

# Nordea



## Human Rights Report

Approved by the Sustainability and Ethics Committee  
in January 2025

Followed by the Norwegian Transparency Act  
Statement and the Modern Slavery and Human  
Trafficking Statement, approved by the Nordea Board

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## About this document

The purpose of this document is to provide an overview and demonstrate transparency and accountability with respect to the Nordea Group's human rights work. It complements the Sustainability Statement in our Annual Report, which includes material on our social impacts. This publication has been prepared for information purposes only and is not part of the CSRD assurance engagement.

Our Modern Slavery and Human Trafficking and Norwegian Transparency Act statements are attached as annexes to this Report. Both were approved by the Board of Directors in February 2025. The Norwegian Transparency Act Statement was approved by the Norwegian subsidiaries in scope.

# 1 Introduction

## 1.1 About Nordea

The Nordea Group (hereafter “we”), comprising Nordea Bank Abp and its consolidated subsidiaries, is the leading financial services provider in the Nordics, with a 200-year history of supporting the region’s economies. Our values are deeply rooted in these open, progressive and collaborative societies.

Our purpose is to enable dreams and aspirations for a greater good. We strive to be personal, expert and responsible – to deliver great customer service and contribute to successful and sustainable economic development in the Nordics.

We offer a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. Our household banking services include mortgages and consumer loans, credit and debit cards, and a wide selection of savings, life insurance and pension products. Our corporate banking services include business loans; cash management, payment and account services; risk management products and advisory services; debt and equity-related products for liquidity and capital raising purposes; corporate finance; institutional asset management services; and corporate life and pension products. We also distribute general insurance products.

Our headquarters are in Helsinki, Finland, and we have local head offices in Copenhagen (Denmark), Oslo (Norway) and Stockholm (Sweden). Each of our four business areas – Personal Banking, Business Banking, Large Corporates & Institutions, and Asset & Wealth Management – has operations in all four Nordic countries.

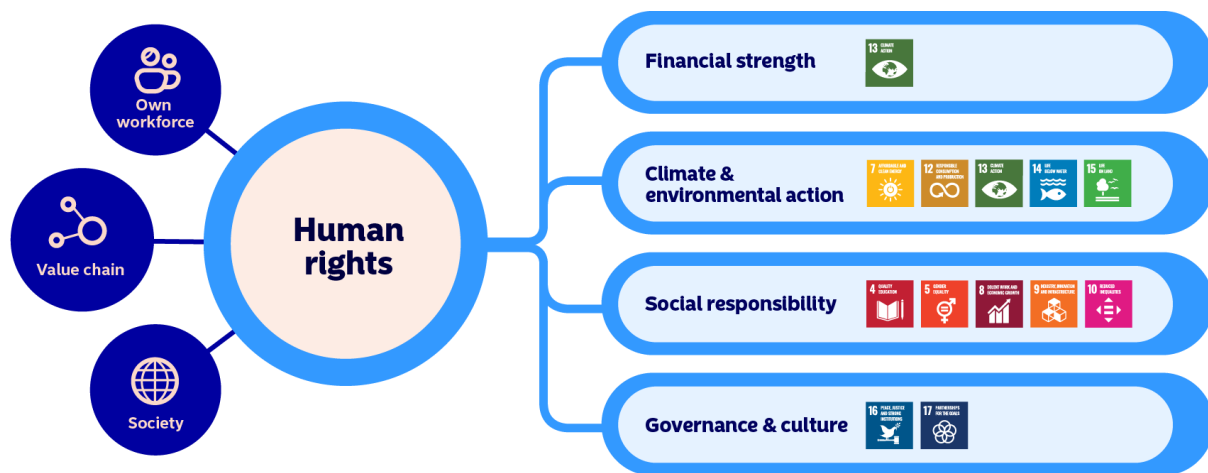
Our vision is to be the preferred partner for our Nordic customers, including for their banking needs outside the Nordics. Our teams in Nordea Asset Management are located in various branches and subsidiary offices in Europe, the Americas and Asia.

In addition to impacting society through our business areas, we are a large employer with over 30,000 employees, located mainly in the Nordic countries and Poland.

As the leading Nordic financial services provider, we have a key role to play in driving society towards a sustainable future. Sustainability is at the core of our business strategy, integrated into all aspects of our business operations. Our

sustainability strategy rests on four strategic pillars<sup>1</sup>: social responsibility, financial strength, climate and environmental action, and governance and culture. These pillars are derived from the UN's [Sustainable Development Goals \(SDGs\)](#), all of which are related to human rights.<sup>2</sup>

We believe that managing human rights impacts and avoiding adverse human rights impacts is not only the right thing to do, but also a smart thing to do, as such impacts may, over time, become risks to the business.



**Illustration:** The strategic pillars under our sustainability strategy are integrated into all aspects of our business operations.

You can read more about our work relating to other aspects of sustainability in our Annual Report and our [Sustainability Policy](#). More information about the Nordea Group, including our [organisational chart](#) and an explanation of our [legal structure](#), can be found on our [website](#).

## 1.2 Why a separate human rights report?

This is our first standalone Human Rights Report. It complements and should be read in conjunction with the Sustainability Statement in our Annual Report.

<sup>1</sup> Read more about our strategic pillars at [Our sustainability targets | Nordea](#).

<sup>2</sup> Read more about the relation between the UN SDGs and human rights in [SDG HR Table.pdf](#).

The purpose of this Report is to demonstrate transparency and accountability with respect to our human rights work, as recommended in the UN Guiding Principles on Business and Human Rights (UNGPs). We also want to make it easy for stakeholders with a special interest in human rights to understand our work in this area at a time when sustainability reporting standards are changing.

In this Report, we describe how we ensure respect for human rights in our operations and business relationships. We set out our position in relation to human rights and our commitment to respect them. We also describe the policies and governance structures we have in place to steer this work, and how we work to continually improve the effectiveness of our human rights due diligence processes.

While this is our first standalone report on human rights, we have previously shared information on the subject in our sustainability reporting and in our Modern Slavery and Human Trafficking and Norwegian Transparency Act statements. This year, these statements are attached as annexes to this Report. Moreover, our [Thematic guideline on social responsibility](#) outlines how we embed respect for human rights throughout our operations and value chain.

We have drawn inspiration for the structure of this Report from the UNGP Reporting Framework, combining its recommendations with those of the more recent European Sustainability Reporting Standards (ESRS) on social topics.<sup>3</sup>

In the Sustainability Statement in our 2024 Annual Report, we have reported on material sustainability matters in line with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) as transposed into the Finnish Accounting Act. The Sustainability Statement follows the structure of the ESRS, dividing social topics into four standards: own workforce (S1), workers in the value chain (S2), affected communities (S3), and consumers and end-users (S4). This non-exhaustive list of social topics, and the connected sub-topics and sub-sub-topics, align to a large extent with internationally recognised human rights.

The scope and extent of companies' sustainability reporting under the CSRD is dependent on the outcome of a double materiality assessment (DMA), where impacts, risks and opportunities are assessed. As recommended by the CSRD, we drew on our understanding of our actual and potential human rights impacts when

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<sup>3</sup> See [Directive \(EU\) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation \(EU\) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting](#), recital 31.

performing the DMA for Nordea. Based on the materiality threshold applied in 2024, we identified material social impacts regarding our own workforce (S1) and consumers and end-users (S4).

This Human Rights Report complements the reporting in our 2024 Sustainability Statement by providing an overview of our broader human rights due diligence and covering additional areas where we have extensive work ongoing but do not meet the aforementioned materiality threshold where impacts are concerned. For the two remaining ESRS social topics – workers in the value chain (S2) and affected communities (S3) – our human rights impacts are mostly found in the areas of procurement, lending and investments.

In 2024 we conducted a systematic review of our salient human rights issues and mapped the maturity of our human rights due diligence processes. At the time this Report was published, we were in the process of analysing and integrating these findings into the 2025 DMA.

## **2 Our position on human rights**

### **2.1 Our understanding of human rights**

Our understanding of human rights is founded on international human rights law, consisting of declarations, treaties and other instruments adopted at the global and regional levels, as well as constitutions and national laws formally protecting human rights in most States. In line with the Universal Declaration of Human Rights, we recognise that the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world, and that all States, individuals and organs of society play an important role in respecting human rights.

Our definition of human rights is based on declarations and treaties such as:

- The Universal Declaration of Human Rights
- The nine core international human rights treaties under the UN
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The UN Declaration on the Rights of Indigenous Peoples.

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*Human rights is the cornerstone of social sustainability*

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With great contentment, we acknowledge that our main operating context, the Nordics, is widely recognised as a region where human rights are well protected by the States and enjoy firm support from the public<sup>4</sup>. Nevertheless, even in these societies, persistent challenges remain, as evidenced by the work of numerous national and international human rights monitoring bodies. These include bodies established in connection with the UN human rights treaties and the Council of Europe mechanisms for the protection of human rights, as well as various national mechanisms, such as National Human Rights Institutions and ombudspersons. We fully support the work done to address any shortcomings in the realisation of these rights, and the objective of continuous advancement in safeguarding human rights for all in the light of present day conditions. By continuous advancement, we refer for example to the doctrine of dynamic interpretation used by the European Court of Human Rights to ensure its interpretation of the European Convention on Human Rights is effective.<sup>5</sup>

While States have the duty to respect, protect and fulfil human rights and fundamental freedoms, we acknowledge that business enterprises also play a role, as they are required to comply with all applicable laws and respect human rights. Furthermore, we recognise the need for appropriate and effective remedies when rights and obligations are breached. These general principles and the supporting operational principles included in the [UNGPs](#), the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) and the [EU Corporate Sustainability Due Diligence Directive](#) guide our efforts to fulfil our role to respect human rights.

We recognise that the financial sector plays an important role in ensuring businesses' respect for human rights, as it has certain leverage over a range of other sectors and business activities. Since the adoption of the UNGPs, the Office of the United Nations High Commissioner for Human Rights (OHCHR), the UN Working Group on Business and Human Rights, the UN Environment Programme, the UN Global Compact and the OECD (among many other institutions and initiatives) have issued advice regarding the financial sector and human rights.<sup>6</sup> We

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<sup>4</sup> The results of successive Eurobarometers affirm that human rights have consistently been one of the top values for EU citizens as a whole.

<sup>5</sup> See McBride, J., *The Doctrines and Methodology of Interpretation of The European Convention on Human Rights by The European Court of Human Rights*, Council of Europe, 2021.

<sup>6</sup> See, for example, OHCHR Response to Request from BankTrack for Advice Regarding the Application of the UN Guiding Principles on Business and Human Rights in the Context of the Banking Sector, 12 June 2017.

appreciate and observe this type of guidance, and draw on it to further increase our understanding of how the financial sector can best address its actual and potential adverse human rights impacts.

Finally, we acknowledge the similarities and differences between social impact assessments and human rights impact assessments. Social impact assessments are often defined as including the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions such as policies and projects, and any social change processes triggered by those interventions. Human rights impact assessments provide a reasoned, supported and comprehensive answer to the question “how does the business operation, project, policy or intervention affect human rights?”.<sup>7</sup>

The following elements can be considered key for the assessment of human rights impacts:

- applying international human rights standards – as the benchmark for the assessment, to guide impact identification, the evaluation of severity, and mitigation and remedy
- addressing the full scope of impacts (including both actual and potential impacts) caused by the business, that the business contributes to, and that the business is directly linked to through operations, products and services
- adopting a human rights-based process – emphasising the principles of participation and inclusion, equality and non-discrimination, and accountability and transparency
- ensuring accountability: identifying rights holders and duty bearers; assigning responsibilities and adequate resources for impact assessment, with a focus on access to remedy; and making adequate provisions for reporting
- evaluating impact severity and addressing impacts, making sure that the evaluation of impact severity is guided by human rights considerations and that all identified human rights impacts are effectively addressed.<sup>8</sup>

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<sup>7</sup> Vanclay, F., [“International Principles For Social Impact Assessment”](#), *Impact Assessment and Project Appraisal*, Vol. 21, Issue 1, 2023. See also Götzmann, N., Vanclay, F. and Seier, F., [“Social and human rights impact assessments: what can they learn from each other?”](#), *Impact Assessment and Project Appraisal*, Vol. 34, Issue 1, 2015.

<sup>8</sup> Gotzmann, N., “Human Rights and Impact Assessment: Conceptual and Practical Considerations in the Private Sector Context”, *Matters of Concern Human Rights Research Paper*, No 2014/2, Danish Institute for Human Rights, 2014.



**Illustration:** Key elements for the assessment of human rights impacts.

## **2.2 Our commitment to respect human rights**

We are committed to respecting internationally recognised human rights standards and meeting the corporate responsibility to respect human rights as defined in the UNGPs and OECD Guidelines. We expect the same of our suppliers, the companies in our investment portfolio, our lending customers, and our other business relationships. Our commitment to support and respect human rights is stated and further elaborated in our [Code of Conduct](#) and [Human Rights Policy](#).

We are also guided by the following voluntary commitments, to which we have pledged our support as signatories:

- the UN Global Compact
- the Principles for Responsible Investment
- the Principles for Responsible Banking
- the Equator Principles.

In addition, we are a member of the Investor Alliance for Human Rights.

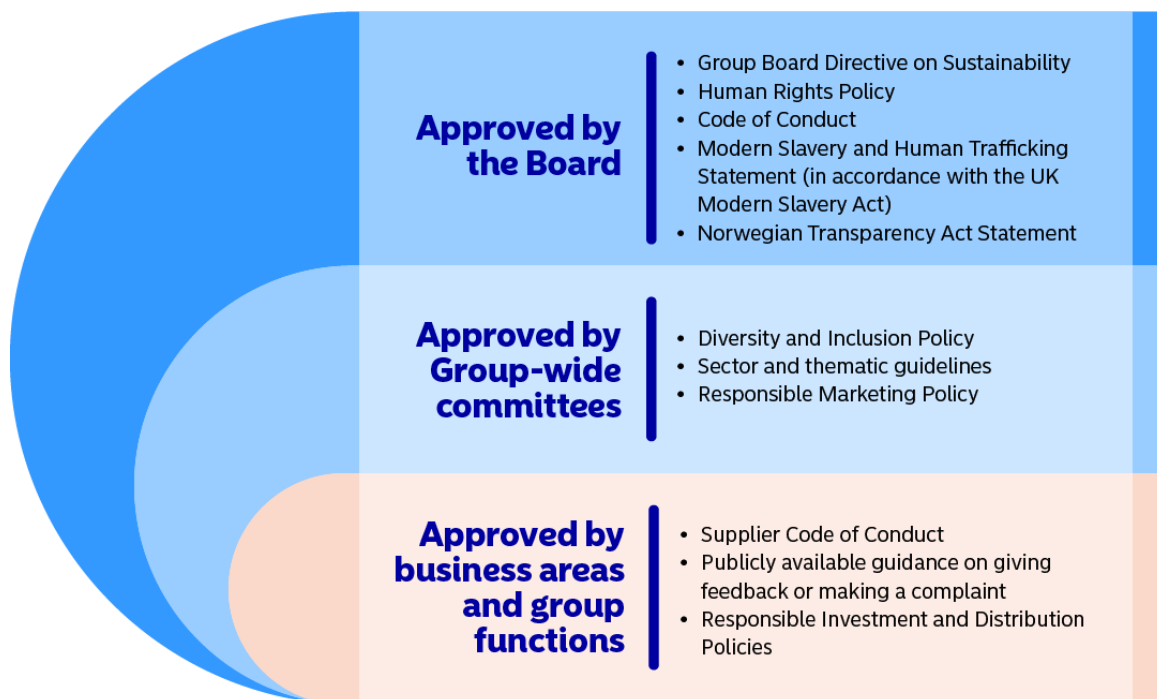
## **2.3 Human rights policy and other relevant policies and guidelines**

Our [Human Rights Policy](#) provides information about our commitments and efforts to respect human rights in all our business activities and relationships. It supports our Sustainability Policy by describing our governance structure and related

policies supporting our commitment to respect human rights. Our Human Rights Policy was approved by our Board of Directors in December 2023.

Our Human Rights Policy applies to our subsidiaries, branches and business units. It extends beyond our own operations to also cover our relationships with suppliers, contractors and business partners; our lending customers; and investment activities related to assets managed by us. It applies to all relevant sectors where our procurement, lending, and investment activities are concerned. We recognise that some sectors are more exposed to human rights risks than others, and take this into account in the implementation of our human rights due diligence.

