

Policies for integration of sustainability risks in Nordea Bank Abp

Sustainability risk means an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Nordea Bank Abp (“Nordea”) distribute and offer financial products and give advice on them. Nordea performs discretionary portfolio management and has also outsourced parts of the discretionary portfolio management to Nordea Investment Management AB (“NIM”). Nordea is responsible for the customer relationship for the outsourced service and monitors the portfolio management regularly.

Nordea integrate sustainability risk by having established internal procedures to ensure that the financial products we give advice on have proper sustainability risk integration.

Information on how we integrate sustainability risks is included in our internal guidelines, e.g. our distribution strategy. As an example, we require that the managers of the financial products we give advice on are signatories to the United Nations Principles for Responsible Investments (UN PRI) and are as a minimum integrating ESG safeguards, meaning that norm-based screening and exclusion lists are applied as minimum standard in the products.

We also give advice on products with enhanced ESG level. This is based on our internal framework and includes stricter requirements on managers and products to ensure enhanced ESG level. Sustainability risk integration in the investment decision process is an important aspect for these products and ESG factors are typically applied as a key selection criterion. This product group is called “Sustainable Choice”.