In 2013 Nordea recorded stable results and we were again acknowledged as one of the world's safest banks. Read how this was achieved and what our financial impact is on society. We also describe how we worked with corporate social responsibility during the year.

Everything we do at Nordea has one purpose: to create great customer experiences. In this section we focus on delivering responsible advice to all our customers. We also describe how our people distinguish us from our competitors. At the core of our responsibility are our responsible investments, lending and supplier management.

We look at compliance not just as something we have to do to earn and retain our “licence to operate,” but as something we want to do, because ultimately, it builds trust with our customers and makes society safer. We describe how we ensure that our business is run responsibly.

To download a copy and for further information please visit www.nordea.com/csr
We welcome your feedback. Contact us at csr@nordea.com
At Nordea we believe that enabling our customers, and thus the economy, to thrive is the most important part of our social responsibility.

2013 has been another year of low growth and interest rates declined to record-low levels. In this environment we have delivered a stable income level and seen a continued inflow of relationship customers. We expect that the economic growth and the interest rates levels will stay low for a prolonged period of time.

As the last five years of recession and mediocre growth have proven, strong banks are vital not only for financial markets but for society at large. Throughout the crisis, Nordea has been a stabilising force in society, serving more customers and doing more business. And I am pleased that in 2013 we were again acknowledged as one of the world’s safest banks1.

Our strong financial platform is fundamental to our ability to meet our customers’ needs and thus support economic growth, and to our ability to deliver on our relationship strategy and our most important value – creating great customer experiences.

Building strong relationships
Everything everyone does at Nordea has one purpose only: to create great customer experiences. At every level of our organisation, this message is the most important guidance for every action and every decision. We want to create long-term relationships with our customers, built on trust and accountability. We strive to understand our customers’ needs, present and future, and aim to make sure that our customers understand us, what we offer and why we suggest a certain service or solution.

We recognise that we are part of society and want to do our share in creating a sustainable future.”

Christian Clausen, President and Group CEO
We are firm in our stance that no service, advice or product should be offered until our people know and understand our customers' situation. This includes their current financial situation as well as their ambitions and goals. Once we understand and match their needs, we help them realise their aspirations and build long-lasting relationships. This is the core of our relationship strategy – ensuring financial stability for our customers, leading to high satisfaction and closer relationships. In turn, these closer relationships lead to reduced risk for the bank.

To enable this, we also strive to live our other values: It's all about people and One Nordea team. We believe that people make the difference. When each and every one of us takes personal responsibility and when we team up and work together smoothly and efficiently across business areas, we deliver value to our customers.

Compassion for community
To an even greater extent, we also reach beyond our existing customers in our growing community involvement. We focus on the two main issues closely linked to our business, and towards which our people can use their core competencies: enhancing financial literacy and encouraging entrepreneurship for young people. We believe that, by supporting the empowerment of young people, we can affect their future in a way that will be beneficial not only to them, but to society at large. The desire to contribute is strong, and when acted upon, the energy it generates is tangible, not only to the person involved, but to colleagues and customers.

Compliance – a key focus area
The onslaught of new legislation in the aftermath of the financial crisis has been immense. One main element is, of course, the capital and liquidity requirements to bolster banks’ ability to better respond to future crises. Another has the important objective of undermining criminals’ attempts to use the financial system for their activities.

In 2013 we launched a project to further improve our anti-money laundering and counter-terrorism work. This important work is very much present everywhere in Nordea ensuring that we are not party to laundering money connected to or intended to be used to finance illegal activities, including terrorism.

We are focused on incorporating all these new requirements into our existing framework. Gap analyses have been performed on every new directive, regulation and legislation. Nordea has allocated many resources to these exercises, and all business areas and group functions are engaged in this work. These efforts require patience from everyone – our people as well as our customers – but it is work to which we are committed, and that serves an important purpose in today's world.

Minimising negative impact
Another important element of our responsibility is minimising the negative impact of our business on the environment. While as a financial institution, the direct environmental impact from our activities is relatively small, we still strive to minimise our negative impact by reducing our CO₂ emissions. In 2013, Nordea was recognised as a Nordic leader in disclosing climate change data - direct as well as indirect - in the CDP Nordic Climate Change Report.¹ The report shows how the world’s largest listed companies act in response to the changing climate.

A long-term journey
We recognise that we are an integral part of society, and as such, we want to do our share in creating a sustainable future. Our values, together with our code of conduct and sustainability policy serve to guide our people in their behaviour towards customers and our work to act ethically throughout Nordea. We are committed to the UN Global Compact and integrating corporate social responsibility into our business. We know that this will be a constantly evolving, moving target. We are on a journey without an end – as the world continues to change, we need to adapt to those changes. But we are moving along our chosen path. This is much like our commitment to great customer experiences, which is part of our DNA, but delivering on that commitment is also a constantly evolving journey.

Christian Clausen
President and Group CEO

¹ Global Finance’s 22nd Annual Ranking of the World’s Safest Banks ranked Nordea the 20th safest bank in the world, and the safest bank in the Nordic Region.
² Formerly Carbon Disclosure Project

Christian Clausen, President of the European Banking Federation

In 2013 Christian Clausen continued his second term as Chairman of the European Banking Federation (EBF). The EBF is based in Brussels, and has 4,500 member banks from 31 countries with 2.5 million employees. The EBF works to achieve a single market in financial services. It fulfils a unique role for the sector at the European level, and is a European partner at the global level. The EBF provides position papers on banking regulation and supervision, financial markets and securities, retail financial services and payments, financial reporting and taxation, corporate governance and counteracting financial crime, the economy, business and trade, social affairs and corporate social responsibility.
Nordea is the largest financial services group in the Nordic and Baltic Sea region with market capitalisation of approximately EUR 39.7bn and total assets of EUR 233bn. Nordea had 31,327 employees and close to 11 million customers at the end of 2013.

Nordea has leading positions within corporate merchant banking as well as retail banking and private banking. It is also the leading provider of life and pensions products in the Nordic countries.

Our long-term strategic objectives reflect our conviction that we are an integral part of the societies we serve. Our aim is to be an enabling, positive force for customers, society and investors by focusing on creating a sustainable business model for all our stakeholders. Our vision is to become a Great European bank which is acknowledged for its people, and creates superior value for customers and shareholders. Our vision and strategic targets are firmly supported by our culture and values – Great customer experiences, It’s all about people and One Nordea team.

The Nordea share is listed on NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen. With high market capitalisation and high liquidity, the share is included in key indices. During 2013, the Swedish State sold its remaining stake in Nordea. At the end of December 2013, the three largest shareholders were Sampo plc with 21.4% (21.4% in 2012) of the shares, Nordea Fonden with 3.9% (3.9%) and Swedbank Robur Funds 3.2% (3.4%). Nordea has 449,572 shareholders who hold 4,049,951,929 shares. In 2013 we received no state subsidies.

Recognition and awards

Nordea received several awards and recognitions during 2013. Some of the main awards were:

- Safest bank in the Nordic region by Global Finance Magazine
- Best Banking Group Nordics by World Finance Banking Awards
- Best bank in Nordic region by Global Finance magazine
- Best Bank in the Nordics and Baltics by Euromoney

More information on received awards is available on www.nordea.com.
NORWAY  1,059,501 CUSTOMERS
SWEDEN  4,347,418 CUSTOMERS
DENMARK  1,848,858 CUSTOMERS
FINLAND  3,223,678 CUSTOMERS
RUSSIA  68,000 CUSTOMERS
ESTONIA  144,399 CUSTOMERS
LATVIA  113,281 CUSTOMERS
LITHUANIA  157,817 CUSTOMERS

INTERNATIONAL MARKETS
Beijing, Frankfurt, London, Luxembourg, New York, Sao Paulo, Shanghai, Singapore

Key financial figures

9,891m TOTAL OPERATING INCOME, EUR
4,116m OPERATING PROFIT, EUR
14.9% CORE TIER 1 CAPITAL RATIO

21 b.p. LOAN LOSS RATIO
11.0% RETURN ON EQUITY
0.43 PROPOSED DIVIDEND, EUR PER SHARE
Our impact on society

Our financial impact on society is a combination of our own financial result and how we generate value directly to our customers, suppliers and business partners, employees, shareholders and other investors. We also generate value to society through our stakeholders and by paying taxes.

Stable or positive development
We illustrated our impact for the first time in the 2012 CSR report. In 2013, the development of our financial impact has been generally stable or positive. Because we are a relationship bank, our ability to service and impact our customers and help them to fulfil their aspirations is most important to us. During 2013 we had close to three billion contacts with our customers. Customers’ wishes on how to interact with us have changed; mobile banking and contact centres are preferred more and more, however, it is still important that we also meet the customer in order for us understand their personal finances in a comprehensive way and be able to make their ambitions possible.

Customer meetings at an all-time high
In 2013 Nordea’s advisors conducted more than 700,000 meetings with our household customers. This is approximately 130,000 more than in 2012. In these meetings we go through the customer’s overall financial situation, plans and needed solutions. Additionally we made almost 800,000 individual financial plans helping our customers to systematically save and prepare for their future needs. Our assets under management grew from EUR 217.4bn to EUR 233 bn which is our all-time high.

In 2013 we increased our interaction with small and medium size corporates. We conducted almost 290,000 advisory meetings compared to 230,000 in 2012. Our total corporate lending also grew.

Our services to large and multinational companies developed positively in 2013. Our aim is to assist our corporate customers with all of their financial needs.

1 Based on 31 Dec 2013 Other figures are based on full year 2013
2 Net sales plus revenues from financial investments and sales of assets
3 Donations, voluntary contributions
4 Payments to suppliers, non-strategic investments, royalties and facilitation payments
5 All monetary outflows for employees (current payments, not future commitments)
6 All financial payments made to the providers of the organisation’s capital
An informed CSR strategy

In 2013 we continued to integrate sustainability into our business, shifting the focus even more towards our everyday banking business.

Thanks to overwhelming participation in our Spring 2013 stakeholder survey, one of the highlights of the year, we were able to gather a substantial amount of feedback, ideas and expectations on how we can become an even more responsible company and convey that to our organisation at large.

Bilateral discussions were held with the three business areas and group functions with the aim of improving understanding of corporate social responsibility in the different parts of the group. This is an ongoing process, the outcome of which can most concretely be seen in 2013 in the adjustments we made to our corporate social responsibility strategy.

Reporting on what matters to you

In this report, we focus on the issues that have the most relevance to our stakeholders and the greatest impact on our business. The starting point for our materiality analysis has been the underlying factors that help our business succeed, and how they are managed and measured. The materiality matrix below shows the most important factors to us and our stakeholders.

This report is structured around four main aspects of our core business. We describe how our customer relationships (pp. 14-19), our people (pp. 20-25), our engagement with the community (pp. 26-27), and our products and processes (pp. 28-33) are connected to the impact we make on society.

In addition to what we do, we explain how we operate. These topics are grouped under operational risk and governance (pp. 34-37), our corporate governance framework (pp. 40-41), and our environmental footprint (pp. 44-45).

Finally, we attempt to illustrate the specific nature of a bank’s business compared to other businesses. Customers’ assets, i.e. money and securities, flow through the banking system, but they must at all times be kept separated in the accounting system of the bank; they are assets and liabilities in the bank’s balance sheet (see the illustration on page 38-39 “What we do and how”).
Responsibility delivers results

Our CSR strategy is derived from our stakeholders’ expectations, our business strategy, our corporate values, our internal guidelines and policies, and our external commitments. It sets a guideline for us to be able to work with the challenges and opportunities we face in the societies in which we operate.

We aim to have a strong balance sheet, high ratings, and solid returns by running our business in a responsible way and engaging in strong relationships with our customers. We believe that this positive spiral can create a solid bank that attracts customers and the best employees.

Paying close attention to risk and governance, our environmental impact, and transparency in reporting ensures that we run the bank and its processes in a sustainable way, securing a solid foundation and a “licence to operate”. Our aim is to further integrate responsibility into our business and, by doing so, support our overall group strategy and distinguish us from our competitors.

Our community engagement and communications strategies reflect our intention to further develop and enhance the positive impact our business has on society, and our dedication to communicating that impact in an understandable and useful way. As these two elements are related to everything we do, they are illustrated as an element that surrounds the whole strategy.

