

Nordea Human Rights scores: feedback to BankTrack

Category 1: Policy commitment.

No comments

2.1 Due diligence – 0,5 (1)

“Decreased due to methodology change. On Human Rights page: “Granting credit in Nordea is always based on sound banking practice and high ethical standards. Our business with private, corporate and institutional customers is based on a thorough knowledge of their specific situation and business activities. As part of this we assess the ESG risks, including human rights issues when relevant.” This is a commitment to carry out human rights due diligence, but the process has not been detailed sufficiently.”

Our comment:

See sections below from public reporting and referenced source.

Investments:

Engagement policy

“NIM’s Responsible Investments team regularly screens portfolios managed on behalf its clients to monitor investee companies on ESG matters to ensure ongoing compliance with NIM’s Responsible Investment Policy.”

” If a company is identified in the screening process, NIM will initiate an internal assessment process of the company and the incident and make a recommendation to the Responsible Investments Committee (“RIC”). The RIC is overall responsible for ensuring NIM’s ESG processes, including approving NIM’s Responsible Investments Policy, approving formal adoption of international norms and conventions and decide on the level of engagement or exclusion of investee companies that violate these.”

“NIM will typically not immediately exclude a company from its investment strategies, as NIM generally considers other actions more constructive. However, if the company is either unwilling to, or over time fails to improve, NIM will consider whether to quarantine or exclude the relevant company. If a company is quarantined NIM will make no further investments in the company on behalf of its clients, but NIM will continue to hold existing investments. If a company is excluded NIM will make no further investments and divest existing holdings on behalf of its clients. NIM’s exclusion list is publicly available at:

*<https://www.nordea.com/en/sustainability/sustainablebusiness/investments/exclusion-list/>.
NIM regularly performs due diligence on third-party ESG providers used for ESG screening”*

https://www.nordea.lu/documents/static-links/NIM_AB_Engagement_Policy.pdf s.5, (copy link to browser)

RI policy

“All Nordea funds are subject to an annual norm-based screening. The screening is used to identify listed companies allegedly involved in breaches of international law, and norms on environmental protection, human rights, labour standards and anti-corruption¹. If a company is identified in this

screening process, we will initiate an internal assessment process of the company and the incident. The norms-based screening also identifies companies that are subject to exclusion based on our exclusion criteria.”

(Responsible investment policy, https://www.nordea.com/Images/33-107801/RI_Policy_FEBRUARY_2019_v3.pdf s.4)

Proprietary ESG research

“We have created proprietary ESG research models, which we continuously develop and upgrade. Our ESG analysts use a risk model to assess companies and assign them an ESG risk score. The score is based on companies’ ability to conduct their business responsibly in relation to their stakeholders—employees, suppliers, customers, investors, the environment and society at large.”

“The final and most important part of our ESG analysis is company dialogue. Going beyond published information and discussing ESG risks directly with company management allows us to enhance the quality of our ESG rating and assessment of the company’s performance. During 2018, we conducted in-depth analysis of approximately 135 companies from an ESG perspective. Meetings and on-site visits were part of these analyses, as was feedback to the companies on their ESG materiality analysis.”

(Responsible investments annual report, https://www.nordea.com/Images/33-317881/RI-AR_eng_INT.pdf S.5)

Credit:

“Initiatives to integrate ESG risks into the credit risk framework have been implemented, such as reflecting sustainability considerations in the Group CEO instructions on Credit, embedding these in credit policies and guidelines to enhance the bank’s capability to identify and monitor ESG risks, in order to highlight the potential credit risk impact of ESG risks at both customer level and portfolio level. Screening and evaluation of ESG risk aspects has become an integral part of Nordea’s credit risk assessment for corporate customers. The impact of ESG risks is taken into account in credit-decision-making, including escalation to credit committees as determined by Nordea’s governance” (Sustainability report s.32 Governance and risk management.)

