

Nordea



Sustainability Indices
2021

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SUSTAINABILITY INDICES

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Introduction

Nordea reports on environmental and sustainability performance on an annual basis since 2002. In 2021, for the first time, the sustainability reporting was integrated into Nordea's Annual Report and therefore a separate Sustainability Report is no longer being published.

In this document we present, indices referring to our reporting in relation to the Principles for Responsible Banking (PRB); the Task Force on Climate-related Financial Disclosures (TCFD); and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

- The sustainability disclosures in Nordea Annual Report 2021 are together with the PRB Reporting and Self-Assessment Template in this document where we report on the implementation of the PRB.
- We report climate-related information in line with TCFD. In this document we present a cross-reference – our TCFD Index – to where the recommended disclosures can be found in our external public reporting for 2021.
- Our sustainability disclosures in Nordea Annual Report 2021 have been prepared in accordance with the GRI Standards: Core option. In this document we present our GRI Content Index including omission statements.
- The sustainability disclosures in Nordea Annual Report 2021 are our Communication on Progress submission to the UN Global Compact (UNGC). References to where information in relation to the implementation of each of the ten principles can be found are included in the GRI Content Index in this document.

An independent third party, PricewaterhouseCoopers Oy (PwC), has provided assurance on the sustainability information provided in the Annual Report; in the PRB Reporting and Self-Assessment Template on pages 2–7 in this document; in the TCFD Index on pages 8 in this document; and in the GRI Content Index on pages 9–13 in this document as indicated in the Independent practitioner's limited assurance report on page 337 in Nordea Annual Report 2021.

Principles for Responsible Banking Reporting and Self-Assessment Template

The table below sets out the reporting and self-assessment requirements for signatories of the PRB. It is where we provide our response and self-assessment in relation to the principles and provide references and links to where in our existing reporting and at public domains the required information

can be found. The **highlighted** text indicates responses where limited assurance is specifically required. For details about the third-party assurance performed by PricewaterhouseCoopers Oy, see their assurance report on page 337 in Nordea Annual Report 2021.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/relevant information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Nordea serves approximately 10 million customers through our presence in 21 countries, including our four home markets: Denmark, Finland, Norway and Sweden. Our four business areas – Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management – are designed to support the relationship strategy for each specific customer segment.</p> <p>Personal Banking In Personal Banking we provide our household customers with easy and convenient everyday banking and sound advice. We offer a full range of financial services and products through our omnichannel model, a combination of high-quality digital and inperson channels, always striving to deliver great customer experiences. We have operations in all four Nordic countries.</p> <p>Business Banking In Business Banking we offer banking and advisory products and services to small and medium-sized enterprises. Business Banking also includes the product and specialist units Transaction Banking, which provides payment and transaction services, and Nordea Finance, which provides asset-based lending and receivables finance. We have operations in all four Nordic countries.</p> <p>Large Corporates & Institutions In Large Corporates & Institutions we provide financial solutions to our large Nordic corporate and institutional customers. We also service a broad range of Nordea customers through the product and specialist units Markets and Investment Banking & Equities, and our international corporate branches in London, New York and Shanghai.</p> <p>Asset & Wealth Management In Asset & Wealth Management we offer an extensive range of award-winning savings products through internal and external distribution channels, and provide financial advice to high net worth customers and institutional investors. We have operations in all four Nordic countries and asset management sales offices in several locations worldwide.</p>	<p>See Note G8 "Staff costs" in Nordea Annual Report 2021 for a list of the countries in which we have operations (employees).</p> <p>See pages 16–27 and 54 in Nordea Annual Report 2021 for information about our business areas and legal structure.</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals, The Paris Agreement, and relevant national and regional frameworks.</p>	<p>Developing as a sustainable bank is an integrated part of our business strategy. We aim to provide the best possible support to customers wishing to transition to a more sustainable future, and actively contribute to society to benefit the greater good.</p> <p>In 2021 we launched a new long-term plan to fully integrate sustainability into our business strategy. Our work rests on four strategic pillars: financial strength, climate action, social responsibility and governance and culture. The pillars draw on the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement. Under each pillar, we are focusing on relevant SDGs and sustainability topics that impact us or that we can have a significant impact on – by reducing the negative impact or increasing the positive impact of our business activities and internal operations.</p> <p>For climate action, we have set 2030 and 2050 objectives and medium-term targets. For the other three pillars, we have set medium-term targets. The targets and objectives were approved by the Group Leadership Team in November 2020 and by the Board in December 2020. This year, we revised and further strengthened our targets and the Board decided to include ESG targets in executive remuneration programmes.</p> <p>We also revised and strengthened our sustainability governance model so as to be able to execute our strategic sustainability agenda as effectively as possible.</p>	<p>See pages 28–40 and Note S6 "Materiality and impact analysis" in Nordea Annual Report 2021.</p>