Huge response to stakeholder survey

In 2013, we conducted a web-based ‘virtual brainstorming’ dialogue with all of our stakeholders – our customers, employees, shareholders, suppliers, analysts, and

By securing responsibility at the core of our daily work, we make sure we have the foundation to deliver on our business targets.”

Liisa Jauri, Head of CSR
nongovernmental organisations (NGOs). The link was open to the public at large, and was placed in most of our stakeholder touch points, including social media. We also contacted many of our stakeholders by e-mail. The survey attracted 4,020 responses and gave us over 5,300 ideas on how to become a more responsible bank. Because of the large number of responses to the survey, the results also covered a very wide range of topics.

We have conveyed our stakeholders’ responses to the relevant parts of our organisation, and integrated the main expectations into our materiality analysis. The survey’s methodology led to the results being divided into a discussion agenda and a development agenda. The discussion agenda brought input to our daily operations, while the development agenda influenced the adjustments we made to our CSR strategy.

In addition to the stakeholder survey, we conducted a roundtable discussion with NGOs interested in our business from across all the Nordic countries. Four NGOs were present, and communications was chosen as the main theme for the discussion because it was raised by the NGOs in our stakeholder survey.

During the year, we are in constant dialogue with our customers through our Customer Ombudsmen, who received 145,100 pieces of feedback from our customers.
ers in 2013. Customer feedback is also received through our annual customer satisfaction survey (p. 18) and feedback is also gathered after individual customer meetings.

The dialogue with our employees in the Performance and Development Dialogue (PDD) discussions is an important part of our management process; 94% of employees had a PDD with their immediate managers in 2013. Various other forms of dialogue also exist, and to encourage interactive and open communication between all employees at Nordea, the possibility to comment on and respond to comments on articles on the intranet has been introduced.

We conducted a survey to understand how many of Nordea’s shareholders can be defined as responsible investors. The criteria used were whether the investors had endorsed the Principles for Responsible Investment (PRI) or publicly stated that they apply the PRI in their investment decision process. At the close of 2013, 34% of Nordea’s shares were owned by responsible investors (31% in 2012).

CSR governance
Nordea’s CSR unit coordinates the group-wide CSR strategy, CSR initiatives and brings issues to the attention of senior management. The Group Executive Management (GEM) is responsible for approving the CSR strategy and goals each year. The GEM receives an update on CSR topics from the Head of CSR three to four times annually.

The CSR Stakeholder Board is responsible for discussing strategic oversight and direction related to corporate responsibility. The Stakeholder Board, which includes members from senior management of all business areas and group functions, convened four times in 2013.

Topics discussed in the Stakeholder Board and GEM in 2013 included the results of the CSR Stakeholder survey, responsible lending, adjustments to the CSR strategy, the CSR report, and development of a group-wide Community Involvement strategy.

Nordea is acknowledged as a Nordic leader in the financial sector in the CDP* Nordic 260 Climate Change Report 2013, which tracks how the world’s largest listed companies act in response to a changing climate. This is the third year in a row that Nordea has made the Nordic leader ranking, scoring 93 out of 100 possible points and a B level on a scale of A-E.

*Formerly Carbon Disclosure Project
In focus

Relationship banking
The holistic approach of our relationship banking model, and the supporting processes and tools, help us make responsible decisions in the customer’s best interest.

Customer feedback
We gather customer feedback continuously and conduct a Customer Satisfaction survey annually. In 2013, we have also started to solicit feedback after individual customer meetings.

Accessibility
Our multichannel relationship set-up means the customer chooses where, how and when to bank with Nordea.
Creating great customer experiences

Everything we do at Nordea has one purpose only: to create great customer experiences. We start by understanding our customers’ needs and future aspirations. As we say, “We don’t advise you before we know you.”

We continue by making sure that our customers understand the options available and provide solutions that will meet their needs and aspirations. And we constantly work towards reaching a consistent customer experience across all our channels.

We know that trust has to be earned and we believe our approach increases trust in Nordea, helping us form long-term relationships and partnerships with our customers.

Changing demands create opportunities

Banking business is facing a variety of substantial changes in the societies where we operate: Customers’ preferences on how to interact with banks have changed, the ageing population needs solutions to prepare for long retirement, increasing regulation drives complexity and while at the same time customers deserve individual and simple services, financial crisis and instability have curbed economic growth.

We have witnessed fast changes in how our customers’ prefer to do their banking. They wish to take care of their banking whenever and wherever. In response our multichannel relationship strategy will expand our services, including financial advice, through multiple channels and at any time of day.

Demographic changes and prolonged life expectancy have created demand for more savings and savings related advice. In response we have developed our advisory services and want to discuss retirement plans and savings with our customers as early as possible and help them prepare for the future.

The regulatory environment has become very complex in recent years. We have placed particular focus on developing tools and processes to simplify complexity and support financial planning in a responsible manner. It is important that compliance is embedded in our daily operations to ensure that we give the right kind of advice based on the customer’s needs and plans.

The importance of small and medium-sized enterprises (SMEs) to economic growth is substantial and we have placed particular focus on our offering and our relationships with these companies.

Relationship banking

In the 2013 CSR stakeholder survey, the main expectations on Nordea in terms of customer relationships were securing engagement with customers, and ensuring accessibility to products and services. Our stakeholders expect us to show our values in our everyday work and simplify our communications with them.

Meetings with customers are at the heart of how we build customer relationships. In 2013 we held almost 2 million customer meetings. During the same period we exceeded 1.3 million active mobile banking users – and each of these customers uses the mobile bank more frequently. In 2013 we had close to 355 million log-ons to our Private Netbank. Our service agents handled an increasing number of calls in the Contact Centres and our customers used their cards more than 1,234 million times. Approximately 1.8 billion touch points constitute an enormous number of opportunities for providing our customers with great customer experiences.

We are proud of our skilled and dedicated employees, our competences, and the tools and processes we have

“Embedding compliance into our daily operations ensures quality and also helps us contribute to a fair, safe and healthy society.”

Lennart Jacobsen, Head of Retail Banking
developed which enable us to support our customers in managing personal finances and planning for a financially secure future.

During a customer meeting, our financial adviser has a dialogue with the customer to understand his/her current situation, needs, plans for the future, as well as the risk and return profile. The outcome of the meeting is an individual solution tailored for that customer.

**Responsible credit decisions**
We want to make responsible lending decisions, be it for families needing a mortgage or businesses wanting financing. Responsibility entails that our service process is designed to ensure the customer’s ability to repay the loan, that we have support mechanisms when customers face difficulties and our marketing practices are responsible. In cases where customers face financial stress, we work proactively together with them to find a plan to cope with the situation. We also apply compliance procedures to our product marketing to ensure that our customers have all the relevant information available when making financial decisions.

**Responsible investment advice**
Individual financial plans are created to support our customers in realising their savings and investment goals. The financial planning starts with the customer’s needs, wishes and dreams, and translates them into financial goals. These goals are unique to each individual customer and can be of both short-term (e.g., financing a holiday, car purchase or similar) or a more long-term nature (e.g., quality of life during retirement). The advice we provide takes the customer’s entire financial situation into account. Financial assets are optimised based on a proven asset allocation concept, in which the customer’s risk propensity and time horizon are important parameters. Our advisors use financial planning tools that ensure high quality, consistency as well as compliance with local and EU regulations.

The investment advice process has proven successful, and we have given an all-time-high number of close to 800,000 advisory sessions on savings and investments in 2013.

“Our assets under management as well as the number of advisory sessions are at an all-time high, for which a prerequisite is the trust earned through responsible business practices. This makes us proud and humble.”

**Gunn Waersted**, Head of Wealth Management
Advice done right

Q Silke, what do you like best about working directly with customers? The best part is speaking with them face to face and seeing their reactions. When that happens, I can tell whether the customer has genuinely understood what we’re offering.

Q We know it’s important for a banking advisor to get to know their customer. How do you do that? The more I listen, the more I get to know the customer, and the more we talk, the more the customer trusts me. Then it’s much easier to advise them.

Q What are the real tangible benefits for a customer of you getting to know them? The better I know the customer, the more targeted and accurate advice I can give.

Q With all of the rules and regulations we have to follow, you sometimes need to obtain certain information from customers, which could appear intrusive. How do you make sure customers understand that you’re asking for information to help them? I believe it’s important for banks to behave with integrity, and I’m proud to work for a bank where this is considered very important. When we explain why it’s important for us to behave responsibly, customers generally understand why we ask all the questions we do. Of course, I need to make sure I have asked the right questions!

There are lots of questions we need to ask to give sound investment advice. Some customers get frustrated because of all the time it takes. I explain that I have to know them and understand their financial circumstances before, for example, we can grant them a loan. When we take the time to explain, it goes much more smoothly and customers are very understanding.

Q What’s the most challenging part of your job? The amount of new information we need to absorb and convey to our customers.

Q Stinna? I would agree: the amount of new information we need to work with can sometimes be challenging.

Q And Stinna, how do you fit in to all this? Well I support banking advisors with specialist pensions and investment advice. When we have new systems or new legislation, I make sure the banking advisors like Silke have the information they need to advise our customers in the best possible way. I might be in the customer meeting with them, but mostly I support them in preparing for those meetings and provide training on how to work with customers according to the Nordea way.

Q Does that work well for you Silke? Absolutely. If I’m in a customer meeting and I have a technical question, I can call Stinna and she’ll guide me through the process, and together we can deliver a great customer experience.

Q And Stinna? I agree. Being able to help customers by working together as a team is the best thing about working at Nordea.

Q Silke, what do you especially like about working for Nordea? I like working with a large organisation that takes compliance seriously. I also like being part of a good bank that does things ethically for the customer’s benefit. And it’s great to have the support available as well.
Our relationship banking model helps us really understand our customer’s business so we can design a financing solution for their long-term success.”

Casper von Koskull, Head of Wholesale Banking
Multichannel relationship banking

Some highlights from 2013:

Mobile: The extent of bank services available via smartphones, including the most important daily services, continues to increase. The number of mobile logons has increased to over 180 million logons, by 117% from last year.

Contact Centres: Contact centre advisors are trained to handle more and more complex financial matters that used to require a branch visit. During 2013 the Contact Centre opening hours were upgraded to 24/7 in all Nordic countries.

Chat: Norwegian customers were able to chat with the Contact Centre. Personnel solved around 70% of the issues directly in the chat.

High quality remote meetings: We piloted and collected experiences on how to conduct high quality remote meetings that support more complex advice and provide a better customer experience. Experiences show that 9 out of 10 customers would like to meet remotely again.

Cash: We increased access to automated solutions for basic cash services like foreign exchange and deposits in ADMs (Automated Deposit Machines). In 2013 we installed 391 new ADMs.

Faster automated processes: We can now provide customers with quicker responses. More than 70% of loan promise applications in Sweden were provided with an instant credit decision.
Our values
Nordea’s values are incorporated into all our people processes, our training and everyday leadership. Our values also form the basis for our leadership qualifications.

Leadership
The final programme in our leadership pipeline was implemented. All leaders take part in leadership training when they move from one leadership level to another.

Diversity
A number of initiatives were launched during the course of 2013 to ensure that more female talents are motivated to seek leading positions and are enabled to continue along the leadership career track.
As a relationship bank, it is our skilled and dedicated employees and their ability to deliver great customer experiences that distinguish us from our competitors. Attracting, developing and maintaining highly motivated people are among our highest priorities.

Demands from our employees and potential employees are changing as ways of life transform and new possibilities for ways of working emerge. Today, employees expect flexibility and independence, and presence is no longer as important as performance. Increased regulatory requirements and complexity in the financial industry create the need for continuous learning.

**Our values guide our work**
Nordea’s values are the basis of our People strategy. They are incorporated in all our people processes, our training and everyday leadership. Our values are also the basis for our leadership competences.

Success in implementing the values is assessed in the annual Employee Satisfaction Index (ESI). The results are used as an indication of how well we live the values, and enable employees and managers to discuss the values, keep them alive, and use them as a guide in reaching our business goals. Living the values is also part of the individual assessment in the yearly Performance and Development Dialogue between every employee and his/her manager.

