Nordea

NORDEA SECTOR GUIDELINE FOR MINING INDUSTRIES

Approved by Nordea Bank's Sustainability and Ethics Committee January 2026

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1 Mining Sector Guidelines

1.1 Outlook for critical minerals and rare earth elements

Minerals which are essential for a range of energy technologies and for the broader economy, have become a major focus in global policy and trade discussions. Critical raw materials (CRMs) – such as lithium, cobalt, nickel, copper, and rare earth elements (REEs) – are essential to the green and digital transitions. These materials are used in batteries, renewable energy technologies, electric vehicles, and defence systems. According to the International Energy Agency (IEA), demand for CRMs could increase by 4–6 times by 2040, driven by the global shift toward low-carbon energy systems.

The European Union adopted the Critical Raw Materials Act in 2023, setting targets for domestic extraction, processing, and recycling in response to growing strategic dependencies and the need to secure and diversify access to raw materials.

Global supply chains for CRMs are currently highly concentrated. Non-EU players dominate mining, refining and processing of many key materials, creating strategic vulnerabilities for Europe and other regions. Recent export restrictions have underscored the fragility of existing supply chains. As a result, the EU and Nordic countries are prioritising diversification, domestic production, and strategic partnerships to enhance supply security – reflecting a broader policy shift towards resilient and responsible supply chains. While recycling will help, it cannot meet demand due to technical limits, material losses, and the early lifecycle of many clean technologies[1]. Many clean technologies are still in their first lifecycle, delaying material recovery. Recycling processes also face technical limitations and material losses. Even under optimistic scenarios, secondary supply will only meet a fraction of future needs, making responsible primary extraction indispensable.

1.2 Mining and its impacts and risks in relation to sustainability

Mining activities carry environmental and social risks. In areas of high ecological or cultural value, such as protected areas, critical natural habitats, and indigenous territories, mining should be avoided. Elsewhere, responsible mining is possible with strong governance, stakeholder engagement, and the use of low-impact technologies. The use of brownfield sites, robust environmental assessments, and transparent monitoring are essential to minimise harm.

Riverine and subaqueous tailings disposal can cause long-term and sometimes irreversible ecosystem damages, including loss of biodiversity, disruption of food webs, and contamination of sediments. Even in well-regulated settings, scientific uncertainty remains.

[1] Global Critical Minerals Outlook 2025

Deep-sea mining raises concerns. Extraction and use of marine resources for mining, such as deep-sea mining, can significantly impact local marine ecosystems These ecosystems are slow to recover and need to be further researched and understood. Consequently, these activities have potential irreversible negative impacts and could lead to a reduction in marine biodiversity in affected areas.

Critical minerals (CRM) and Rare Earth Minerals (REE) are considered material because they are essential for many high tech, renewable energy, and defence applications, and their supply is often concentrated in few countries, making them economically and strategically important, but potentially vulnerable to supply disruption. Mining of rare earths as critical raw materials pose concerns due to opaque geopolitically supply chains and with the risk of environmental damage e.g. generated by toxic waste and radioactive byproducts.

Small-scale mining and quarrying are important for local economies and infrastructure. In the Nordics, such activities are regulated but require careful planning to reduce environmental impacts. Globally, artisanal and small-scale mining (ASM) supports millions of livelihoods but often lack oversight. Formalisation, community engagement, and access to finance are key to improving sustainability.

Mining is also **water intensive** and can cause water stress affecting biodiversity and ecosystems. Even in water-rich regions like the Nordics, local impacts on freshwater ecosystems and drinking water sources are a concern. Closed-loop systems, advanced treatment technologies, and strict discharge standards are essential to reduce harm.

Mining has a significant contribution to **climate change** through energy intensive operations, causing deforestation and disrupting natural carbon sinks. Electrification, use of alternative fuels, minimizing deforestation and early planning of restoring areas are needed to mitigate negative effects.

