practices, actions and disclosures for issuances of transition use-of-proceeds bonds.

Based on the issuance jurisdiction, we will indicate any relevant information on alignment with locally applicable regulations and taxonomies in the respective offering’s supporting document.

The United Nations 2030 Agenda for Sustainable Development sets out 17 Sustainable Development Goals (SDGs) and identifies 159 related targets in areas of critical importance for humanity and the planet. For more information, see <https://sdgs.un.org/2030agenda>



1. Use of proceeds

An amount equivalent to the net proceeds of BMO's Sustainable Bonds will be used to finance or re-finance loans, investments, internal or external projects, including in each case on a pro rata basis as appropriate (collectively referred to as "eligible assets"), that support the achievement of the UN SDGs and the global transition to a lower carbon economy.

General corporate purpose loans or investments are eligible for funding by a BMO Sustainable Bond if at least 90% of the loan recipient's revenue is derived from sources that meet the relevant eligible activity criteria for green, transition and/or social eligible assets.



Asset category	Eligible activity criteria	UN SDGs
Renewable energy	Acquisition, development, manufacturing, construction, operation, transmission, distribution and maintenance of renewable energy assets (i.e., equipment, infrastructure and facilities) such as: • Offshore & onshore wind • Solar photovoltaic • Waste biomass and renewable biofuels whose sources include sustainable agriculture and forestry residues with direct emissions <100gCO₂/kWh • Tidal power • Hydrogen generation using renewable energy • Geothermal energy with direct emissions <100gCO₂/kWh • Run-of-river and small-scale hydroelectricity facilities that meet emission intensity and power density requirements¹ • Refurbishment of existing hydroelectricity facilities, provided the size of the dam or reservoir are not increased	7 Affordable and clean energy 13 Climate action
Nuclear energy^{2,3,4}	• Research, development, demonstration, construction, deployment and safe operation of technologies that produce energy from nuclear processes with minimal waste from the fuel cycle, for purposes of generating electricity or heat, including for hydrogen production • Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production • Investments associated with operating life extension and/or efficiency enhancement of existing nuclear energy facilities, including maintenance and/or refurbishment with the purpose of increasing operational life span while maintaining or improving the level of operational safety	7 Affordable and clean energy 13 Climate action
Energy efficiency	Construction, retrofitting, manufacturing of technologies or equipment that increase energy efficiency and/or reduce energy consumption or mitigate greenhouse gas (GHG) emissions by 30% or more over the baseline, including: • Energy-efficient lighting, heating and cooling, ventilation, performance monitoring and demand management systems • Energy management and storage facilities or infrastructure • Energy performance monitoring equipment • Smart grid technology for energy generation, storage, transmission and distribution	7 Affordable and clean energy 13 Climate action

(continued on next page)

¹ For projects operational prior to January 1, 2020, the average greenhouse gas emission intensity associated with the reservoir to not exceed 100gCO₂e/kWh or power density to be greater than 5W/m². For projects operational post January 1, 2020, the respective thresholds are 50gCO₂e/kWh and 10W/m².

² Financed nuclear projects will fully meet the regulatory requirements of the jurisdiction.

³ For clarity, any allocations to nuclear energy will explicitly be disclosed in the Use of proceeds list of the transactions in which they will be included, at or before time of execution. Any bond issuances with nuclear use of proceeds will allocate no more than 10% of total proceeds to this asset category.

⁴ The life-cycle greenhouse gas emissions from the electricity generation shall not exceed 100gCO₂e/kWh.

