

Nordea

Responsible Investment Policy

Nordea Life & Pension



December 2025

Index/

1/ Policy objective	3
2/ Scope and applicability	3
3/ Our principles and approach	4
4/ ESG integration	6
4.1 Pre-investment process	6
4.2 Our standards	6
4.2.1 Asset manager requirements	6
4.2.2 ESG minimum standards and exclusions	7
4.3 Nordea Sustainable Selection	8
4.4 Monitoring and follow up	8
4.5 Additional positions and guidelines	8
5/ Active ownership	9
6/ External reporting	9

**Being a
responsible
investor is
a central
part of our
investment
philosophy**

1/ Policy objective

This Responsible Investment Policy explains our principles and approach to responsible investing, ensuring we follow recognized standards and upholding our fiduciary responsibility. The policy reflects our commitment to integrating sustainability in our investment process, to maximize returns in a responsible way.



2/ Scope and applicability

This policy applies to all insurance- and pension-based investment products, where Nordea Life & Pension makes decisions as to which internally or externally managed instruments, such as funds, mandates, structured investment products or single securities, to invest in¹. The policy does not cover investments in derivatives. For illiquid assets, the policy that was in place at the time when capital was committed applies.

All asset managers that are managing assets on behalf of Nordea Life & Pension, shall have policies or processes in place to meet the criteria and requirements outlined in this policy.

Exemptions to comply with this policy could be made exceptionally and subject to Nordea Life & Pension's internal procedure with escalations to Nordea Life & Pension's Sustainability Committee, e.g. if applying this policy would have significant negative impacts and where such actions would be deemed as not acting in the best interest of the customers.

In circumstances where applying this policy would interfere with local regulations or other mandatory requirements such requirements will overrule this policy.

¹ For remaining assets, Nordea's Responsible Investment Product Distribution Policy applies (available at nordea.com under [Policies &](#)

[sector guidelines](#)). Exception applies to single equities, single bonds and unlisted holdings where the customer makes the selection.

3/

Our principles and approach

Our responsible investment approach rests on 4 overarching principles

Our objective is to maximise long-term returns in a responsible manner and offer compelling products with an enhanced focus on sustainability to support the transition together with our customers. We believe that integrating ESG aspects in our investment analysis and decision-making improves our ability to meet this objective.

Our ambition is to be in the forefront of responsible investing in the markets where we operate. We set quantitative targets which require us to continuously improve our ESG and sustainability practices. We work together with asset managers who are among the leaders of sustainability, and select funds with strong ESG strategies. In addition, we aim to advance the asset managers we cooperate with and convince them to further elevate their ambitions.

We have made important commitments related to sustainability that we implement in our investment processes and active ownership practices. We are a co-founder of the Net-Zero Asset Owner Alliance (AOA), convened by the UN, and have committed to transition our investment portfolios, across all asset classes, to net-zero emissions by 2050, at the latest. We are a signatory to the Principles for Responsible Investments (PRI) and are thus committed to integrate ESG issues in our investment decision processes and active ownership practices.

Our responsible investment approach rests on four overarching principles which enable us to

incorporate a broad range of sustainability aspects into our investment decisions. These principles support us in reducing ESG and climate related risks, increasing return prospects and managing ethical considerations.

We exclude the worst

We have established a set of standards, based on both investment risk and ethical considerations, for what we demand from both asset managers and companies in terms of ESG performance, as described in section 4.2 Our standards. We don't invest with managers or in companies that do not meet these standards.

We prefer the best

We strive to invest in companies, and use asset managers, that are at the forefront when it comes to integrating ESG issues in their operations and transitioning their business models to meet the requirements of a sustainable future. When selecting asset managers we focus on their ability to integrate ESG in their processes, and when selecting specific investment products we evaluate the specific ESG approach and performance.

We make a difference

Being an active owner is an important tool to manage risks and drive positive impact in the real economy. We strive to contribute to a sustainable development, by for example setting a target to increase our investments into solutions and activities that are

supporting the climate transition, while simultaneously delivering attractive returns.

We are transparent

We communicate in an open and transparent way with regards to our responsible

investment practices and targets. We strive to make it easy for customers and other stakeholders to understand how we integrate sustainability in our products and offerings and how these impact the environment and society.