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and the environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact analysis

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

- a) **Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in as described under 1.1 have been considered in the scope of the analysis.
- b) **Scale of Exposure:** In identifying its areas of most significant impact, the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.
- c) **Context & Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.
- d) **Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d).)

Show that building on this analysis, the bank has:

- * Identified and disclosed its areas of most significant (potential) positive and negative impact.
- * Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts.

- a) **Scope:** We performed a combined materiality and impact analysis in 2020. Since we are a Nordic bank with most of our lending in four of the Nordic countries, the impact analysis covered Denmark, Finland, Norway and Sweden. The analysis focused on lending and our balance sheet and covered three of our four business areas, Personal Banking, Business Banking and Large Corporates & Institutions. Asset & Wealth Management was excluded from the analysis as the impact analysis methodology did not yet cover investments/asset management when the analysis was conducted. A tool covering investments – the Investment Portfolio Impact Analysis Tool – was launched in 2021, and we have initiated work to conduct an impact analysis of our investments that we expect to finalise in 2022.
- b) **Scale of Exposure:** For consumer banking (Personal Banking), the impact analysis covered mortgages. For corporate banking (Large Corporates & Institutions) and business banking (Business Banking), the impact analysis covered our top ten sectors (according to the tool guidance for the UNEP FI Portfolio Impact Identification Tool which was used when conducting the impact analysis). At an overall level, in 2020 we had our largest lending to households (55%) followed by corporates (43%) and the public sector (2%). Within corporate lending, our largest exposure was to Real estate (34%), Industrials (25%) and Financial institutions (12%). In addition, we had some country-specific lending to Agriculture in Denmark (16%), to Utilities and public service in Finland (10%), to Maritime in Norway (15%) and to Consumer discretionary and services in Sweden (7%). The figures are more or less the same for 2021.
- c) **Context & Relevance:** By using the UNEP FI Portfolio Impact Identification Tool, where country needs scores is included, the most relevant challenges and priorities related to sustainable development in the four Nordic countries were taken into account in the impact analysis.
- d) **Scale and intensity/salience of impact:** All in all, the combined materiality and impact analysis helped us identify ten SDGs that are of significance for Nordea from an impact perspective – either negative or positive. The ten SDGs were grouped into three strategic pillars: financial strength, climate action and social responsibility. In scrutinizing the result of the analysis, we identified that we also work with upholding peace, justice and strong institutions and we work in partnerships to achieve the goals. These make up our fourth strategic pillar: governance and culture. All our strategic pillars are connected to targets for 2023 and climate action also to long-term objectives.

See Note S6 "Materiality and impact analysis" in Nordea Annual Report 2021 for details about the materiality and impact analysis.

See pages 28–40 and Note S1 "Financial strength", Note S2 "Climate action", Note S3 "Social responsibility" and Note S4 "Governance and culture" in Nordea Annual Report 2021 for more information about our strategic pillars, identified SDGs and corresponding targets.

For a full list of exact exposure per sector and country, see Note G2 "Risk and liquidity management" in Nordea Annual Report 2021.