The Policy was developed by our Group Sustainability unit, with contributions from across the Nordea Group. It was also informed by relevant legal requirements, internationally agreed standards and recognised external human rights experts. It is reviewed annually to determine whether any updates are needed.



**Illustration:** Approval levels for our human rights-related policies, guidelines and statements.

## **2.4 Embedding respect for human rights**

Embedding respect for human rights is a fundamental principle guiding our operations. We work to continually integrate human rights considerations into our policies, practices and decision-making processes, ensuring that respect for human rights is integral to how we conduct business. Through ongoing awareness-building, training, and accountability mechanisms, we empower our employees to uphold human rights in their daily activities.

Furthermore, we recognise that the allocation of resources plays a crucial role in ensuring the effective implementation of human rights commitments. We therefore strive to allocate the financial, technological and human resources necessary to support our human rights initiatives.

### **2.4.1 Our human rights governance**

At Nordea, corporate governance refers to relations between our senior management, our Board of Directors, our shareholders, and other stakeholders, such as employees and their representatives. It also determines the structure used to define our objectives and the means of achieving them and monitoring the results obtained. Strong corporate governance is thus about having clear and systematic decision-making processes; providing clarity regarding responsibilities; avoiding conflicts of interest; and ensuring satisfactory internal control, risk management, transparency and accountability.

Our human rights governance is integrated into our sustainability governance structure, which in turn is founded on the principles of accountability and transparency, and on ethical principles. Our governance is designed to embed respect for human rights across our operations. It fosters collaboration, engagement and accountability throughout the organisation, enabling us to address human rights challenges effectively.

The Board Operations and Sustainability Committee (BOSC), Board Risk Committee, Board Remuneration and People Committee and Board Audit Committee assist the Group Board (NBB) in fulfilling its oversight responsibilities regarding Group adherence to human rights commitments and goals, and associated remuneration.

The President and Group CEO works together with a team of senior leaders within the Group Leadership Team (GLT), which reports directly to him. The GLT supports the President and Group CEO in managing the Group, and the GLT members are responsible for the performance, operations, risks, resources and development of their respective business areas or Group functions in accordance with the Nordea

Group strategy, in the best interest of Nordea and in compliance with applicable laws and regulations.

The President and Group CEO, supported by the Group Leadership Team (GLT), is responsible for overseeing the implementation of our human rights commitments as part of our Group strategy. GLT is further supported by the Sustainability and Ethics Committee (SEC), the Risk Committee and the Asset & Liability Committee, coordinating within the Group to ensure commitment to and ownership of Group-wide prioritisations, decisions and implementations of human rights considerations. In addition, we have a Group Accountable Executive, reporting directly to the President and Group CEO, responsible for sustainability, including human rights.

The Group Sustainability unit plays a central role in driving our Group strategy and commitments, and in leading the implementation of activities related to social responsibility. It serves as an expert group, providing expertise and guidance on integrating human rights considerations throughout our operations. The implementation is further supported by functions such as Group Legal, Group Risk and Group Compliance to ensure proper risk management, alignment with regulations, and adherence to applicable legislation.

Upholding human rights in our daily business practices is the responsibility of each employee, regardless of their role or department. All employees are accountable for integrating respect for human rights into their work and contributing to our collective efforts, as stated in our Code of Conduct.

We have dedicated sustainability-focused ESG teams across our business areas and Group functions, staffed by sustainability professionals who support units and relationship managers with internal rules interpretation, training, and standard operating procedures. These teams include ESG analysts who gather information, conduct analyses, and develop processes and tools, including those related to human rights. Our business developers, who are primarily based within Group Sustainability, provide strategic oversight and drive implementation to ensure we meet our sustainability commitments.

We have established governance and a structured process to ensure that salient human rights issues receive the appropriate level of attention from senior management and governance bodies. Identified salient issues are discussed with SEC and are subsequently presented to GLT, BOSC and NBB. Additionally, while each unit follows its own escalation process, SEC is ultimately responsible for addressing all breaches or ethical concerns, ensuring that human rights and ethical considerations are consistently embedded in decision-making.

In 2024 salient human rights issues were presented and discussed in several governance fora. As part of our annual sustainability review, identified salient human rights issues were presented to GLT, BOSC and NBB. This process supports our senior leadership in being informed of potential human rights challenges and incorporating these considerations into their strategic planning, reinforcing our commitment to uphold human rights across all areas of our operations.



**Illustration:** Our sustainability governance structure.

### 2.4.2 Training

Our employees annually complete mandatory training, including on our Code of Conduct, which includes our high-level commitment to respect human rights. All leaders should be aware of this commitment, as they are responsible for ensuring that the Code is known and complied with by all employees.

Furthermore, we are in the process of increasing employee awareness and understanding of our commitment to respect human rights. To this end, we offer a voluntary training module on human rights to all our employees. Since its

introduction in 2023, more than 2000 employees have registered for this training, with a completion rate of over 90%.

In addition to our in-house experts with formal training in human rights, several of our employees involved in the systematic assessment of our salient human rights issues have completed the Business and Human Rights Accelerator programme organised by the UN Global Compact initiative.

We recognise that much learning takes place on the job – and in this respect recent years have been especially productive. The introduction of new EU regulation, including the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD), as well as the UK Modern Slavery Act and the Norwegian Transparency Act, has entailed a substantial amount of learning on human rights and social topics. As an example, since 2023, numerous employees across the organisation have been involved in identifying and assessing our social impacts in the double materiality assessment required by the ESRS for sustainability reporting. Furthermore, a systematic review of our salient human rights issues and a mapping exercise to assess the maturity of our human rights due diligence processes have helped educate employees across our operations in human rights. Relevant case studies have been shared in cross-functional meetings to deepen employee understanding of the situations in which we could be linked to adverse human rights impacts.

### **2.4.3 Speak-up procedures**

Our whistleblowing function, Raise Your Concern (RYC), ensures that all stakeholders, including customers, partners, affected communities and employees, have the right to speak up and always feel safe in doing so if they suspect misconduct such as breaches of human rights, or irregularities such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour in operations, products or services. More information about RYC can be found in the Sustainability Statement in our Annual Report and in the section on grievance mechanisms below.

### **2.4.4 Importance of human rights in our relationships**

We take our corporate responsibility to respect human rights very seriously and work to continually integrate human rights considerations into policies, practices and decision-making processes, ensuring that respect for these rights is integral to how we conduct business. Our Human Rights Policy accordingly extends to our business relationships. A more detailed account of how we convey the importance of human rights in our business relationships is included in our reporting for relevant areas below.



### 3 Human rights due diligence at Nordea

#### 3.1 What is human rights due diligence?

Human rights due diligence is a way for enterprises to proactively manage potential and actual adverse human rights impacts which they may cause, contribute to or be linked to. It involves the following components:<sup>9</sup>

- embedding due diligence into policies and risk management systems
- identifying and assessing actual or potential adverse human rights impacts that the enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services through its business relationships. Enterprises should identify and assess risks by geographic context, sector and business relationship throughout their own activities (both headquarters and subsidiaries) and the value chain
- integrating findings from impact assessments across relevant company processes and taking appropriate action according to the company's involvement in the impact in order to prevent or mitigate potential adverse impacts and bring actual adverse impacts to an end and minimise their extent
- providing for or cooperating in the remediation of actual adverse impacts when appropriate
- carrying out meaningful engagement with stakeholders
- establishing and maintaining a notification mechanism and a complaints procedure
- tracking the effectiveness of measures and processes to address adverse human rights impacts in order to know if they are working
- publicly communicating on human right due diligence, including on how impacts are being addressed, and showing stakeholders – in particular affected stakeholders – that adequate policies and processes are in place.

The main purpose of human rights due diligence is to prevent adverse impacts on people. Human rights due diligence is thus concerned with risks to people rather than risks to business. It should be continuous, as human rights risks may change over time, and be informed by meaningful engagement with stakeholders, in

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<sup>9</sup> See [Corporate human rights due diligence – identifying and leveraging emerging practices](#) by the OHCHR Working Group on Business and Human Rights; the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#); and Article 5 of [Directive \(EU\) 2024/1760](#) for the definition in the EU CSDDD.

particular affected stakeholders, human rights defenders, trade unions and grassroots organisations. In conducting human rights due diligence, risks to human rights defenders and other critical voices need to be considered, as these stakeholders may face a high risk of retaliation for their actions, in particular if they are from the communities directly affected.<sup>10</sup>

### **3.2 An overview of our human rights due diligence**

We recognise both the significance of, and challenges associated with, respecting human rights. We also recognise that, just like any other business, we may cause, contribute to or be directly linked to various adverse human rights impacts through our operations, our suppliers, or the businesses we lend to or invest in. We are therefore committed to conducting and continually improving our human rights due diligence in these different areas. Our progress is at different levels of maturity depending on the area, as highlighted in section 3.4 below.

To evaluate the current state of our human rights due diligence process, we conducted a maturity assessment during the 2024 reporting period. Supported by external expertise, a newly established internal Human Rights Due Diligence Taskforce performed a systematic review of our existing efforts to respect human rights across all business activities and relationships. The Taskforce adopted a Group-wide approach and developed a comprehensive implementation plan to coordinate our human rights due diligence processes.

We also gain valuable insights into our human rights due diligence performance through external evaluations, such as ESG ratings and benchmarking exercises. During the reporting period we were pleased to see the BankTrack Human Rights Benchmark recognise us as one of few banks that had made significant improvements.<sup>11</sup> The BankTrack Human Rights Benchmark evaluates 50 of the largest banks globally on their human rights policies, processes, reporting and practices.

Additionally, during the reporting period we initiated an assessment to prepare for the upcoming implementation of the Corporate Sustainability Due Diligence Directive (to apply from mid-2027).

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<sup>10</sup> The position of human rights defenders has been pointed out by many experts. See, for example, Lawlor, M. (UN Special Rapporteur on Human Rights Defenders), [Position paper: concerning Human Rights Defenders and the EU's mandatory due diligence initiative.](#)

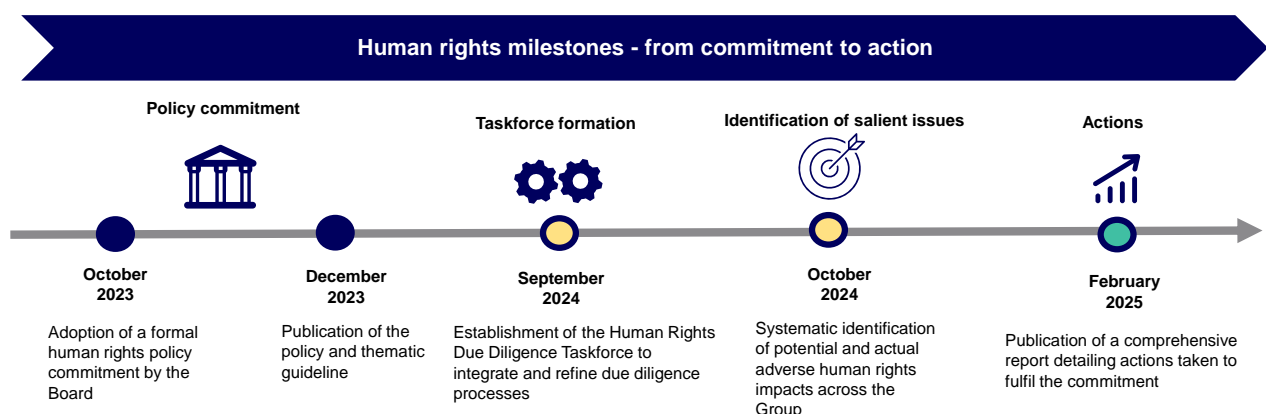
<sup>11</sup> [The BankTrack Global Human Rights Benchmark 2024.](#)

Based on the insights gained from these internal and external reviews, we continued planning for the enhancement of our Group-wide, coordinated human rights due diligence process.

The general principles for conducting human rights due diligence at Nordea include taking responsibility for identifying and assessing impacts and measures to address them. In addition to performing risk and materiality assessments, we continually work to improve our screening and monitoring to identify human rights risks associated with our suppliers, investments, lending and customers. In order to prevent and mitigate adverse human rights impacts, we integrate these findings into our processes and take suitable action. If we cause or contribute to adverse human rights impacts, we initiate appropriate processes, engaging with affected stakeholders or independent experts as needed. When direct engagement is not possible, we explore proxy alternatives, such as industry initiatives or trade unions, to support remediation.

Our Group Compliance unit plays a central role in monitoring the effectiveness of our Code of Conduct and related internal rules tied to our human rights commitments. This oversight is embedded in our internal monitoring and reporting processes, ensuring alignment and accountability.

As the owner of the Code, Group Compliance is responsible for planning and coordinating the reporting process. This includes reviewing monitoring inputs from principle owners and providing an independent assessment of compliance with the Code's principles. At least annually, Group Compliance drafts and delivers to the Group Board a comprehensive Code of Conduct report. The report serves to evaluate our adherence to the Code, highlight areas where ethical standards need to be reinforced or maintained, and provide actionable insights.



**Illustration:** Highlights of our recent progress to strengthen our human rights due diligence process.

### **3.3 Focus of the reporting: our salient human rights issues**

The most severe adverse impacts on human rights are referred to as “salient human rights issues” in the UN Guiding Principles Reporting Framework. Following on from our earlier identification of salient issues in our Group functions and business areas, we made a systematic identification of potential and actual adverse human rights impacts across the Group in 2024. We did so in recognition of the ongoing nature of human rights due diligence, and to ensure we would address the right issues based on the risks they pose to people. In line with international standards, we aim to address all identified actual and potential adverse human rights impacts, prioritising our resources to ensure that we work in an efficient manner to manage the most severe impacts.

#### **3.3.1 Methodology and scope for the saliency assessment**

We used a structured methodology, reinforced by data-driven insights and sector-specific strategies, to conduct a human rights saliency assessment during the reporting period.

The scope of the assessment was aligned with the CSRD. It thus covered our employees, procurement processes, and lending and investment activities, extending through our value chain as defined in the Sustainability Statement in our Annual Report. With upcoming regulatory changes, we will revisit and potentially expand the scope of the assessment.

**The methodology followed in 2024 can be summarised in three main steps:**

**1. Mapping general areas where adverse human rights impacts can occur:** Using sector-specific, country-specific and context-specific data from external sources<sup>12</sup>, we mapped out general areas where adverse impacts are usually most likely to occur and be most severe. These assessments were synthesised in a heat map highlighting sectors and regions with the most significant potential for adverse human rights impacts.

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<sup>12</sup> Data sources aligned with the UN Global Compact, the UN Environment Programme Finance Initiative Human Rights Guidance Tool, and the guidance entitled “Identifying, weighting and prioritizing risks” published by the German Federal Office for Economic Affairs and Export Control (overseeing the implementation of the German Supply Chain Due Diligence Act).

## **2. Identifying and prioritising adverse human rights impacts specific to Nordea:**

After creating the general mapping described in step 1, we performed a Group-level saliency assessment to identify potential adverse human rights impacts specific to our own operations and value chain. Here, we assessed the severity and likelihood of potential adverse impacts in the context of our exposure to high-risk sectors, limiting the assessment to Tier 1 in our value chain. Factors such as findings from the heat map, the severity of the potential impact, and our sectoral exposure helped us determine which areas needed to be prioritised.

**3. Engaging with internal stakeholders:** To enhance our understanding of our specific risk landscape and strengthen our assessment process, we actively engaged with risk management functions and ESG experts across business areas and Group functions. Their insights – particularly regarding business practices, oversight activities, and previous risk analyses – contributed to shaping a more comprehensive approach to risk assessment.

Our Group-level saliency assessment was also supported by other initiatives and activities. Since 2022, we have participated in Business and Human Rights Accelerator programmes organised by the UN Global Compact Academy. Through these programmes, we have identified salient human rights issues relevant to our supply chain, lending portfolio and own workforce. The insights from and outcomes of the programmes were integrated into the assessment.

Moreover, where our investment portfolio companies were concerned, we benefited from existing work aligned with the Corporate Human Rights Benchmark. This work has provided us with valuable insights and established processes for addressing human rights, which serve as a strong foundation for further development.

Our approach to determining priority areas was informed by the geographic and sectoral context of our operations and activities. We took into account the fact that our lending activities are predominantly focused on the Nordic region. Here, the likelihood and severity of adverse human rights impacts in our clients' own operations are generally low due to the region's robust legal frameworks and enforcement mechanisms protecting human rights. The Nordic countries, Poland and Estonia have all ratified the UN Human Rights Covenants, as well as most of the human rights conventions and individual complaints and inquiry procedures connected to these instruments. They thus have a duty to safeguard human rights through national laws, policies and budgeting.