4/ ESG integration

4.1 Pre-investment process

We incorporate ESG aspects into the investment decision process in all new investments. As a first step, all managers undergo a comprehensive ESG due-diligence process where their organizational-wide ESG capabilities and practices are assessed. We assess managers with focus on the following criteria:

- ESG strategy and integration approach
- Dedicated ESG resources including own ESG research capabilities
- ESG policies, targets and commitments
- ESG reporting capabilities
- Voting and engagement practices

To supplement the manager assessment, each investment product undergoes an in-depth ESG due diligence assessment. The assessment is based on the same areas as for the manager assessment but focuses on the ESG integration and strategy on product level with more detailed product-specific information. All investment products and segregated mandates must meet Nordea Life & Pension's minimum standards as outlined in section 4.2.2 ESG minimum standards and exclusions.

Most investments are done through funds, but when investing directly into equities or fixed income instruments the same approach applies. Each company is assessed on a combination of environmental, social and governance related issues with a focus on

companies with strong ESG performance. Monitoring² for potential violations of international conventions and global norms, is also conducted.

For our real estate portfolios we apply a dedicated ESG process in each local Nordea Life & Pension entity to assess environmental, social and governance standards, which are monitored and assessed on a regular basis. All real estate portfolios have strategies and targets related to energy performance and carbon emissions, which in turn are incorporated in Nordea Life & Pension's overall net-zero commitment.

4.2 Our standards

4.2.1 Asset manager requirements

We require the following from our selected asset managers:

- Adherence to the principles set out by the Principles for Responsible Investments (PRI)
- A commitment to align their assets with net zero by 2050 or sooner
- Assessment of the materiality of biodiversity/nature risks and opportunities, and reporting on if and how biodiversity and other nature related aspects are integrated into the investment process
- Policies or processes in place to ensure sustainability due diligence, including human rights

² The term "monitoring" summarizes various methods of obtaining and assessing information on our investments. We apply different methods as data availability varies across asset classes. Methods include, but are not limited to, quantitative and qualitative screenings and assessments,

performed at varying time-intervals. Combinations of different methods can be applied.

Nordea Life & Pension requires public information or other confirmations to us of an ambition level or practices that are equivalent to the requirements listed. In the assessment, Nordea Life & Pension takes materiality and data availability, as well as aspects related to the individual asset class and investment type into account.

The underlying holdings are monitored regularly by the managers managing assets on our behalf so that Nordea Life & Pension avoids investing in companies that do not meet Nordea Life & Pension's below-listed minimum standards for individual holdings. In addition, the Nordea Life & Pension Responsible Investment Team conducts own monitoring on a regular basis, to ensure compliance with this policy and to understand the ESG performance of Nordea Life & Pension's total portfolio.

4.2.2 ESG minimum standards and exclusions

Our assets shall be covered by responsible investment policies based on international conventions and norms³ covering human rights, labour rights, environment and anti-corruption. Processes for active ownership and exits as a last resort shall be in place. Nordea Life & Pension applies the below minimum standards and exclusion criteria.

Social aspects

- We do not invest in sovereign bonds issued by governments subject to relevant sanctions imposed by the EU, the UN, or other applicable local regulators
- We do not invest in investment products with basic food commodities, such as

³ Such as UN Global Compact, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and The ILO conventions on labour standards.

⁴ The aim of this criteria is to avoid excessive financial speculation related to soft commodities which can contribute to increased volatility of food prices and negative impacts on affordability.

⁵ Controversial weapons is a concept subject to change over time but it commonly includes weapons that are illegal and banned by international legal instruments or deemed controversial due to the disproportionate

wheat, coffee or sugar, as the underlying assets⁴

- We do not invest in companies that are verified to be involved in the production or development of controversial⁵ and nuclear weapons
- Regarding companies involved in the maintenance of nuclear weapons, we do not invest in companies which derive more than 5 percent of their revenues from military contracts⁶
- We do not invest in companies that derive more than 5 percent of their revenue from production of tobacco products
- We do not invest in companies that derive more than 5 percent of their revenues from producing or distributing pornographic content

Environmental aspects

Coal mining

- We do not invest in companies with sustained and substantial exposure to coal mining, defined as having a 5 percent revenue threshold on thermal coal and a 30 percent revenue threshold on total coal (including metallurgical coal).⁷

Unconventional oil and gas

- We do not invest in oil and gas companies extracting fossil fuels with unconventional methods (arctic drilling, oil sands, shale oil, shale gas and fracking) due to its negative impacts not only on climate but also on biodiversity and ecosystems more broadly.

and indiscriminate harm they can cause. Nordea Life & Pension views the following as controversial: Cluster munitions, anti-personal mines, biological weapons, chemical weapons, weapons with non-detectable fragments, incendiary and blinding weapons and depleted uranium munitions.