Green eligible assets (continued)

Asset category	Eligible activity criteria	UN SDGs
Pollution prevention and waste management	Activities, equipment, services and infrastructure that support: • Collection, sorting, treatment, and transportation of contaminated solid waste and waste materials • Recycling processes and facilities • Composting & anaerobic digestion • Thermal treatment with energy recovery of residual waste¹	11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action
Sustainable management of natural resources	Conservation, afforestation, reforestation and/or sustainable management of forest holdings or other nature-based assets, such as: • Forests certified under the Forest Stewardship Council (FSC) certification, Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forest Initiative (SFI), or equivalent • Afforestation or reforestation of native forests	12 Responsible consumption and production 15 Life on land
Sustainable food and agriculture	Food production, including agricultural crop, fishery and aquaculture operation, certified with: • Canada Organic • USDA Organic • Round Table on Responsible Soy Association Standard (RTRS) • Marine Stewardship Council, Aquaculture Stewardship Council • Global G.A.P for Aquaculture • Best Aquaculture Practices (2 stars or more) Agricultural activities, facilities and technologies that improve resource use efficiency including energy and water, and/or reduce GHG emissions, or improve climate resilience, such as: • Advanced irrigation technologies • Precision farming • Protected agriculture • Use of smart seeds, natural pesticides and herbicides, including Rainforest Alliance certified biological crop protection • Regenerative agriculture activities, including no-till farming and cover cropping Activities that advance sustainable production and consumption of alternative proteins	2 Zero hunger 12 Responsible consumption and production 14 Life below water 15 Life on land

(continued on next page)

¹ Outside of the EU only.

Green eligible assets (continued)

Asset category	Eligible activity criteria	UN SDGs
Clean transportation	Research and development, manufacturing, procurement, maintenance, operations, and leasing of low carbon transport assets and related infrastructure such as: • Electric, hydrogen, or other zero-direct emissions transport - including private vehicles, public transport vehicles, passenger trains • Freight transportation vehicles with direct emissions <25gCO₂e/km • Electric or hydrogen freight rail, for which <25% of its freight is fossil fuels • Electric charging and hydrogen fueling infrastructure • Public walking and bicycle infrastructure Transportation infrastructure, including expansions and capacity improvements of metro/train networks and station upgrades	9 Industry, innovation and infrastructure 11 Sustainable cities and communities 13 Climate action
Sustainable water and wastewater management	Activities, technologies and projects that improve quality, efficiency, reliability and conservation of water consumption and clean drinking water, such as: • Collection, treatment, recycling or reuse of water • Storm water management • Water metering activities • Water capture and storage infrastructure, including storm water management systems, water distribution systems, aquifer storage and sewer systems	6 Clean water and sanitation 12 Responsible consumption and production 13 Climate action
Climate change adaptation	Investments that improve the climate resilience of assets, systems, value chain and communities: • Upgrading of infrastructure to be climate resilient • Infrastructure projects for flood prevention and/or flood defense information and communications technology that improves climate monitoring and data collection, such as early warning systems • Non fossil fuel back up generation and storage • Wildfire mitigation and management activities	11 Sustainable cities and communities 13 Climate action
Circular economy adapted products, production technologies and processes	Businesses and projects that promote circular economy activities, such as: • Substitution of virgin raw materials with 100% secondary (recycled or reused waste) materials (e.g., fabrics, metals, fibres, wood and mechanically recycled plastics) in manufacturing and industrial processes • Production of products that can be recycled or composted where the input feedstock is from recycled/reused waste • Development, manufacturing and distribution of sustainable packaging certified by a recognized third-party certification such as the FSC, PEFC, SFI and Recycled Paperboard Alliance (RPA 100) • Minerals-based materials recovery or recycling in mining and industrial materials processes post-production • Investments in product lifecycle processes (including design and materials) that improve their usable life and reparability	8 Decent work and economic growth 12 Responsible consumption
Green buildings and infrastructure	Construction, acquisition, operation, maintenance or refurbishment of public, commercial or residential buildings that have: • Received, or expect to receive based on their design, construction and operation plans, certification according to third-party verified building standards, including LEED (Gold or Platinum), BOMA BEST (Gold or better), BREEAM (Excellent or better), ENERGY STAR (score of 85 or higher) or the relevant municipal green building standards (beyond mandatory levels)	7 Affordable and clean energy 11 Sustainable cities and communities 13 Climate action