By contrast, our lending clients' supply chains and investment exposure are global, encompassing regions with different contextual challenges and varying degrees of legal protection of human rights. Geographic differences result in diverse risk profiles. Lending activities typically present lower-severity risks, especially regarding direct human rights impacts, while global investments may present higher risks and complexities, particularly in sectors and regions with weak regulatory environments.

Moreover, we acknowledge that the complexity and extent of human rights impacts are influenced not only by the size of the companies we engage with, but also by the structure of their value chains. Large corporations often face heightened scrutiny and systemic risks due to their extensive and intricate supply chains, whereas small and medium-sized companies (SMEs) may struggle with limited resources, expertise or governance structures, hindering their ability to effectively address human rights issues.

Due to their high potential for adverse human rights impacts, we prioritise certain sectors in our human rights due diligence process. Labour-intensive industries such as agriculture, retail and infrastructure are particularly susceptible to risks of forced labour and occupational health and safety issues. Similarly, industries where land use is integral, such as real estate and agriculture, face challenges related to land rights, displacement and environmental impacts. Applying this approach allows us to target the areas that are most exposed to potential human rights violations.

### **3.3.2 Our salient human rights issues**

Based on the methodology explained above, we identified areas where our operations and value chain are exposed to significant actual and potential adverse impacts on human rights. The results of the saliency assessment are presented per relevant area below.

**Own workforce:** Here, the key human rights issues are related to ensuring favourable working conditions. While no severe human rights impacts have been identified in this context, deeper assessment and monitoring are necessary, especially regarding high stress levels and gender imbalance in sick leave.

**Supply chain:** Within our supply chain, the main human rights impacts include labour rights and occupational health and safety. These impacts may arise in sectors supplying products or services to us. It is therefore essential that we ensure our suppliers have proper due diligence processes in place to identify and address potential adverse human rights impacts, specifically as regards labour practices and conditions for workers.

In addition to assessing the operations of our Tier 1 suppliers, our procurement sustainability experts conducted an initial human rights impact assessment of our supply chain to map the industries in which our suppliers operate and identify areas where there might be an elevated risk of negative impact on people. Based on our suppliers' operating context and the nature of the service or product they deliver to us, salient human rights issues in our supply chain beyond Tier 1 were identified. These relate to labour rights, occupational health and safety, child labour and forced labour.

In the absence of robust oversight, unethical practices can arise, particularly in the manufacture of electronic devices (which may be procured by us). The IT sector has been criticised for poor working conditions in manufacturing facilities, especially in Asia, where production can involve exposure to hazardous materials and risks due to improper electronic waste recycling.<sup>13</sup> We must therefore ensure ethical procurement policies and work to ensure fair labour practices to mitigate these risks and protect workers throughout the supply chain.

**Corporate lending:** In our corporate lending activities, the primary human rights impacts involve occupational health and safety and land rights in clients' own operations. These issues can be particularly prominent in sectors such as real estate, agriculture and shipping, where failure to properly manage these risks could negatively affect the safety and welfare of workers or disrupt local communities. For instance, urban expansion and housing developments on public land have sparked conflicts with local communities in the Nordic region. These projects have been criticised for encroaching on protected green spaces and traditional areas of public use, raising concerns regarding transparency, fair compensation and consultation with affected communities. Furthermore, Finland, Norway and Sweden are home to the indigenous Sámi people, whose right to self-determination is protected by international human rights. Banks financing companies or projects in Sámi homeland areas may be directly linked to adverse human rights impacts on Sámi people's rights over their land and natural resources. Such cases underscore the importance of considering human rights impact assessments in lending decisions.

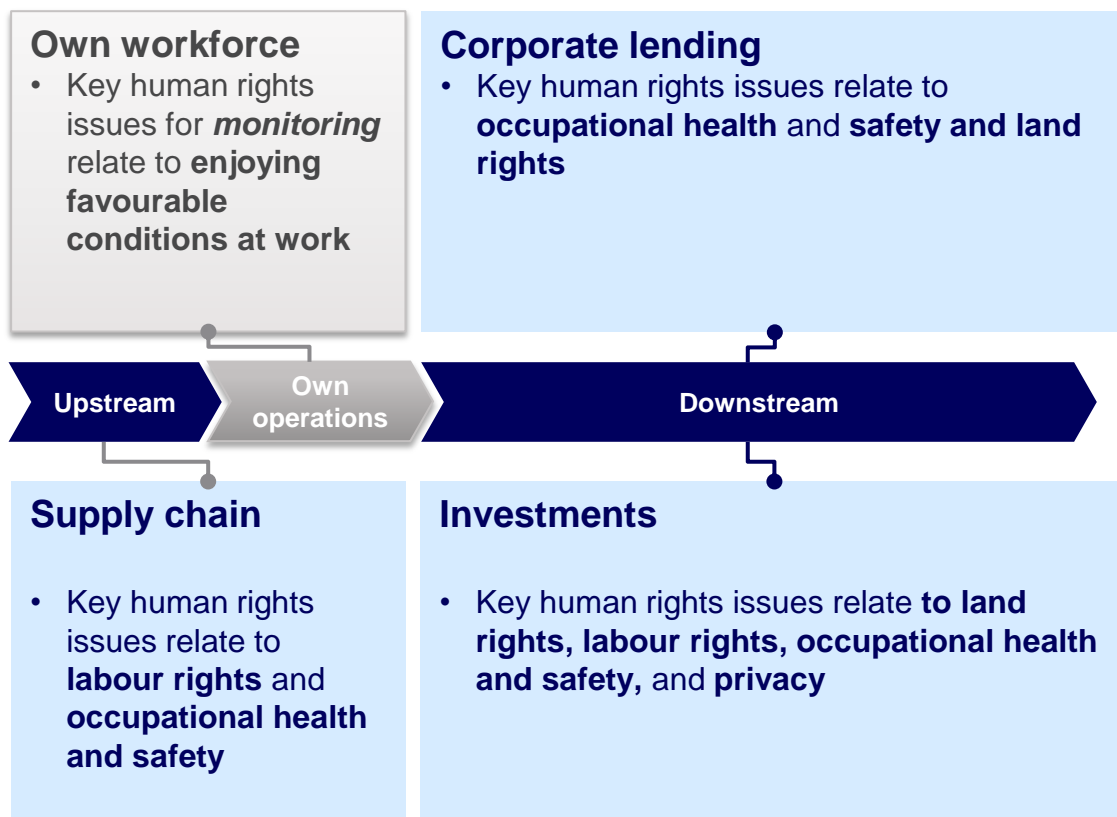
**Investments:** Human rights impacts related to our investments primarily arise from the activities of companies in the investment portfolios we manage. These impacts

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<sup>13</sup> Working conditions in a global perspective, Eurofound and International Labour Organization, May 2019.

concern land rights, labour rights, occupational health and safety, and privacy. We have considered sector exposure in our assessment since higher levels of involvement may amplify the associated impacts, necessitating more robust due diligence and mitigation. At the time of the assessment, the portfolios were exposed to several sectors known for high human rights risk, including food and beverages, healthcare, technology, machinery and the automotive sector. However, there are frequent changes in the investment portfolio which affect the sector exposure. Special attention to companies operating in the high-risk sectors is thus warranted regardless of the current level of exposure to these sectors.

A contemporary example of salient human rights impacts in investments relates to electric vehicle (EV) supply chains. EVs play a critical role in the green transition, but the transition should also be just. Therefore, identifying and managing the associated risks, including labour rights abuses in mining and manufacturing, is of paramount importance.



**Illustration:** Our salient human rights issues and key issues for monitoring.

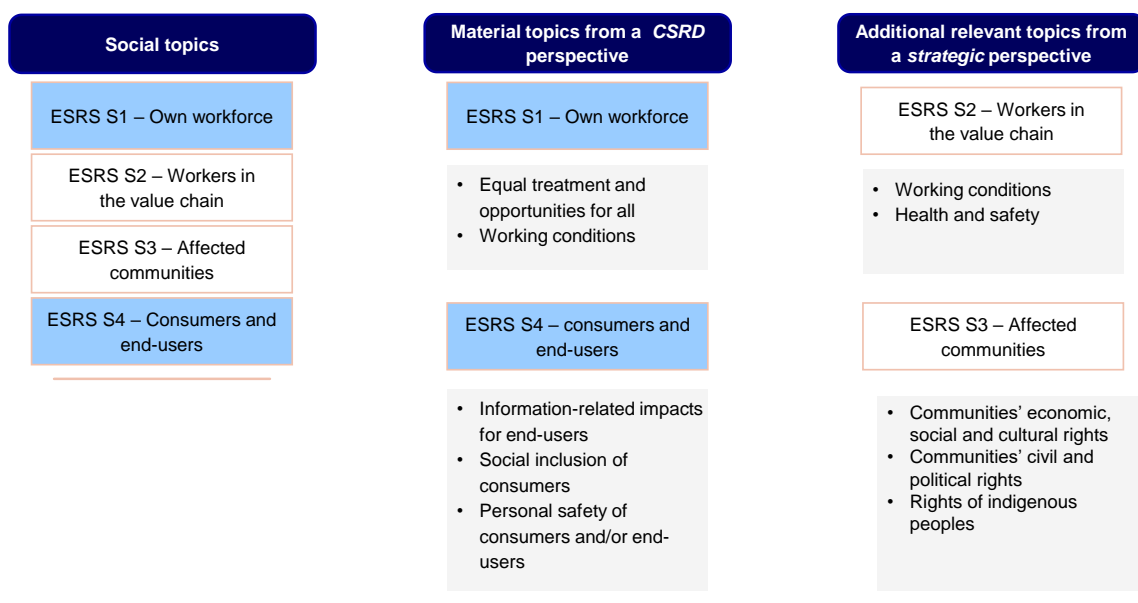


### 3.3.3 Our human rights due diligence and the CSRD impact materiality assessment

Our human rights saliency assessment plays a key role in the impact materiality assessment required by CSRD, ensuring that we comply with regulatory expectations to consider both impact materiality and financial materiality in our sustainability reporting. Specifically, the findings of our human rights saliency assessment inform the impact materiality part of the CSRD assessment.

Even though certain human rights issues do not meet our CSRD materiality threshold, they are strategically important to us as they have implications for our long-term resilience, reputation, and alignment with evolving stakeholder expectations.

The material sustainability topics identified in accordance with the CSRD and the connected ESRS are reported in the Sustainability Statement in our Annual Report. In this Report, they are only covered at a high level, focusing specifically on their connection to our human rights due diligence process.



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**Illustration:** Social sustainability topics according to the ESRS, our material topics (blue background), and additional relevant topics.

### 3.4 Addressing our salient issues and monitoring other issues

The saliency of our human rights issues guides how we prioritise them for preventive, mitigating and remedial action. To address these issues effectively, we employ several strategic approaches:

**1. Deepened assessments:** We deepen our assessment of adverse human rights impacts, prioritising our salient issues. While we begin with the sectors most prone to severe negative impacts, we are responsive to evolving circumstances, recognising that the focus may shift based on our operations and external developments. Our approach ensures targeted processes and initiatives are in place to effectively prevent and mitigate potential harm.

**2. Effective resource allocation:** We focus the efforts of our workforce and our financial resources on the sectors with the greatest risks in order to effectively address the human rights issues that pose the greatest threat, such as health and safety and land rights.

**3. Tailored sector-specific approaches:** Recognising that human rights risks vary by sector (e.g. privacy concerns in technology versus land rights in agriculture), we customise our strategies to meet the unique challenges of each sector – expressed in our sector guidelines – and thereby ensure more targeted and effective action.

These approaches are described in more detail for our own workforce, supply chain, and lending and investment activities, and for consumers and end-users, below.

#### **3.4.1 Own workforce**

Our responsibility regarding our own workforce, comprising over 30,000 people, plays a central role in our human rights work due to the proximity of potential impacts, and the related risks and opportunities for the Nordea Group. We consider our human rights due diligence processes for our own workforce to be of high maturity. This is partly due to the strong labour rights protection afforded by the legislation of the countries in which we operate.

We continuously address actual and potential negative impacts through guidelines, policies and training available to all employees. Our progress in this area is subject to monitoring, partly against pre-defined targets, and we maintain a close dialogue with our employees, ensuring they have opportunities to provide feedback through surveys, employee resource groups and other fora. Furthermore, the grievance mechanisms for our workforce are well known and used.

Through our work to safeguard and promote the labour rights and well-being of our employees, we believe we have gained a good understanding of how to assess our actual and potential negative human rights impacts in this area effectively. In our 2024 human rights saliency assessment we did not identify any salient human rights issues regarding our own workforce. That is, the severity and likelihood of potential and actual negative impacts on our employees' human rights were not considered high enough to meet the threshold for saliency.

However, we consider some issues to warrant close monitoring and continued in-depth assessment. These are stress levels among employees and gender imbalance in sick leave. Despite these being well-documented phenomena in modern societies, we want to ensure that we understand them thoroughly in our context, and that we have effective mitigating actions in place.

Overall, we strive to continuously promote well-being for our employees and to enable an inclusive workplace, free from any behaviour that might hinder our ability to meet the needs of our employees, our customers or society.

You can read more about the material sustainability areas regarding our own workforce in the Sustainability Statement our Annual Report.

### **3.4.2 Supply chain**

We spend around EUR 2.5bn annually on our suppliers and have contracts in place with more than 1,500 suppliers. Our supply chain is global and encompasses a wide range of industries, from technology and consultancy to facility management and travel.

Human rights in our supply chain are governed by our Group Board Directive on Procurement and further detailed in our Sustainable Procurement Guideline. The Guideline describes how to conduct due diligence in the supply chain to ensure that we do not cause, contribute to or become linked to negative impacts. It also describes how we assess human rights-related risks and impacts in our supply chain, how we take action to prevent and mitigate such risks, and how we track progress and communicate the findings in the different stages of the procurement process. The findings of our supply chain-specific human rights impact assessment are included in the annual review of our supply framework and guidelines to ensure we continue to make progress in the area of human rights.

Respect for human rights is embedded throughout our procurement process. We include human rights indicators in both our supplier screening prior to contracting and our continuous monitoring after contracting. Through the screening process, we also identify whether the supplier is subject to negative media exposure or regulatory action due to human rights-related misconduct, enabling us to take appropriate action.

All our suppliers must contractually commit to the principles set out in our Supplier Code of Conduct. The Code includes positions on human rights and labour rights and an obligation for suppliers to ensure that subcontractors adhere to the same principles. It also includes an audit clause where we reserve the right to audit both suppliers and subcontractors to verify whether the principles are being

implemented in practice. We thereby ensure that sustainability requirements are integrated into our supplier and contract management.

As part of our engagement with suppliers, we participate in Atea Sustainability Focus (ASF), an initiative enabling Nordic procurement organisations and the global IT industry to engage on how to achieve more sustainable operations. Through our representation on the ASF Advisory Board, we seek to accelerate sustainability efforts, including the protection of human rights in the IT industry. The ASF Advisory Board provides annual recommendations to the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to supply chain sustainability. The RBA comprises more than 145 companies from the IT and electronics industry, representing a collective annual revenue of around USD 5.5tn and over six million workers in the supply chain.

### **3.4.3 Corporate lending**

Our lending portfolio is highly diversified, encompassing a wide range of industries and companies of different sizes. While predominantly based in the Nordic countries, the lending portfolio's footprint spans the world via the global operations of our large customers.

Integrating human rights into our external sector guidelines; internal guidance such as industry credit policies; and ESG risk assessments and tools is key to embedding human rights considerations in our lending process. In addition to complying with national laws and regulations, customers in relevant industries are expected to follow international norms and standards, and manage and mitigate adverse human rights impacts, such as forced labour, child labour, genocide, ethnic cleansing, crimes against humanity and war crimes<sup>14</sup>. Customers identified as breaching this position are expected to have meaningful actions in place to manage and mitigate adverse impacts on human rights.

ESG risk assessments, conducted for both existing and new customer relationships, serve to ensure that ESG-related credit risks, including social risk factors, are identified and assessed. We are currently working to strengthen our ESG assessment processes and tools in order to further integrate human rights risks into our lending activities, focusing on risk/impact identification and assessment. As part of our commitment to the Equator Principles, we also carry out an environmental

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<sup>14</sup> As defined by the International Labour Organization and the UN.

and social impact assessment when financing large infrastructure and industrial projects.

