

Nordea

Sustainability Policy



This "Sustainability Policy", or "Directive", is the Group Directive on Sustainability. The Board of Directors of Nordea Bank Abp has approved this directive, which was last updated on December 13 2017.

1. Purpose

The Nordea Group's ("Nordea" or the "Group") longterm success is based on trust and confidence.

Sustainable business is a prerequisite to uphold trust and confidence. The directive sets the principles for how Nordea ensures the long-term sustainability of its operations and by doing so strengthens the long-term relationship with the customers and Nordea's contribution to a greater good. The directive aims to support Nordea and its employees in performing their work and decision-making.

This directive contains general principles rather than a complete set of detailed rules that cover all situations. The more detailed rules are, or will be as deemed necessary, described in subordinate internal rules, such as guidelines and standard operating procedures as relevant for each respective Business Area ("BA") and Group Function ("GF").

External positions statements and sector guidelines are developed and decided by the Business Ethics and Values Committee. Positions statements aim at clarifying Nordea's view and stance regarding a specific topic within sustainability. Sector guidelines aim at explaining Nordea's view on a specific industry sector. Relevant parts of the position statements and sector guidelines are included in Group Internal Rules.

2. Scope

The directive applies to the Group and covers Nordea's business activities in all countries where Nordea has its operations. All employees of Nordea, and nonpermanent staR working on behalf of the Group, are subject to this directive.

It is the responsibility of each manager to ensure that this directive is where relevant known and conformed to within his/her respective area of responsibility.

3. Nordea's Principles for Sustainability

For Nordea, sustainability means taking responsibility for the impact Nordea has on the surroundings. It encompasses the ability to be a credible and reliable partner, which acts in the best interest of customers and ethically and responsibly towards society. Human rights, employee rights, environmental responsibility and anticorruption are included in the decision-making processes in order to contribute to sound financial markets. Sustainability is at the core of the business development, and the way of creating value. Nordea is committed to integrate sustainability into relevant processes in all BAs and GFs.

The below principles for sustainability are based on Nordea's Code of Conduct and guide behaviour in the daily work and when making business decisions. We take these principles and other relevant environmental, social and governance principles into consideration when evaluating business risks and opportunities. Nordea expects business partners and suppliers to adhere to these principles.

- We are committed to good corporate citizenship
- We are committed to human rights, labour rights and freedom
- We are committed to equal opportunities and diversity
- We are committed to caring for the wellbeing of our employees
- We are committed to ethics, honesty and sincerity
- We are committed to caring for the environment
- We reject bribery and corruption

4. Sustainable Advice, Investing and Financing

Nordea is committed to sustainable business and development by combining financial performance with environmental and social responsibility as well as sound governance practises. The below principles shall be used as a guide on behaviour in the daily work and when making business decisions. Nordea shall take these principles and other relevant environmental, social and governance principles into consideration when evaluating business risks and opportunities in connection to advice, investing and financing.

4.1 Advice

- We are committed to enhancing our competence and knowledge regarding environmental, social and governance aspects relevant for advice in relation to our products and services.
- We are committed to improving our advice in a way that enables our customers to make informed decisions on environmental, social and governance aspects relevant in relation to our products and services and to be transparent of such aspects.
- We are committed to increasing the integration of existing and emerging environmental, social and governance aspects relevant when developing advice in relation to products and services.

4.2 Investing

- We are committed in a risk-based approach to include and consider environmental, social and governance aspects in our research and appropriate analysis processes and to have an understanding of the challenges and opportunities companies have in their respective businesses and industries.
- We are committed to utilise our rights and responsibilities as a long-term shareholder by using tools including voting, representation on nomination committees and engagement with companies to influence companies' environmental, social and governance performance. We believe a sound corporate governance structure is essential for creating long-term shareholder value.

- We are committed to develop and supply investment products that support sustainable development. By combining financial performance with environmental, social and governance insights we strive to offer clients responsible solutions.
- We are committed to being transparent and providing our customers with the sustainability profile of our products.
- We are committed to engage with relevant stakeholders in order to ensure continuous development of our activities.

4.3 Financing

- We are committed to engage with customers on environmental, social and governance matters and to have an understanding of the challenges and opportunities customers have in their respective businesses and industries.
- We are committed to include and integrate environmental, social and governance risk assessments in risk management and due diligence processes.
- We are committed to develop and supply financial products that support sustainable development.
- We are committed to engage with stakeholders in order to ensure continuous development and performance in financing activities.
- We are committed to prevent financial crime and to include measures to manage these risks in financing activities.
- We are committed to engage in analysing the potential reputational risk elements in connection to financing that could impose in reputational damage to Nordea. Equally we expect that customers and stakeholders would engage themselves in managing their reputational risk.
- We are committed to high standards and best practices with regards to tax compliance and reporting and do not finance or facilitate tax schemes that are regarded as tax evasion or finance tax schemes that may be legal but perceived as aggressive tax planning or otherwise not in line with Nordea's internal ethical standards.

5. International commitments

Nordea recognizes the importance of participating in and supporting international commitments that enable businesses to operate in a more sustainable way. These include:

- UN Environmental Program Finance Initiative
- UN Global Compact
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- ILO-conventions
- OECD Guidelines for Multinational Enterprises
- Equator Principles
- Paris Pledge for Action in support of COP 21
- UN Convention against Corruption
- Rio Declaration on Environment and Development
- UN Principles for Responsible Investments