When conducting the combined materiality and impact analysis, we worked closely with internal stakeholders from all levels and parts of the organisation and we also had a dedicated group of Board members as an advisory board who were consulted on several occasions. In addition, we sought input from external stakeholders such as academia, NGOs, investors and customers. The purpose was to obtain their input and to put our suggested strategy into a holistic context to challenge it and put us to the test, ensuring we had taken all relevant impacts into consideration.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We undertook an impact analysis in 2020 and identified the significant impacts that are associated with our consumer and corporate banking portfolios. A tool covering investments – the Investment Portfolio Impact Analysis Tool – was launched in 2021, and we have initiated work to conduct an impact analysis of our investments that we expect to finalise in 2022.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>2.2 Target setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/ climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive impact of the set targets.</p>	<p>In 2020, we worked intensively with a new long-term plan for how to integrate sustainability into our business strategy. As the PRB provides the framework and tools needed by banks to collectively address the global sustainability challenges and work towards the objectives of the SDGs and the Paris Agreement, it was the beacon guiding our work. Our significant sustainability topics were identified through a combined materiality and impact analysis and then grouped into the four strategic pillars financial strength, climate action, social responsibility and governance and culture. These are now connected to medium-term targets and the pillar climate action also to long-term objectives. The targets and objectives were approved by the Group Leadership Team in November 2020 and by the Board in December 2020. In 2021, we revised and further strengthened our targets.</p>	<p>See Note S6 "Materiality and impact analysis" in Nordea Annual Report 2021 for details about the materiality and impact analysis.</p> <p>See pages 28–40 and Note S1 "Financial strength", Note S2 "Climate action", Note S3 "Social responsibility" and Note S4 "Governance and culture" in Nordea Annual Report 2021 for more information about our strategic pillars, identified SDGs and corresponding targets.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis. We have set targets corresponding to our identified areas of significant impact, divided into our four strategic pillars.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>The long-term plan for how to integrate sustainability into our business strategy includes a commitment to achieve net zero emissions by 2050 backed-up by long-term objectives for climate action and medium-term targets for all strategic pillars.</p> <p>To ensure that sustainability is integrated into all business areas and Group functions, we have established a Group-wide implementation programme with dedicated work streams and an Operational Steering Committee in 2021. The programme's progress is monitored by the SEC on a quarterly basis. Starting in 2022, we will integrate sustainability targets into our remuneration programmes to support the integration of sustainability into all internal processes.</p>	<p>See pages 28–40 and Note S1 "Financial strength", Note S2 "Climate action", Note S3 "Social responsibility" and Note S4 "Governance and culture" in Nordea Annual Report 2021 for more information about our targets.</p> <p>See page 39 and Note S4 "Governance and culture" in Nordea Annual Report for details about our governance structure.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring. The Group-wide implementation programme with dedicated work streams and the Operational Steering Committee will ensure that the long-term plan is integrated into all business areas and group functions. SEC is responsible for monitoring the implementation of the targets as well as tracking progress against them.</p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>2.4 Progress on Implementing Targets</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set targets.</p> <p>Or explain why actions could not be implemented/ needed to be changed and how your bank is adapting its plans to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (Where feasible and appropriate, banks should include quantitative disclosures.)</p>	<p>Since we became a signatory in September 2019, we have conducted a combined materiality and impact analysis (in 2020), launched a long-term plan for how to integrate sustainability even further into our business strategy, and set publically disclosed targets that are based on the impact analysis.</p> <p>In 2021 we have worked intensively to reduce our negative impact and increase our positive impact on the way towards meeting the set targets. Starting already in 2020, we have reduced our exposure to some of the most climate-exposed sectors. We have grown our green lending to corporates significantly and have introduced green corporate loans at reduced rates in some countries. We are also seeing clear changes in our customers' savings behaviour. Customer demand for sustainability-linked offerings is growing. When it comes to our own investments, we engage in active ownership to support investee companies in the transition. As a bank, we have large lending and investment portfolios. We can therefore have a great influence in contributing to the transition. Drawing on our long-standing expertise in ESG work, we will continue to develop world-class advice, products and services for customers driving the transition to a more sustainable future. We will also continue to drive the transformation needed to meet the objectives of the Paris Agreement, and pursue or actively support other initiatives aimed at mitigating negative climate change and supporting sustainable development – for example, those related to the COP26 Climate Change Conference.</p>	<p>Actions taken to move towards meeting set targets are disclosed on pages 28–40 and in Note S1 "Financial strength", Note S2 "Climate action", Note S3 "Social responsibility" and Note S4 "Governance and culture" in Nordea Annual Report 2021. In the same notes, we also present status for each target.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets. Our new targets were implemented in 2021, and we are reporting on progress for these in Nordea Annual Report 2021.</p>		
<p>Principle 3: Clients and customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Our Code of Conduct, together with our Sustainability Policy, defines the high-level principles that guide our business, how we treat our customers and the conduct expected from our employees. How we meet our customers, is also defined in standard operating procedures, processes, guidelines and tools designed to ensure our compliance with all legal obligations in relation to our customers.</p> <p>The Nordea Sustainability Policy sets out the principles for how we ensure the long-term sustainability of our operations and, in so doing, strengthens long-term customer relationships and our contribution to a greater good.</p> <p>Besides the Sustainability Policy, we have position statements and sector guidelines that provide guidance and principles regarding various themes or sectors for dealing with both business opportunities and risk reduction. Nordea recognises potential negative environmental and social impacts and expects clients and investee companies to meet high standards in managing such risks. Our stated expectations describe what Nordea considers to be best practice, and should be seen as guidance for companies in areas where such issues are considered material. The guidelines also provide information on the requirements and thresholds that we apply to different sectors in addition to compliance with national laws and regulations.</p> <p>We signed the UN Principles for Responsible Investment (UNPRI) already in 2007 and are thus committed to integrating environmental, social and governance (ESG) factors into our investment analysis, decision-making processes and active ownership practices. All our funds are managed according to our Responsible Investment Policy.</p>	<p>All our directives, policies, instructions, position statements and sector guidelines are listed in Nordea Annual Report 2021 in Note S8 "Position statements and sector guidelines" and Note S9 "Directives, instructions and policies".</p> <p>Our Code of Conduct, Sustainability Policy, Responsible Investment Policy, the Position Statements, Sector Guidelines and other relevant policies can all be found at https://www.nordea.com/en/sustainability/policies.</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>In 2021 we further developed and expanded our sustainability offering in each of our four business areas. In Personal Banking we provided 2,300 advisers across the Nordics with dedicated training in sustainability areas, enabling them to support customers with the best possible advice in relation to sustainability-themed savings. We also released a new loan product in Sweden for sustainable house renovation.</p> <p>In Business Banking we launched green loans at reduced rates for small and medium-sized enterprises in Finland and Sweden in collaboration with the European Investment Fund. In Norway, we began piloting our green deposits solution, which gives larger customers the opportunity to invest their excess liquidity while helping to finance our green lending.</p> <p>In Large Corporates & Institutions we engaged with customers on sustainability-linked financing and supported large corporates in designing low-carbon transition plans. We also launched our first green securities finance loan for corporate customers.</p> <p>In Asset & Wealth Management we introduced several new sustainability-themed products, including our Global Climate and Social Impact Fund, which offers customers the opportunity to get attractive returns while helping to fund solutions to the world's most pressing social problems.</p>	<p>See pages 3–40 in Nordea Annual Report 2021.</p>