Transition eligible assets

In alignment with the ICMA Climate Transition Finance Handbook (2023) and the Canadian Sustainable Finance Action Council's Taxonomy Roadmap Report (2023), companies financed under the transition use of proceeds will be transparent with regards to:

1. Climate transition strategy and governance, disclosures of which to be aligned with recognized reporting frameworks
2. The business model environmental materiality of climate change
3. A science-based, net-zero and climate transition plan, including interim targets and pathways in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures
4. Implementation transparency, such as annual reporting on progress and updates to plans every five years

Asset category	Eligible activity criteria	UN SDGs
Carbon capture utilization and storage (CCUS)^{1,2}	Acquisition, research, development, construction, installation, operation and maintenance of CCUS technologies	7 Affordable and clean energy 9 Industry, innovation and infrastructure 13 Climate action
Low-carbon fuels	Development, manufacture, equipment and distribution of low carbon fuels and waste-to-energy pathways that enable a reduction of the carbon intensity of fuels, including, but not limited to: - Hydrogen, ethanol, renewable diesel, co-processing of biocrude, sustainable aviation fuel, synthetic fuel and renewable natural gas compliant with the appropriate carbon intensity thresholds set by national jurisdictions or a sectoral decarbonization pathway, such as: - Natural Resources Canada's (NRCan) Clean Fuels Program carbon intensity thresholds defined as follows: - Carbon intensity of eligible liquid clean fuels $\leq 50\text{gCO}_2\text{e/MJ}$ - Carbon intensity of eligible gaseous clean fuels $\leq 36\text{gCO}_2\text{e/MJ}$ - Lifecycle emissions reduction threshold of 65% for Sustainable Aviation Fuels produced in Europe per the EU Taxonomy - Low carbon marine fuels such as renewable electricity based marine fuels in the form of hydrogen or ammonia with no direct emissions, e-methanol, e-gas oil and electricity for use in batteries, bio-diesel and bio-methane, Liquefied Natural Gas in alignment with the International Marine Organization's goal and Poseidon Principles trajectory - Blue hydrogen that aligns with the CertifHy's recommended threshold for carbon intensity for green and low carbon hydrogen, which is set at 60% below the intensity of hydrogen produced from natural gas (currently set at $36.4\text{gCO}_2\text{e/MJ}$)³	11 Sustainable cities and communities 13 Climate action
Production efficiency	- Electrification of an existing steel production facility with an intensity of $\leq 1.8\text{tCO}_2\text{e/t}$ steel until 2030 - Methane capture retrofit of an existing natural gas production facility with an intensity of $\leq 270\text{gCO}_2\text{e/kWh}$ with a plan to transition to renewable or low-carbon fuel by 2036 - Construction, retrofit, operation and maintenance of cement manufacturing facilities that use alternative fuels, integrate waste-derived additions, improve heat consumption of kilns and waste diversion	7 Affordable and clean energy 9 Industry, innovation and infrastructure

¹ CCUS for the purpose of upstream Enhanced Oil Recovery (EOR) activities are excluded.

² Only projects with a capture efficiency of >90% are eligible.

³ BMO may update this Framework to ensure ongoing transparency on the applicable threshold(s) of Government of Canada and its alignment with the latest standard put forth by the Government of Canada.