“ESG is one parameter in our risk evaluation in the credit decision-making process in the credit decision-making process for a customer. As part of these evaluations, we analyze and assess companies’ risk exposure, risk management and performance related to human and labour rights. Furthermore, we investigate whether companies have been involved in controversies, and the actions they have taken to mitigate and rectify the potential impacts of such controversies.” (Sustainability report s.16)

“The impact of ESG risks is taken into account in credit-decision-making, including escalation to credit committees as determined by Nordea’s governance” “We work systematically to embed human rights into all parts of the organisation and to strengthen our due diligence processes.” (Sustainability report s.16).

Text that is about to be updated and published, will notify you when it is published:

<https://www.nordea.com/sv/hallbarhet/hallbar-verksamhet/placeringar/aktivt-agande-och-engagemang/#tab=Our-Engagements>

The Corporate Human Rights Benchmark

“Nordea is a funding member and a member of the Advisory Council of the Corporate Human Rights Benchmark (CHRB). The benchmark measures, on an annual basis, the human rights performance of a number of the world’s largest publicly listed companies in industry sectors with high exposure to human rights risk. The benchmark looks at the policies, processes and practices the companies have in place to address their human rights efforts, and how they respond to serious allegations of human rights violations.

In 2017 and 2018 the CHRB assesses 101 companies from the Agricultural Products, Apparel, and Extractives industries that were chosen on the basis of their size (market capitalisation) and revenues. We integrate the results of the Corporate Human Rights Benchmark (CHRB) assessments into our ESG analysis and ownership activities. Following the first benchmark assessment in 2017, an engagement with the assessed companies was initiated by the CHRB investors - Nordea, APG Asset Management and Aviva- together with 85 other asset owners and managers with more than USD 5.3tn in AuM supporting the UN Guiding Principles Reporting Framework. The investor coalition has communicated its expectations on human rights, see below, and is now following-up on the 2018 and 2019 assessment results.

Companies are expected to:

- Publicly acknowledge their responsibility to respect human rights and formally incorporate this into publicly available statements of policy.*
- Use the UN Guiding Principles Reporting Framework as guidance for their reporting on human rights issues.*
- Include oversight of human rights-related risk as part of the Board’s responsibility*
- Embed human rights policy commitments in management systems, business operations and stakeholder engagements”*

Community Impact Benchmark

“Building on our norms-based screening process Nordea has developed its own Community Impact Benchmark to help us identify companies exposed to community impact risks and encourage improved risk management by companies with operations that have high environmental and social impacts on local communities. Companies from the Energy, Utilities and Materials sectors, with four confirmed controversies identified in our norms-based screening process, of which at least one with negative community impact are included in the benchmark. Indicators include human rights and environmental management and impact assessment on company and project level, FPIC process and stakeholder consultation, Severity, Responsiveness to controversies, and Remediation.

Failure to adequately manage community relationships erodes value, through for example increased financial, operational and regulatory risks. Poor management of community issues also conflict with the long-term, shared interest in promoting responsible and sustainable development in communities where companies operate. Our ownership activities, including engagement, with companies aims at promoting sustained profitability and risk management in portfolio companies in order to protect shareholder value and enhance long-term returns.”

Below is a text in Swedish, which we are able to translate and post to:

<https://www.nordea.com/en/sustainability/sustainable-business/financing/>

The text explains how sustainability is considered I credit decision process. Will update you when this is uploaded. This is submitted to the Swedish Bankers Association which all banks submit.

- ✓ Text in Swedish:
https://www.nordea.com/Images/37-180038/Hållbarhetsöversikt%20för%20Nordea_2019.pdf

”Våra relationer med kunderna - både hushåll, företag och institutioner - grundar sig på att vi kan deras verksamhet i detalj. Förutom att vi följer alla riktlinjer och principer som gäller för branschen har vi utarbetat egna verktyg och processer för att främja en helhetssyn i våra kreditbeslut och inkludera miljö, arbetstagar rättigheter miljö, socialt ansvar, mänskliga rättigheter, anti-korruption och bolagsstyrning när vi fattar besluten. Nordea stödjer rekommendationerna från TCFD (Task Force on Climate-related Financial Disclosures) och har under 2018 arbetat med att identifiera metoder för scenarioanalyser och stresstestning av vår kreditportfölj (och våra investeringar). Riktlinjer för kreditbeslut Nordeas uppförandekod är ett centralt styrdokument för vår kreditgivning tillsammans med våra principer om hållbarhet i fråga om finansiering, investeringar och rådgivning i vår hållbarhetspolicy.