Principle 4: Stakeholders
 We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impact. This should include high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/ results achieved.</p>	<p>We are committed to building and sustaining strong and longlasting relationships with our stakeholders. We continually seek insights into their needs and expectations, and respond in a timely manner with relevant actions and engagement. In 2016, we performed a thorough stakeholder analysis to identify which stakeholders to engage with from a sustainability perspective. The analysis is revisited every year to ensure it is accurate. In 2021 we fine tuned the analysis further clustering our stakeholders into six major stakeholder groups: customers; employees; shareholders; suppliers; authorities; and society at large.</p> <p>When we conducted the combined materiality and impact analysis in 2020, we worked closely with internal stakeholders from all levels and parts of the organisation and we also had a dedicated group of Board members as an advisory board who were consulted on several occasions. In addition, we sought input from external stakeholders such as academia, NGOs, investors and customers. The purpose was to obtain their input and to put our suggested strategy into a holistic context to challenge it and put us to the test, ensuring we had taken all relevant impacts into consideration.</p>	<p>See Note S7 "Our stakeholders" in Nordea Annual Report 2021 for details about our stakeholder engagement activities in 2021.</p> <p>See Note S6 "Materiality and impact analysis" in Nordea Annual Report 2021 for details about how we involved our stakeholders in the impact analysis in 2020.</p>
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Principle 5: Governance and Culture
 We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>We changed our sustainability governance structure in 2021 and assigned the different Board committees greater responsibility in relation to sustainability and ESG oversight. We also appointed a Group Accountable Executive for ESG risks and established a new executivelevel Group-wide committee – the Sustainability and Ethics Committee (SEC) – as a sub-committee of the CEO's Group Leadership Team.</p> <p>To ensure that sustainability is integrated into all business areas and Group functions, we have established a Group-wide implementation programme with dedicated work streams and an Operational Steering Committee. The programme's progress is monitored by the SEC on a quarterly basis.</p>	<p>See page 39 and Note S4 "Governance and culture" in Nordea Annual Report 2021 for details on our sustainability governance structure.</p>
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Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity-building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>One of our strategic pillars is governance and culture, which focuses on strengthening a purpose-led culture with a sound and strong operating model to enable speed and scale in the transition to a resilient economy and at the same time reduce sustainability-related risks.</p> <p>The successful integration of sustainability and ESG factors into our business strategy and risk management, respectively, requires application across the entire Group and the development of a culture where the mindset is one of long-term sustainability and value creation. This entails investing in building competence and capabilities and ensuring that sustainability considerations are reflected in our remuneration structures, performance management and leadership communication. Starting in 2022, we will integrate sustainability targets into our remuneration programmes to support the integration of sustainability into all internal processes.</p>	<p>See page 39 and Note S4 "Governance and culture" in Nordea Annual Report 2021.</p>
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>Our Sustainability and Ethics Committee (SEC) is the governance forum for the implementation of the long-term plan for how to integrate sustainability into our business strategy, hence relating to PRB.</p>	<p>See page 39 and Note S4 "Governance and culture" in Nordea Annual Report 2021 for information about the SEC.</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles. Our Sustainability and Ethics Committee is the governance forum for the implementation of the long-term plan for how to integrate sustainability into our business strategy, hence relating to PRB.</p>		
<p>Principle 6: Transparency and accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in a minimum of two areas (see 2.1–2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on the implementation of these Principles.</p>	<p>In 2020, we have completed our first impact assessment and set targets, which were implemented in 2021. Progress against targets are measured and communicated externally on an annual basis.</p> <p>In 2020 we also launched a long-term plan for how to integrate sustainability into our business strategy which is one of the requirements of being a signatory.</p> <p>We are an active participant in several working groups within the PRB initiatives to develop the impact tool, reporting and assurance further.</p> <p>Nordea is a Banking Board representative for the Nordic Region.</p> <p>We have endorsed a number of important international treaties that help guide us and live up to our overarching commitments.</p>	<p>See this self-assessment and reporting template and the references provided herein.</p> <p>For information about commitments and collaborations, see https://www.nordea.com/en/sustainability/commitments-collaborations</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking. Nordea has made good progress in 2021 of implementing the principles in line with our long-term plan for how to further integrate sustainability into our business strategy and the four strategic pillars with connected targets.</p>		