#### **3.4.4 Investments<sup>15</sup>**

We are the largest asset manager in the Nordics and are present in Europe, the Americas and Asia. Our investment portfolios include companies from a wide range of industries and regions.

Our [Responsible Investment Policy](#) describes the framework governing Nordea Asset Management's approach to responsible investments and ESG/sustainability-related matters. The Policy applies to our Nordea-branded investment strategies, with the exception of any holdings of such strategies in external funds and discretionary mandates at the client's request. It defines our positions linked to material ESG issues, as well as international norms and conventions. This guides and helps us prioritise our stewardship activities. The Policy also includes the position we take on human rights.

The investments we manage are further guided by our Group sector guidelines. We expect investee companies to comply with internationally recognised human rights principles and to prevent and manage impacts on human rights. We also expect them to conduct due diligence as defined by the UNGPs and to report on this and their human rights impacts. Upcoming regulatory initiatives related to human rights will render this all the more important.

We screen all holdings to identify companies allegedly involved in severe breaches of international law regarding human rights and labour standards. If a company is identified in this screening process, we initiate an internal assessment of both the company and the incident. We also use this screening process to identify companies to be made subject to engagement or exclusion. We have an exclusion list of corporates, including, for example, companies excluded due to actual violations of indigenous peoples' rights.

Active ownership plays a central role in our responsible investment approach. Our active ownership tools include engaging with investee companies, individually or

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<sup>15</sup> This text describes our human rights approach for investments managed by Nordea Asset Management (NAM). The text is also representative of processes applied for Nordea Life & Pension (NLP), since the vast majority of NLP's assets under management are managed by NAM. NLP is the largest life and pension company in the Nordics, with EUR [85]bn in assets under management as at the end of 2024. For more detailed information about NLP's ESG policy framework, see the NLP [Responsible Investment Policy](#), [Climate Change Policy](#) and [Engagement Policy](#).

together with other investors/stakeholders; attending and voting at annual general meetings; and, when relevant, filing shareholder proposals.

Engaging with the investee companies enables us to address material sustainability risks and opportunities, including those connected with human rights. We also encourage investee companies to set measurable targets and take concrete actions to meet them. While we are prepared to exclude or exit companies when we deem it necessary, our experience shows that active ownership can often be an effective tool to improve ESG performance, manage risks and identify opportunities.

We have around 25 responsible investment experts that work with ESG issues related to the investee companies. In 2024 our responsible investment team engaged in more than 1,300 dialogues with investee companies on ESG issues, including human rights.

Besides engaging with investee companies, we engage with standard-setters to support, for example, mandatory human rights due diligence and greater transparency in ESG-related reporting. We also actively participate in investor initiatives, such as the Investor Alliance for Human Rights. We signed the Principles for Responsible Investment in 2007. Between 2016 and 2020, we funded and, as a steering committee member, were actively involved in the development of the Corporate Human Rights Benchmark (CHRB), which was integrated with the World Benchmarking Alliance in 2020. The CHRB provides a free and publicly available comparative assessment of the world's largest publicly listed companies. It assesses companies' policies, processes and practices related to human rights. Since 2017, we have engaged with companies that scored poorly in the CHRB assessments and the implementation of their human rights responsibilities under the UNGPs.

### **3.4.5 Consumers and end-users**

The financial sector is subject to a wide range of regulations aimed at ensuring financial stability, protecting consumers and preventing fraud. Our focus and investments reflect our commitment to continuously improve our defences against financial crime and adapt to new and emerging risks in the external environment. By doing so, we protect our customers' rights to property and the peaceful enjoyment of their possessions. More information can be found in our [financial crime prevention policies](#).

As a bank, our work involves collecting and keeping personal data on our customers. Keeping personal data safe is part of our commitment to be safe and trusted. Data privacy is therefore an integral part of our business and operations

and an important element of our strategy. By keeping personal data safe, we respect our customers' right to privacy. More information can be found in our [Privacy Policy](#).

We use our position as the largest financial services group in the Nordics and draw on our diversity and inclusion expertise to engage effectively with our diverse customers and contribute to creating a more diverse, equitable and inclusive society. We reject all forms of discrimination, including discrimination based on gender; gender identity or expression; (dis)ability; ethnicity; religion; parenthood; age; unionisation status; or sexual orientation.

To drive financial inclusion, we make technical and content updates to our web pages, mobile applications for consumer banking services, identification methods and electronic signatures to make sure our channels fulfil accessibility requirements.

### **3.5 Grievance mechanisms and remedy process**

We are committed to conducting business to the highest ethical standards and in accordance with applicable laws, rules and regulations. We therefore encourage all customers, employees and other stakeholders to always report any suspicion of fraudulent or unethical behaviour on the part of Nordea or its employees using our whistleblowing function, Raise Your Concern (RYC).

We ensure that all stakeholders – including customers, partners, affected communities, and employees – have the right to report concerns, including those related to human rights grievances. To support this, we have a secure and accessible electronic reporting tool, WhistleB. This allows anonymous reporting, ensuring confidentiality and protection for whistleblowers. It is a critical component of our commitment to transparency and accountability, particularly in addressing human rights issues, as it ensures that grievances can be raised and addressed promptly and effectively.

Internally, we highlight the importance of reporting any actions that constitute a violation of laws and regulations (including own policies, instructions or guidelines issued to comply with laws and regulations) and that could thus harm our business or reputation or the health or security of our employees or customers.

The whistleblowing process is supported by a dedicated committee in each of the Nordic countries, Poland and Estonia.

Cases reported through RYC form part of the monitoring of compliance with our Code of Conduct. Summaries of key trends and case statistics are also reported on a

no-names basis to the Chief Compliance Officer, Chief People Officer and Chief Risk Officer in addition to being included in management reports and reports to the Board of Directors. Furthermore, the RYC process and investigations are subject to regular quality controls, with defined escalation procedures for reporting any process deviations.

While our grievance mechanisms facilitate the reporting and escalation of concerns, our remedy process provides a structured approach to addressing and resolving these issues. If our operations are found to have caused or contributed to adverse impacts on human rights, we initiate appropriate remedial actions. In these cases, we actively collaborate with relevant judicial or non-judicial mechanisms as necessary to address and rectify the situation.

Our remediation processes are important elements of our human rights due diligence, involving engagement and dialogue with impacted and potentially impacted rights holders. These include workers, workers' representatives and trade unions, and other relevant parties. Within such processes, barriers to effective stakeholder engagement must be taken into account.

If it is not possible to engage directly with the impacted parties, we consider reasonable alternatives, such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups. If the impacts are not directly caused by us, we consider engaging with, for example, industry initiatives or local trade unions to support remediation.

### **3.6 Stakeholder engagement**

We recognise that achieving meaningful progress in the area of sustainability, including social aspects and human rights, requires continuous and meaningful engagement with a range of external stakeholders.

We prioritise ongoing, open dialogue with key groups – such as our customers and investee companies – to understand their specific challenges and opportunities. The insights gained enable us to address material sustainability issues effectively.

Reports from and interactions with media, academic institutions and non-governmental organisations (NGOs) play an important role, as they spotlight critical issues and emerging trends, and provide information on affected stakeholders. Combined, these sources inform our analysis and spur improvements to our approach, ensuring we stay attuned to both specific cases and broader sector and geographical ESG concerns.



The nature and depth of our engagement generally depend on the specific focus area of each interaction. In general, our stakeholder engagement with NGOs includes the following.

- **Proactive information sharing:** We brief stakeholders, including NGOs, on new policies, sustainability targets, and updated guidelines in a timely manner, fostering a transparent exchange of information. Looking ahead, we aim to take a more proactive approach to addressing human rights issues specifically.
- **Participation in NGO-led forums:** Through ongoing dialogue, we meet regularly with NGOs, participate in seminars and engage in panels. This enables us to discuss current and emerging sustainability issues and gain critical insights from NGOs' work.
- **Engagement with investee companies and customers:** We actively engage with investee companies and customers to address ESG-related risks that have been highlighted by NGOs.

In addition, we place high value on NGO feedback, using it to shape and refine our sustainability strategies. NGO input is especially valuable for helping us to align our actions more closely with evolving stakeholder expectations and global standards.

Our work with external stakeholders, in particular NGOs, is an essential component of our sustainability efforts. We believe that by fostering open dialogue, we can drive meaningful progress and address the pressing sustainability challenges of today and tomorrow.

### **3.7 Preventing modern slavery and human trafficking**

We disapprove of all forms of modern slavery and human trafficking. We also recognise that we may be exposed to modern slavery and human trafficking risks, mainly through suppliers of the goods and services we procure and through companies we offer our services to or invest in. Of the different forms of modern slavery, we consider our exposure to be mainly to the risk of labour exploitation.

Primarily through our financing and investments, but also within our own operations, we work to identify and abolish forced labour, human trafficking, modern slavery and child labour through policies, guidelines, assessments and actions. More about our work in this area can be found in previous sections above.

We also recognise that the Nordic region is a destination for human trafficking. This is therefore a prioritised risk in our crime detection and prevention efforts.

### **3.8 Preventing financial crime**

Financial crimes such as money laundering, terrorist financing, bribery and corruption, and sanctions violations can be related to serious human rights impacts. Our work on preventing financial crime therefore also plays an important role in our human rights work.

At Nordea, we do our utmost to ensure that our resources, products and services are not used to facilitate financial crime or any other illegal activities. Our website provides more information, including [our financial crime prevention policies and practices](#).

We do not knowingly accept funds from, or do any type of business with, customers or third parties whose funds we reasonably believe, or suspect, are derived from criminal activity, or which are in violation of global sanctions regimes. We monitor business activities, customers and transactions to help prevent the abuse of our products and services for illicit purposes, and we investigate any indications that a customer's funds may originate from criminal activities.

At Nordea, customers and transactions are screened against EU, UN, UK and US sanctions lists, as well as any other relevant local lists. Screening is conducted first as part of the customer onboarding process and then on an ongoing basis. Customer relationships and transactions are also continuously monitored to enable the detection of any unusual activity, transactions or behaviour. If detected, such activity, transactions or behaviour will trigger internal alerts and investigations. Anything deemed suspicious will be reported to the relevant authorities. In such cases, we will also consider whether the customer relationship must be ended. Our website provides more information on [preventing financial crime](#).

## **4 Next steps in our human rights work**

Recognising the ongoing nature of human rights due diligence, we will continue to work on the topic as a foundational part of our social responsibility. Going forward, we will also begin incorporating the requirements arising from the CSDDD into our human rights due diligence processes.

Besides the annual reviews of our Human Rights Policy and our work to address the current identified salient issues, we are taking several steps to enhance our processes to prevent, mitigate and, when appropriate, remedy any adverse human rights impacts.

Beginning in 2025, we will start developing a "Fit for Purpose" methodology for in-depth assessments in areas with a high risk of adverse human rights impacts. We

will also implement this approach during the year. The in-depth assessments will be aimed at:

- further refining the identification of our human rights salient issues by gaining a deeper understanding of our actual and potential adverse impacts, in particular those beyond Tier 1 in our value chains
- helping us ensure the necessary level of human rights governance for each area of concern
- enhancing the management of the salient issues in our day-to-day operations.

Furthermore, we are planning to enhance our approach to remedy.

Additionally, our newly established internal stakeholder forum on social impacts and human rights will meet every quarter to discuss topical issues across business areas and functions. We are also seeking to develop meaningful engagement on human rights issues with rights holders and affected communities, and strengthen our existing external stakeholder engagement.

Our social and human rights experts in the Group Sustainability team and our Human Rights Due Diligence Taskforce will continue to support the implementation of Group-wide, coordinated human rights due diligence processes across our business areas and functions.

Finally, as 2025 marks the last year of the current strategy period, we are working on a renewed strategy for our sustainability work, including social impacts and human rights.

# Nordea



ANNEX 1 to the Human Rights Report  
**Norwegian Transparency Act  
Statement**

Approved by the Board of Directors of Nordea Bank Abp

## **ANNEX 1 – Norwegian Transparency Act Statement**

This is Nordea's Norwegian Transparency Act (NTA) Statement covering the year 2024. Pursuant to Section 5 of the NTA, the Statement includes:

- a general description of the enterprise's structure, area of operations, and guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions
- information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence
- information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

The Statement has been jointly issued by all the companies in the Nordea Group with obligations under the NTA. The first part of the Statement is a general account covering the entire Nordea Group, including its Norwegian subsidiaries. The second part comprises the specific accounts of the Nordea Bank Abp Norwegian subsidiaries in scope: Nordea Eiendomskreditt AS, Nordea Liv Forsikring AS, Nordea Liv Eiendom AS, Nordea Finans Norge AS, Nordea Finance Equipment AS, Nordea Funds Norwegian Branch, Nordea Essendropsgate Eiendomsforvaltning AS and Nordea Investment Management AB, Norwegian branch.

The Statement<sup>16</sup> is an annex to our Human Rights Report, which is available in English on our website and complements the Sustainability Statement in our Annual Report. A Norwegian version of the Statement will be published on our Norwegian website(s) by June 2025.

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<sup>16</sup> This Group Statement has been signed by the Boards of Directors of the Nordea Bank Abp subsidiaries within the scope of the Norwegian Transparency Act, in accordance with legal requirements.

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# 1 Nordea's account

## 1.1 About Nordea

The Nordea Group (hereafter "we"), comprising Nordea Bank Abp and its consolidated subsidiaries, is the leading financial services provider in the Nordics, with a 200-year history of supporting the region's economies. Our values are deeply rooted in these open, progressive and collaborative societies.

Our purpose is to enable dreams and aspirations for a greater good. We strive to be personal, expert and responsible – to deliver great customer service and contribute to successful and sustainable economic development in the Nordics.

We offer a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. Our household banking services include mortgages and consumer loans, credit and debit cards, and a wide selection of savings, life insurance and pension products. Our corporate banking services include business loans; cash management, payment and account services; risk management products and advisory services; debt and equity-related products for liquidity and capital raising purposes; corporate finance; institutional asset management services; and corporate life and pension products. We also distribute general insurance products.

Our headquarters are in Helsinki, Finland, and we have local head offices in Copenhagen (Denmark), Oslo (Norway) and Stockholm (Sweden). Each of our four business areas – Personal Banking, Business Banking, Large Corporates & Institutions, and Asset & Wealth Management – has operations in all four Nordic countries.

Our vision is to be the preferred partner for our Nordic customers, including for their banking needs outside the Nordics. Our teams in Nordea Asset Management are located in various branches and subsidiary offices in Europe, the Americas and Asia.

In addition to impacting society through our business areas, we are a large employer with over 30,000 employees, located mainly in the Nordic countries and Poland.

As the leading Nordic financial services provider, we have a key role to play in driving society towards a sustainable future. Sustainability is at the core of our business strategy, integrated into all aspects of our business operations. Our

sustainability strategy rests on four strategic pillars<sup>17</sup>: social responsibility, financial strength, climate and environmental action, and governance and culture. These pillars are derived from the UN's [Sustainable Development Goals \(SDGs\)](#), all of which are related to human rights.<sup>18</sup>

We believe that managing human rights impacts and avoiding adverse human rights impacts is not only the right thing to do, but also a smart thing to do, as such impacts may, over time, become risks to the business.



Illustration: The strategic pillars under our sustainability strategy are integrated into all aspects of our business operations.

You can read more about our work relating to other aspects of sustainability in our Annual Report and our [Sustainability Policy](#). More information about the Nordea Group, including our [organisational chart](#) and an explanation of our [legal structure](#), can be found on our [website](#).

## 1.2 Our commitment to respect human rights

We are committed to respecting internationally recognised human rights standards and meeting the corporate responsibility to respect human rights as defined in the UNGPs and OECD Guidelines. We expect the same of our suppliers, the companies in our investment portfolio, our lending customers, and our other business

<sup>17</sup> Read more about our strategic pillars at [Our sustainability targets | Nordea](#).

<sup>18</sup> Read more about the relation between the UN SDGs and human rights in [SDG\\_HR\\_Table.pdf](#).



relationships. Our commitment to support and respect human rights is stated and further elaborated in our [Code of Conduct](#) and [Human Rights Policy](#).

We are also guided by the following voluntary commitments, to which we have pledged our support as signatories:

- the UN Global Compact
- the Principles for Responsible Investment
- the Principles for Responsible Banking
- the Equator Principles.

In addition, we are a member of the Investor Alliance for Human Rights.