Kreditgivningen bygger på ett koncerndirektiv som antagits av styrelsen, ”Group Board Directive on Risk”, i vilket vi under 2018 har lagt till ESG-risk som en riskkategori. I direktivet fastställs de övergripande principerna, som att alltid tillämpa sund bankpraxis och höga etiska standarder. Det föreskriver också att vi aldrig får tumma på allmänt vedertagna etiska och juridiska principer. Kreditinstruktionen för Nordeakoncernen beskriver hur kreditbeslutsfattandet är organiserat och vilka som har mandat att fatta beslut om limiter, med mera. Utöver dessa kreditinstruktioner har vi branschspecifika riktlinjer och principer för kreditgivningen i syfte att etablera en gemensam strategi för vår kreditportfölj och för att hantera riskerna.

Vi har branschspecifika riktlinjer för kommersiella fastigheter, energi, finansinstitut, finansiering av företagsförvärv (Leveraged Buy-Outs - LBO) samt shipping, offshore and oil services. Hållbarhet i kreditgivningen Vi utvärderar våra företagskunder löpande med avseende på risker och möjligheter inom hållbarhet. För de största företagskunderna har vi ett dedikerat team av experter som använder särskilda ESGverktyg (Environmental, Social och Governance) för att analysera företagen. För mindre företag inkluderas ESG-analysen i känn-din-kund-processen. För alla företag gäller att relevanta faktorer tas med i beslutsprocessen. Under 2018 har vi tagit fram branschspecifika hållbarhetsriktlinjer för försvarsindustrin samt shipping som tillsammans med kreditinstruktionen och de branschspecifika kreditriktlinjerna hanterar risker i dessa industrier som vi ser är särskilt riskfyllda ur ett ESG perspektiv.”

2.2 Consultation – 0 (0)

“No evidence of consultation of affected groups involved in due diligence process”

Our comment:

See referenced sections below.

RI policy:

3.7 Communication with relevant stakeholders

“NIM may communicate with relevant stakeholders in order to obtain further information and views that may serve as an input in NIM’s ongoing engagement with investee companies. NIM select the approach deemed to be in the best interest of its clients and when not in violation of any laws or internal policies. Relevant stakeholders include interest groups, public authorities and institutions, NGO’s and think-tank”

https://www.nordea.com/Images/33-107801/RI_Policy_FEBRUARY_2019_v3.pdf

Community impact benchmark (To be uploaded, will notify when published)

“Building on our norms-based screening process Nordea has developed its own Community Impact Benchmark to help us identify companies exposed to community impact risks and encourage improved risk management by companies with operations that have high environmental and social impacts on local communities. Companies from the Energy, Utilities and Materials sectors, with four confirmed controversies identified in our norms-based screening process, of which at least one with negative community impact are included in the benchmark. Indicators include human rights and environmental management and impact assessment on company and project level, FPIC process and stakeholder consultation, Severity, Responsiveness to controversies, and Remediation.”

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2.3 Allocating responsibility – 0,5 (0,5)

“No change from 2016: Human rights are factored into credit assessments and investing practices, and some allocation of responsibility is described, e.g. responsible teams, however this does not meet the criteria for a full point (e.g. differentiated responsibilities of staff in different functions, referral and escalation processes not described).”

Our comment:

See referenced sections below.

See sustainability governance structure on p.31-32, Sustainability Report 2018, for oversight in allocated responsibility and Risk Management Framework.

“Sustainability-related matters is monitored by the Business Ethics and Values committee (BEVC) chaired by the CEO. The BEVC reviews and approves relevant Group Internal Rules including external position statements and sector guidelines, monitors and influences selected relevant focus areas as

well as provide recommendation to business areas and group functions on various dilemmas and themes.”

