

Nordea Principal Adverse Sustainability Impacts Statement

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1 Summary

The following is to be considered as the “adverse sustainability” impact statement of Nordea Bank Abp (“Nordea”), as referred to under article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

This statement is published because Nordea considers principal adverse impacts (“PAI”) in investment decisions on sustainability factors for our discretionary portfolio management of which the majority has been outsourced to Nordea Investment Management AB (“NIM”) or other appointed managers who also consider PAI. This means that Nordea itself considers PAI or relies on the managers’ PAI assessment on sustainability factors in discretionary portfolio management.

Examples of PAI indicators in investment decisions are investments’ negative impact on climate, e.g. carbon footprint or how and to what degree a company respects human rights or how it addresses other social or employee matters.

The climate, environmental and social impact of the investment decisions in Nordea’s portfolio management is described in our, and the appointed managers’ engagement policies, NIM’s Responsible Investments Policy and NIM’s PAI Statement.

Further, Nordea considers PAI in investment and insurance advice. As PAI data coverage received from managers will be continuously improved we will develop our product evaluation processes accordingly.

2 Description of policies to identify and prioritise principal adverse sustainability impacts

Nordea has established a robust governance structure for managing environmental, social and governance (“ESG”) matters. Nordea aims to identify adverse sustainability impact from our investment decisions, and the investment decisions of the managers that we appoint in several ways. We, and our appointed managers, avoid direct investments in companies that do not meet our minimum safeguards, and perform regular screening of underlying holdings. This means that companies we, or the manager, assess as having high adverse sustainability impact on one or more

indicators are excluded or handled according to the applicable engagement policy. We strive to invest in companies and use managers that are at the forefront when it comes to integrating ESG issues in their processes. This enables us to identify and prioritise investments that have lower adverse sustainability impact.

3 Description of PAI and actions taken or planned in relation to PAI

Nordea wants to make a difference together with customers and enable them to make sustainable choices contributing to society through climate action and social impact. Nordea has a long history of ESG integration in investment management and all advisers are required to ask customers whether they have a sustainability preference for their investments.

Nearly all types of economic activity have the potential to impact various sustainability factors, both positively and adversely. Climate is one sustainability factor that is adversely impacted by our investments. We view climate change as the largest threat to our planet, ecosystems and communities, as well as being a critical issue for long-term investors. We support the objectives of the Paris Agreement to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Nordea's ambition is to become a bank with net zero emissions by 2050 at the latest, and therefore we will address the adverse impact of climate change in our investment decisions. Nordea has also set a mid-term goal/target to reduce carbon emissions from its lending and investment portfolios by 40-50% by 2030.

Nordea, and the chosen managers, consider several PAI indicators related to climate and environment, social and employee matters, respect for human rights, anti-corruption, and anti-bribery in our investment decision. As of now Nordea reports on selected PAI indicators for our "Sustainable Choice" portfolios with the "Sustainability Footprint".

4 Description of actions to address principal adverse sustainability impacts

Nordea requires selected managers to have baseline integration of ESG safeguards, meaning that norm-based screening and exclusion lists are applied to ensure that the managers meet a minimum standard independent of the individual managers' ESG ambitions. In addition, our product group Sustainable Choice integrates additional ESG features. These products, depending on asset class or investment strategy, could for example apply additional sector exclusions, select securities with higher ESG standards, and/or invest thematically.

Nordea will evaluate selected managers in regards of ESG on a regular basis and recommended actions will be presented to the Nordea Investment Center Product Committee. If a manager's practices for addressing principal adverse sustainability impacts is deemed not satisfactory, Nordea shall initiate an engagement with the explicit objective to improve how the manager addresses PAI. The extent and level of action to be undertaken is decided by Nordea and could, as a final step, lead to divestment or exclusion.

5 Brief summary of engagement policy

Being an active owner is an important part of Nordea's investment strategy. Nordea believes that exercising shareholder rights and engaging with investee companies and managers to ensure strong ESG practices is important to safeguard the long-term interests of shareholders and society.

Please find more information in NIM's Engagement Policy and NIM's Responsible Investments Policy published on Nordea's website.

6 References to international standards

Nordea's application of PAI builds on relevant international conventions, commitments and norms, including, but not limited to:

- UN Environmental Programme Finance Initiative (UNEP FI)
- UN Global Compact (UNGC)
- UN's Universal Declaration of Human Rights,
- International Labour Organization's Conventions
- UN Convention against Corruption
- Rio Declaration on Environment and Development.
- UN Guiding Principles on Business and Human Rights (UNGP) Carbon Disclosure Project (CDP)
- Collective Commitment to Climate Action
- Principles for Responsible Banking (PRB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- The Equator Principles
- The Poseidon Principles

Nordea has committed to aligning its business strategy to be consistent with the goals listed in the Sustainable Development Goals and the Paris Climate Agreement. Nordea has the ambition to become a bank with net zero emissions by 2050 at the latest. Nordea has also set mid-term target to reduce carbon emissions from its lending and investment portfolios by 40-50% by 2030.

This statement applies as of 10th of March 2021 and will be reviewed at least annually.