### **1.3 Overview of our human rights due diligence**

We recognise both the significance of, and challenges associated with, respecting human rights. We also recognise that, just like any other business, we may cause, contribute to or be directly linked to various adverse human rights impacts through our operations, our suppliers, or the businesses we lend to or invest in. We are therefore committed to conducting and continually improving our human rights due diligence in these different areas. Our progress is at different levels of maturity depending on the area, as highlighted in section 1.7 below.

To evaluate the current state of our human rights due diligence process, we conducted a maturity assessment during the 2024 reporting period. Supported by external expertise, a newly established internal Human Rights Due Diligence Taskforce performed a systematic review of our existing efforts to respect human rights across all business activities and relationships. The Taskforce adopted a Group-wide approach and developed a comprehensive implementation plan to coordinate our human rights due diligence processes.

We also gain valuable insights into our human rights due diligence performance through external evaluations, such as ESG ratings and benchmarking exercises. During the reporting period we were pleased to see the BankTrack Human Rights Benchmark recognise us as one of few banks that had made significant improvements.<sup>19</sup> The BankTrack Human Rights Benchmark evaluates 50 of the

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<sup>19</sup> [The BankTrack Global Human Rights Benchmark 2024](#).

largest banks globally on their human rights policies, processes, reporting and practices.

Additionally, during the reporting period we initiated an assessment to prepare for the upcoming implementation of the Corporate Sustainability Due Diligence Directive (to apply from mid-2027).

Based on the insights gained from these internal and external reviews, we continued planning for the enhancement of our Group-wide, coordinated human rights due diligence process.

The general principles for conducting human rights due diligence at Nordea include taking responsibility for identifying and assessing impacts and measures to address them. In addition to performing risk and materiality assessments, we continually work to improve our screening and monitoring to identify human rights risks associated with our suppliers, investments, lending and customers. In order to prevent and mitigate adverse human rights impacts, we integrate these findings into our processes and take suitable action. If we cause or contribute to adverse human rights impacts, we initiate appropriate processes, engaging with affected stakeholders or independent experts as needed. When direct engagement is not possible, we explore proxy alternatives, such as industry initiatives or trade unions, to support remediation.

#### **1.4 Human rights governance and executive oversight**

At Nordea corporate governance refers to relations between our senior management, our Board of Directors, our shareholders and other stakeholders, such as employees and their representatives. It also determines the structure used to define our objectives, the means of achieving them and monitoring the results obtained. Strong corporate governance is thus about having clear and systematic decision-making processes; providing clarity regarding responsibilities; avoiding conflicts of interest; and ensuring satisfactory internal control, risk management, transparency and accountability.

Our human rights governance is integrated into our sustainability governance structure, which in turn is founded on the principles of accountability and transparency, and on ethical principles. Our governance is designed to embed respect for human rights across our operations. It fosters collaboration, engagement and accountability throughout the organisation, enabling us to address human rights challenges effectively.

The Board Operations and Sustainability Committee (BOSC), Board Risk Committee, Board Remuneration and People Committee and Board Audit

Committee assist the Group Board (NBB) in fulfilling its oversight responsibilities regarding Group adherence to human rights commitments and goals, and associated remuneration.

The President and Group CEO works together with a team of senior leaders within the Group Leadership Team (GLT), which reports directly to him. The GLT supports the President and Group CEO in managing the Group, and the GLT members are responsible for the performance, operations, risks, resources and development of their respective business areas or Group functions in accordance with the Nordea Group strategy, in the best interest of Nordea and in compliance with applicable laws and regulations.

The President and Group CEO, supported by the Group Leadership Team (GLT), is responsible for overseeing the implementation of our human rights commitments as part of our Group strategy. GLT is further supported by the Sustainability and Ethics Committee (SEC), the Risk Committee and the Asset & Liability Committee, coordinating within the Group to ensure commitment to and ownership of Group-wide prioritisations, decisions and implementations of human rights considerations. In addition, we have a Group Accountable Executive, reporting directly to the President and Group CEO, responsible for sustainability, including human rights.

The Group Sustainability unit plays a central role in driving our Group strategy and commitments, and in leading the implementation of activities related to social responsibility. It serves as an expert group, providing expertise and guidance on integrating human rights considerations throughout our operations. The implementation is further supported by functions such as Group Legal, Group Risk and Group Compliance to ensure proper risk management, alignment with regulations, and adherence to applicable legislation.

Upholding human rights in our daily business practices is the responsibility of each employee, regardless of their role or department. All employees are accountable for integrating respect for human rights into their work and contributing to our collective efforts, as stated in our Code of Conduct.

We have dedicated sustainability-focused ESG teams across our business areas and Group functions, staffed by sustainability professionals who support units and relationship managers with internal rules interpretation, training, and standard operating procedures. These teams include ESG analysts who gather information, conduct analyses, and develop processes and tools, including those related to human rights. Our business developers, who are primarily based within Group

Sustainability, provide strategic oversight and drive implementation to ensure we meet our sustainability commitments.

We have established governance and a structured process to ensure that salient human rights issues receive the appropriate level of attention from senior management and governance bodies. Identified salient issues are discussed with SEC and are subsequently presented to GLT, BOSC and NBB. Additionally, while each unit follows its own escalation process, SEC is ultimately responsible for addressing all breaches or ethical concerns, ensuring that human rights and ethical considerations are consistently embedded in decision-making.

In 2024 salient human rights issues were presented and discussed in several governance fora. As part of our annual sustainability review, identified salient human rights issues were presented to GLT, BOSC and NBB. This process supports our senior leadership in being fully informed of potential human rights challenges and incorporating these considerations into their strategic planning, reinforcing our commitment to uphold human rights across all areas of our operations.



Illustration: Our sustainability governance structure.

## 1.5 Grievance mechanisms and remedy process

We are committed to conducting business to the highest ethical standards and in accordance with applicable laws, rules and regulations. We therefore encourage all customers, employees and other stakeholders to always report any suspicion of fraudulent or unethical behaviour on the part of Nordea or its employees using our whistleblowing function, Raise Your Concern (RYC).

We ensure that all stakeholders – including customers, partners, affected communities, and employees – have the right to report concerns, including those related to human rights grievances. To support this, we have a secure and accessible electronic reporting tool, WhistleB. This allows anonymous reporting,

ensuring confidentiality and protection for whistleblowers. It is a critical component of our commitment to transparency and accountability, particularly in addressing human rights issues, as it ensures that grievances can be raised and addressed promptly and effectively.

Internally, we highlight the importance of reporting any actions that constitute a violation of laws and regulations (including own policies, instructions or guidelines issued to comply with laws and regulations) and that could thus harm our business or reputation or the health or security of our employees or customers.

The whistleblowing process is supported by a dedicated committee in each of the Nordic countries, Poland and Estonia.

Cases reported through RYC form part of the monitoring of compliance with our Code of Conduct. Summaries of key trends and case statistics are also reported on a no-names basis to the Chief Compliance Officer, Chief People Officer and Chief Risk Officer in addition to being included in management reports and reports to the Board of Directors. Furthermore, the RYC process and investigations are subject to regular quality controls, with defined escalation procedures for reporting any process deviations.

While our grievance mechanisms facilitate the reporting and escalation of concerns, our remedy process provides a structured approach to addressing and resolving these issues. If our operations are found to have caused or contributed to adverse impacts on human rights, we initiate appropriate remedial actions. In these cases, we actively collaborate with relevant judicial or non-judicial mechanisms as necessary to address and rectify the situation.

Our remediation processes are important elements of our human rights due diligence, involving engagement and dialogue with impacted and potentially impacted rights holders. These include workers, workers' representatives and trade unions, and other relevant parties. Within such processes, barriers to effective stakeholder engagement must be taken into account.

If it is not possible to engage directly with the impacted parties, we consider reasonable alternatives, such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups. If the impacts are not directly caused by us, we consider engaging with, for example, industry initiatives or local trade unions to support remediation.

## 1.6 Our salient human rights issues

Based on the methodology explained above, we identified areas where our operations and value chain are exposed to significant actual and potential adverse impacts on human rights. The results of the saliency assessment are presented per relevant area below.

**Own workforce:** Here, the key human rights issues are related to ensuring favourable working conditions. While no severe human rights impacts have been identified in this context, deeper assessment and monitoring are necessary, especially regarding high stress levels and gender imbalance in sick leave.

**Supply chain:** Within our supply chain, the main human rights impacts include labour rights and occupational health and safety. These impacts may arise in sectors supplying products or services to us. It is therefore essential that we ensure our suppliers have proper due diligence processes in place to identify and address potential adverse human rights impacts, specifically as regards labour practices and conditions for workers.

In addition to assessing the operations of our Tier 1 suppliers, our procurement sustainability experts conducted an initial human rights impact assessment of our supply chain to map the industries in which our suppliers operate and identify areas where there might be an elevated risk of negative impact on people. Based on our suppliers' operating context and the nature of the service or product they deliver to us, salient human rights issues in our supply chain beyond Tier 1 were identified. These relate to labour rights, occupational health and safety, child labour and forced labour.

In the absence of robust oversight, unethical practices can arise, particularly in the manufacture of electronic devices (which may be procured by us). The IT sector has been criticised for poor working conditions in manufacturing facilities, especially in Asia, where production can involve exposure to hazardous materials and risks due to improper electronic waste recycling.<sup>20</sup> We must therefore ensure ethical procurement policies and work to ensure fair labour practices to mitigate these risks and protect workers throughout the supply chain.

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<sup>20</sup> Working conditions in a global perspective, Eurofound and International Labour Organization, May 2019.

**Corporate lending:** In our corporate lending activities, the primary human rights impacts involve occupational health and safety and land rights in clients' own operations. These issues can be particularly prominent in sectors such as real estate, agriculture and shipping, where failure to properly manage these risks could negatively affect the safety and welfare of workers or disrupt local communities. For instance, urban expansion and housing developments on public land have sparked conflicts with local communities in the Nordic region. These projects have been criticised for encroaching on protected green spaces and traditional areas of public use, raising concerns regarding transparency, fair compensation and consultation with affected communities. Furthermore, Finland, Norway and Sweden are home to the indigenous Sámi people, whose right to self-determination is protected by international human rights. [Banks financing companies or projects in Sámi homeland areas may be directly linked to adverse human rights impacts on Sámi people's rights](#) over their land and natural resources. Such cases underscore the importance of considering human rights impact assessments in lending decisions.

**Investments:** Human rights impacts related to our investments primarily arise from the activities of companies in the investment portfolios we manage. These impacts concern land rights, labour rights, occupational health and safety, and privacy. We have considered sector exposure in our assessment since higher levels of involvement may amplify the associated impacts, necessitating more robust due diligence and mitigation. At the time of the assessment, the portfolios were exposed to several sectors known for high human rights risk, including food and beverages, healthcare, technology, machinery and the automotive sector. However, there are frequent changes in the investment portfolio which affect the sector exposure. Special attention to companies operating in the high-risk sectors is thus warranted regardless of the current level of exposure to these sectors.

A contemporary example of salient human rights impacts in investments relates to electric vehicle (EV) supply chains. EVs play a critical role in the green transition, but the transition should also be just. Therefore, identifying and managing the associated risks, including labour rights abuses in mining and manufacturing, is of paramount importance.



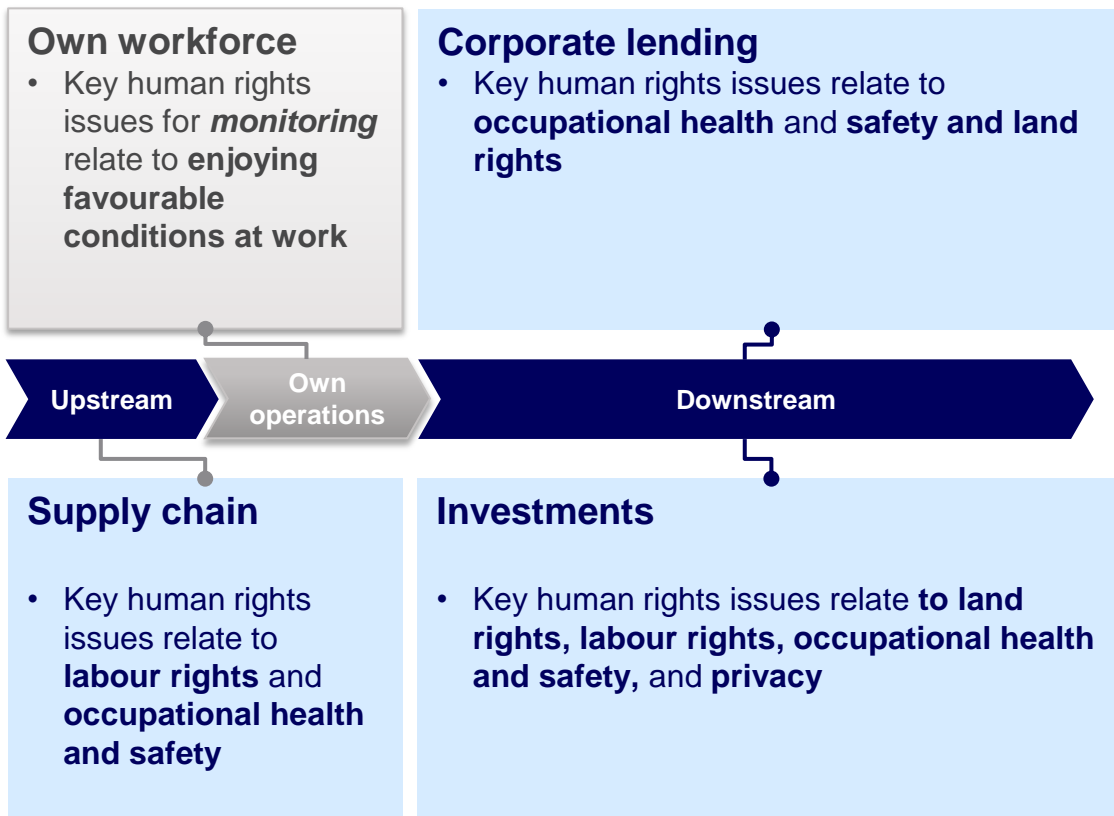


Illustration: Our salient human rights issues and key issues for monitoring.

## 1.7 Addressing our salient issues

The saliency of our human rights issues guides how we prioritise them for preventive, mitigating and remedial action. To address these issues effectively, we employ several strategic approaches:

**1. Deepened assessments:** We deepen our assessment of adverse human rights impacts, prioritising our salient issues. While we begin with the sectors most prone to severe negative impacts, we are responsive to evolving circumstances, recognising that the focus may shift based on our operations and external developments. Our approach ensures targeted processes and initiatives are in place to effectively prevent and mitigate potential harm.

**2. Effective resource allocation:** We focus the efforts of our workforce and our financial resources on the sectors with the greatest risks in order to effectively address the human rights issues that pose the greatest threat, such as health and safety and land rights.

**3. Tailored sector-specific approaches:** Recognising that human rights risks vary by sector (e.g. privacy concerns in technology versus land rights in agriculture), we customise our strategies to meet the unique challenges of each sector – expressed in our sector guidelines – and thereby ensure more targeted and effective action.

These approaches are described in more detail for our supply chain, and lending and investment activities, below.

### *Supply chain*

We spend around EUR 2.5bn annually on our suppliers and have contracts in place with more than 1,500 suppliers. Our supply chain is global and encompasses a wide range of industries, from technology and consultancy to facility management and travel.

Human rights in our supply chain are governed by our Group Board Directive on Procurement and further detailed in our Sustainable Procurement Guideline. The Guideline describes how to conduct due diligence in the supply chain to ensure that we do not cause, contribute to or become linked to negative impacts. It also describes how we assess human rights-related risks and impacts in our supply chain, how we take action to prevent and mitigate such risks, and how we track progress and communicate the findings in the different stages of the procurement process. The findings of our supply chain-specific human rights impact assessment are included in the annual review of our supply framework and guidelines to ensure we continue to make progress in the area of human rights.

Respect for human rights is embedded throughout our procurement process. We include human rights indicators in both our supplier screening prior to contracting and our continuous monitoring after contracting. Through the screening process, we also identify whether the supplier is subject to negative media exposure or regulatory action due to human rights-related misconduct, enabling us to take appropriate action.

All our suppliers must contractually commit to the principles set out in our Supplier Code of Conduct. The Code includes positions on human rights and labour rights and an obligation for suppliers to ensure that subcontractors adhere to the same principles. It also includes an audit clause where we reserve the right to audit both suppliers and subcontractors to verify whether the principles are being implemented in practice. We thereby ensure that sustainability requirements are integrated into our supplier and contract management.