**Great leadership creates purpose**
Great leadership at Nordea is the ability to engage and motivate people to reach out for our vision and the ability to create the right team to make that happen.

Leadership was a specific focus area in 2013, as we implemented the final programme in our leadership pipeline. In 2013, close to 30% of leaders at Nordea took part in leadership pipeline training. From now on, all leaders will take part in leadership training when they move from one leadership level to another. The leadership pipeline programmes support managers when stepping into a new management role, and leadership competence programmes support managers in developing specific competences in their current role.

Our leaders are assessed on their leadership competences on a yearly basis through our employee satisfaction survey and as part of the leaders’ individual personal development discussion. In 2013, we saw an increase in all leadership competences.

**People strategy at Nordea**
Our People strategy is based on our values, Great customer experiences, It’s all about people and One Nordea team, and the needs from our business to achieve the ambitious goals to build the future relationship bank. The strategy has three elements, encompassing all our key people processes:

- Great leadership and talent management
- Strong performance culture
- Operational excellence

Continuously developing our people is fundamental for us to stay ahead and deliver great customer experiences.”

Henrik Priergaard, Head of Group HR
Continuous development is critical for our business
We recognise the importance of strengthening our talent management to make sure we have a continuous flow of people moving into key positions that are critical to Nordea’s ability to deliver on its business goals. In 2013, we initiated an analysis to further improve the way we work with talent management, and the implementation of the findings will start in 2014.

At Nordea, we believe that performance provides the opportunity to learn, and learning provides the capability to perform. A large part of talent development happens on the job, either through feedback and coaching from one’s manager, or through job experiences, tasks and problem-solving in one’s everyday work. Nordea’s employees received an average of 1.5 days of training, including e-learning and classroom training in 2013.

This is why the discussion about development that takes place at the Performance & Development Dialogue (PDD) is particularly important to help our employees achieve their full potential. In 2013, 94% of Nordea’s employees took part in a PDD.

The foundation for successful performance is to understand the expectations and responsibilities of one’s work. To this end, an extensive project renewing all job descriptions has been carried through to clarify expectations and responsibilities related to each position at Nordea.

Listening to employees
The topics raised by our employees are of major importance to the success of Nordea’s business, and are at the core of our People strategy; we have therefore focused on them in the report.

Solid development in leadership competences

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<td>Reach out</td>
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<td>Make it happen</td>
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<td>Add value</td>
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<td>Unfold potential</td>
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<td>Connect</td>
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Continuous improvement in employee feedback

### CSR stakeholder survey

Responses from over 1,600 employees

The main expectation brought up in the 2013 CSR stakeholder survey of Nordea as an employer (see p. 11-12 for more information) was to ensure that our values are present in our daily work and in leadership. Diversity among senior management and the well-being of our employees were also considered important.

### Employee satisfaction survey

Responses from over 31,000 employees (94%)

The overall results of our employee satisfaction survey show that the Satisfaction and Motivation Index remained unchanged, while employees’ commitment stayed at index rate 81, the same level as last year, exceeding the external benchmark by five points.

The perception of Nordea as a good workplace has risen by three points since 2012. The score of how proud employees are to tell others where they work has increased by two points, and the score of how likely they are to recommend seeking employment at Nordea has gone up by two points, both exceeding the external benchmark.

Satisfaction with immediate managers remained at an index rate of 79, confirming that Nordea’s managers are above the industry average.

While the Development score remained the same, with Nordea six points above the industry average, this is considered an area to prioritise in the coming year.

### Well-being is feeling good at work

When people feel good at work, a culture of better performance is created. We wish to ensure the profitability of our business by investing in our people’s well-being at work.

We track the well-being and satisfaction of our employees as part of our annual employee survey, where the score on “Talking about stress and welfare is natural,” remained at 73 in 2013.

Although the well-being of our employees is already an important element of daily work in all of our countries of operation, we are now looking into the need for a common structure for the group. In 2013, we piloted a new well-being framework and follow-up structure in Finland. Once the experiences from the pilot have been analysed, the decision will be made about whether to implement a similar structure in all countries.

As a responsible employer, Nordea seeks to provide a healthy working environment. Health and safety legislation in the Nordic countries is comprehensive but varies. In Denmark, we provide our employees with health insurance. In Finland, Norway and Sweden, occupational health care is closely regulated. In Estonia, Latvia, Lithuania, and Russia, the scope of occupational health care services provided varies depending on local legislation. In some cases, the collective bargaining agreements stipulate the content of Nordea's health and safety services. Our ambition is to support well-being by preventive measures promoting health and supporting active ageing.

<table>
<thead>
<tr>
<th>ESI results</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction and motivation</td>
<td>72</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Development</td>
<td>71</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Considered a good workplace</td>
<td>74</td>
<td>74</td>
<td>77</td>
</tr>
<tr>
<td>Proud to tell others where I work</td>
<td>76</td>
<td>77</td>
<td>79</td>
</tr>
<tr>
<td>Recommend others to start working at Nordea</td>
<td>72</td>
<td>72</td>
<td>74</td>
</tr>
<tr>
<td>Living the values</td>
<td>78</td>
<td>79</td>
<td>79</td>
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<tr>
<td>Great Customer Experiences</td>
<td>80</td>
<td>81</td>
<td>82</td>
</tr>
<tr>
<td>It’s all about People</td>
<td>75</td>
<td>75</td>
<td>76</td>
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<tr>
<td>One Nordea team</td>
<td>79</td>
<td>79</td>
<td>80</td>
</tr>
</tbody>
</table>

CSR Report 2013 Sustainability in core business
The initiatives aim to change the culture of Nordea, so that in the future we will have many more women in executive positions.”

Christian Clausen, President and Group CEO

Continuing to pave the way for female leaders
Given the fact that close to 60% of Nordea’s employees are women, the small amount of women in leading positions remains to be a challenge. In order to prevent Nordea from missing out on talent among existing employees, which inevitably has spill-over effects on Nordea’s financial results, and to attract the best talents in the industry, a number of new initiatives have been launched in the end of 2013 to motivate more female talents to seek leading positions and enable them to continue along the leadership career track.

To understand the challenges specific to Nordea, Group Executive Management initiated an analysis to identify the barriers to increasing the percentage of women in leading positions. A plan was created to ensure equal opportunities for women to achieve higher level management positions.

Initiatives to improve gender balance in 2013 include setting requirements for the improvement of gender balance, supporting leaders to make the change happen in practice and developing support for dual career families.

To supplement the ongoing initiative, a group policy to promote gender balance was approved by the Nordea Board in June.

Co-operation with employees
In the Nordic countries more than 70% of employees are members of a union. Nordea seeks to have a good and constructive cooperation with union representatives at all levels. Representatives are elected among employees for local levels and for Business Area Consultative Committees that deal with change initiatives. The Group Council is a high-level collaborative body that raises strategic issues and collects feedback from employee representatives.

In 2013, talks began between Nordea and employee representatives in the Nordea Operations Centre in Poland to structure a collective agreement.

Responsible restructuring
Nordea did not carry out any group-wide restructuring in 2013, however, due to continuous focus on cost efficiency, some unit-level restructuring processes were implemented. Nordea divested its Polish banking, financing and life insurance operations to the largest Polish bank, PKO Bank Polski. This change affected 1,970 employees who consequently became part of the leading Polish bank.

In cases of operational changes, terms are handled according to set collaboration procedures and local legal requirements. Terms of notice range from one to six months.
I wanted to become a leader because of good role models

What is it like to be a manager in Nordea?
I’m constantly developing even though I’ve been a manager for ten years. No matter which job or office I’ve been in, I’ve always had good managers who have acknowledged me. These role models inspired me to become a leader too and help others grow. I appreciate what I’ve received and want to pay it forward.

Why do you think that you are a good manager?
Nordea offers really good training and leadership programmes. Plus, I really like people, and I’m driven by helping others grow. If I can help every person in my team develop, even just a bit, it makes a difference. It’s my job to lead the way, but it takes a team to reach our goals. No person can be on top 52 weeks of the year, but a team can.

Where does your inspiration come from?
From our values – they’re always present. I always use our values as a theme at staff meetings, and we use them to structure our work. It is important to make the values concrete and it is easily done by adding “How” and taking responsibility for it. How will I ensure a great customer experience today?

Nordea Unlimited: Work is not a place, it is something we do

During 2013-2016, approximately 10,000 people at our Nordic headquarters will move to new or renovated buildings. Nordea will leverage this opportunity to implement a new activity-based work concept which has been tested in Stockholm with good results. This new way of working leads to new requirements for leaders and employees – leadership and performance management are fundamental to working in this way. “With Nordea Unlimited, the working environment will be more dynamic, there is more individual flexibility, and collaboration opportunities are increased. The flexibility and tools of the office will support the new way of working. We fully believe that we will become an even more attractive workplace for both existing and future employees,” says Ove Hygum, Head of Group Workplace Management. For the environmental effects of Nordea Unlimited, see p. 44.
Improving financial literacy, enhancing entrepreneurship and employment possibilities for young people are at the core of Nordea’s group-wide community involvement.

We can use our skills to address these challenges and make a difference to the communities in which we work and live. Entering into partnerships with organisations that share the same goals, we build strong relationships with individuals and groups along the way.

The Nordea people who get involved in volunteer projects gain insight, energy and increased commitment to the community and to Nordea. In 2013, there was a clear correlation with the satisfaction and motivation of those employees who shared their competencies with the community.

Some activities are the result of our employees’ responding to a need they see in the community. Nordea engaged in numerous activities to address the specific challenges in local communities. To read more, visit www.nordea.com/csr.

Teaching about personal finance
Our financial literacy programme began in 2010. It runs in all four Nordic countries and engaged 400 employees in 2013. Nordea’s private economists in each country lead the programmes locally and each branch region has an ambassador who coordinates the programme with schools. Banking advisors visit classes with students aged 13-18, and hold hands-on classes in personal finances. In 2013, we visited 664 classes spending approximately 1,665 hours. We were able to reach approximately 15,000 students and help them to better handle their personal finances.

View from Ingela Gabrielsson, Private Economist
"Young people are our future and we have a duty to prepare them for the challenges they will face. We can do that by educating teenagers about personal finances. We need to empower the next generation so they make informed decisions about savings, spending and debt. If we don’t, it will cost society a lot of money in the end. I really enjoy developing content for the programme. I think we can all be very proud of it and we should be talking about it throughout the whole bank!"
Understanding how society works

**Me & MyCity** is a miniature city built with mobile walls with room for 15 enterprises. The children, sixth-graders aged 12-13, spend a day at MyCity and role-play with scripts provided free of charge to the schools. Prior to the visit, they have ten classroom lessons on what it takes for society to function well. This has proved to be popular with children and teachers alike, as children get to try out future professions. MyCity has reached 25,000 sixth-graders and over 1,000 teachers. During the 2013-2014 school year, 50% of all the sixth-graders in Finland will undergo the study module.

**Me & MyCity was recognised by the European Enterprise Promotion Awards 2013 as a winner in promoting entrepreneurial spirit.**

Choosing your own future

Empowering young people to take responsibility for their life as a member of society can support them when facing the challenges of adulthood. By utilising our competences, for example in participating in mentoring programmes, and supporting organisations working to enhance these skills, we hope to support young people in finding employment and lower the threshold of considering entrepreneurship as a profession.

Examples of some activities & partnerships:

**Denmark** → Nordea’s advisors in Denmark help people who need to get their personal finances back on track, organised by the Financial Supervisory Authority.

Nordea has partnered with Young Enterprise, an organisation dedicated to developing the creativity, entrepreneurship and self-esteem of children and youths through school competitions.

**Finland** → Nordea participates in the President’s economic skills programme for troubled youths, led by President Sauli Niinistö, to prevent social exclusion of children and youths by increasing their financial skills.

In 2013, Nordea in Finland partnered with Me & MyCity, an award-winning organisation based on the Finnish school curriculum that promotes entrepreneurship early in life, giving children an understanding of the different roles and functions in society. Nordea employees have been involved in giving presentations for the 6th grade teachers during the teachers’ kick-off days.