Mining can bring economic benefits, but risks related to displacement, inequality, and human rights violations need to be addressed. In the Nordics, legal safeguards exist. International frameworks such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights provide standards for responsible conduct. We want to increase our activity in social dialogue as a financial partner in contributing to a just society.

1.3 Nordea's position

Nordea supports a just transition to a net-zero economy, including responsible sourcing of raw materials critical to the green transition as defined by the EU. As the largest Nordic bank, our lending reflects local sectoral composition, while our investments are global. Mining is crucial for renewable energy and digital infrastructure but must be managed responsibly to mitigate environmental and social harm.

Our strategy is to support companies aligning with recognized sustainability standards and demonstrating improvement. Where gaps exist, we engage in strengthening practices and transparency.

We expect companies to apply the mitigation hierarchy: avoid, minimise, restore and offset impacts to biodiversity and ecosystem throughout mining project lifecycles[2]. We take a precautionary approach to offshore mining and closely monitor scientific developments and regulatory positions.

Deep sea mining raises concerns and opportunities. Given these impacts Nordea adopts a precautionary, science-based approach to Deep Sea Mining extraction. Nordea will monitor regulatory development until environmental, social, and economic risks are well-understood and managed, given that significant challenges to demonstrate economic viability and environmental and social responsibility in the industry remain.

We recognise the importance of building systemic resilience and ensuring that mining activities contribute to, rather than undermine, a just low carbon transition. Active engagement is our preferred strategy for achieving real-economy impact.

1.4 Sector specific scope

This sector guideline applies to Nordea's lending, facilitation, investment, and procurement involving companies with operational control over:

- Extraction and mining operations
- Mine closure and reclamation
- Offshore mineral extraction

For facilitation and lending, the scope is defined using the following NACE codes of segment and sub-segments from Nace code list 2.1

- 07 Mining of metal ores
- 07.1 Mining of iron ores
- 07.2 Mining of non-ferrous metal ores
- 08 Other mining and quarrying (excluding 08.1 small pit quarrying of stone, sand and clay)
- 08.9 Mining and quarrying n.e.c.

Companies classified under these codes are considered in scope of this guideline.

Scope limitations

A distinction is made between mining and quarrying. Mining refers to the extraction for commercial sale, typically involving long-term operations and processing.

Temporary or non-commercial extraction of stone, gravel, or other aggregates for internal use in construction or energy projects is excluded from this guideline.

Quarrying and small pit gravel solely for infrastructure is out of scope. Activities related to thermal coal, oil, gas, and peat are covered under Nordea's Sector Guideline for the Fossil Fuel-based Industries.

[2] Count with CLIMB - Mining with nature

The applied materiality threshold captures most of Nordea's exposure to the mining sector, including financed emissions and ESG risks.

2 Requirements

Nordea requires companies in our business relationships to comply with domestic legislation and policies.

2.1 Investments

Investee companies must comply with domestic law and Nordea requirements. This is monitored through norm-based screening on a best effort basis where data is available. Unidentified exposures may remain as residual risk. Requirements are managed as defined in Nordea Asset Management's and Nordea Life and Pension's respective Responsible Investment Policy[3].

6.1.1 Mountaintop removal mining

- Nordea will not invest in companies that practice Mountaintop Removal (MTR) mining.

6.1.2 Asbestos mining

- Nordea will not invest in companies with operational control over asbestos mining activities.

6.1.3 Nordea requires protection of designated sites:

- United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention sites
- Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat (RAMSAR)
- Natura 2000 Areas

6.1.4 Riverine and Subaqueous Tailings Depositing (SATD):

- Nordea requires that the practice of riverine tailings and SATD is demonstrably justifiable and based on best available technology with documented risk mitigation aligned to recognize international standards.

2.2 Financing and facilitation

Nordea requires protection of[4]:

- United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention sites
- Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat (RAMSAR)
- Natura 2000 Areas

[3] https://www.nordea.com/en/doc/responsible-investment-policy-2025.pdf, https://www.nordea.com/en/doc/nordea-life-and-pension-responsible-investment-policy-2024.pdf

[4] Interpreted as compliance with regulatory decisions concerning these area types, provided local regulation meets or exceeds international norms.