As part of our engagement with suppliers, we participate in Atea Sustainability Focus (ASF), an initiative enabling Nordic procurement organisations and the global IT industry to engage on how to achieve more sustainable operations. Through our representation on the ASF Advisory Board, we seek to accelerate sustainability efforts, including the protection of human rights in the IT industry. The ASF Advisory Board provides annual recommendations to the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to supply chain sustainability. The RBA comprises more than 145 companies from the IT and electronics industry, representing a collective annual revenue of around USD 5.5tn and over six million workers in the supply chain.

### *Corporate lending*

Our lending portfolio is highly diversified, encompassing a wide range of industries and companies of different sizes. While predominantly based in the Nordic countries, the lending portfolio's footprint spans the world via the global operations of our large customers.

Integrating human rights into our external sector guidelines; internal guidance such as industry credit policies; and ESG risk assessments and tools is key to embedding human rights considerations in our lending process. In addition to complying with national laws and regulations, customers in relevant industries are expected to follow international norms and standards, and manage and mitigate adverse human rights impacts, such as forced labour, child labour, genocide, ethnic cleansing, crimes against humanity and war crimes<sup>21</sup>. Customers identified as breaching this position are expected to have meaningful actions in place to manage and mitigate adverse impacts on human rights.

ESG risk assessments, conducted for both existing and new customer relationships, serve to ensure that ESG-related credit risks, including social risk factors, are identified and assessed. We are currently working to strengthen our ESG assessment processes and tools in order to further integrate human rights risks into our lending activities, focusing on risk/impact identification and assessment. As part of our commitment to the Equator Principles, we also carry out an environmental and social impact assessment when financing large infrastructure and industrial projects.

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<sup>21</sup> As defined by the International Labour Organization.

## *Investments*<sup>22</sup>

We are the largest asset manager in the Nordics and are present in Europe, the Americas and Asia. Our investment portfolios include companies from a wide range of industries and regions.

Our [Responsible Investment Policy](#) describes the framework governing Nordea Asset Management's approach to responsible investments and ESG/sustainability-related matters. The Policy applies to our Nordea-branded investment strategies, with the exception of any holdings of such strategies in external funds and discretionary mandates at the client's request. It defines our positions linked to material ESG issues, as well as international norms and conventions. This guides and helps us prioritise our stewardship activities. The Policy also includes the position we take on human rights.

The investments we manage are further guided by our Group sector guidelines. We expect investee companies to comply with internationally recognised human rights principles and to prevent and manage impacts on human rights. We also expect them to conduct due diligence as defined by the UNGPs and to report on this and their human rights impacts. Upcoming regulatory initiatives related to human rights will render this all the more important.

We screen all holdings to identify companies allegedly involved in severe breaches of international law regarding human rights and labour standards. If a company is identified in this screening process, we initiate an internal assessment of both the company and the incident. We also use this screening process to identify companies to be made subject to engagement or exclusion. We have an exclusion list of corporates, including, for example, companies excluded due to actual violations of indigenous peoples' rights.

Active ownership plays a central role in our responsible investment approach. Our active ownership tools include engaging with investee companies, individually or

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<sup>22</sup> This text describes our human rights approach for investments managed by Nordea Asset Management (NAM). The text is also representative of processes applied for Nordea Life & Pension (NLP), since the vast majority of NLP's assets under management are managed by NAM. NLP is the largest life and pension company in the Nordics, with EUR [85]bn in assets under management as at the end of 2024. For more detailed information about NLP's ESG policy framework, see the NLP [Responsible Investment Policy](#), [Climate Change Policy](#) and [Engagement Policy](#).

together with other investors/stakeholders; attending and voting at annual general meetings; and, when relevant, filing shareholder proposals.

Engaging with the investee companies enables us to address material sustainability risks and opportunities, including those connected with human rights. We also encourage investee companies to set measurable targets and take concrete actions to meet them. While we are prepared to exclude or exit companies when we deem it necessary, our experience shows that active ownership can often be an effective tool to improve ESG performance, manage risks and identify opportunities.

We have around 25 responsible investment experts that work with ESG issues related to the investee companies. In 2024 our responsible investment team engaged in more than 1,300 dialogues with investee companies on ESG issues, including human rights.

Besides engaging with investee companies, we engage with standard-setters to support, for example, mandatory human rights due diligence and greater transparency in ESG-related reporting. We also actively participate in investor initiatives, such as the Investor Alliance for Human Rights. We signed the Principles for Responsible Investment in 2007.

Between 2016 and 2020, we funded and, as a steering committee member, were actively involved in the development of the Corporate Human Rights Benchmark (CHRB), which was integrated with the World Benchmarking Alliance in 2020. The CHRB provides a free and publicly available comparative assessment of the world's largest publicly listed companies. It assesses companies' policies, processes and practices related to human rights. Since 2017, we have engaged with companies that scored poorly in the CHRB assessments and the implementation of their human rights responsibilities under the UNGPs.

## **2 Subsidiary-specific accounts**

### **2.1 Nordea Eiendomskreditt AS**

Nordea Eiendomskreditt (NEK) is a wholly owned subsidiary of Nordea, with no own subsidiaries. NEK is part of the Personal Banking business area within Nordea. The company operates solely as a mortgage credit institution, licensed by the Norwegian Financial Supervisory Authority to issue covered bonds. The company's business objective is to grant and acquire residential mortgage loans and loans for holiday homes, including secured construction loans, and to finance its lending activities primarily through the issuance of covered bonds.

Nordea's human rights procedures and policies cover NEK. There are no deviations from the Group's procedure and NEK has adopted the relevant Group internal rules. Regarding grievance mechanisms, NEK adheres solely to the Group's procedures, with no additional whistleblowing channels and/or compliance mechanisms in use.

NEK has not identified any actual adverse impacts on fundamental human rights or decent working conditions that it may have caused or contributed to, or that may have been directly linked to its operations, products or services via the supply chain or business partners, during the reporting year.

Salient human rights issues regarding the Nordea Group's procurement and lending in general are reported in the first part of this Statement.

## **2.2 Nordea Liv Forsikring AS**

Nordea Liv Forsikring AS (Nordea Liv) is wholly owned by Nordea Life Holding AB (Nordea Life & Pension, NLP). Nordea Liv is part of the Asset & Wealth Management business area and is the third largest provider of life and pension products in Norway. Nordea Liv offers corporate and individual pension products, life insurance coverage, and investment products with insurance elements.

Nordea's human rights procedures and policies cover Nordea Liv. There are no deviations from the Group's procedure and Nordea Liv has adopted the relevant Group internal rules. In addition, NLP has published a separate [Responsible Investment Policy](#) and [Engagement Policy](#) that Nordea Liv adheres to.

Nordea Liv requires companies that it invests in to act in line with internationally recognised frameworks and conventions for human and labour rights, i.e. the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO conventions for labour rights. Nordea Liv does not invest in government bonds issued by states where systematic and serious breaches of human rights occur.

The majority of the Nordea Liv assets are invested in funds managed by fund managers. Nordea Liv does not have direct influence over the investment decisions in such funds. Therefore, Nordea Liv performs thorough assessments of fund managers' policies and investment processes prior to investing to ensure that the fund managers integrate sustainability considerations, including considerations regarding human rights and labour rights, into their investment process in a way that aligns with Nordea Liv's own policies and guidelines.

Each month, all investments undergo a quantitative screening on a look-through basis based on sustainability data obtained from a third party. Nordea Liv monitors any investments in the portfolio which are found to be in breach of its own policies and guidelines for sustainable investments, including those related to human rights and labour rights. Any breaches identified are followed up on with the fund manager in order to confirm the nature of the breach and, if relevant, establish a remediation plan. If the fund manager does not demonstrate willingness to resolve the breach, Nordea Liv will ultimately terminate the fund investment.

Through a fund investment, NLP was in 2024 exposed<sup>23</sup> to an investment in a mining company in which insufficient health and safety standards were uncovered following an accident that resulted in multiple fatalities. NLP engaged with the fund manager, who engaged extensively with the company, requesting and receiving an independent assessment of the company's health, safety and environmental rules. Moreover, the fund manager showed its discontent with the company's board by voting against the discharge of its members and the re-election of one board member. Actions were planned by the company later in the year to strengthen the existing health and safety assurance model and improve contractor safety by adopting industry best practices for process safety management. The engagement will continue and will focus on the need to strengthen health and safety governance, including board oversight.

Salient human rights issues regarding Nordea Group investments in general are reported in the first part of this Statement.

### **2.3 Nordea Liv Eiendom AS**

Nordea Liv Eiendom AS is a wholly owned subsidiary of Nordea Liv. Nordea Liv allocates a portion of the Nordea Liv pension funds to Norwegian property investments through Nordea Liv Eiendom, which rents office space and retail premises to various companies. There are no employees in Nordea Liv Eiendom. The management of the portfolio has been outsourced to Malling & Co Forvaltning ("Malling"). Employees in Nordea Liv manage the outsourcing agreement on behalf of Nordea Liv Eiendom.

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<sup>23</sup> Nordea holds 0,16 % of the shares in the company and a maximum of 0,06 % of issued bonds.

Nordea's human rights procedures and policies cover Nordea Liv Eiendom. Moreover, Nordea Liv Eiendom's own human rights commitment is described in its Business Procedure for Responsible Investment in Direct Real Estate.

In addition to the Nordea Group's grievance mechanisms, which can be used in connection with Nordea Liv Eiendom, Malling has its own website with a link which tenants can use to file a complaint about health, safety and environmental (HSE) issues. Tenants are informed of this possibility in an annual information letter sent out to all tenants at the end of the year.

A due diligence process is performed before selecting a contractor for larger projects. Contractors must confirm that policies and procedures are in place in order to ensure decent working conditions and compliance with human rights. They must also sign a confirmation covering any subcontractors. Nordea Liv Eiendom recognises that supervising subcontractors' adherence is demanding. Therefore, Malling performs unannounced onsite controls where salary, working and housing conditions, and access to the work site are checked for a sample of workers.

During 2024 several audits were carried out regarding projects in which Nordea Liv Eiendom had invested. No breaches with a medium or high impact were identified or reported.

Nordea Liv Eiendom acknowledges its responsibility as a property investor to ensure that the daily use of a building does not represent a risk for the people it hosts. Due diligence in the investment process includes identifying any issues that require investment in order to meet applicable HSE requirements. The FAMAC application is used for documenting and following up on all relevant legal HSE requirements. The application is also used for logging daily inspections of technical installations and buildings in general.

The current screening of tenants is related to identifying the risk of money laundering and corruption, which can indicate risks of breaches of human rights and decent working conditions.

In annual meetings with all tenants in the portfolio, tenants have the opportunity to provide feedback and suggest improvements, including in relation to HSE issues. In 2024 a separate, new item regarding security was included on the agenda for the meetings. All tenants are also invited to respond to an annual survey where feedback is requested on HSE conditions.



HSE conditions are also discussed at each fortnightly meeting with the contractor. Malling reports back to Nordea Liv each quarter, including to describe the controls carried out during the quarter and the findings, if any.

Salient human rights issues regarding Nordea Group investments in general are reported in the first part of this Statement.

## **2.4 Nordea Finans Norge AS**

Nordea Finans Norge AS is a wholly owned subsidiary of Nordea Bank Abp. The company is the Group's specialist in leasing, car financing, factoring and sales financing. The products are distributed through the parent company's sales network or via cooperating suppliers. The latter can be car dealerships or suppliers of machinery, equipment or information and communication technology.

Nordea's human rights procedures and policies cover Nordea Finans Norge, with no deviations or additions.

Nordea Finans Norge has not identified any actual adverse impacts on fundamental human rights or decent working conditions that it may have caused or contributed to, or that may have been directly linked to its operations, products or services via the supply chain or business partners, during the reporting year. However, Nordea Finans Norge recognises that automotive manufacturing is considered to be a high risk area for negative human rights impacts.

## **2.5 Nordea Finance Equipment AS**

Nordea Finance Equipment AS is a wholly owned subsidiary of Nordea Bank Abp and has branches in Denmark and Sweden. The products are distributed via the parent company's sales network or via cooperating suppliers.

With its local presence and Nordic network, Nordea Finance Equipment caters to the Nordic business community's needs for capital-intensive equipment (such as excavators, trucks and tractors), liquidity, and administrative services through flexible financial solutions.

Nordea's human rights procedures and policies cover Nordea Finance Equipment, with no deviations or additions.

Nordea Finance Equipment has not identified any actual adverse impacts on fundamental human rights or decent working conditions that it may have caused or contributed to, or that may have been directly linked to its operations, products or

services via the supply chain or business partners during the reporting year. However, Nordea Finance Equipment recognises that the manufacturing of capital-intensive equipment can be a high risk area for negative human rights impacts.

## **2.6 Nordea Funds, Norwegian Branch**

Nordea Funds Ltd (NF) is a Finnish licensed fund company which is wholly owned by Nordea Bank Abp and follows the Nordea Group internal rules where relevant. NF is organised under Wealth Management and has branches in Denmark, Norway and Sweden.

NF has a Council of State license and is engaged in investment fund operations and other materially related activities. NF also has a AIFM license granted by the Finnish Financial Supervisory Authority, which authorises it to manage alternative investment funds (AIF) and offer investment management functions and other functions in the course of its collective management of AIFs. The funds follow the local legislation of the respective countries of fund domiciliation.

Nordea's human rights procedures and policies cover Nordea Funds, Norwegian Branch, with no deviations or additions.

Nordea Funds, Norwegian Branch has not identified any actual adverse impacts on fundamental human rights or decent working conditions that it may have caused or contributed to, or that may have been directly linked to its operations, products or services via the supply chain or business partners, during the reporting year.

## **2.7 Nordea Essendropsgate Eiendomsforvaltning AS**

Nordea Essendropsgate Eiendomsforvaltning AS (NEE) is a limited liability company established on 19 February 2004. The company operates within NACE industry 68.209, which includes the letting of own or leased real estate. NEE has a core business related to the leasing of office space and has entered into a lease agreement with a US company that owns the building where NEE rents office space. This is leased to Nordea Bank Abp, branch Norway, which has established its head office in the building and is the primary customer of NEE. The contract with NEE was transferred to Nordea Bank Abp ("Nordea") as part of the agreement between NEE and Nordea. NEE is a wholly owned subsidiary of Nordea, with no own subsidiaries.

Nordea is responsible for the day-to-day operation and maintenance of the office facilities. Investments must also be approved by Nordea before they are forwarded for approval by NEE. In order to maintain a streamlined management of the customer relationship and ensure that NEE fulfils its obligations as a landlord,

board meetings are held on a quarterly basis. These meetings provide an opportunity to monitor the management of the property, discuss any challenges, and ensure that future investments are carried out in line with the company's overall strategy and Nordea's needs as a tenant.

Nordea's human rights procedures and policies cover NEE, with no deviations. In addition, NEE conducts analysis of its suppliers, with a particular focus on risk assessment and sustainable partnerships. In 2024 a total of seven suppliers were analysed, four of which were identified as priority suppliers. It is important to emphasise that none of the Tier 1 suppliers come from countries classified as high or medium risk in terms of human rights, the climate, the environment, corruption, etc. All suppliers NEE works with are Norwegian companies. This contributes to a safe and transparent supply chain. Among the suppliers analysed, one assists with accounting, consulting and IT services, and another specialises in auditing. All of these suppliers are considered to be low risk, which is a positive indicator of their business practices and ability to handle any challenges that may arise.

In addition to the internal suppliers, Nordea plays a significant role in NEE's supply chain. NEE has two suppliers specialising in computer equipment which are directly affiliated with Nordea. The procurement process for these suppliers is handled through Nordea's procurement system, which further enhances the quality and responsibility of supplier selection. Overall, the analysis of the suppliers in 2024 shows that NEE maintains high standards in its choice of partners.

In conclusion, NEE has not identified any actual adverse impacts on fundamental human rights or decent working conditions that it may have caused or contributed to, or that may have been directly linked to its operations, products or services via the supply chain or business partners, during the reporting year.

## **2.8 Nordea Investment Management**

Nordea Investment Management AB, Norwegian Branch (NIM) is a Swedish investment firm wholly owned by Nordea Asset Management Holding AB, which is a Swedish limited liability company wholly owned by Nordea Bank Abp ("Nordea"). NIM has branches in Denmark, Finland, Norway, Germany and Portugal, and subsidiaries in Denmark, the United Kingdom and the United States.