Investments:

https://www.nordea.lu/documents/static-links/NIM_AB_Engagement_Policy.pdf/

“NIM’s Responsible Investments team regularly screens portfolios managed on behalf its clients to monitor investee companies on ESG matters to ensure ongoing compliance with NIM’s Responsible Investment Policy. This includes ensuring compliance with international conventions and norms. If a company is identified in the screening process, NIM will initiate an internal assessment process of the company and the incident and make a recommendation to the Responsible Investments Committee (“RIC”). The RIC is overall responsible for ensuring NIM’s ESG processes, including approving NIM’s Responsible Investments Policy, approving formal adoption of international norms and conventions and decide on the level of engagement or exclusion of investee companies that violate these.

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“ Initiatives to integrate ESG risks into the credit risk framework have been implemented, such as reflecting sustainability considerations in the Group CEO instructions on Credit, embedding these in credit policies and guidelines to enhance the bank’s capability to identify and monitor ESG risks, in order to highlight the potential credit risk impact of ESG risks at both customer level and portfolio level. Screening and evaluation of ESG risk aspects has become an integral part of Nordea’s credit risk assessment for corporate customers. The impact of ESG risks is taken into account in credit-decision-making, including escalation to credit committees as determined by Nordea’s governance”
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The text explains how sustainability is considered I credit decision process, with describes differentiated responsibilities in different staff functions. Will update you when this is uploaded. This is a part of the Swedish Bankers Association which all banks submit.

✓ Text in Swedish:

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“Våra relationer med kunderna - både hushåll, företag och institutioner - grundar sig på att vi kan deras verksamhet i detalj. Förutom att vi följer alla riktlinjer och principer som gäller för branschen har vi utarbetat egna verktyg och processer för att främja en helhetssyn i våra kreditbeslut och inkludera miljö, arbetstagarrättigheter miljö, socialt ansvar, mänskliga rättigheter, anti-korruption och bolagsstyrning när vi fattar besluten. Nordea stödjer rekommendationerna från TCFD (Task Force on Climate-related Financial Disclosures) och har under 2018 arbetat med att identifiera metoder för scenarioanalyser och stresstestning av vår kreditportfölj (och våra investeringar). Riktlinjer för kreditbeslut Nordeas uppförandekod är ett centralt styrdokument för vår kreditgivning tillsammans med våra principer om hållbarhet i fråga om finansiering, investeringar och rådgivning i vår hållbarhetspolicy.

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övergripande principerna, som att alltid tillämpa sund bankpraxis och höga etiska standarder. Det föreskriver också att vi aldrig får tumma på allmänt vedertagna etiska och juridiska principer. Kreditinstruktionen för Nordeakoncernen beskriver hur kreditbeslutsfattandet är organiserat och vilka som har mandat att fatta beslut om limiter, med mera. Utöver dessa kreditinstruktioner har vi branschspecifika riktlinjer och principer för kreditgivningen i syfte att etablera en gemensam strategi för vår kreditportfölj och för att hantera riskerna.

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2.4 Assessing relationship to impact (New) – 0 (n/a)

“No evidence found of a process for assessing relationship to an adverse impact”

Our comment:

See referenced sections below.

Human rights in value chain: Sustainability report, p.16: "As part of the these [ESG] evaluations, we analyse and assess companies' risk exposure, risk management and performance related to human and labour rights. Furthermore, we investigate if companies have been involved in controversies, and the actions they have taken to mitigate and rectify the potential impacts of such controversies."

Nordea's own operations: Sustainability report p.41: Nordea is committed and a signatory of UNGP that requires businesses to assess their adverse human rights impacts and minimize them.

See Sustainability report p. 39 for disclosure of screening for social issues in supply chain.

Investments:

“All Nordea funds are subject to an annual norm-based screening. The screening is used to identify listed companies allegedly involved in breaches of international law, and norms on environmental protection, human rights, labour standards and anti-corruption¹. If a company is identified in this screening process, we will initiate an internal assessment process of the company and the incident². The normsbased screening also identifies companies that are subject to exclusion based on our exclusion criteria.”

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Sustainability report, p 36: “The screening also identifies companies that are subject to the exclusion based on our exclusion criteria. This means that 100% of AuM is subject to negative ESG screening.”

