1. Background
Climate change poses serious risks to the global economy and will have an impact across many economic sectors. Recent anthropogenic emissions of greenhouse gases are the highest ever, driven by energy use, lifestyle, land use, technology and climate policy. The impact of climate change ranges from extreme weather events to food insecurity. Climate risks will be amplified and new risks to natural and human systems will occur if the rate and magnitude of climate change is not contained.

This position statement sets out the scope and principles of Nordea’s climate change agenda. Herein, we take into account the nature of our business, in which investment, credit and purchasing can have both local and global impact. We also take into consideration international conventions, such as the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement and the ten principles of the UN Global Compact, as well as the recommendations from the Task Force on Climate-related Financial Disclosure and the views of our stakeholders.

This is Nordea’s Position Statement on Climate Change, approved by the Business Ethics and Values Committee, chaired by the Group Chief Executive Officer, May 2019.

2. Scope
This position statement applies to all markets in which Nordea operates or conducts business, and includes financial services such as corporate and household lending, wealth management, advisory services for corporate, private and institutional clients as well as our own direct impact.

In this position statement, ‘stakeholders’ refers to clients, employees, investors, suppliers, portfolio companies, regulators and society at large.

3. Position
The purpose of this position statement is to form the basis for dialogue with our stakeholders, as well as to clarify our ambition, initiatives and actions to improve our own climate performance.

- We recognise that, by promoting best practice climate change management, we can support our stakeholders and have a positive impact on the societies in which we operate.
- We recognise the objectives of the Paris Agreement and the need to limit the increase of the average global temperature to well below 2°C and the need to transition to a low-carbon economy. Nordea has a responsibility to enable this transition.
- We recognise that climate change will pose risks as well as opportunities for us and our customers, both directly through our operations and indirectly through our stakeholder activities.
- We will work directly with our stakeholders to mitigate these risks and harness opportunities. In an increasingly carbon-constrained world, we will listen to the needs of our stakeholders when providing and operating our services.

4. Commitments
At Nordea, we commit to:

- Measuring and reporting the climate impact of the funds we manage on behalf of our clients;
- Assessing and managing climate-related risks with respect to our investment, financing and sourcing activities;
- Encouraging our clients, portfolio companies and suppliers to evaluate their business challenges and opportunities related to greenhouse gas emissions, as well as climate risks related to their business operations, products and services;
- Encouraging our clients, portfolio companies and suppliers to improve disclosure and practices related to climate-related risks;
- Developing new financial products in order to meet the increasing demand for climate-friendly investments;
- Enabling our clients to finance sustainable and renewable sources of energy and energy efficiency projects;
- Refraining from initiating any new banking relationships with companies that are pre-dominantly dependent on thermal coal, including coal-fired energy production and/or mining companies that extract thermal coal. Existing customers using thermal coal in energy production are expected to be committed to the transition to a low-carbon economy with a strategy to exit energy production using thermal coal;
- Refraining from investing in companies with large and sustained exposure to coal mining, with a 10% revenue threshold on thermal coal and a 30% revenue threshold on total coal (including metallurgical coal);
- Refraining from investing in companies with large and sustained exposure to extraction from oil sands, applying a revenue threshold of 10 %;
- Refraining from participating in lobbying or advocacy activities aimed at weakening climate policy;
- Supporting the recommendations from TCFD and including those disclosures in our external sustainability reporting;
- Being transparent on emissions from internal operations in our external sustainability reporting, and reporting in line with the GHG Protocol;
- Sourcing 100% renewable electricity for our main operations in Denmark, Finland, Norway, Sweden, Poland and Estonia;
- Offseting our business travel emissions.