NIM is an investment firm established under Swedish law and authorised by the Swedish Financial Supervisory Authority to conduct investment services and investment activities. NIM's core business is to provide investment advice; reception, transmission and execution of orders; and discretionary portfolio

management services to institutional clients, which may be Nordea Group internal or external clients.

Nordea's human rights procedures and policies cover NIM, with no deviations or additions.

NIM has not identified any actual adverse impacts on fundamental human rights or decent working conditions that it may have caused or contributed to, or that may have been directly linked to its operations, products or services via the supply chain or business partners, during the reporting year.

Salient human rights issues regarding Nordea Group investments in general are reported in the first part of this Statement.

### 3 Signatures

Signatures to the Norwegian Transparency Act statement for year 2024

Helsinki, 18 February 2025

Sir Stephen Hester  
*Chair*

Lene Skole  
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The Boards of Directors of the following subsidiaries have adopted the parts of the report that are relevant to them; Nordea Eiendomskreditt AS, Nordea Liv Forsikring AS, Nordea Liv Eiendom AS, Nordea Finans Norge AS, Nordea Finance Equipment AS, Nordea Funds Norwegian Branch, Nordea Essendropsgate Eiendomsforvaltning AS and Nordea Investment Management AB, Norwegian branch.

<sup>1</sup> Employee-elected Board member

# Nordea



ANNEX 2 to the Human Rights Report  
**Modern Slavery and Human  
Trafficking Statement**

Approved by the Board of Directors of Nordea Bank Abp

## **ANNEX 2 – Modern Slavery and Human Trafficking Statement**

This is Nordea’s Modern Slavery and Human Trafficking Statement, published pursuant to the UK Modern Slavery Act 2015 (“The Act”). The Act sets out a range of measures for dealing with modern slavery and human trafficking under UK law. A commercial organisation that supplies goods or services in the United Kingdom and has a total global turnover exceeding GBP 36m is required to prepare and publish a modern slavery and human trafficking statement.

This is Nordea’s statement for the financial year ending 31 December 2024.

The Statement is an annex to our Human Rights Report, which is available in English on our website and complements the Sustainability Statement in our Annual Report.

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## 1 About Nordea

The Nordea Group (hereafter “we”), comprising Nordea Bank Abp and its consolidated subsidiaries, is the leading financial services provider in the Nordics, with a 200-year history of supporting the region’s economies. Our values are deeply rooted in these open, progressive and collaborative societies.

Our purpose is to enable dreams and aspirations for a greater good. We strive to be personal, expert and responsible – to deliver great customer service and contribute to successful and sustainable economic development in the Nordics.

We offer a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. Our household banking services include mortgages and consumer loans, credit and debit cards, and a wide selection of savings, life insurance and pension products. Our corporate banking services include business loans; cash management, payment and account services; risk management products and advisory services; debt and equity-related products for liquidity and capital raising purposes; corporate finance; institutional asset management services; and corporate life and pension products. We also distribute general insurance products.

Our headquarters are in Helsinki, Finland, and we have local head offices in Copenhagen (Denmark), Oslo (Norway) and Stockholm (Sweden). Each of our four business areas – Personal Banking, Business Banking, Large Corporates & Institutions, and Asset & Wealth Management – has operations in all four Nordic countries.

Our vision is to be the preferred partner for our Nordic customers, including for their banking needs outside the Nordics. Our teams in Nordea Asset Management are located in various branches and subsidiary offices in Europe, the Americas and Asia.

In addition to impacting society through our business areas, we are a large employer with over 30,000 employees, located mainly in the Nordic countries and Poland.

As the leading Nordic financial services provider, we have a key role to play in driving society towards a sustainable future. Sustainability is at the core of our business strategy, integrated into all aspects of our business operations. Our sustainability strategy rests on four strategic pillars<sup>24</sup>: social responsibility, financial

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<sup>24</sup> Read more about our strategic pillars at [Our sustainability targets | Nordea](#).

strength, climate and environmental action, and governance and culture. These pillars are derived from the UN's [Sustainable Development Goals \(SDGs\)](#), all of which are related to human rights.<sup>25</sup>

We believe that managing human rights impacts and avoiding adverse human rights impacts is not only the right thing to do, but also a smart thing to do, as such impacts may, over time, become risks to the business.



Illustration: The strategic pillars under our sustainability strategy are integrated into all aspects of our business operations.

You can read more about our work relating to other aspects of sustainability in our Annual Report and our [Sustainability Policy](#). More information about the Nordea Group, including our [organisational chart](#) and an explanation of our [legal structure](#), can be found on our [website](#).

## 2 Our commitment to respect human rights

We are committed to respecting internationally recognised human rights standards and meeting the corporate responsibility to respect human rights as defined in the UNGPs and OECD Guidelines. We expect the same of our suppliers, the companies in our investment portfolio, our lending customers, and our other business

<sup>25</sup> Read more about the relation between the UN SDGs and human rights in [SDG\\_HR\\_Table.pdf](#).

relationships. Our commitment to support and respect human rights is stated and further elaborated in our [Code of Conduct](#) and [Human Rights Policy](#).

We are also guided by the following voluntary commitments, to which we have pledged our support as signatories:

- the UN Global Compact
- the Principles for Responsible Investment
- the Principles for Responsible Banking
- the Equator Principles.

In addition, we are a member of the Investor Alliance for Human Rights.

### **3 Preventing modern slavery and human trafficking**

We disapprove of all forms of modern slavery and human trafficking. We also recognise that we may be exposed to modern slavery and human trafficking risks, mainly through suppliers of the goods and services we procure and through companies we offer our services to or invest in. Of the different forms of modern slavery, we consider our exposure to be mainly to the risk of labour exploitation.

Primarily through our financing and investments, but also within our own operations, we work to identify and abolish forced labour, human trafficking, modern slavery and child labour through policies, guidelines, assessments and actions. More about our work in this area can be found in the following sections.

We also recognise that the Nordic region is a destination for human trafficking. This is therefore a prioritised risk in our crime detection and prevention efforts.

### **4 Overview of our human rights due diligence**

We recognise both the significance of, and challenges associated with, respecting human rights. We also recognise that, just like any other business, we may cause, contribute to or be directly linked to various adverse human rights impacts through our operations, our suppliers, or the businesses we lend to or invest in. We are therefore committed to conducting and continually improving our human rights due diligence in these different areas. Our progress is at different levels of maturity depending on the area, as highlighted in section 3.4 below.

To evaluate the current state of our human rights due diligence process, we conducted a maturity assessment during the 2024 reporting period. Supported by external expertise, a newly established internal Human Rights Due Diligence

Taskforce performed a systematic review of our existing efforts to respect human rights across all business activities and relationships. The Taskforce adopted a Group-wide approach and developed a comprehensive implementation plan to coordinate our human rights due diligence processes.

We also gain valuable insights into our human rights due diligence performance through external evaluations, such as ESG ratings and benchmarking exercises. During the reporting period we were pleased to see the BankTrack Human Rights Benchmark recognise us as one of few banks that had made significant improvements.<sup>26</sup> The BankTrack Human Rights Benchmark evaluates 50 of the largest banks globally on their human rights policies, processes, reporting and practices.

Additionally, during the reporting period we initiated an assessment to prepare for the upcoming implementation of the Corporate Sustainability Due Diligence Directive (to apply from mid-2027).

Based on the insights gained from these internal and external reviews, we continued planning for the enhancement of our Group-wide, coordinated human rights due diligence process.

The general principles for conducting human rights due diligence at Nordea include taking responsibility for identifying and assessing impacts and measures to address them. In addition to performing risk and materiality assessments, we continually work to improve our screening and monitoring to identify human rights risks associated with our suppliers, investments, lending and customers. In order to prevent and mitigate adverse human rights impacts, we integrate these findings into our processes and take suitable action. If we cause or contribute to adverse human rights impacts, we initiate appropriate processes, engaging with affected stakeholders or independent experts as needed. When direct engagement is not possible, we explore proxy alternatives, such as industry initiatives or trade unions, to support remediation.

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<sup>26</sup> [The BankTrack Global Human Rights Benchmark 2024.](#)

## **5 Human rights governance and executive oversight**

At Nordea corporate governance refers to relations between our senior management, our Board of Directors, our shareholders and other stakeholders, such as employees and their representatives. It also determines the structure used to define our objectives, the means of achieving them and monitoring the results obtained. Strong corporate governance is thus about having clear and systematic decision-making processes; providing clarity regarding responsibilities; avoiding conflicts of interest; and ensuring satisfactory internal control, risk management, transparency and accountability.

Our human rights governance is integrated into our sustainability governance structure, which in turn is founded on the principles of accountability and transparency, and on ethical principles. Our governance is designed to embed respect for human rights across our operations. It fosters collaboration, engagement and accountability throughout the organisation, enabling us to address human rights challenges effectively.

The Board Operations and Sustainability Committee (BOSC), Board Risk Committee, Board Remuneration and People Committee and Board Audit Committee assist the Group Board (NBB) in fulfilling its oversight responsibilities regarding Group adherence to human rights commitments and goals, and associated remuneration.

The President and Group CEO works together with a team of senior leaders within the Group Leadership Team (GLT), which reports directly to him. The GLT supports the President and Group CEO in managing the Group, and the GLT members are responsible for the performance, operations, risks, resources and development of their respective business areas or Group functions in accordance with the Nordea Group strategy, in the best interest of Nordea and in compliance with applicable laws and regulations.

The President and Group CEO, supported by the Group Leadership Team (GLT), is responsible for overseeing the implementation of our human rights commitments as part of our Group strategy. GLT is further supported by the Sustainability and Ethics Committee (SEC), the Risk Committee and the Asset & Liability Committee, coordinating within the Group to ensure commitment to and ownership of Group-wide prioritisations, decisions and implementations of human rights considerations. In addition, we have a Group Accountable Executive, reporting directly to the President and Group CEO, responsible for sustainability, including human rights.

The Group Sustainability unit plays a central role in driving our Group strategy and commitments, and in leading the implementation of activities related to social responsibility. It serves as an expert group, providing expertise and guidance on integrating human rights considerations throughout our operations. The implementation is further supported by functions such as Group Legal, Group Risk and Group Compliance to ensure proper risk management, alignment with regulations, and adherence to applicable legislation.

Upholding human rights in our daily business practices is the responsibility of each employee, regardless of their role or department. All employees are accountable for integrating respect for human rights into their work and contributing to our collective efforts, as stated in our Code of Conduct.

We have dedicated sustainability-focused ESG teams across our business areas and Group functions, staffed by sustainability professionals who support units and relationship managers with internal rules interpretation, training, and standard operating procedures. These teams include ESG analysts who gather information, conduct analyses, and develop processes and tools, including those related to human rights. Our business developers, who are primarily based within Group Sustainability, provide strategic oversight and drive implementation to ensure we meet our sustainability commitments.

We have established governance and a structured process to ensure that salient human rights issues receive the appropriate level of attention from senior management and governance bodies. Identified salient issues are discussed with SEC and are subsequently presented to GLT, BOSC and NBB. Additionally, while each unit follows its own escalation process, SEC is ultimately responsible for addressing all breaches or ethical concerns, ensuring that human rights and ethical considerations are consistently embedded in decision-making.

In 2024 salient human rights issues were presented and discussed in several governance fora. As part of our annual sustainability update, identified salient human rights issues were presented to GLT, BOSC and NBB. This process supports our senior leadership in being fully informed of potential human rights challenges and incorporating these considerations into their strategic planning, reinforcing our commitment to uphold human rights across all areas of our operations.

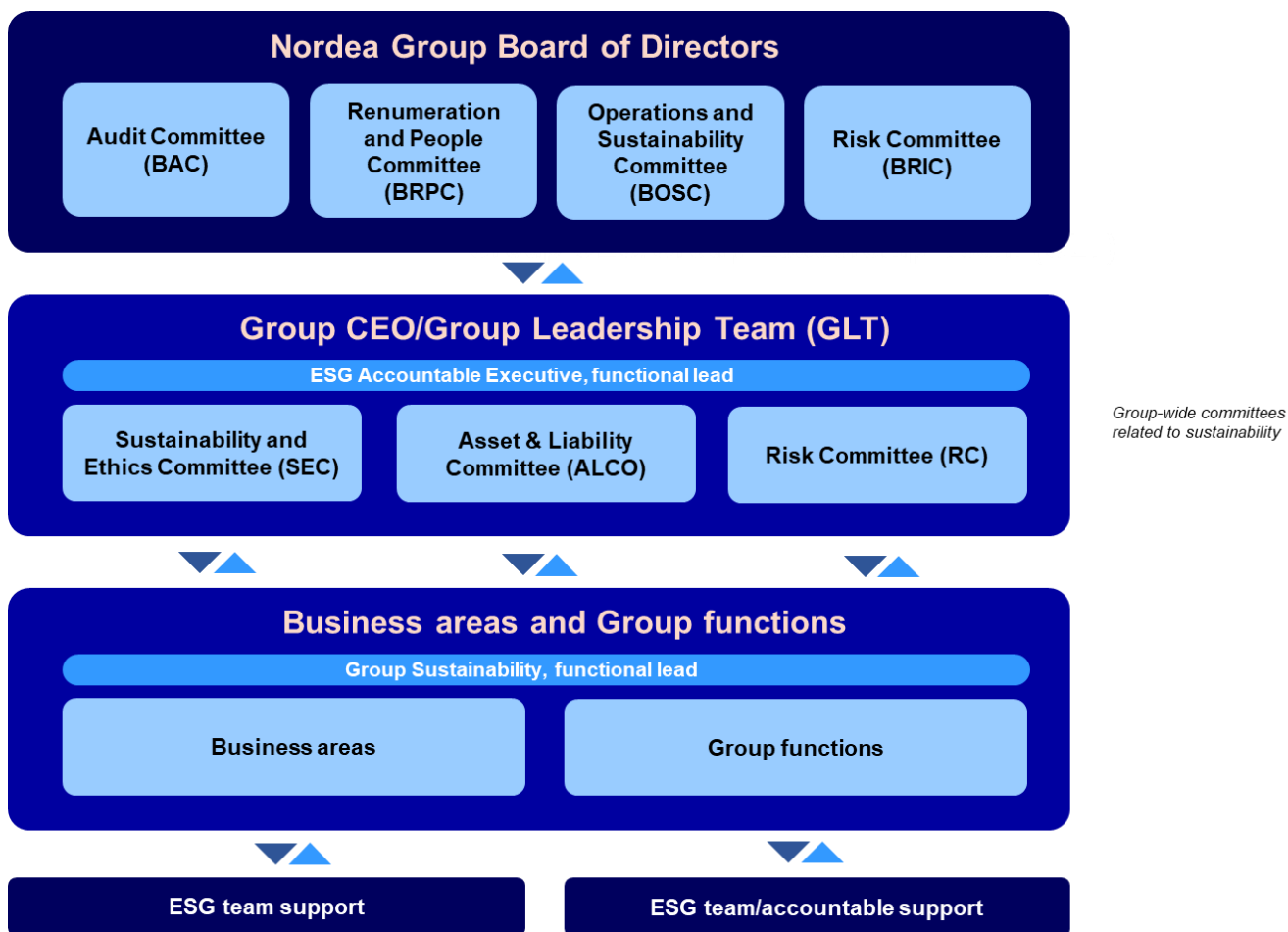


Illustration: Our sustainability governance structure

## 6 Grievance mechanisms and remedy process

We are committed to conducting business to the highest ethical standards and in accordance with applicable laws, rules and regulations. We therefore encourage all customers, employees and other stakeholders to always report any suspicion of fraudulent or unethical behaviour on the part of Nordea or its employees using our whistleblowing function, Raise Your Concern (RYC).

We ensure that all stakeholders – including customers, partners, affected communities, and employees – have the right to report concerns, including those related to human rights grievances. To support this, we have a secure and accessible electronic reporting tool, WhistleB. This allows anonymous reporting, ensuring confidentiality and protection for whistleblowers. It is a critical component of our commitment to transparency and accountability, particularly in addressing

human rights issues, as it ensures that grievances can be raised and addressed promptly and effectively.

Internally, we highlight the importance of reporting any actions that constitute a violation of laws and regulations (including own policies, instructions or guidelines issued to comply with laws and regulations) and that could thus harm our business or reputation or the health or security of our employees or customers.

The whistleblowing process is supported by a dedicated committee in each of the Nordic countries, Poland and Estonia.