**Norway** → Nordea has partnered with Young Enterprise, an organisation dedicated to developing the creativity, entrepreneurship and self-esteem of children and youths through school competitions.

**Sweden** → In 2013 Nordea joined forces with Teach for Sweden, part of the global Teach For All organisation, which strives to provide quality education in lower socio-economic areas. Nordea sponsors university graduates who spend two years teaching middle school in disadvantaged areas to add inspiration.

**Estonia** → Nordea organises Financial Wisdom Day, where employees visit schools and discuss economics with students.

**Latvia** → Nordea Money School is open to customers and the public. The school is run together with parties including Stockholm School of Economics in Riga.

Nordea’s staff dedicate a lot of energy to the Nordea Business School which takes entrepreneurs-to-be through a six-month free training course covering everything from having an idea to a meeting with an investor.

Nordea also organises ‘speed dating’ twice a year – face to face meetings with bank experts to talk about the specifics of the profession and the bank’s work in general. The goal is to promote trainee positions and potential working opportunities for young students.

**Lithuania** → Nordea runs Leaders’ School where Nordea employees engage with the best high school students and discuss leadership skills. The best performing 11th graders get the opportunity to get together and exchange ideas as well as to meet business leaders.

Nordea Lithuania also runs a Summer Camp Project together with Rotary for children from orphanages and poor families.

Nordea supports the education of talented children within different areas as well as the Lithuanian Honour Awards where particular talents are recognised and their education sponsored.

**Russia** → Nordea employees visited high schools to boost economic understanding as part of a national programme to raise financial awareness, run together with the Institute for Development of Financial Markets.

In 2013 employees at Nordea Markets continued as mentors in the organisation My Dream Now that helps 8th graders in schools located in underprivileged areas to set goals and plan how to reach them.

With Jobs and Society, Nordea’s managers continue to coach and support entrepreneurs in getting started in more than 40 cities, as they have done for nearly 15 years. Jobs and Society is a non-profit foundation that works to support and coach people who want to become entrepreneurs.

Nordea also continues as a partner of the project ‘Understanding how society works’ (see page 25) and supports the popular programme ‘Me & MyCity’. In 2013, Me & MyCity was recognised by the European Enterprise Promotion Awards as a winner in promoting entrepreneurial spirit.

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**CSR Report 2013 Sustainability in core business**

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Responsible returns

In 2007, we were the first Nordic bank to sign the Principles for Responsible Investment (PRI). We had already earlier begun to integrate responsible investment principles into our own policies and procedures.

Our responsible investment process
Initially, Nordea’s Asset Management formalised negative environmental, social and governance (ESG) screening of all our investments. This involved identifying companies breaching international norms, and engaging with them to encourage positive change. The approach was then broadened to include positive screening, actively searching for companies that have ESG aspects as part of their actual business. In 2011, we introduced our first investment product to include positive screening.

International norms and conventions we take into account include:
• The United Nations Global Compact’s ten principles:
  - The Universal Declaration of Human Rights (Principles 1-2)
  - The International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work (Principles 3-6)
  - Rio Declaration on Environment and Development (Principles 7-9)
  - The United Nations Convention Against Corruption (Principle 10)
• OECD Guidelines for Multinational Enterprises
• Convention on Cluster Munitions

In 2013, we continued to improve our responsible investments process to ensure better returns. Highlights included:
• Continuing good performance of the Star funds based on positive ESG screening
• Beginning full ESG integration into our investment management process
• Launching www.esg.nordea.com

Star funds
Nordea Asset Management now has two funds, Swedish Stars and Emerging Stars, which invest in companies that combine financial returns with strong ESG performance. The performance of these funds has been solid.

How we work with responsible investments

Knowledge
Continuous awareness and research of sustainability development

Understanding
Gather perceptions of sustainability from stakeholders e.g. clients, investors, NGOs, unions, media

Information
Core of analysis is in-house, information bought from partners:
• Norm based screening by Ethix
• Ratings by MSCI available for all fund managers

In focus in 2013:
Companies’ tax contribution: met with 5 experts and interviewed 2 companies

In focus in 2013:
Systematic meetings with tens of representatives of stakeholders in our home markets and globally

In focus in 2013:
Nordea’s analysts met with 50 companies
Integration is key to managing risk

Since ESG issues are an increasing source of risk and opportunity, we initiated a process to integrate ESG data, both positive and negative, as a factor in assessing investments. The ESG data can help control risk in an investment portfolio, and is a potential indicator of better performance. Full ESG integration will strengthen Nordea’s profile as one of Europe’s leaders in responsible investment.

Nordea selected a provider, MSCI ESG Research, to conduct the research and integrate the information on a platform to which all of Nordea’s portfolio managers have access. The database consists of more than 5,000 companies in 200 funds and close to 10,000 securities. More than 200 governments are also included. All portfolio managers throughout Nordea have been trained through workshops arranged by Nordea’s Responsible Investments & Governance (RIG) Team.

Engaging to drive change

We engage with companies that are alleged to have violated international norms, and we conduct proactive engagement dialogues with companies for which we see significant room for improvement in respect to ESG issues. We also conduct thematic engagements, based on themes deemed to be increasingly important in the future.

During the year, the RIG team conducted field visits to four continents to review environmental and social issues in business operations to better understand the challenges and opportunities that companies face.

As of 31 December, 2013, 23 companies are excluded from all Nordea Asset Management’s investment funds. (See www.esg.nordea.com/engagement for full exclusion list.) Nordea Investment Management does not invest in companies that are involved in the production of illegal weapons or nuclear weapons. Nordea does not offer household customers financial products where basic food commodities are used as underlying asset.

Taking sustainable investments mainstream

Measuring social return is challenging and not yet mainstream. More guidance and models are needed to place values on social and environmental outcomes and predict what outcomes an organisation is likely to achieve.

Nordea is working to take sustainable investments mainstream. To this end, we launched two new initiatives in 2013:

• Nordea Life & Pension initiated research to come up with models and workable templates for reporting non-financial outcomes of investments. The international project is run by the University of Cambridge and supported by 11 international investors.
• Nordea and CDP* produced a guide for investors to clarify the opportunities of the climate change investment case. The guide identifies more than 14,000 risks measured and 8,000 opportunities, and is available free of charge on Nordea’s and CDP’s websites.

* Formerly known as Carbon Disclosure Project

Application

Use the gathered information to assess portfolios to map out risks and opportunities in companies & industries

In focus in 2013:
Conducted pilot project to establish carbon footprint for investment portfolios

Engagement

Use the owner’s responsibility and right to conduct systematic engagement when needed

In focus in 2013:
Three norm-based engagements concluded successfully

Adjustment

Implement the findings by concrete decisions for the investor’s benefit

In focus in 2013:
Made several divestments for responsible investment reasons from various portfolios
Responsible lending

Our customers trust Nordea to be a responsible citizen. One of the most important ways we achieve this is by being a responsible lender.

Our general credit framework builds on the Nordea Sustainability Policy. The framework includes two high level Group Directives adopted by the Board of Directors: Credit Policy and Strategy for the Nordea Group, and Credit Instructions for the Nordea Group.

The first directive establishes the overall principles. For example, the granting of credit within the Group is always based on sound banking practice and high ethical standards. It also states that the Group should in no way compromise generally accepted ethical and legal principles, nor have dealings with counterparts that we suspect to be of questionable morality.

For household customers, this means that our processes ensure their ability to repay loans, we have support mechanisms for when they face difficulties, and our marketing practices are honest and responsible.

Industry policies

There are specific industry credit policies and principles in place to define a common strategy for the distribution of our credit portfolio and improve risk management.

Industry credit policies are established for industries where at least two of the following criteria are fulfilled:

- Significant weight in the Nordea loan portfolio
- High cyclical and/or volatility of the industry
- Special skills and knowledge required

All Industry Credit Policies are updated and approved annually by the Executive Credit Committee and confirmed by the Board Risk Committee. Nordea currently has Industry Credit Policies for the following Industries:

- Commercial Real Estate
- Energy
- Institutions
- Shipping, Oil and Offshore
- Leverage Buy Out (LBO) Industry policy

Industry credit principles are established for industries where the two latter criteria above are fulfilled. Industry Credit Principles are approved by the Group Credit Committee of Wholesale Banking and confirmed by the Executive Credit Committee. Nordea currently has Industry Credit Principles for the following industries:

- Forestry
- Telecom, Media and IT

The industry policies and principles contain instructions pertaining to specific issues, including a sustainability section that covers relevant environmental, social and governance (ESG) risks of the industry, and how to approach and manage the ESG risk assessment within lending.

Risk assessment tools and processes

At present, Nordea uses two tools to analyse ESG risks in corporate lending: the Environmental Risk Assessment tool (ERAT) and the Social and Political Risk Assessment tool (SPRAT). We aim to move towards a more risk-based approach to identify and focus our efforts on potential higher risk cases.

In 2012, we initiated a project to develop our ESG risk assessment tools and processes. As the project continued into 2013, we decided to take a two-fold approach: one for small and medium-sized corporate customers in Retail Banking, and another for large corporate customers in Wholesale Banking.

In Retail Banking, we are incorporating the ESG analyses as part of the Know Your Customer process. In Wholesale Banking, we are introducing a new ESG analyses tool, piloted in 2013. The new ESG tool is interactive and fine-tunes the analyses based on customer specific data (field of business, location of opera-

In 2013 we experienced some real cases highlighting the importance of integrating ESG risk assessment into the business and credit processes.”

Jorma Timonen, Chief Credit Officer, Head of Group Credit Risk
tions and headquarters, etc.) as well as location of supply chain and markets for products and services. The same tools will be used for Retail Banking corporate customers when the initial Know Your Customer process indicates a need for deeper analysis.

We aim to finalise the tool in 2014, renew the relevant parts of the credit process, and incorporate the new way of concluding ESG risk assessment as part of credit decision-making. We will roll it out across the group, supported by a web-based interactive process.

Renewed Equator principles guidelines
The Equator Principles (EP) were launched in 2003 by the World Bank Group’s International Finance Corporation (IFC) and the banking sector, and adopted by Nordea in 2007. The EP is a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions. In May 2013, the principles were updated for the second time and extended to include bridge loans, as well as project-related corporate loans. In addition, the EP now specifically addresses climate change.

Nordea’s analysts and other relevant personnel have been trained in using the EP’s routines and tools. We hold internal seminars regularly to provide staff with updates and the opportunity for knowledge sharing.

Nordea follows the Equator Principles Manual (“the toolkit”) for training and in the decision-making process. The toolkit is updated as the EP develops. Nordea is currently implementing the latest EP updates made in June 2013. The toolkit provides guidance on how to apply the EP in the day-to-day business of project finance deal managers. The ten principles contained in the EP are organised into four workflow steps: 1) initial project review; 2) project appraisal; 3) project negotiation, commitment and monitoring; and 4) external reporting. The steps match the Nordea project finance cycle, and are integrated with the general credit evaluation and decision workflow.

Nordea’s EP Advisory Group reviews every project finance case for recommendation and classification. If the group decides on a positive recommendation, it establishes the terms and conditions for participating in the project, including environmental and social representations and covenants.

Depending on the type of project, we monitor the performance of all active projects in the portfolio on a quarterly, semi-annual or annual basis, to ensure compliance with environmental, social and other conditions. The borrower provides annual social and environmental monitoring reports, usually verified by an independent expert. In any case of non-compliance, we determine an appropriate course of action together with the other lenders.


1 This is currently a draft and in the decision-making process.
Working with suppliers

Nordea actively works to establish and nurture long-term relationships with suppliers with the aim of constant improvement for all parties concerned.

In 2012, we implemented a new corporate social responsibility (CSR) supplier management process to ensure clarity around our sustainability requirements on our suppliers.

In 2013, we conducted six on-spot reviews to make sure we are on the right track. We will continue the journey in 2014 by developing a long-term responsible sourcing strategy, and embed this work with our suppliers into our day-to-day business.

Reasonable expectations
We believe in reasonable and balanced expectations. We understand that the way of implementing the required principles varies depending on the supplier’s size, geographical location and field of business. We expect that large suppliers have documented internal policies and management systems in place, whereas a lighter implementation level is acceptable for smaller companies.