Social eligible assets

Asset category	Eligible activity criteria	UN SDGs
Affordable housing	Construction, development, operation or refurbishment of housing that meets accredited or registered affordable housing definitions,¹ or contributes to access to low- and moderate-income residents	1 No poverty 10 Reduced inequalities 11 Sustainable cities and communities
Access to essential services	Activities enabling or facilitating the provision of essential social services, such as: - Public universities, schools and training centres - Activities that expand youth and adult access to education and/or target inclusion of women and minorities such as technical, vocational and tertiary educational schemes - Construction of educational facilities or training infrastructure - Public hospitals, medical equipment, and homes or care facilities for the socioeconomically vulnerable populations, such as seniors, people with disabilities, homeless, survivors of domestic violence and refugees - Activities that support employment agencies and professional employer organizations for underserved or unemployed populations - Public spaces such as public libraries and parks	3 Good health and well-being 4 Quality education 10 Reduced inequalities 11 Sustainable cities and communities
Affordable basic Infrastructure	Development, construction, revitalization or improvement of basic infrastructures for low- and moderate-income income or rural communities,² including, but not limited to access to clean drinking water, sanitation and clean energy	6 Clean water and sanitation 7 Affordable and clean energy 10 Reduced inequalities
Socioeconomic advancement and empowerment	Lending and financing to: - Micro-, small- and medium-sized enterprise (MSME)³ where at least 51% of the owners of the enterprise is a member of historically underrepresented target populations such as women, Indigenous, Native Americans or People of Colour⁴ - Non-SME where at least 51% of the owners are from the above target populations - Indigenous Peoples' band, council, government	5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities

Exclusionary criteria

BMO will not knowingly allocate proceeds from BMO's Sustainable Bond Program to businesses involved in the financing of the following activities:

• Weapons • Tobacco • Gambling • Adult entertainment • Predatory lending

¹ Meets applicable definitions within the jurisdiction in which it is built, including through programs such as the Investment in Affordable Housing (IAH) initiative of the Canadian Mortgage and Housing Corporation (CMHC), provincial equivalents, and the Community Reinvestment Act (CRA) in the U.S.

² Rural communities to be defined by relevant jurisdictions; examples include low- or moderate-income census tracts or Statistics Canada's definition of rural communities as all areas outside of population centres.

³ Meets BMO's internal definitions for micro-, small- and medium-sized enterprise.

⁴ Including but not limited to Asian, Black, South Asian/East Indian, Southeast Asian, Non-White North African or Arab and Non-White West Asian, Non-White Latin-American, and Persons of Mixed Origin.

2. Process for asset evaluation and selection

Sustainable Bond Working Group (the “SBWG”) composed of representatives from specialist teams in Corporate Treasury, Capital Markets, Personal & Commercial Banking, and Sustainability Office meets on a semi-annual basis and with the support of Risk Management as required, is responsible for:

- a. **Reviewing the Sustainable Bond Framework**
- b. **Reviewing and validating the pool of eligible assets for each type of bond**
- c. **Validating the annual reporting for investors**
- d. **Review of the post issuance external verification report and resolution of any issues that arise**
- e. **Monitoring ongoing issues and evolving market practices in advancement of the program**

When selecting assets for BMO Sustainable Bonds, BMO’s Sustainability Office reviews information about the assets and if there is doubt about the net sustainability benefits, or compliance with the Framework, such assets will not be included.

All eligible assets comply with BMO’s credit and environmental and social risk management processes in accordance with our Enterprise-Wide Risk Management Framework, as well as with any applicable regulatory requirements. We have been a signatory to the Equator Principles since 2005 and apply its credit risk management framework. Our approach to managing environmental and social risk is outlined in the Enterprise-Wide Risk Management section of Annual Report, available online.

3. Management of proceeds

An amount equal to the proceeds from BMO Sustainable Bonds will be allocated to the appropriate category of eligible assets. BMO’s Sustainable Bonds proceeds are managed using a portfolio approach; the eligible assets portfolios are dynamic with eligible assets maturing and new eligible assets being added. Green, social, and sustainability portfolios are managed separately. BMO aims to fully allocate or re-allocate proceeds within a period of 18 months. Any allocations to Nuclear Energy will explicitly be disclosed in the Use of Proceeds list of the transactions in which they are included, at or before time of execution.