Cases reported through RYC form part of the monitoring of compliance with our Code of Conduct. Summaries of key trends and case statistics are also reported on a no-names basis to the Chief Compliance Officer, Chief People Officer and Chief Risk Officer in addition to being included in management reports and reports to the Board of Directors. Furthermore, the RYC process and investigations are subject to regular quality controls, with defined escalation procedures for reporting any process deviations.

While our grievance mechanisms facilitate the reporting and escalation of concerns, our remedy process provides a structured approach to addressing and resolving these issues. If our operations are found to have caused or contributed to adverse impacts on human rights, we initiate appropriate remedial actions. In these cases, we actively collaborate with relevant judicial or non-judicial mechanisms as necessary to address and rectify the situation.

Our remediation processes are important elements of our human rights due diligence, involving engagement and dialogue with impacted and potentially impacted rights holders. These include workers, workers' representatives and trade unions, and other relevant parties. Within such processes, barriers to effective stakeholder engagement must be taken into account.

If it is not possible to engage directly with the impacted parties, we consider reasonable alternatives, such as consulting credible, independent expert resources, including human rights defenders, trade unions and civil society groups. If the impacts are not directly caused by us, we consider engaging with, for example, industry initiatives or local trade unions to support remediation.

## **7 Our salient human rights issues**

Based on the methodology explained above, we identified areas where our operations and value chain are exposed to significant actual and potential adverse



impacts on human rights. The results of the saliency assessment are presented per relevant area below.

**Own workforce:** Here, the key human rights issues are related to ensuring favourable working conditions. While no severe human rights impacts have been identified in this context, deeper assessment and monitoring are necessary, especially regarding high stress levels and gender imbalance in sick leave.

**Supply chain:** Within our supply chain, the main human rights impacts include labour rights and occupational health and safety. These impacts may arise in sectors supplying products or services to us. It is therefore essential that we ensure our suppliers have proper due diligence processes in place to identify and address potential adverse human rights impacts, specifically as regards labour practices and conditions for workers.

In addition to assessing the operations of our Tier 1 suppliers, our procurement sustainability experts conducted an initial human rights impact assessment of our supply chain to map the industries in which our suppliers operate and identify areas where there might be an elevated risk of negative impact on people. Based on our suppliers' operating context and the nature of the service or product they deliver to us, salient human rights issues in our supply chain beyond Tier 1 were identified. These relate to labour rights, occupational health and safety, child labour and forced labour.

In the absence of robust oversight, unethical practices can arise, particularly in the manufacture of electronic devices (which may be procured by us). The IT sector has been criticised for poor working conditions in manufacturing facilities, especially in Asia, where production can involve exposure to hazardous materials and risks due to improper electronic waste recycling.<sup>27</sup> We must therefore ensure ethical procurement policies and work to ensure fair labour practices to mitigate these risks and protect workers throughout the supply chain.

**Corporate lending:** In our corporate lending activities, the primary human rights impacts involve occupational health and safety and land rights in clients' own operations. These issues can be particularly prominent in sectors such as real estate, agriculture and shipping, where failure to properly manage these risks could negatively affect the safety and welfare of workers or disrupt local communities.

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<sup>27</sup> Working conditions in a global perspective, Eurofound and International Labour Organization, May 2019.

For instance, urban expansion and housing developments on public land have sparked conflicts with local communities in the Nordic region. These projects have been criticised for encroaching on protected green spaces and traditional areas of public use, raising concerns regarding transparency, fair compensation and consultation with affected communities. Furthermore, Finland, Norway and Sweden are home to the indigenous Sámi people, whose right to self-determination is protected by international human rights. [Banks financing companies or projects in Sámi homeland areas may be directly linked to adverse human rights impacts on Sámi people's rights](#) over their land and natural resources. Such cases underscore the importance of considering human rights impact assessments in lending decisions.

**Investments:** Human rights impacts related to our investments primarily arise from the activities of companies in the investment portfolios we manage. These impacts concern land rights, labour rights, occupational health and safety, and privacy. We have considered sector exposure in our assessment since higher levels of involvement may amplify the associated impacts, necessitating more robust due diligence and mitigation. At the time of the assessment, the portfolios were exposed to several sectors known for high human rights risk, including food and beverages, healthcare, technology, machinery and the automotive sector. However, there are frequent changes in the investment portfolio which affect the sector exposure. Special attention to companies operating in the high-risk sectors is thus warranted regardless of the current level of exposure to these sectors.

A contemporary example of salient human rights impacts in investments relates to electric vehicle (EV) supply chains. EVs play a critical role in the green transition, but the transition should also be just. Therefore, identifying and managing the associated risks, including labour rights abuses in mining and manufacturing, is of paramount importance.

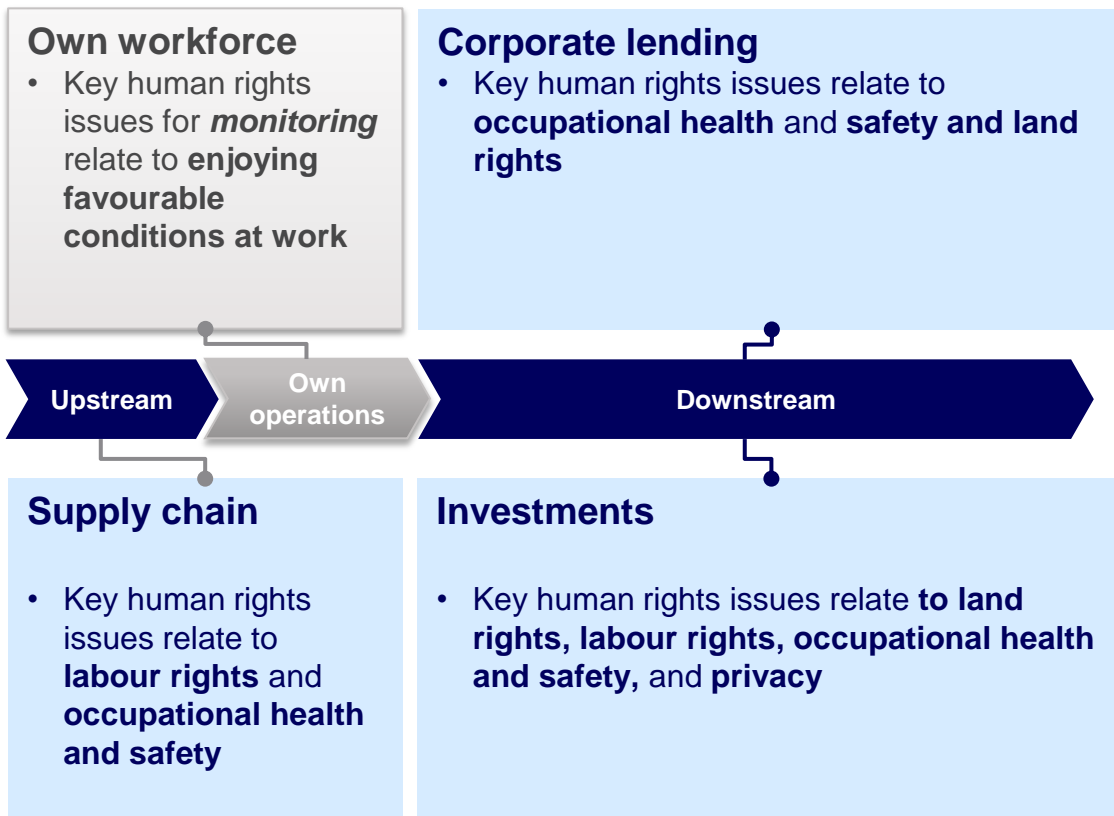


Illustration: Our salient human rights issues and key issues for monitoring.

## 8 Addressing our salient issues

The saliency of our human rights issues guides how we prioritise them for preventive, mitigating and remedial action. To address these issues effectively, we employ several strategic approaches:

**1. Deepened assessments:** We deepen our assessment of adverse human rights impacts, prioritising our salient issues. While we begin with the sectors most prone to severe negative impacts, we are responsive to evolving circumstances, recognising that the focus may shift based on our operations and external developments. Our approach ensures targeted processes and initiatives are in place to effectively prevent and mitigate potential harm.

**2. Effective resource allocation:** We focus the efforts of our workforce and our financial resources on the sectors with the greatest risks in order to effectively address the human rights issues that pose the greatest threat, such as health and safety and land rights.

**3. Tailored sector-specific approaches:** Recognising that human rights risks vary by sector (e.g. privacy concerns in technology versus land rights in agriculture), we

customise our strategies to meet the unique challenges of each sector – expressed in our sector guidelines – and thereby ensure more targeted and effective action.

These approaches are described in more detail for our supply chain, and lending and investment activities, below.

### *Supply chain*

We spend around EUR 2.5bn annually on our suppliers and have contracts in place with more than 1,500 suppliers. Our supply chain is global and encompasses a wide range of industries, from technology and consultancy to facility management and travel.

Human rights in our supply chain are governed by our Group Board Directive on Procurement and further detailed in our Sustainable Procurement Guideline. The Guideline describes how to conduct due diligence in the supply chain to ensure that we do not cause, contribute to or become linked to negative impacts. It also describes how we assess human rights-related risks and impacts in our supply chain, how we take action to prevent and mitigate such risks, and how we track progress and communicate the findings in the different stages of the procurement process. The findings of our supply chain-specific human rights impact assessment are included in the annual review of our supply framework and guidelines to ensure we continue to make progress in the area of human rights.

Respect for human rights is embedded throughout our procurement process. We include human rights indicators in both our supplier screening prior to contracting and our continuous monitoring after contracting. Through the screening process, we also identify whether the supplier is subject to negative media exposure or regulatory action due to human rights-related misconduct, enabling us to take appropriate action.

All our suppliers must contractually commit to the principles set out in our Supplier Code of Conduct. The Code includes positions on human rights and labour rights and an obligation for suppliers to ensure that subcontractors adhere to the same principles. It also includes an audit clause where we reserve the right to audit both suppliers and subcontractors to verify whether the principles are being implemented in practice. We thereby ensure that sustainability requirements are integrated into our supplier and contract management.

As part of our engagement with suppliers, we participate in Atea Sustainability Focus (ASF), an initiative enabling Nordic procurement organisations and the global IT industry to engage on how to achieve more sustainable operations.

Through our representation on the ASF Advisory Board, we seek to accelerate sustainability efforts, including the protection of human rights in the IT industry. The ASF Advisory Board provides annual recommendations to the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to supply chain sustainability. The RBA comprises more than 145 companies from the IT and electronics industry, representing a collective annual revenue of around USD 5.5tn and over six million workers in the supply chain.

### *Corporate lending*

Our lending portfolio is highly diversified, encompassing a wide range of industries and companies of different sizes. While predominantly based in the Nordic countries, the lending portfolio's footprint spans the world via the global operations of our large customers.

Integrating human rights into our external sector guidelines; internal guidance such as industry credit policies; and ESG risk assessments and tools is key to embedding human rights considerations in our lending process. In addition to complying with national laws and regulations, customers in relevant industries are expected to follow international norms and standards, and manage and mitigate adverse human rights impacts, such as forced labour, child labour, genocide, ethnic cleansing, crimes against humanity and war crimes<sup>28</sup>. Customers identified as breaching this position are expected to have meaningful actions in place to manage and mitigate adverse impacts on human rights.

ESG risk assessments, conducted for both existing and new customer relationships, serve to ensure that ESG-related credit risks, including social risk factors, are identified and assessed. We are currently working to strengthen our ESG assessment processes and tools in order to further integrate human rights risks into our lending activities, focusing on risk/impact identification and assessment. As part of our commitment to the Equator Principles, we also carry out an environmental and social impact assessment when financing large infrastructure and industrial projects.

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<sup>28</sup> As defined by the International Labour Organization.

## *Investments*<sup>29</sup>

We are the largest asset manager in the Nordics and are present in Europe, the Americas and Asia. Our investment portfolios include companies from a wide range of industries and regions.

Our [Responsible Investment Policy](#) describes the framework governing Nordea Asset Management's approach to responsible investments and ESG/sustainability-related matters. The Policy applies to our Nordea-branded investment strategies, with the exception of any holdings of such strategies in external funds and discretionary mandates at the client's request. It defines our positions linked to material ESG issues, as well as international norms and conventions. This guides and helps us prioritise our stewardship activities. The Policy also includes the position we take on human rights.

The investments we manage are further guided by our Group sector guidelines. We expect investee companies to comply with internationally recognised human rights principles and to prevent and manage impacts on human rights. We also expect them to conduct due diligence as defined by the UNGPs and to report on this and their human rights impacts. Upcoming regulatory initiatives related to human rights will render this all the more important.

We screen all holdings to identify companies allegedly involved in severe breaches of international law regarding human rights and labour standards. If a company is identified in this screening process, we initiate an internal assessment of both the company and the incident. We also use this screening process to identify companies to be made subject to engagement or exclusion. We have an exclusion list of corporates, including, for example, companies excluded due to actual violations of indigenous peoples' rights.

Active ownership plays a central role in our responsible investment approach. Our active ownership tools include engaging with investee companies, individually or

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<sup>29</sup> This text describes our human rights approach for investments managed by Nordea Asset Management (NAM). The text is also representative of processes applied for Nordea Life & Pension (NLP), since the vast majority of NLP's assets under management are managed by NAM. NLP is the largest life and pension company in the Nordics, with EUR [85]bn in assets under management as at the end of 2024. For more detailed information about NLP's ESG policy framework, see the [NLP Responsible Investment Policy](#), [Climate Change Policy](#) and [Engagement Policy](#).

together with other investors/stakeholders; attending and voting at annual general meetings; and, when relevant, filing shareholder proposals.

Engaging with the investee companies enables us to address material sustainability risks and opportunities, including those connected with human rights. We also encourage investee companies to set measurable targets and take concrete actions to meet them. While we are prepared to exclude or exit companies when we deem it necessary, our experience shows that active ownership can often be an effective tool to improve ESG performance, manage risks and identify opportunities.

We have around 25 responsible investment experts that work with ESG issues related to the investee companies. In 2024 our responsible investment team engaged in more than 1,300 dialogues with investee companies on ESG issues, including human rights.

Besides engaging with investee companies, we engage with standard-setters to support, for example, mandatory human rights due diligence and greater transparency in ESG-related reporting. We also actively participate in investor initiatives, such as the Investor Alliance for Human Rights. We signed the Principles for Responsible Investment in 2007.

Between 2016 and 2020, we funded and, as a steering committee member, were actively involved in the development of the Corporate Human Rights Benchmark (CHRB), which was integrated with the World Benchmarking Alliance in 2020. The CHRB provides a free and publicly available comparative assessment of the world's largest publicly listed companies. It assesses companies' policies, processes and practices related to human rights. Since 2017, we have engaged with companies that scored poorly in the CHRB assessments and the implementation of their human rights responsibilities under the UNGPs.

## **9 Preventing financial crime and respecting sanctions**

Financial crimes such as money laundering, terrorist financing, bribery and corruption can be related to serious human rights impacts. Our work on preventing financial crime therefore also plays an important role in our human rights work.

At Nordea, we do our utmost to ensure that our resources, products and services are not used to facilitate financial crime or any other illegal activities. Our website provides more information, including [our financial crime prevention policies and practices](#).

Sanctions refer to laws issued by countries such as the UK and the US and to sanctions decided by supranational organisations such as the EU and the UN. These laws/sanctions are designed to deter certain unwanted behaviour or policy from other countries, persons or groups (e.g. terrorist organisations) to achieve the issuing authority's foreign policy objectives. The UN sanction regime was established to maintain or restore international peace and security, whereas the EU global human rights sanctions regime provides a legal basis for the EU to target individuals, companies and bodies that are responsible for, involved in or associated with serious human rights violations and abuses.

At Nordea, customers and transactions are screened against relevant lists, such as the EU sanctions list. Screening is conducted first as part of the customer onboarding process and then on an ongoing basis. Customer relationships and transactions are also continuously monitored to enable the detection of any unusual activity, transactions or behaviour. If detected, such activity, transactions or behaviour will trigger internal alerts and investigations. Anything deemed suspicious will be reported to the relevant authorities. In such cases, we will also consider whether the customer relationship must be ended. Our website provides more information on [preventing financial crime](#).



## **10 Signature**

Signature to the Modern Slavery and Human Trafficking Statement for year 2024

Helsinki, 18 February 2025

Nordea Bank Abp

Sir Stephen Hester  
*Chair of the Board of Directors*