Sustainability report, p 11" in 2018, we engaged with 126 companies representing 19% of assets under management to ensure that material ESG risks were being adequately managed,"

Credit:

"ESG is one parameter in our risk evaluation in the credit decision-making process in the credit decision-making process for a customer. As part of these evaluations, we analyze and assess companies' risk exposure, risk management and performance related to human and labour rights. Furthermore, we investigate whether companies has been involved in controversies, and the actions they have taken to mitigate and rectify the potential impacts of such controversies." (Sustainability report s.16)

"The impact of ESG risks is taken into account in credit-decision-making, including escalation to credit committees as determined by Nordea's governance" "We work systematically to embed human rights into all parts of the organisation and to strengthen our due diligence processes." (Sustainability report s.16).

2.5 Tracking effectiveness – 0 (0)

Comment from BankTrack:

"No evidence found of a process for tracking the effectiveness of the bank's response to human rights impacts"

Our comment:

See referenced source below.

Engagement policy states that we follow up on effectiveness and actions taken.

Engagement Policy

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New assessments done annually in CHRB where the companies response are assessed.

The Corporate Human Rights Benchmark

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Companies are expected to:

- *Publicly acknowledge their responsibility to respect human rights and formally incorporate this into publicly available statements of policy.*
- *Use the UN Guiding Principles Reporting Framework as guidance for their reporting on human rights issues.*
- *Include oversight of human rights-related risk as part of the Board’s responsibility*
- *Embed human rights policy commitments in management systems, business operations and stakeholder engagements”*

Community Impact Benchmark

“Building on our norms-based screening process Nordea has developed its own Community Impact Benchmark to help us identify companies exposed to community impact risks and encourage improved risk management by companies with operations that have high environmental and social impacts on local communities. Companies from the Energy, Utilities and Materials sectors, with four confirmed controversies identified in our norms-based screening process, of which at least one with negative community impact are included in the benchmark. Indicators include human rights and environmental management and impact assessment on company and project level, FPIC process and stakeholder consultation, Severity, Responsiveness to controversies, and Remediation.

Failure to adequately manage community relationships erodes value, through for example increased financial, operational and regulatory risks. Poor management of community issues also conflict with the long-term, shared interest in promoting responsible and sustainable development in communities where companies operate. Our ownership activities, including engagement, with companies aims at promoting sustained profitability and risk management in portfolio companies in order to protect shareholder value and enhance long-term returns."

3.3 Indicators – 0 (n/a)

BankTracks comment:

"The only indicator used in the Sustainability Report 2018 is "Operations that have been subject to human rights reviews or impact assessments" this is answered with: "We have not yet performed a human right assessment but will do so in the beginning of 2019. We cannot therefore report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments by country for 2018 but aim to do so for 2019. "

Our comment:

See referenced section in Sustainability Report:

Sustainability report, p 11" in 2018, we engaged with 126 companies representing 19% of assets under management to ensure that material ESG risks were being adequately managed,"

Sustainability report, p 36: "The screening also identifies companies that are subject to the exclusion based on our exclusion criteria. This means that 100% of AuM is subject to negative ESG screening."

"See Sustainability report p. 39 for disclosure of screening for social issues in supply chain."

4.1 Remediation – 0 (0)

BankTracks kommentar:

"No evidence of a commitment to or process for remediation of impacts to which the bank caused or contributed."

Our comment:

Read following referenced sections.

Code of conduct:

"We take action to remedy adverse human rights impacts involving the Group and to minimise the risk that we are complicit in human rights abuses"

s.6 <https://www.nordea.com/Images/37->

[227364/Nordea%20Code%20of%20Conduct%20Responsibility%20Sustainability%202017.pdf](https://www.nordea.com/Images/37-227364/Nordea%20Code%20of%20Conduct%20Responsibility%20Sustainability%202017.pdf))

Supplier code of conduct:

"suppliers should address such impacts when they occur and take action to remedy adverse human rights impact and to minimise the risk that they are complicit in human rights abuses."