TCFD Index

In 2021 we have further progressed climate-related financial disclosures in line with the recommendations from the TCFD. Below is a cross-reference to where the recommended disclosures can be found in our external public reporting for 2021. References in the table below are page numbers in Nordea

Annual Report 2021 if not otherwise stated, such as "P3" which refers to Pillar 3 disclosures published in Nordea Group Capital and Risk Management Report 2021. All reports referred to can be found at [nordea.com](https://www.nordea.com).

Disclosure	Reference
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	67, 129–130, 326, P3
b) Describe management's role in assessing and managing climate-related risks and opportunities.	67, 129–130, 326, P3
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	30–34, 318–321, P3
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	29, 30–34, 315–321, P3
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	32–34, 315–316, 318–319, P3
Risk Management	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	30–31, 131–132, 315–316, P3
b) Describe the organisation's processes for managing climate-related risks.	30–31, 89, 129–132, 161, 315, P3
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	30–31, 89, 131–132, 315–316, P3
Metrics and Targets	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	32–34, 315–316, 318–320
b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	315–316, 318–321
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	11, 315, 317

GRI Content Index

Our sustainability disclosures in Nordea Annual Report 2021 have been prepared in accordance with the GRI Standards, and with relevant parts of GRI G4 Financial Services Sector Disclosures. We claim to report in accordance with GRI Standards: Core option but have a few omissions. These are

marked with an “X” in the table below and described in detail on page 13. References in the table below are page numbers in Nordea Annual Report 2021 if not otherwise stated.