Clear requirements
The Nordea CSR Supplier Guidelines explains our expectations, based on the UN Global Compact’s ten core principles (see p. 41). The Guidelines’ objective is to encourage and assist suppliers in adhering to Nordea’s principles for identifying, assessing and managing sustainability opportunities and risks, and to ensure constant improvements.

Our supplier management process includes tools for working with suppliers, and on-spot reviews to analyse how our requirements are being followed. The requirements are legally binding, thus enforcing their effect.

On-spot reviews in 2013
The six on-spot reviews we performed in 2013 were based on risk analyses. We took into account factors including the supplier’s strategic relevance to Nordea, the total annual spend, and the supplier’s field of business. Generally, we review the suppliers with which we have the most substantial relationships, and also include smaller suppliers that have topical sustainability elements in their field of business.

On-spot reviews take two days, using the United Nations Global Compact Management Model to analyse the supplier’s compliance with Nordea’s requirements. We meet with representatives from the management, relevant business areas, employees and union representatives. Depending on the supplier’s industry, we discuss topical issues and address risks areas and common opportunities between Nordea and the supplier.

Summary of the main findings from on spot reviews in 2013

<table>
<thead>
<tr>
<th>Industry</th>
<th>Challenges</th>
<th>Opportunities</th>
<th>Actions</th>
<th>Material non-compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Management</td>
<td>Working permits, high turnover</td>
<td>First entry to labour market for non-natives. Improve energy efficiency and reduce CO₂ emissions</td>
<td>Develop benchmark and improve environmental goals</td>
<td>None</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>Data security, network availability</td>
<td>Consider full life cycle impact on products</td>
<td>Further develop management systems and potential supply chain risks</td>
<td>None</td>
</tr>
<tr>
<td>Furniture production</td>
<td>Transparency in supply chain</td>
<td>Refurbishment/ reuse and recycling of furniture</td>
<td>Developing the supply chain management and streamlining processes</td>
<td>None</td>
</tr>
<tr>
<td>Cleaning</td>
<td>Use of detergents, transportation, working permits, high turnover</td>
<td>Translating work processes to common languages among the workforce. Continue to focus on minimising environmental impact</td>
<td>Further develop management systems. Formulate process for handling illegal workers</td>
<td>None</td>
</tr>
<tr>
<td>Transportation</td>
<td>CO₂ emissions, safety, labour rights</td>
<td>Continue to focus on minimising joint ecological footprint</td>
<td>Focus on reducing sick-leave and improve employee satisfaction</td>
<td>None</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Labour rights, chemicals in production, CO₂ emissions in transportation</td>
<td>Jointly work on reducing environmental impact of marketing material</td>
<td>Improve supply chain transparency and develop management systems</td>
<td>None</td>
</tr>
</tbody>
</table>
**TDC:** “Demanding and thorough”

**TDC** is a telecommunications provider and is Nordea’s supplier of mobile subscriptions in Denmark and Sweden, and mobiles and mobile accessories in Denmark, Finland and Sweden.

The Nordea review team visited TDC in Copenhagen on 7 and 8 November.

TDC is a critical supplier to Nordea, expected to provide telecommunication services that are constantly available, stable and secure. Therefore one of the focal discussion points at the review was the recent network supply contract signed with Huawei in China. During the review, the Nordea Review Team were satisfied that appropriate actions had been taken. For instance, TDC had visited the supplier numerous times, and workers in Denmark are covered by the Danish collective agreements. In general the review proved that TDC has a strong commitment in many areas, but is encouraged to increase communications to improve stakeholder awareness in these areas.

**Benjamin Alberti,** Head of CSR at TDC:

“This is the first time we’ve received a request for a CSR Review process of this proportion from a client. While it was a demanding process, it was also positive to experience such genuine interest in our approach to CSR.

The scope of the review was quite broad, which made the process demanding and thorough. The review process made it clear to us that there are a number of areas in which we perform quite well – but about which we haven’t communicated much in the past. Understanding what’s important to our stakeholders is vital to our work, and in that sense the review process has given us a better idea of where to focus our energy.”

**SAG:** “Good chance for improvement”

**SAG (Special Ad Group)** is a long-time supplier of promotional items (Jalmar piggy-bank etc.) for Nordea. The group consists of four companies in the Nordics: Logonet Promotion (Finland), Baxx Promotion (Denmark), Wackes (Sweden) and Strömmes (Norway). SAG was selected because Nordea wants to ensure that product safety is not compromised in the customer giveaways.

Two representatives from the Nordea CSR review team visited Wackes in Sweden and Logonet in Finland on 2 and 3 December.

A few of the items SAG procures for Nordea are produced in the Far East, and it was therefore of vital importance to ensure the safety of these products as well as gaining satisfaction that they were produced under fair working conditions. The visits at Wackes and Logonet demonstrated strong intentions and high ambitions, but also revealed that, to ensure full transparency, there should be more back-up with more detailed documentation of processes. SAG also gave the feedback to Nordea that they wish to be involved earlier in the planning process. Doing so will enable SAG to use sea transport instead of air transport of the products, leading to lower total emissions.

**Thomas Davidsson,** CEO, Wackes:

“This was very positive. We have been doing a lot of things by ourselves internally for a long time. Now we realise that we have to communicate what we are doing to our clients.”

Engagement and co-operation encourages our suppliers to improve their performance, which ultimately benefits all of Nordea’s stakeholders.”

**Erik Gjötterberg,** Head of Group Processes, Nordea
In focus
Compliance in everyday business
Making sure that we carry out all necessary steps to secure compliance in every customer interaction is the only possible way to ensure strong relationships.

Awareness training
Efficient e-learning modules on compliance and Know Your Customer issues are directed to all employees, and participation is monitored.

Ethical behaviour
An internal audit in 2013 examined the extent to which Nordea has adapted relevant policies, and set targets in the management system to ensure that ethical behaviour principles are known throughout the organisation.
Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Nordea’s corporate culture.

We look at compliance not just as something we have to do to earn and retain our “licence to operate,” but as something we want to do, because ultimately, it builds trust with our customers and makes society safer.

Risk governance
Operational risk management and compliance are an integral part of everyday business at Nordea. The substantial amount of new directives and regulations aimed at securing banks’ stability and customer protection demonstrate how vital strong and well-functioning banks are to society. For us, making sure that we carry out all necessary steps to secure compliance in every customer interaction is the only possible way to ensure strong relationships.

Ensuring the content and implications of all new requirements demands a gap analysis and potential adjustments each time. In 2013, this work demanded vast resources throughout the organisation, especially from the Operational Risk and Compliance Organisation and Group Legal. The work has attention from the top, with direct lines to Group Executive Management and ultimately the Board of Directors.

The Board of Directors of Nordea Bank AB bears the ultimate responsibility for the Group’s compliance with laws and regulations, with the Board Risk Committee overseeing the management and control of these risks. The Committee regularly reviews the bank’s overall risk management approach, including risk profiles, control framework and assessment of material risk issues.

Managers are responsible for day-to-day oversight of compliance risks. Supported by the Group’s operational Risk and Compliance function, they identify, assess and mitigate compliance risks. The most significant risks reported from all parts of the Group are consolidated into a Group Risk Map presented to Group Executive Management, the Board Risk Committee and the Board of Directors.

Anti-money laundering
While knowing our customers helps us to provide them with better service, it’s also part of our responsibility as a member of the global banking community. Nordea’s anti-money laundering (AML) work is based on international regulations with the ultimate goal of ensuring that funds from illegal sources cannot be laundered through the banking system or used to finance terrorism or illegal operations of any kind. The purpose of AML is to protect not only the financial system and our customers, but society at large.

Preventing money laundering was one of our main focus areas in 2013. In April 2013, the Swedish Financial Supervisory Authority issued a remark and a penalty of 3.5 million euros to Nordea Bank AB for lack of sufficient governance and internal control relating to anti-money laundering regulation. We share the view that governance and control of procedures and routines relating to AML legislation are important and need to be prioritised. In 2013, Nordea changed AML governance from a national to business area focus to improve governance, and established a group-wide programme to track, coordinate, and report on AML-related activities across the bank.

Risk management and compliance are more important in the financial industry than ever before. For us, they are also part of building genuine relationships with our customers.”

Ari Kaperi, Group Chief Risk Officer
Group Operational Risk and Compliance facilitates the programme, and each business area is responsible for execution. Group executive management representatives from each business area are engaged to ensure relevant group-wide issues are addressed and decided upon. Each business area has carried out a number of AML-related activities including gap analyses, risk assessments and ongoing development of IT solutions to support the AML work. The work is now focused on creating long-term solutions to further integrate AML into the processes and procedures of our daily business.

A major delivery in 2013 was to issue more detailed Know Your Customer (KYC) instructions, which provide the framework for ensuring proper knowledge of who we are doing business with, where their money comes from, and the purpose of the transactions. The gap analysis between the old and new KYC guidelines is on-going across all business areas. Implementation will start in and continue through 2014, with priority on thoroughness, ensuring solid integration into business, and proper training of staff. Through this constant process, risk assessments in the AML and KYC areas will identify potential needs for on-going updates of the AML framework and processes in the bank.

We recognise that customers react differently to questions about the origin of cash and the purpose of their business activities. Still, we firmly believe in the importance of requesting such information, and after explaining this to customers, the vast majority are more than happy to cooperate. When difficult situations do arise, branch managers hold debriefing sessions.

### Training – from front line to Board of Directors

The operational risk and compliance training programme targets all employees from front line to the Board of Directors. Nordea has efficient e-learning modules on compliance and Know Your Customer issues that are directed at all employees, and participation is monitored. Modules completed in 2013 were anti-money laundering and bribery and corruption prevention. Both modules had participation of approx. 90 per cent. Next in line are modules on operational risk and integrity combining Nordea’s Code of Conduct and Sustainability Policy.

The work on a Compliance Awareness Programme for Senior Management continued in 2013. Several modules have been updated, and a module on Business Continuity Management and on Recovery and Resolution Planning were released. The Programme has been rolled out to all relevant Nordea Boards.

### Nordea’s compliance officers keep watch

All Nordea employees are responsible for keeping Nordea compliant on a daily basis. 160 Risk and Compliance Officers support them and help them understand, manage and mitigate compliance risks. They are there to ensure that colleagues have received adequate training on the necessary procedures and processes, and that the information about products and services is accurate and understandable. The Risk and Compliance Officers report on progress and recommend improvements when necessary, working alongside, but independently from, the bank’s business units.

### Awareness training in 2013

<table>
<thead>
<tr>
<th>Name of training</th>
<th>Goal</th>
<th>Target group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-money laundering</td>
<td>• Create a common level of awareness about AML challenges&lt;br&gt;• Raise the importance of sound KYC practices&lt;br&gt;• Underline the obligation to follow mandatory rules</td>
<td>All employees</td>
</tr>
<tr>
<td>Preventing bribery and corruption</td>
<td>• Raise awareness about how to conduct business with customers, suppliers and service providers according to the high ethical standards described in Nordea’s Code of conduct and Nordea’s Anti-Bribery and Corruption policy and external regulations</td>
<td>All employees</td>
</tr>
<tr>
<td>Business continuity management</td>
<td>• Raise awareness about what to know and do in case of operational disruptions</td>
<td>Senior managers and Board of Directors</td>
</tr>
<tr>
<td>Recovery and resolution planning</td>
<td>• Raise awareness about what to know and do in relation to recovery and resolution planning</td>
<td>Senior managers and Board of Directors</td>
</tr>
</tbody>
</table>
The Risk and Compliance Officers also have a key role in the risk assessment and product approval process. All of Nordea’s new or changed products go through an extensive Quality and Risk Analysis process. This covers the products’ marketing materials as well as the products themselves.

**Whistleblowing**

In 2012, Nordea introduced a group-wide whistleblowing system called *Raise Your Concern* whereby employees can report concerns anonymously and be safe from retaliation. In 2013, ten cases were reported and investigated. One case remains open but will be closed in 2014. Whistleblowing cases are handled according to instructions ensuring that Group Security follows Nordea’s processes for Internal Crimes.