6.2.1 Mountaintop removal mining

- Nordea does not finance or facilitate new or existing customers that have operational control over mountaintop removal mining.

6.2.2 Asbestos mining

- Nordea does not finance or facilitate new or existing customers that practice asbestos mining.

6.2.3 Subaqueous Tailings Disposal (SATD) or Riverine Tailings Disposal (RTD)

- Nordea does not provide or facilitate finance to new customers or new projects that engage in subaqueous or riverine tailings disposal. For existing customers the practice of riverine tailings disposals (RTD) and subaqueous tailings disposal (SATD) must demonstrably comply with applicable environmental and risk management standards as evidenced by valid permits from the relevant authorities[24].

3 Expectations

Business relationships exempt from the above requirements are expected to work toward meeting Nordea's general and Sector-specific expectations, with a focus on reducing adverse impacts and demonstrating good environmental and social management.

Companies should pursue continuous improvement, adopt best available technologies, and commit tos sustainability standards, integrating these into planning and decision-making processes[5].

Environmental Management
Companies should have valid permits in place and operate a certified Environmental Management System (ISO 14001 or equivalent), with continuous monitoring of tailings, water, and emissions. Global operations are expected to maintain equivalent controls, with independent verification for high-risk projects.

Climate and Emissions
Measure and report scope 1, 2, and material Scope 3. Nordic operations are expected to have emission reduction plans aligned with EU and national targets. Global operations should follow international standards, including the Paris Agreement.

Biodiversity & Ecosystems
Conduct impact assessments and ongoing monitoring, with stronger oversight for high-risk ecosystems. The objective is to avoid, mitigate, and offset negative impacts by contributing to conservation efforts.

Water & Pollution
Implement water management for production sites and surrounding areas and waste disposal plans,

[5] See appendix 1 for List of relevant International Sector-Specific Standards and Frameworks for Mining ESG

including slags and hazardous waste, monitoring effluents, and ensuring that discharges do not exceed legal limits. Tailings and slurry-intensive operations should be subject to additional due diligence.

Labor, Health & Safety

Comply with local labor law and ILO standards, implement robust health and safety systems. Training, and accident prevention should be implemented based on industry safety guidance[6] and ensure third-party verification in higher-risk areas.

Community & Stakeholder Engagement

Companies should engage regularly and meaningfully with local communities, including Indigenous groups through FPIC where applicable, and maintain effective grievance mechanisms. Human Rights Impact Assessments are expected in high-risk or sensitive social contexts.

Land Acquisition and resettlement

Companies are expected to manage land acquisition and resettlement responsibly by respecting the rights and livelihoods of affected communities, providing fair and timely compensation, and applying enhanced safeguards in conflict-affected areas.

Artisanal and small-scale mining (ASM)

While we do not exclude investments and financing in companies operating in regions with artisanal and small scale mining activities, we expect our business partners to engage with local ASM communities to promote safe, legal, and responsible practices, addressing issues such as child labor, environmental degradation, and community health, in line with international standards and best practice.

Governance & Compliance

Ensure strong governance with board-level ESG oversight, transparent reporting and external audits. Independent verification is recommended where local oversight is weak. Companies are expected to provide evidence of beneficial ownership, anti-bribery and corruption policies, and tax compliance.

Tailings & Risk Management

All tailings and high-risk operations are expected to undergo third party verification, maintain emergency preparedness plans, and have remediation strategies in place. Enhanced due diligence is recommended for large-scale operations.

Global Operations

Outside the Nordics, a risk-weighted approach should apply stricter scrutiny is applied to operations in jurisdictions with weak regulation, sensitive ecosystems, or high social risk. Companies are expected to demonstrate progress toward international ESG norms, even where local laws are less strict.