GRI Standard	Disclosure	Reference	Reason for omission disclosed on page 13	UNGC principle
GRI 101: Foundation 2016				
General disclosures				
GRI 102: General Disclosures 2016				
102-1	Name of the organisation	Back cover		
102-2	Activities, brands, products and services	18–25		
102-3	Location of headquarters	Back cover		
102-4	Location of operations	18–25, 177		
102-5	Ownership and legal form	51, 56–57		
102-6	Markets served	18–25		
102-7	Scale of the organisation	8–9, 44–49		
102-8	Information on employees and other workers	36–38, 169–177, 324–325	X	6
102-9	Supply chain	327–328		
102-10	Significant changes to the organisation and its supply chain	50–51, 327–328, 335		
102-11	Precautionary Principle or approach	34		7
102-12	External initiatives	32, nordea.com/ sustainability		
102-13	Memberships of associations	nordea.com/sustainability		
102-14	Statement from most senior decision-maker	4–5		
102-16	Values, principles, standards, and norms of behavior	39, 161		10
102-17*)	Mechanisms for advice and concerns about ethics	91, 161		
102-18	Governance structure	39, 66–78, 326		
102-20*)	Executive-level responsibility for economic, environmental and social topics	39, 67, 326		
102-26*)	Role of highest governance body in setting purpose, values, and strategy	29, 39, 326, 330		
102-30*)	Effectiveness of risk management processes	326		
102-32*)	Highest governance body's role in sustainability reporting	326		
102-40	List of stakeholder groups	332		
102-41	Collective bargaining agreements	325		3
102-42	Identifying and selecting stakeholders	332		
102-43	Approach to stakeholder engagement	332		
102-44	Key topics and concerns raised	332		
102-45	Entities included in the consolidated financial statements	50–51, 106, 110–111		
102-46	Defining report content and topic Boundries	335		
102-47	List of material topics	330–331		
102-48	Restatements of information	325, 327, 329		
102-49	Changes in reporting	335		
102-50	Reporting period	335		
102-51	Date of most recent report	335		
102-52	Reporting cycle	335		
102-53	Contact point for questions regarding the report	335		
102-54	Claims of reporting in accordance with the GRI Standards	335		
102-55	GRI content index	Nordea Sustainability Indices 2021		
102-56	External assurance	337		

*) Not required for Core option.

GRI Standard	Disclosure	Reference	Reason for omission disclosed on page 13	UNGC principle
Material topics				
ANTI-CORRUPTION				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	12, 29, 39-40, 90, 161-162, 327, 330, 334		10
103-2	The management approach and its components	12, 39-40, 90, 161-162, 327, 334		10
103-3	Evaluation of the management approach	12, 39-40, 90, 161-162, 327		10
GRI 205: Anti-corruption 2016				
205-2	Communication and training about anti-corruption policies and procedures	161	X	10
ANTI-COMPETITIVE BEHAVIOUR				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 161, 330, 334		
103-2	The management approach and its components	161, 334		
103-3	Evaluation of the management approach	161		
GRI 206: Anti-competitive behavior 2016				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	110, 201		
TAX PAYMENTS				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 39-40, 326, 330		
103-2	The management approach and its components	39-40, 326, 330		
103-3	Evaluation of the management approach	40, 326		
GRI 207: Tax 2019				
207-1	Approach to tax	40, 326		
ENERGY				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 32, 34, 321, 330		7, 8
103-2	The management approach and its components	32, 34, 321		7, 8
103-3	Evaluation of the management approach	32, 34, 321		7, 8
GRI 302: Energy 2016				
302-1	Energy consumption within the organisation	321-322	X	7, 8
302-3	Energy intensity	321		8
EMISSIONS				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 32-34, 318-322, 330		7, 8
103-2	The management approach and its components	29, 32-34, 317-322, 330		7, 8
103-3	Evaluation of the management approach	29, 32-34, 318-322, 330		7, 8
GRI 305: Emissions 2016				
305-1	Direct (scope 1) GHG emissions	319-322		7, 8
305-2	Energy indirect (scope 2) GHG emissions	319-322		7, 8
305-3	Other indirect (scope 3) GHG emissions	319-322		7, 8
305-4	GHG emissions intensity	321-322		8

GRI Standard	Disclosure	Reference	Reason for omission disclosed on page 13	UNGC principle
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 34, 40, 327, 330		8
103-2	The management approach and its components	34, 40, 327, 330		8
103-3	Evaluation of the management approach	34, 40, 327, 330		8
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	328		8
308-2	Negative environmental impacts in the supply chain and actions taken	328		8
EMPLOYMENT				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 36-37, 325, 330		6
103-2	The management approach and its components	36-37, 325, 330		6
103-3	Evaluation of the management approach	36-37, 325, 330		6
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	325	X	6
TRAINING AND EDUCATION				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 36-37, 325, 330		6
103-2	The management approach and its components	36-37, 325, 330		6
103-3	Evaluation of the management approach	36-37, 325, 330		6
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	325	X	6
404-2	Programs for upgrading employee skills and transition assistance programs	325		
404-3	Percentage of employees receiving regular performance and career development reviews	325	X	
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 36-38, 330		6
103-2	The management approach and its components	36-38, 323, 330		6
103-3	Evaluation of the management approach	36-38, 330		6
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	38, 325		6
NON-DISCRIMINATION				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 38, 324, 330		6
103-2	The management approach and its components	38, 324, 323, 330		6
103-3	Evaluation of the management approach	38, 324, 330		6
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	324	X	6