**Internal audit 2013: Ethical behaviour**

The scope of Nordea’s internal audit function includes all internal processes and procedures. The audit team is independent and reports directly to the Board of Directors. In 2013, the team focused on ethical behaviour. Their audit examined the extent to which Nordea has adapted relevant policies and set targets in the management system to ensure that ethical behaviour principles are known throughout the organisation. The audit also noted that Nordea reports on non-compliance, carries out systematic follow up, and delivers open and reliable reporting.

In 2013, approx. 90% of Nordea employees completed two e-learning modules: one on anti-money laundering and the second on preventing bribery and corruption. Here is one employee’s experience.

*Morten Olimb* works with Nordic Corporate Business Development in Retail Banking. He lives and works in Oslo, Norway and joined Nordea in 2012.

**Q** What do you think about the e-learning modules? It’s a really good way to get the information you need with relative ease.

**Q** Was it easy to take in the information? Yes. The modules provide a good overview and explain why this is important and how we need to think and act. The visuals and voice make it easy to take in a lot of information.

**Q** What do you particularly like about the e-learning modules? It’s great that you can do it when it suits you, within the given time frame of course. I like that there’s a test at the end that makes sure that you understand the information that you need. If you respond incorrectly, it explains why your answer was wrong. Then you can keep trying until you get it right, so you learn as you go. I think that adds value.

**Q** What do you think could be better? An advanced level with more challenging questions would be a good continuation.

**Q** Do you feel that the e-learning was relevant for your work? Definitely. I work with sales processes, so it’s really important to understand all these aspects.

Nordea initiated e-learning within Operational Risk and Compliance in 2012, and will continue in 2014 with a module on integrity covering Nordea’s Code of Conduct and Sustainability Policy.
**What we do and how:** banking made simple

### Customers' and others' needs
- Customers depositing money
- Investors in capital markets
- Customers needing loans
- Investors in capital markets
- Sender of an invoice
- Payer of an invoice
- Customers' savings
- Funds and securities
- Services and advice

### Bank's core business
- Customer deposits, all money held on bank accounts = Bank's liability to the customer
- Bank acquires additional capital from capital markets = Liability to investors
- Bank grants loans to customers = Bank's assets
- Bank invests excess capital in the capital markets = Bank's assets
- Bank invests savings in funds and securities
- Bank advises and provides additional services

### Main guidelines affecting in general the behaviour of employees:
- Code of Conduct
  - Guide to sound business relationships
  - Raising your concern instructions
- Sustainability Policy
- Conflicts of Interest Policy
- Anti-Bribery and Corruption Policy
  - Instructions on gifts, benefits and events

(see p. 34-37)
### Sources of income

- **Net interest income**
  - Bank earns when the interest of loans granted is higher than interest of deposits
- **Bank earns fees**

### Money used for

- **Operating bank’s services and IT systems**
  - Customers
- **Salaries**
  - Employees
- **Other expenses like rents, purchases, services, investments**
  - Companies offering goods and services

### Bank’s profit

- **Taxes**
  - State and community
- **Equity accrual**
  - Shareholders
- **Dividends**
  - Shareholders

### Main guidelines affecting work performed:

- Customer Identification process
- Policy for Anti-Money Laundering and Counter-Terrorist Financing risk management
- Instructions on sound Know Your Customer procedures
- Data security guidelines and processes
- Credit related policies and guidelines (see p. 30-31)
- Responsible Investment strategy
- Responsible investment process (see p. 28-29)

### Main guidelines:

- Remuneration Policy (see AR p. 73)
- Sourcing Policy
- CSR Supplier Guidelines (see p. 32-33)

### Main guidelines:

- Tax Policy (see p. 53)
- Capital Policy (see AR p. 13)
Strong corporate governance balances the various stakeholder interests and ascertains that Nordea is both well governed and well managed. In Nordea, in addition to the traditional corporate governance framework, the implementation of our international commitments is also part of good corporate governance.

The Board of Directors
Nordea complies with applicable rules regarding the independence of its Board. The Nomination Committee considers all members elected by the shareholders to be independent of the Company and its executive management.

All Board members elected by the shareholders, apart from Björn Wahlroos and Kari Stadigh, are independent in relation to the Company’s major shareholders. Björn Wahlroos is board chairman of Sampo plc and Kari Stadigh is managing director and CEO of Sampo plc, which owns more than 10% of all shares and votes in Nordea Bank AB (publ). Thus, the number of Board members who are independent in relation to the Company and its executive management as well as independent in relation to the Company’s major shareholders exceeds the minimum requirements.

No Board member elected by the General Meeting is employed by or works in an operative capacity in the Company. All Board members and the deputy Board members appointed by the employees are employed by the Group and therefore not independent of the Company. The Board adopts written work procedures governing its work (“the Charter”) annually. The Charter is an internal document that sets forth the Board’s and the Chairman’s areas of responsibility, documentation and quorum as well as the frequency of meetings. It also contains rules regarding conflict of interest and confidentiality. For further details, please see the Annual Report (pages 66-72 and 212).

All employees
The Board adopts directives for the operations of the Group, such as the Code of Conduct2 and the Nordea Sustainability Policy3. All employees and business activities need to comply with the standards of integrity and fair business ethics as stated in the Code of Conduct, including those regarding conflicts of interest:

- Conflicts of interest between Nordea and its customers are identified and prevented or managed so that customers are justly treated.
- Employees do not participate in business transactions where a conflict of interest could arise with their own economic standing or with a third party where a close relationship exists.

Following international commitments through internal policies
The Code of Conduct and the Nordea Sustainability Policy are the core CSR policies. The Code of Conduct is based on the ten principles of the United Nation’s Global Compact. The Nordea Sustainability Policy spells out the

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1 According to the Code of Conduct, a member of the board, who is employed by or is a board member of a company which is a major shareholder, is not to be regarded as independent. In this context, a major shareholder is defined as controlling at least 10% of the shares or votes in the company. As of end 2013 Sampo plc represented 21.4% of the shares and voting rights in Nordea.


Group's values and commitments to ethical business. Both apply to all personnel and all who work on behalf of Nordea. The main policies and international commitments are supported by specific and concrete policies to ensure compliance in everyday business. Examples are the human resources policies, the anti-corruption policies, and several investment and credit policies. Please see www.nordea.com/csr for further details.

In addition to the conventions in the table below, Nordea follows the United Nations' Universal Declaration of Human Rights, ILO-conventions and the OECD Guidelines for Multinational Enterprises in our operations and business.

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<th>Objectives</th>
<th>Implementation in Nordea</th>
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</thead>
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<tr>
<td>United Nations Environment Programme Finance Initiative UNEP FI</td>
<td>The UNEP FI is a global partnership between UNEP and the financial sector. Institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.</td>
<td>Nordea signed the UNEP FI in 2001 UNEP FI: • guides us in how to take environmental and social considerations into account in our own operations and business decisions, especially in lending • is one of the commitments forming the basis for the Nordea Sustainability Policy.</td>
</tr>
<tr>
<td>UN Global Compact UNGC</td>
<td>The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, businesses can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.</td>
<td>Nordea signed the UNGC in 2002 UNGC: • guides us in how to take environmental, social and governance considerations into account in our own operations and business decisions, especially in lending • forms the basis of Nordea’s Code of Conduct • is one of the commitments forming the basis for the Nordea Sustainability Policy • forms the basis for our requirements towards suppliers expressed in Nordea’s Supplier Guidelines.</td>
</tr>
<tr>
<td>Equator Principles EP</td>
<td>The Equator Principles is a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions. Project finance is often used to fund the development and construction of major infrastructure and industrial projects.</td>
<td>Nordea signed the EP in 2007 EP: • is used in project financing and have been incorporated into Nordea EP Manual that is utilized in preparing the cases, the decision-making process and training • is one of the commitments forming the basis for the Nordea Sustainability Policy.</td>
</tr>
<tr>
<td>Principles for Responsible Investment PRI</td>
<td>The UN-backed Principles for Responsible Investment is an initiative in partnership with UNEP FI and UNGC. PRI consist of six principles and reflects the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors.</td>
<td>Nordea signed the PRI in 2007 PRI: • is the basis for Nordea’s responsible investment strategy • is one of the commitments forming the basis for the Nordea Sustainability Policy.</td>
</tr>
</tbody>
</table>
Overview of corporate governance structure

External CSR Framework - international commitments
The international treaties we have signed guide us and help us live up to Nordea’s over-riding commitments. Nordea is committed to the:
• UN Global Compact
• UN Principles for Responsible Investments
• UN Environmental Programme Finance Initiative
• Equator Principles.

Group Internal Audit (GIA)
GIA is an independent function commissioned by the Board. The purpose of GIA’s assurance activity is to add value to the organisation by assuring the quality of the governance, risk management and control processes as well as promoting continuous improvement.

Group Risk Management
Exposure to risk is inherent in providing financial services, and Nordea assumes a variety of risks in its ordinary business activities, the most significant being credit risk related to lending. The maintaining of risk awareness in the organisation is incorporated in Nordea’s business strategies.

CSR Secretariat
The CSR Secretariat is responsible for coordinating the CSR work within the Group, proposing overall policies, strategies, and goals, as well as presenting the results to GEM.

Shareholders in General Meetings
The General Meeting is the Company’s highest decision-making body, where the shareholders exercise their voting rights. They are held in Sweden where Nordea is legally registered. At General Meetings, each shareholder is entitled to vote for the full number of shares that he or she owns or represents. Nordea is not entitled to vote for its own shares at General Meetings. Each shareholder also has the right to have items included in the agenda providing a request has been submitted to the Board in due time for the item to be included in the notice of meeting. The General Meeting also provides all shareholders with an opportunity to express their opinions in regards to our CSR work.
Nomination Committee

In accordance with the Code, Nordea has a nomination committee representing the shareholders, which is established by the AGM. The committee shall consist of the chairman of the Board and four other members. Shareholders with the four largest shareholdings in Nordea at a set date shall be entitled to appoint one member each. The committee prepares the decisions on appointments, and remunerations to be taken by the shareholders at the AGM. The committee issues a Statement on the proposal regarding the board of directors giving the background and the considerations of its proposals. The Statement is published on Nordea’s homepage. In the process of drawing up propositions of Board members, knowledge of CSR issues is one of the parameters to be taken into considerations by the committee.

Board Committees

In accordance with the external framework and in order to increase the effectiveness of the its work, the Board has established separate working committees to assist the Board in preparing matters belonging to the competence of the Board and to decide in matters delegated by the Board. The duties of the Board Committees, as well as working procedures, are defined in the Charter. Each Committee regularly reports on its work to the Board. The minutes are communicated to the Board.

The Board Audit Committee (BAC). Assists the Board in fulfilling its oversight responsibilities by, for instance, monitoring the Nordea Group’s financial reporting process and, in relation thereto, this the effectiveness of the internal control and risk management systems, established by the Board, the CEO and GEM, as well as the effectiveness of GIA.

The Board Risk Committee (BRIC). Assists the Board in fulfilling its oversight responsibilities concerning the management and control of risks, risk frameworks, controls and processes associated with the Group’s operations, including credit, market, liquidity, business, life and operational risk.

The Board Remuneration Committee (BRC). Prepares and presents proposals to the Board on remuneration issues. When preparing such proposals, BRC shall take into account the long term interests of shareholders, investors and other stakeholders in Nordea.

The CSR work of the Board. Nordea does not have a specific CSR committee. The governance and of the CSR work is performed by the Board as a whole. The Board is the highest governing body responsible for the Group’s CSR performance. The Board assesses our sustainability performance whenever needed, however at a minimum once a year. Part of this evaluation is to ensure sufficient knowledge of CSR issues of the Board as a whole as well as for individual Board members.

Evaluation of the Board. The Board of Directors annually conducts a self-evaluation process, through which the performance and the work of the Board is evaluated and discussed by the Board. The evaluation is based on a methodology that includes questionnaires to evaluate the Board as a whole, the Chairman and individual Board members.

President and Group CEO

Nordea’s President and CEO is charged with the day-to-day management of Nordea Bank and the Nordea Group’s affairs in accordance with the external and internal framework. The internal framework regulates the division of responsibilities and the interaction between the CEO and the Board. The CEO works closely with the Chairman of the Board with planning of Board meetings.