<https://www.nordea.com/Images/37-291200/Nordea%20Supplier%20Code%20of%20Conduct.pdf> s.5)

Supplier guidelines:

Human Rights

"Internationally proclaimed human rights should be respected and protected, especially the rights of indigenous peoples. The supplier should identify and assess human rights risks, impacts as well as incidents of human rights abuses as a minimum by regular and on-going stakeholder dialogue. Depending on the size of the company, this may entail informal stakeholder dialogues or formal procedures undertaken by local government."

Grievance mechanism

The supplier should provide access to remedy by establishing a grievance mechanism appropriate to the scale and scope of the human rights risks and impacts. Stakeholders should be able to voice concerns without fear of reprisals and the supplier should take necessary action to find a just and reasonable resolution. The supplier should without hesitation take steps to address and remedy any human rights abuses. This includes taking action and compensating people who may have suffered abuse."

<https://www.nordea.com/Images/37-37323/nordea-supplier-guidelines-en.pdf> s.2)

Engagement policy

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NIM regularly performs due diligence on third-party ESG providers used for ESG screening"

https://www.nordea.lu/documents/static-links/NIM_AB_Engagement_Policy.pdf s.5, (copy link to browser)

4.2 Grievance mechanism – 0 (0)

“No evidence of a grievance mechanism which is open to affected communities (rather than only employees; customers)”

Our comment:

“No evidence of a grievance mechanism which is open to affected communities (rather than only employees; customers)”

Our comment:

See grievance mechanism below:

<https://www.nordea.com/sv/hallbarhet/hallbarhet-i-nordea-1/hallbar-arbetsgivare/etik-och-integritet/>

<https://www.nordea.fi/en/personal/get-help/whistleblowing.html>

Suggested text update below: Will notify when updated.

Committed to acting with integrity

Nordea's Code of Conduct and corporate values guide individual behaviour at Nordea, and all staff are regularly trained on this topic. Compliance with applicable laws and regulations, market standards and business ethics is a fundamental aspect of our corporate culture. **The Code of Conduct describes Nordea's high-level ethical principles that guide our business, how we treat our customers, and the conduct we expect from our employees. It includes aspects such as care for the environment, labour rights, how we treat our customers, commitment to human rights, the right to privacy, and anti-bribery and corruption.**

To ensure a consistent approach to risk and compliance training and communication, a joint risk and compliance training and culture team has been formed.

We consider compliance to be not just an obligation for our licence to operate, but as something we want to do to build trust among customers and make society safer.

Whistleblowing

We are committed to conducting business with the highest ethical standards and according to applicable laws, rules and regulations. Nordea's internal control and operating procedures are designed to detect and prevent misconduct and fraudulent actions. However, even the most efficient controls cannot fully safeguard against all possible incidents. For this reason, we encourage all **stakeholders, including** customers, partners, **affected communities** as well as our own employees to always report any suspected fraudulent or unethical behaviour **in our operations, products or services.**

Create report [here](#).

What should be reported

Our whistleblowing procedure is intended solely for reporting suspected misconduct **such as breaches of human rights**, or irregularities such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour.

The whistleblowing procedure should not be used for customer complaints or to report on issues related to personal disputes. If you wish to make a customer complaint, please visit our local sites: nordea.dk, nordea.fi, nordea.no or nordea.se.

How to report suspected misconduct

We encourage you to report openly, by providing your own name and contact details, as all reports are handled with strict confidentiality. However, you may also choose to report anonymously by using our system, which is managed by an external party. The system is separate from Nordea's IT systems and does not track IP addresses or other data that could identify a person sending a message.

Should you so choose, you have the right to request and receive a complete list of information stored regarding your case, and if needed, you have the right to request that Nordea corrects incomplete or incorrect information.

Reports can be in English, Danish, Finnish, Norwegian and Swedish; reports in other languages will not be processed.

4.3 Effectiveness

“No grievance mechanism found to assess.”

Our comment:

Effectiveness criteria for non-judicial grievance mechanisms

31. In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be:

(a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes; *(Anonymously and managed by external party. The system is separate from Nordea's IT systems and does not track IP-addresses or other data that could identify a person)*

(b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;

(c) Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;

(d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;

(e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;

(f) Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights;

(g) A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms; Operational-level mechanisms should also be:

(h) Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.