GRI Standard	Disclosure	Reference	Reason for omission disclosed on page 13	UNGC principle
SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 36, 40, 323, 327, 330		1, 2, 4, 5
103-2	The management approach and its components	36, 40, 323, 326-327, 330		1, 2, 4, 5
103-3	Evaluation of the management approach	36, 40, 323, 327, 330		1, 2, 4, 5
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	328		2, 4, 5
414-2	Negative social impacts in the supply chain and actions taken	328		2, 4, 5
CUSTOMER PRIVACY				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 39-40, 327, 330, 334		
103-2	The management approach and its components	39-40, 327, 330, 334		
103-3	Evaluation of the management approach	39-40, 327, 330		
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	327	X	
PRODUCT PORTFOLIO				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	18-25, 29, 329, 330		1, 4, 5, 6
103-2	The management approach and its components	18-25, 29, 317, 323, 329, 330		1, 4, 5, 6
103-3	Evaluation of the management approach	18-25, 29, 329, 330		1, 4, 5, 6
GRI G4: Financial Services Sector Disclosures				
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	329		9
ACTIVE OWNERSHIP				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 34, 330		
103-2	The management approach and its components	34, 317, 330		
103-3	Evaluation of the management approach	34, 330		
GRI G4: Financial Services Sector Disclosures				
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on social and environmental issues	34		
FS11	Percentage of assets subject to positive and negative environmental or social screening	329		
COMMUNITY ENGAGEMENT				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary	29, 36, 324, 330		
103-2	The management approach and its components	36, 324, 330		
103-3	Evaluation of the management approach	324, 330		
Own indicator	Engagement in volunteering activities	324		
Own indicator	Volunteering hours	36		

Reasons for omissions from the GRI Standards

GRI Standard	Reason for omission	Explanation
102-8	Not applicable	We do not report total number of employees by employment contract (permanent or temporary) by region as we do not collect that information for any purpose. We do not therefore expect to align our reporting by contract by region in the future.
205-2	Not applicable	Data regarding the mandatory training Licence to Work, provided on page 161, is our disclosure for GRI 205-2 regarding training about anti-corruption. Anti-corruption policies and procedures are included in our Code of Conduct which is part of the Licence to Work training. The Licence to Work training is mandatory for all employees and consultants working for Nordea. Our suppliers are covered by the Nordea Supplier Code of Conduct in which adherence to anti-corruption as stated in the UNGC is a requirement. We report only the number of employees who have completed their Licence to Work training as a percentage of the total workforce, which includes all employees (excluding those on long-term leave) regardless of region and employee category. The completion rate is excluding consultants. The Code of Conduct is published on Nordea's Intra and at nordea.com, i.e. communicated to all, both employees and external parties.
302-1	Not applicable	Fuel consumption and total energy consumption are not reported in joules as we receive it in litres or MWh from our suppliers of data. We do not have any steam consumption. We do not sell any electricity, heating, cooling or steam. We therefore do not report on GRI 302-1 c. iv) or 302-1 d).
401-1	Information unavailable	We do not report new employee hires but only employee turnover rate. Employee turnover rate is reported according to the following definition: Number of permanent FTEs who have left Nordea at their own request divided by average number of FTEs within a chosen period. We can only obtain data on Group level, which is sufficient for our purpose of tracking this measure and we do not plan to report it by age group, gender or region.
404-1	Not applicable	Reporting training hours as a total and per employee is sufficient for our purposes of tracking this measure and we do not plan to report this indicator by gender or employee category in the future.
404-3	Not applicable	Reporting employees receiving regular performance and career development reviews is sufficient for our purposes of tracking this measure and we do not plan to report this indicator by gender or employee category in the future.
406-1	Not applicable	We report general actions taken as a result of reported cases. However, in order to protect the integrity of the reporters, we do not disclose status of specific incidents or actions taken.
418-1	Confidentiality constraints	We describe our process for ensuring compliance with GDPR but cannot disclose the number of complaints concerning breaches of customer privacy due to confidentiality constraints.

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