[6] E.g. https://www.ifc.org/content/dam/ifc/doc/2000/2007-mining-ehs-guidelines-en.pdf

Appendix 1– List of relevant International Sector-Specific Standards and Frameworks for Mining ESG[7]

Global Mining & Metals Standards

- ICMM – International Council on Mining and Metals
- IRMA – Initiative for Responsible Mining Assurance
- Global Tailings Review & Global Industry Standard on Tailings Management
- Extractive Industries Transparency Initiative (EITI)
- Extractive Sector Transparency Measures Act (ESTMA)
- Kimberley Process Certification Scheme
- Responsible Jewellery Council (RJC)
- World Diamond Council Gold

Human Rights & Labor

- UN Guiding Principles on Business and Human Rights (UNGPs)
- ILO Core Labor Conventions
- World Bank Group Environmental, Health, and Safety (EHS) Guidelines for Good International Practice (GIIP)
- Standards for Health and Safety Management System (OHSAS 45001)
- The OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to the use of conflict minerals Supply chain
- Voluntary Principles on Security and Human Rights Conflict mineral laws
- Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains
- The Meridian Principles in Mining

Environmental & Climate

- ISO 14001 – Environnemental Management System
- Science-Based Targets Initiative (SBTi)
- Global Reporting Initiative (GRI) Mining & Metals Sector Supplement
- the Kunming-Montreal Global Biodiversity Framework

[7] This list and the appendix 2 are provided for reference purposes and do not constitute mandatory requirements but highlight the common international standards and frameworks relevant to the mining and metals sector.

- United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention with no-go zones for extractive projects.
- Ramsar Convention on Wetlands of International Importance especially as Waterfowl
- Habitat (RAMSAR).[8]
- International Cyanide Management Code For The Manufacture, Transport and Use of Cyanide In The Production of Gold (Cyanide Code)

Finance & Investment Standards

- Equator Principles
- IFC Performance Standards on Environmental and Social Sustainability
- OECD Guidelines for Multinational Enterprises
- World Bank Environmental and Social Framework (ESF)

Marine & Deep-Sea Mining

- International Seabed Authority (ISA) Regulations on Exploitation
- Deep Sea Mining Code of Conduct (UNEP / Industry Initiatives)
- United Nations agreement on biodiversity beyond national jurisdiction (BBNJ Agreement), also referred to as the High Sea Treaty
- United Nations Convention on the Law of the Sea
- Cross-Cutting ESG & Reporting
- IFRS Sustainability Disclosure Standards created by the International Sustainability Standards Board (ISSB)

Appendix 2 list of Glossary

- Deep-Sea Mining – Extraction of minerals from the ocean floor or seabed; occurs at great depth, usually 1,000 - 6000 meters below surface. Targets polymetallic nodules, cobalt rich crust, or hydrothermal vent deposits.
- Offshore mining -Mining activities that occur in shallow waters near coastlines (typically up ot a few hundred of meters deep. Techniques can include dredging or hydraulic mining.
- Riverine Tailings Disposal (RTD) – Disposal of tailings into rivers or streams;
- Subaqueous Tailings Disposal (SATD) – Tailings deposited underwater in lakes or marine environments;
- Tailings – Processing stage residuals
- High-Risk Projects – Mining operations with potential for significant environmental, social, or governance impacts, including deep-sea mining, and conflict-area operations.

[8] https://www.ramsar.org/

- Mitigation Hierarchy – Principle of avoid, minimise, compensate and off set, applied to environmental and social impacts.

- Protected Sites – Natura 2000 areas, Ramsar wetlands, or UNESCO World Heritage sites

- Environmental Impact Assessment (EIA) / Social Impact Assessment (SIA) – Are baseline studies evaluating potential environmental and social effects of a mining project before it begins.

- Free, Prior, and Informed Consent (FPIC) – refers to Indigenous People or local communities to give or withhold consent to a project that may affect their lands, territories, resources or rights. Consent must be based on full, culturally appropriate information, provided in advance of any decisions, and any given voluntarily, without coercion or manipulation.