BMO’s Sustainability Office monitors the aggregate amount of eligible assets in the relevant categories in BMO’s portfolios on a quarterly basis to ensure each is equal to or greater than the aggregate of the BMO applicable Sustainable Bond proceeds for that category. If the aggregate amount raised by a type of BMO Sustainable Bond is greater than the total amount of eligible assets in BMO’s applicable portfolio for that category, BMO will hold the excess amount in cash or liquid securities in accordance with BMO’s normal liquidity management policy and the exclusion activity criteria laid out herein until the amount can be allocated to eligible assets.

If an eligible asset no longer qualifies according to the eligibility criteria or if the underlying eligible loan is repaid or divested, an amount equal to the loan size will be deducted from the applicable portfolio. Any eligible assets already evaluated and selected for the portfolio based on the previous Sustainable Financing Framework will remain in the portfolio until maturity or sale of the asset, unless the SBWG determines the underlying loan, investment, internal or external project is no longer eligible based on the current eligible activity criteria. If considered necessary, BMO will use its best efforts to substitute any eligible assets that no longer qualify, as soon as practical once qualifying substitution assets have been identified.

BMO tracks the use of proceeds of BMO Sustainable Bonds using internal information systems. We have established a Sustainable Bond Register to record specific eligible asset information and regularly monitor the status of each eligible asset. BMO’s Sustainability Office oversees this process, which is reviewed semi-annually by the SBWG.

4. Reporting

Within one year of the issuance of each Sustainable Bond, BMO will provide an annual report on its website addressing both allocation and impact reporting:

- Funds raised from each Sustainable Bond
- Overview of allocated funds to each of the asset categories
- Amount of unallocated proceeds, with any updates with respect to distribution of unspent bond proceeds
- Details about assets financed, at each asset level or portfolio-wide where applicable and publicly available, including those impact indicators relevant to each category in which sustainable bonds are issued, which may include the examples provided in the Appendix

Any disclosure related to loan level information is subject to BMO's confidentiality obligations and the availability of information.

External review

BMO has obtained an independent second party opinion on its Sustainable Bond Framework, which is published on our website.

Post-issuance, BMO annually engages a qualified independent external reviewer to review the green, transition and/or social assets linked to the bond proceeds in order to assess alignment with this Sustainable Bond Framework, as well as to validate the select impact indicators disclosed. This review will be carried out until the respective bond's maturity. BMO will post the external review reports on our website.

Appendix



Asset category

Illustrative impact indicators

Renewable energy	• Annual GHG emissions reduced/avoided (tCO₂e) • Annual renewable energy generated (MWh for electricity; GJ/TJ for other energy) • Additional capacity of renewable energy plant(s) constructed or rehabilitated (MW)
Nuclear energy	• Annual GHG emissions reduced or avoided (tCO₂e) • Annual nuclear energy generation (kWh) • Additional capacity of nuclear energy plant(s) constructed or rehabilitated (MW)
Energy efficiency	• Annual energy savings (MWh for electricity; GJ/TJ for other energy) • Annual GHG emissions reduced/avoided (tCO₂e)
Pollution prevention and waste management	• Waste that is prevented, minimized, reused or recycled before and after the project (% of total waste and/or in tonnes) • Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes and in % of total waste)
Sustainable management of natural resources	• Area covered by soil conservation measures and land use change (ha) • Avoided and/or sequestered GHG emissions (tCO₂e)
Sustainable food and agriculture	• Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed) • Increase in feedstock supply chain certification coverage (% of total feedstock volume) • Increase of sustainable seafood production (tonnes) • Number of greenhouses financed
Clean transportation	• Annual GHG emissions reduced/avoided (tCO₂e) • Number of clean vehicles deployed (e.g., electric) • Estimated reduction in fuel consumption • Estimated reduction in car/truck use (in number of kilometers driven or as share of total transport ridership)
Sustainable water and wastewater management	• Annual absolute (gross) water use before and after the project (in m³, reduction in water use in %) • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project (m³ and as %) • Number of people with access to improved sanitation facilities under the project
Climate change adaptation	• Increase in grid resilience, energy generation, transmission, distribution and storage (MWh) • Reduction in repair costs due to storms (to all kinds of infrastructure and assets) • Area covered by wildfire mitigation and management activities (km²)

