

# Nordea Sanctions Risk Management Policy Statement



## Sanctions compliance at Nordea

Sanctions compliance is a key part of the Group's overall financial crime risk management strategy. Nordea has a responsibility towards its customers, shareholders, regulators and society to ensure that:

- Nordea does not violate applicable sanctions laws, rules and regulations; and that
- Nordea's products and services are not used (knowingly or unknowingly) in violation, circumvention or evasion of sanctions laws, rules and regulations.

Nordea is committed to complying with all applicable sanctions laws, rules and regulations. Nordea follows the sanctions laws, rules and regulations of the EU, the UN, the US and the UK on a groupwide basis, subject to applicable local laws and regulations where necessary.

In addition to the sanctions that are applied on a Group-wide basis, all Nordea entities are required to comply with any additional sanctions laws, rule and regulations applicable within their jurisdiction. The Group may consider the application of such local sanctions regimes on a Group-wide basis where needed for Nordea's risk management objectives.

The Group may also set requirements for sanctions compliance and risk management that exceed the regulatory or legislative obligations due to geopolitical events, other various risk events, and updates to Nordea risk tolerance.

## Global Framework

Nordea's Sanctions framework includes, but is not limited to, the Group Board Directive on Financial Crime Risk Management, the Group Protocol on Sanctions Standards and relevant guidelines. The framework is based upon the various laws, rule and regulations and regulatory guidance from FATF, the United Nations, the European Union, Denmark, Finland, Norway, Sweden, the United Kingdom, the United States of America, and, as applicable, other local jurisdictions in which Nordea operates.

Nordea's Global Sanctions Framework enables Nordea to:

- Promote strong governance and sanctions risk management throughout Nordea.
- Define a clear and consistent foundation across Nordea to detect, deter, manage and identify sanctions-related risks.
- Define the standards which all Nordea branches, subsidiaries, and legal entities must comply with.
- Provide a uniform set of risk management principles and mandatory requirements throughout Nordea in order to protect Nordea from violating sanctions laws, rules and regulations.

## **Requirements**

The mandatory requirements include, but are not limited to :

- Defined accountabilities and responsibilities, decision-making fora/committees, necessary resources, and deployment of technology and systems throughout the group for sanctions management.
- Processes for management information and internal and external reporting.
- Mandated independent assurance, monitoring and testing of sanctions controls and measures.
- Processes for record keeping and processing of personal data.
- Regular sanctions training for employees.
- Performance of financial crime risk assessment where sanctions risk is included.
- Performance of adequate KYC measures to enable effective and efficient sanctions risk management.
- Sanctions screening, including investigating all alerts, of customers and third parties e.g. individuals, legal entities, correspondent banks, organizations and services provided etc. as well as payment activity and transactions against international and national sanctions and lists.
- Prohibiting business activity that may violate applicable sanctions laws or Nordea's internal Sanctions framework.
- Restricting business activity involving, directly or indirectly, countries or persons subject to selective or targeted sanctions programs.
- Reporting breaches of sanctions laws, rules and regulations to the relevant local competent authorities. This may include any attempt by a customer to evade such laws, rule and regulations.
- Blocking or rejecting transactions and freezing of funds where Nordea is required to do so under applicable sanctions laws, rules or regulations or Nordea's Sanctions Framework, including reporting to relevant local competent authorities.
- Transactions may also be returned by Nordea where they fall outside of Nordea's risk appetite.

Additionally, Nordea has adopted internal policies to address the totality of financial crime and other risks arising from specific geographic areas, including Afghanistan, Belarus, Crimea (including Sevastopol), Cuba, Iran, North Korea, Russia, Syria, and the oblasts of Donetsk, Luhansk, Zaporizhzhia and Kherson. Thus, as a general rule, Nordea neither processes payments, nor conducts other business activities related to these geographic areas.

Additionally, Nordea may impose controls to mitigate financial crime risk that impact the ability to use Nordea products or services. These may include controls that restrict access to Nordea services from certain countries or regions.

Read more on [Nordea Wolfsberg Financial Crime Compliance Questionnaire](#)