The CEO is accountable to the Board for the management of the Nordea Group’s operations and is also responsible for developing and maintaining effective systems for internal control within the Group. The CEO works together with executive officers within the Group in Group Executive Management (GEM). Presently GEM consists of six members and the CEO. GEM meets regularly and whenever necessary upon request by the CEO. These meetings are chaired by the CEO, who reaches decisions after consulting with the other members of GEM. Notes of meetings, verified by the CEO, are kept.

GEM is the highest operational body responsible for the Group’s CSR work. The CRO is a member of GEM, hence ensuring continuous communication between GEM and the CSR Secretariat.

Internal CSR framework - Internal policies

We have committed ourselves to good citizenship in Nordea, which means that we are a responsible and active member of society.

The Nordea Sustainability Policy serves as the main standard of our role in society.

Policies we have developed are e.g.:
- Nordea Sustainability Policy
- Code of Conduct
- Anti-Bribery and Corruption Policy
Environmental impact

As part of our commitment to building trust with our customers, Nordea respects the environmental laws, regulations and norms of the countries where we operate and do business.

We participate in the UN Global Compact, have signed the UNEP Banking Principles, and are a signatory to the Equator Principles. We work to reduce negative and increase positive environmental impacts from our business activities and own operations.

In 2013 there were two highlights which will have a major effect on our environmental impact in the long term, as well as the quantity and quality of our future environmental reporting: our new environmental data management system and our new and renovated head office buildings.

**Credit360 – improved quality and quantity**

In 2013 we implemented a new environmental data management system, Credit360. The goal was to improve the quality and quantity of environmental data collected and reported. The newly implemented system provides better flexibility in reporting, along with good analytical tools to better target our activities. We will use the system to more effectively collect data and eliminate any obvious mistakes, to run reports used for the continuous monitoring of our indicators, to run calculations to compensate for any missing data, to convert energy and travel to CO₂ and to execute all reporting tasks, internal and external. We started using the system in Q4 of 2013 and have already started to see how it improves our ability to identify improvement areas.

**New opportunities to increase energy efficiency**

The planning and construction of new head offices in Sweden and Denmark, as well as complete renovations in Finland and Norway, provide an excellent opportunity to reduce energy and water consumption in our new facilities. We can also facilitate better waste handling and implement office areas that will encourage our employees to work in more environmentally friendly ways. Shared workplaces will result in a clean desk policy which will reduce paper consumption, and well-placed recycling stations will encourage reuse and recycling. However, due to employees moving in and out of various buildings during the construction phase, we expect the energy consumption to be highly unstable until 2016.

The Nordea Unlimited concept will introduce activity based workplaces for most employees in the headquarters in the Nordic region. This will reduce the number of workplaces and allow for more efficient use of office space, so we expect to reduce our total energy consumption as a consequence. (Please read more about the Nordea Unlimited project on p.25).

We have incorporated environmental requirements in our sourcing processes and have chosen suppliers that have provided ‘greener’ solutions. The requirements will vary from case to case. In some sourcing processes, the key issue is energy consumption of the product in question, while in others it could be input materials or natural resources consumed in the production process. We try to take a lifecycle perspective and include the requirements that are relevant in each case.

**Recycling office furniture**

In 2013, Nordea entered into an agreement for the supply of office furniture with Martela, a company that creates interior solutions for working environments and public spaces.

The agreement gives us several opportunities to minimise the environmental effect of renewing office furniture in the long-term, and more urgently in our new headquarters in all of the Nordic countries. This starts with the new offices in Lindhagen, Sweden in 2014 where almost 900 office desks will have their metal frames and legs reused with new desk tops. Also, the metal legs of 372 meeting room chairs will be reused with new seats and upholstering.

The agreement guarantees that our used office furniture is either refurbished and then reused in our new premises, sold in the Martela Outlet as second-hand office furniture, dismantled and sorted when the components can be reused, or used as raw material or as a source of energy.

Martela’s furniture recycling and Outlet concept has been in use in Finland for 10 years. There are plans to establish the concept in Sweden also after entering into the agreement with Nordea.

In other large furnishing projects in Copenhagen, Helsinki, Malmö and Oslo, similar refurbishing and recycling principles will be applied, and suitable furniture will be reused in the new premises.
## Nordea ecofootprint programme

<table>
<thead>
<tr>
<th>Focus area</th>
<th>Purpose</th>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy management</strong></td>
<td>Reduce energy and water consumed in Nordea's head offices and branches.</td>
<td>Energy consumption in Nordic head offices and branches: - 15% (kWh / FTE) 2008 – 2016.</td>
<td>On track. kWh/FTE has decreased 77% from 2008. Total energy consumption (MWh) has decreased by 15.5% from 2008, but decreasing FTE figures have negatively impacted the kWh/FTE intensity figure.</td>
</tr>
<tr>
<td><strong>Internal paper</strong></td>
<td>Reduce the amount of copy paper used in Nordic head offices and branches. Eliminate unnecessary print, increase use of double-sided print, introduce more electronic forms.</td>
<td>Paper used in the Nordic head offices and branches: - 50% (kg / FTE) 2008 – 2016</td>
<td>Behind schedule. Kg/FTE has decreased 17.7% from 2008. Total internal paper (kg) has decreased by 24.8% from 2008. New projects will contribute to future reductions.</td>
</tr>
<tr>
<td><strong>Customer paper</strong></td>
<td>Reduce the amount of paper that we send to our customers. Eliminate unnecessary print and offer electronic products and services.</td>
<td>Paper sent to Nordic customers: - 50% (grams / customer) 2008 – 2016.</td>
<td>Target reached ahead of time. We reached our target in 2013 with grams/customer down 55.7% from 2008. We will define a new target during 2014.</td>
</tr>
<tr>
<td><strong>Green IT</strong></td>
<td>Minimize Nordea's environmental footprint through effective technology solutions. Reduce energy consumed by computer equipment.</td>
<td>No official KPI.</td>
<td>Focus in 2013 has been on identification of smart print solutions to reduce paper consumption.</td>
</tr>
<tr>
<td><strong>Communications</strong></td>
<td>Two way communication with employees and other stakeholders. Provide transparent information, inspire to positive behavioral change and openness to new ideas.</td>
<td>No official KPI.</td>
<td>Participated in Earth Hour 2013. Published various intranet articles related to promote environmental awareness.</td>
</tr>
<tr>
<td><strong>Facility management</strong></td>
<td>Minimize use of natural resources by reducing waste. Use eco labelled detergent in the cleaning of our offices. Increase amount of organic food served in our canteens.</td>
<td>No official KPI.</td>
<td>Nordic waste volumes have decreased 3.2% from 2012. Improved processes for sorting waste have increased the percentage of recycled or composted waste to 61.8% in 2013 (from 48.7% in 2012).</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td>Develop and implement a framework for including environmental (and other CSR) requirements in procurement processes and contracts.</td>
<td>Environmental criteria included in all new contracts. All suppliers to comply with Nordea's CSR principles. CSR reviews of selected suppliers.</td>
<td>On track. 6 supplier CSR reviews conducted in 2013.</td>
</tr>
<tr>
<td><strong>Travel &amp; virtual collaboration</strong></td>
<td>Reduce air travel by introducing alternative virtual collaboration tools and promoting behavioral change.</td>
<td>Internal trips: - 30% (number of non-customer related trips / FTE) 2008 - 2016.</td>
<td>Behind schedule. Trips/FTE in 2013 was 14.8% higher than in 2008. Total number of trips has increased by 5.1% from 2008. Decrease in FTEs has negatively affected the trips / FTE intensity figure.</td>
</tr>
</tbody>
</table>

*KPI’s
We have self-declared our reporting to be Application Level B+ (Self-declared). Our auditors have checked our reporting and have confirmed it to be Application Level B+ (Third-party-checked).

The index below includes degree of reporting and page reference to the relevant indicators in this report. In some instances reference is made to the Nordea Annual Report 2013 (AR). All core indicators are included in the table, together with the additional indicators Nordea has found relevant, and a selected number of indicators from the GRI Financial Services Sector.

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The economic performance of Nordea is managed by the CEO and the CFO and their related organisations and due care is taken to secure that sustainability aspects are integrated where necessary. This is for example governed in the Nordea Sustainability Policy and the Nordea CoC and followed up as part of our risk management processes.

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A group level HR unit is responsible for Nordea’s HR policies and processes. These are implemented by (and when necessary adapted to the local regulatory framework) and followed up by local HR units in all countries where Nordea is operating.

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**DISCLOSURE ON MANAGEMENT APPROACH**

Human Right issues can be direct and indirect for Nordea. In the direct case these issues are governed by the UN Global Compact, the Nordea Sustainability Policy and the Nordea Code of Conduct, and are the responsibility of the Human Resource organisation. The compliance function (second line of defence) and IA functions (third line of defence) are also available to secure compliance but the overarching principle is a decentralised responsibility for the operating organisation, see 11.36. In the indirect case this is mainly a responsibility for the credit organisation and the investment organisation, see 18-25.

**HR1 Investment agreements that include human rights clauses**

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**SOCIETY**

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**Report Application Levels**

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Self declared</th>
<th>Report Externally Assured</th>
<th>Report Externally Assured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party checked</td>
<td>GRI checked</td>
<td>2011 C C+ B B+ A A+</td>
<td>47</td>
</tr>
</tbody>
</table>
Total workforce in Nordea Group by region & gender

Nordea Group’s workforce consists of 57 per cent women and 43 per cent men, a decrease of 1 per cent women compared to 2012. The data is based on average FTE for 2013.

<table>
<thead>
<tr>
<th>Region</th>
<th>Female (%)</th>
<th>Male (%)</th>
<th>Total FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>55%</td>
<td>45%</td>
<td>8,250</td>
</tr>
<tr>
<td>Finland</td>
<td>26%</td>
<td>74%</td>
<td>7,116</td>
</tr>
<tr>
<td>Sweden</td>
<td>45%</td>
<td>55%</td>
<td>6,881</td>
</tr>
<tr>
<td>Norway</td>
<td>54%</td>
<td>46%</td>
<td>3,280</td>
</tr>
<tr>
<td>Russia</td>
<td>32%</td>
<td>68%</td>
<td>1,454</td>
</tr>
<tr>
<td>Estonia</td>
<td>467</td>
<td>533</td>
<td></td>
</tr>
<tr>
<td>Poland, NOC*</td>
<td>448</td>
<td>552</td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>443</td>
<td>557</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>424</td>
<td>576</td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td>340</td>
<td>660</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>113</td>
<td>887</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>69</td>
<td>931</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>67</td>
<td>932</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>49</td>
<td>501</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>24</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>3</td>
<td>97</td>
<td></td>
</tr>
</tbody>
</table>

*In 2013, Nordea divested its Polish banking, financing and life insurance operations, except for Nordea Operations Centre (NOC). This effected 1,970 employees.

Total workforce by employment type: Permanent/temporary employees

Figures based on NOE (number of employees) numbers in Nordea Group.

- **YEAR 2013**
  - Permanent: 97%
  - Temporary: 3%

Total workforce by employment type: Full-time/part-time employees

Figures based on NOE (number of employees) numbers in Nordea Group.

- **YEAR 2013**
  - Full-time: 92%
  - Part-time: 8%

Percentage of employees covered by collective bargaining agreements

Managers and specialists having individual contracts in Denmark (12%), Finland (7%) and Norway (26%) are always, at a minimum, covered by terms in the local collective agreements and additionally holding, to various extent, more favourable terms. In Poland, Nordea’s Operation Center (NOC) has - in some elements - been covered by the agreement made with Nordea Bank Polska.

- **Sweden** 100%
- **Finland** 93%
- **Denmark** 88%
- **Norway** 74%
- **Luxemburg** 56%
- **Poland, NOC** 5%
- **Other countries** 0%
Rate of employee turnover

Employee turnover as a percentage of total number of employees was 3.95%. In 2012 this figure was 6.4%.