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Green eligible assets (continued)
Asset category**Illustrative impact indicators****Circular economy adapted products, production technologies and processes**

- The annual % increase in materials, components and products that are reusable, recyclable, and/or certified compostable as a result of the project and/or in absolute amount (tonnes)
- The annual % and/or absolute amount of virgin raw materials that are substituted by secondary raw materials and by-products from manufacturing processes (tonnes)
- The expected extension of lifetime in years (compared to the equivalent linear product's expected lifetime)
- The increase in number of products and/or the share of production awarded an internationally recognised eco-label, or energy, eco-efficiency or other relevant environmental certification¹

Green buildings and infrastructure

- Sustainability certifications achieved
- Building area certified (in square feet or as % of total building area)

Transition eligible assets
Carbon capture utilization and storage (CCUS)

- Annual GHG emissions reduced/avoided (tCO₂e)
- Number of CCUS projects supported and the associated annual GHG emissions stored (tCO₂e)

Low-carbon fuels

- Annual GHG emissions reduced/avoided (tCO₂e)
- Volume of low-carbon fuel developed/manufactured (litres or kg)

Production efficiency

- Annual GHG emissions reduced/avoided (tCO₂e)
- Number of methane capture retrofits supported and the associated annual methane emissions captured (tCO₂e)

Social eligible assets
Affordable housing

- Number of affordable housing units built or refurbished
- Number of people with access to affordable housing

Access to essential services

- Number of educational institutions funded, location and type
- Number of students supported
- Number of healthcare beds provided
- Number of hospital and other healthcare facilities built or upgraded
- Number of health patients served
- Number of public spaces funded

Affordable basic infrastructure

- Additional people served by infrastructure type (#)

Socioeconomic advancement and empowerment

- Number of loans provided
- Value of loans provided (\$)
- Number of jobs supported
- Number of eligible businesses financed

¹ Relevant environmental certification, such as the Nordic eco-label, EU eco-label, FSC PEFC, Cradle to Cradle, Blue Angel and ISO 14021, that serves to recognize products that have a smaller environmental footprint over their lifecycle than other products serving the same use.

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By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Certain statements made in this Framework use a greater number and level of assumptions and estimates and are over longer time frames than many of our required disclosures. These assumptions and estimates are highly likely to change over time. There is significant risk that the Bank’s predictions, forecasts, conclusions or projections will not prove to be accurate, that the Bank’s assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. In addition, the Bank’s net-zero strategy remain under development, and the data underlying such strategy remain subject to evolution over time. The Bank cautions the readers of this document, not to place undue reliance on these forward-looking statements as a number of risk factors, many of which are beyond the Bank’s control and effects of which can be difficult to predict, could cause actual future results, conditions, actions or events to differ materially from the commitments, targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors including but not limited to: the evolution of our lending portfolios over time, the need for active and continued participation of stakeholders (including enterprises, financial institutions and governmental and non-governmental organizations), the challenges of balancing emission reduction targets with an orderly and inclusive transition and geopolitical factors that impact global energy needs, our ability to successfully implement various initiatives under expected time frames, general economic and market conditions in the countries in which we operate, global capital markets activities, credit and counterparty, market, insurance, liquidity and funding, operational, model, legal and regulatory, business, strategic, environmental and social, reputation risk and our ability to anticipate and effectively manage risks arising from all of the foregoing factors. These and other factors and risks may cause the Bank’s actual performance to differ materially from that contemplated by forward looking statements and could adversely affect the Bank’s results. For more information, please see the Enterprise-Wide Risk Management section of Bank’s most recent Annual Report, as updated by quarterly reports, all of which outline certain key factors and risks that may affect our future results. Investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. The Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law.