⁶ Military revenue is based on a company's overall revenue from military equipment, not just from nuclear weapons

⁷ Includes thermal and metallurgical coal, lignite and anthracite.

Conventional oil and gas

- We do not invest in oil and gas companies⁸ unless they have taken concrete steps to transition their activities in line with a trajectory that limits global temperature rise to well below 2 degrees.⁹
- We do not invest in service companies specialized in the oil and gas sector¹⁰ unless they have taken concrete steps to transition their activities in line with a trajectory that limits global temperature rise to well below 2 degrees¹¹ or are included in an investment strategy that explicitly engages companies on climate and net-zero.

Power generation

- We do not invest in power generation companies¹² unless they have taken concrete steps to transition their activities in line with a trajectory that limits global temperature rise to below 2 degrees¹³ or are included in an investment strategy that explicitly engages companies on climate and net-zero.
- We do not invest in power generating companies which plan major or strategic expansion of coal power capacity.

4.3 Nordea Sustainable Selection

While the standards in section 4.2 Our standards set the floor for Nordea Life & Pension's investments, Nordea Sustainable Selection framework outlines the enhanced criteria applied for Nordea's and Nordea Life & Pension's most sustainable offerings. [The requirements for Sustainable Selection are outlined in this document.](#)

⁸ Companies in the energy sector which derive more than 5 percent of their revenues from the exploration, extraction and production of oil and gaseous fuels.

⁹ Companies must be on a path to net zero, as evaluated by our internal assessment methodologies, which are based on e.g, the Transition Pathway Initiative and the Net Zero Investment Framework, developed by IIGCC/PAII.

4.4 Monitoring and follow up

We monitor our selected managers and investments regularly, through screening of holdings, inhouse analysis or through follow-up meetings to understand their ESG integration capabilities and processes, both at the organizational and the product-level.

If a manager's ESG-standard is deemed unsatisfactory, or has deteriorated significantly, Nordea Life & Pension initiates engagement actions with the explicit objective to improve the ESG-standards. This covers both organisational-wide and product-level standards. Where engagement efforts are unsuccessful and further actions deemed unproductive, the final step could, depending on the severity of the issue, lead to divestment.

ESG reports are delivered on a regular basis to decision-making and oversight bodies, including Nordic and local boards and include information such as ESG and target performance, climate risk exposures, status on targets, and engagement and exclusion activities.

4.5 Additional positions and guidelines

The Nordea Life & Pension Climate Change Policy outlines our climate targets and positions with regards to the climate transition. We also adhere to the requirements on investee companies set out in Nordea Group's Position Statements and Sector Guidelines. These additional documents inform and guide Nordea Life & Pension's due diligence activities, active ownership practices and asset manager selection procedures, and are available on Nordea's website under [Policies & sector guidelines](#).

¹⁰ Companies which derive more than 50 percent of their revenues from services essential and specific to the extraction of oil and gaseous fuels

¹¹ See footnote 9.

¹² Companies in the electricity sector generating more than 5 percent of revenues from fossil power generation

¹³ See footnote 9.

5/ Active ownership

Active ownership is an important tool to drive change in the real economy and to manage and mitigate ESG risks in our investment portfolios. We are committed to be active owners, through voting and engagement with asset managers, investee companies and other relevant stakeholders.

Our engagement and voting practices follow the principles outlined in the [Nordea Life & Pension Engagement Policy](#) and are performed to actively support corporate practices and strategies that are aligned with the content of this policy.

6/ External reporting

We shall be open and transparent towards customers, authorities and other external stakeholders with regards to how we work with and incorporate ESG factors in our investment decisions. We apply a double materiality approach, which mean that we report both on how ESG factors impact our portfolios and how our portfolios impact society and the environment.

We report and disclose sustainability related information in accordance with current regulatory requirements, including the Corporate Sustainability Reporting Directive (CSRD) and the Sustainable Finance Disclosure Regulation (SFDR), and to meet voluntary commitments we have made.

Reporting is provided via Nordea Group's annual reports available on [Nordea's website under Reports](#).