Employee turnover by region in Nordea Group

<table>
<thead>
<tr>
<th>Country</th>
<th>Work related Injuries</th>
<th>Robbery cases</th>
<th>Accidents while commuting</th>
<th>Fatalities</th>
<th>Work related illnesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>34</td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Finland</td>
<td>73</td>
<td>3</td>
<td>91</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Norway</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sweden</td>
<td>10</td>
<td>15</td>
<td>26</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estonia</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Latvia</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poland, NOC*</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Russia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>125</td>
<td>61</td>
<td>123</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Country  Over 50 years of age  30-50 years of age  Under 30 years of age
---  -------------------  -------------------  -------------------
Denmark  48  28  13  29
Finland  72  62  28  59
Norway  118  94  82  223
Sweden  125  125  63  154

Average 9

Work related injuries and illnesses, robberies, fatalities and accidents while commuting to work in Nordea Group by region

Information in this table refer to the number of employees affected. In Finland and Sweden also injuries that occur when commuting to/from work are seen as work related injuries. Work related illness is not registered in Denmark.

Employee turnover by age in Nordic countries

<table>
<thead>
<tr>
<th>Year</th>
<th>Denmark</th>
<th>Finland</th>
<th>Norway</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>116</td>
<td>125</td>
<td>63</td>
<td>154</td>
</tr>
<tr>
<td>2013</td>
<td>59</td>
<td>70</td>
<td>157</td>
<td></td>
</tr>
</tbody>
</table>

Average 17

Employee turnover by gender in Nordic countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>116</td>
<td>59</td>
</tr>
<tr>
<td>Finland</td>
<td>125</td>
<td>70</td>
</tr>
<tr>
<td>Norway</td>
<td>63</td>
<td>157</td>
</tr>
<tr>
<td>Sweden</td>
<td>154</td>
<td></td>
</tr>
</tbody>
</table>

Average 9

Absenteeism because of sick leave in Nordea Group by region

The average sick leave per employee in 2013 was 9 days, compared to 8 days in 2012.

CSR Report 2013 Performance data
Environmental data

The reporting of emissions, water and waste include data from the Nordic countries, the Baltic countries, Russia and the Nordea Operations Centre in Poland. Nordea Bank Polska is not included in 2013 as it has been divested, but it is included in the figures for 2012 and 2011. Nordea Bank Polska constituted the largest unit in the reporting for Baltics, Poland and Russia (B,P & R) in 2012, both in terms of employee numbers and indicator volumes so the changed reporting scope has a significant impact on the reporting for B, P & R.

The full-time equivalent (FTE) employee figures used in the environmental data refer to full-time equivalents at year end including temporary staff and external consultants working in Nordea’s premises.

The implementation of a new environmental management system has triggered some improvements in the reporting process, the most important ones being the following:

- Nordic energy and water reporting includes actual and estimated data for head offices and branches. The 2011 and 2012 data also include estimated consumption for other types of space, like ATMs. The total Nordic square meters included in the reporting has therefore been reduced (by less than 2%)
- emission factors have been updated for 2013, using actual factors where available (primarily Nordic district heating and cooling) and international standards for everything else (such as GHG Protocol for electricity and Defra for air travel)
- all estimations are done by the system, based on averages of actual data. Estimations are only made for electricity, district heating and water consumption.
- air travel is divided into short-, medium-, and long-haul based on distance, with a different emissions factor for each segment. This has reduced the reported emissions.

New emissions factors have been applied to data for all years, so emissions for 2011 and 2012 will not match what was reported in last year’s report.

Total CO₂ emissions

Total CO₂ emissions is the sum of our energy and travel emissions in the Nordic region, the Baltic region, Russia and the Nordea Operations Centre in Poland.

45% of our total emissions in 2013 derived from energy consumption. Total emissions decreased by 33% from 2012. The largest reduction is due to Nordea Bank Polska being divested and not part of 2013 figures.
Nordea has purchased Guarantees of Origin to offset electricity consumption in the Nordic premises since 1.7.2009. Nordic emissions therefore only include heating & cooling. CO₂ emissions include estimated energy consumption where actual data is unavailable. The large reduction in 2013 is primarily a result of the divestment of Nordea Bank Polska, but also reflects energy efficiency projects and a reduction of space in the Nordic region.

Air travel includes trips by all employees in Nordics and B, P & R. Nordic rail only includes travel in Sweden. Rail and car travel for B, P & R does not include data from the NOC in 2013. Air travel kms have increased, but new methodology for emissions calculations result in lower emissions.

Total water consumption has decreased. However, FTE numbers have decreased more, which is why water/ FTE has increased slightly. Water data covers HQs and branches in the Nordic region, the Baltic region, Russia and the NOC in Poland. 61% is estimated based on actual data mostly from head offices. All water is withdrawn from municipal water supplies.

Nordic data covers actual waste volumes for head offices. Q3 in Sweden is an estimate. In 2011 B, P&R included Nordea Bank Polska in Poland and in 2012 also Nordea Operations Centre (NOC) and waste volumes were estimated where actual data was missing. In 2013 Poland is no longer included because of the divestment of Nordea Bank Polska, and no estimates have been made for NOC. The reduced waste in B, P&R is therefore primarily due to this.
**Flight travel**

The number of flights/FTE increased by 3% from 2012. Flight data captures air travel by all Nordic employees. As a Nordic company with eight home markets and international operations we currently find it challenging to achieve the desired reduction in air travel activity. New activities to replace travel with virtual meetings are planned for 2014.

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**Internal paper consumption**

Internal paper (in kg/FTE) is down 13% from 2012. Internal printing covers printing in Nordea’s Nordic head offices and branches. Due to an error in the reporting from a supplier, the 2012 volume was overreported by 8% in last year’s report. This has now been corrected. Copy paper used in the Nordic region is 100% virgin fibre and FSC certified.

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**Customer paper consumption**

Customer paper is print produced by industrial printing partners and sent to our customers. Grams/customer decreased 18% in 2013 from 2012 as products, services and communication is increasingly being conducted in electronic format.

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**Energy consumption**

Total Nordic kWh/FTE is down 7% from 2012. Total energy consumption covers all Nordic head offices and branches. 33% of the total energy consumption is estimated due to actual data being unavailable. Heating of our branches is the largest part of the estimated energy consumption. Estimates are based on actual kWh/m² for nearby premises. Reductions have been achieved by energy efficiency measures, but are also a result of Nordea closing branches and head office buildings being closed due to renovations.
Taxation data

Nordea pays taxes where we do business

Nordea’s policy is to pay taxes in accordance with the local regulation in all countries where we operate. We manage tax cost and risks with due considerations and by paying and reporting taxes in due time and aim to preserve a good local tax reputation.

Corporate income tax in Nordea Group 2011-2013

Corporate income tax includes current taxes booked as cost for the year and adjustments to the previous year’s current taxes

* continued operations
About this report

This is the sixth edition of the Nordea CSR Report covering the calendar year 2013. Our previous CSR Report was published in February 2013. During the period 2002-2007, Nordea produced an annual environmental report, the Nordea Environmental Footprint (NEF).

Our materiality analysis and the dialogues that we have conducted with customers, employees, shareholders, analysts, suppliers, NGOs and governmental authorities have guided the content of this report. Our strategy to embed CSR into business is based on the views of stakeholders. The business sections therefore have top priority.

We start by giving an overview of Nordea, how we work with CSR and how we impact society. Next we explore how we integrate sustainability and responsibility into our core business – our customer relationships, our people, and our products and processes. Finally, we look at the way we operate internally, with regard to risk and compliance, corporate governance and environmental impact. More in-depth information is available on our website: www.nordea.com.

Scope of the report
This report covers CSR initiatives and activities in 2013 concerning the Nordea Group in the Nordic region (Denmark, Finland, Norway, Sweden), Estonia, Latvia, Lithuania, Poland (changed scope), Russia and in our international locations. Nordea’s CSR reporting cycle is annual. Some positions and initiatives described in the report may only apply to selected units or parts of the organisation, and where relevant, the units concerned are identified.

Our employment-related indicators cover Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland (changed scope), Russia and Sweden, unless otherwise stated. In June 2013, Nordea announced that it had decided to divest its Polish banking, financing and life insurance operations and therefore Poland, except for the Nordea Operations Centre (NOC) which remains part of Nordea, is not covered in this report.

Our environmental indicators cover operations in Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland (changed scope), Russia and Sweden, unless otherwise stated. Our international network is excluded from the environmental indicators as it is not material in this respect. When indicators are related to our premises we cover only the ones that are occupied by Nordea. In some cases environmental data also includes consultants working for Nordea.

The environmental data is calculated in accordance with the GHG Protocol’s guidelines for emissions calculation, a corporate accounting and reporting standard by the World Resources Institute and the World Business Council for Sustainable Development.

Relationship with guidelines and reporting requirements
This report is produced according to the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines and the Financial Services Sector Supplement (FSSS) Final Version (2008). Information is gathered from our reporting systems as well as manually. In accordance with Nordea’s CSR strategy business areas and group functions provide the content related to their areas. We are reporting on a B+ level. The GRI indicator index is shown on pages 46-47.

Nordea is a signatory to the UN Global Compact (UNC), and this report serves as Nordea’s annual Communication on Progress (COP) report to the UNGC for the operating year 2013. Nordea has adopted the Equator Principles (EP). This report partly fulfils the annual reporting requirements of the EP and serves as Nordea’s EP status report for the operating year 2013. Detailed EP statistical information is available at www.nordea.com/csr.

Assurance
This CSR report has been reviewed by external auditors, and the review report performed by Nordea auditors, KPMG, is shown on page 55.

Abbreviations
ADM Automated Deposit Machine
AGM Annual General Meeting
AML Anti-Money Laundering
CEO Chief Executive Officer
CDP Carbon Disclosure Project
CO₂ Carbon Dioxide
CRO Chief Risk Officer
CSI Customer Satisfaction Index
CSR Corporate Social Responsibility
EBF European Banking Federation
EP Equator Principles
ERAT Environmental Risk Assessment Tool
ESG Environmental, Social and Governance
ESI Employee Satisfaction Survey
EUR Euro
FTE Full-Time Employee
GIA Group Internal Audit
GRI Global Reporting Initiative
GEM Group Executive Management
GHG Greenhouse Gases
HR Human Resources
IFC The World Bank Group’s International Finance Corporation
ILO International Labour Organisation
KVC Knowing Your Customer
LEED Leadership in Energy and Environmental Design
NGO Non-Governmental Organisation
NOC Nordea Operations Centre in Poland
OECD Organisation for Economic Co-operation and Development
PDD Personal Development Discussion
PRI Principles for Responsible Investments
SME Small and Medium-sized Enterprises
SPAR Social and Political Risk Assessment Tool
UNEP FI Environmental Programme Finance Initiative
UNGС United Nations Global Compact
Auditor’s Limited Assurance Report on Nordea’s CSR Report

To the readers of Nordea’s CSR Report

Introduction
We have been engaged by Nordea’s Group Executive Management to undertake a limited assurance engagement of Nordea’s CSR Report 2013.

The Board of Directors and the Group Executive Management’s responsibility for the CSR Report
The Board of Directors and the Group Executive Management are responsible for ongoing activities regarding sustainable development and for the preparation and presentation of the CSR Report in accordance with the applicable criteria, explained on page 54 in the CSR Report, and are the parts of the Sustainability Reporting Guidelines G3, published by The Global Reporting Initiative (GRI), which are applicable to the CSR Report, as well as the accounting and calculation principles that Nordea has developed and disclosed.

Our responsibility
Our responsibility is to express a limited assurance conclusion on the CSR Report, based on the procedures we have performed.

We conducted our limited assurance engagement in accordance with RevR 6 Assurance of Sustainability Reports issued by FAR. A limited assurance engagement consists of making inquiries, primarily to persons responsible for the preparation of the CSR Report and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB’s Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express a reasonable assurance opinion.

The criteria on which our procedures are based are the parts of the Sustainability Reporting Guidelines G3, published by The Global Reporting Initiative (GRI), which are applicable to the CSR Report, as well as the accounting and calculation principles that Nordea has developed and disclosed. These criteria are presented on pages 48-54. We consider these criteria suitable for the preparation of the CSR Report.

Limited assurance conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that Nordea’s CSR Report is not prepared, in all material respects, in accordance with the above stated criteria.

Stockholm, February 12, 2014
KPMG AB

Hans Åkervall
Authorized Public Accountant

Åse Bäckström
Expert Member of FAR