The Board of Directors of Nordea Bank Abp ("Group Board") has approved this directive on 16 June 2021.
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1 Purpose and scope

1.1 Purpose
The Nordea Group's ("Nordea" or the "Group") long-term success is based on trust and confidence. Sustainable business is a prerequisite to uphold trust and confidence. This directive sets the principles for how Nordea should manage and implement sustainability to ensure that we fulfill strategic targets and objectives as stated in the sustainable banking strategy.

1.2 Scope
The sustainable banking governance in Nordea covers both sustainability impacts and financial impacts. This directive covers sustainability impacts including development, decision and oversight of the sustainable banking strategy and related targets and objectives. The financial impacts and related Environmental, Social and Governance ("ESG") risk management is handled by the 1st Line of Defence ("LoD") and Group Risk and Compliance ("GRC") is accountable for developing the ESG risk management framework explained in the guideline on ESG-related risks.

The directive applies to the Group and covers Nordea's business activities in all countries where Nordea has its operations. All employees of Nordea, and non-permanent staff working on behalf of the Group, are subject to this directive.

1.3 Subsidiaries and branches
The directive applies to Nordea Bank Abp and to all subsidiaries within the Nordea Group unless legal or supervisory requirements determine otherwise.

2 Roles and Responsibilities

2.1 Decision making bodies for sustainability
This chapter presents the governance bodies for sustainability. The roles and responsibilities for the governance bodies is outlined in the Group Board Directive on Internal Governance and further described in their respective charters.

2.2 Group Board
The Group Board sets out Nordea's purpose and values which has a key influence on our sustainability approach. The Group Board, by approving this Group Board Directive sets out its expectations for how sustainability should be strategically driven and implemented including as part of the Group Board's role in setting and approving our overall strategies.

On the advice of the Board Operations and Sustainability Committee ("BOSC") the Group Board sets and approves the sustainable banking strategy. BOSC also assist the Group Board in overseeing the implementation of that strategy by senior management. The BOSC oversees the Sustainability Report in conjunction with the Board Audit Committee which reviews the external auditor's oversight of the Sustainability Report and associated disclosures, BOSC also makes recommendations on the reporting on sustainability to the Group Board and reviews the Group's key issues including the sustainability of the Group.

The Board Risk Committee ("BRIC") review's the Group risk profile and key risk issues including significant development in regards to environmental, social and governance risks.

A co-ordinator can be appointed by agreement between 1st LoD and 2nd LoD to assist in the alignment of sustainability strategy.

2.3 Group CEO
The Group CEO in the Group Leadership Team ("GLT") is responsible for proposing the sustainable banking strategy and decide on the related targets and objectives. The Group CEO also approves on the external sustainability report as well as participation in and exit from external commitments.

The Sustainability and Ethics Committee ("SEC") is the Group-wide committee whose objective is to recommend the sustainable banking strategy to the Group CEO and to ensure appropriate cascading to BAS in order to achieve the Group level targets. The responsibility for SEC is also to influence and follow the status and progress of the ethics and culture within the Group, in line with Nordea's purpose and values.

The Risk Committee ("RC") is the Group wide committee whose objective is to promote interaction and coordination within the Group on risk matters. In relation to sustainability the RC is responsible to oversee the implementation of decisions made by the RC, which includes ESG factors as embedded drivers of existing risks. When relevant, and in accordance with the RC, SEC can dedicate support to 1st LoD in ESG risk related implementation activities.

2.4 Second line of defence
Second line of defence consists of Group Risk and Compliance ("GRC") comprising the independent risk and compliance functions. The responsibilities and mandates are described in more detail in the "Group Board Directive for Group Compliance" and the "Group Board Directive for the second line of defence risk function".

3 Group Board Directive on Sustainability
For Nordea, it is important that we are taking responsibility for the impact Nordea has on the surroundings. It encompasses the ability to be a credible and reliable partner, which acts in the best interest of customers and more broadly ethically and responsibly towards society. Human rights, employee rights, environmental responsibility and anti-corruption are included in the decision-making processes in order to contribute to sound financial markets. Sustainability is at the core of the business development,
and the way of creating value. Nordea is committed to integrate sustainability into relevant processes in all BAs and GFs.

3.1 Nordea’s general principles for sustainability
Sustainability in Nordea, is defined as the means by which its business model and implementation through products, services, business relationships and internal operations seeks to contribute to the achievement of strong, sustainable, balanced and inclusive growth.

On a high level Sustainability principles are included in Nordea's Code of Conduct. In addition, there is also a supplier code of conduct and external voluntary commitments that Nordea needs to adhere to.

3.2 Sustainability principles in management processes
Nordea is committed to sustainable business and development by combining financial performance with environmental and social responsibility as well as sound governance practises. The below principles shall be used as a guide on behaviour in the daily work and when making business decisions. Nordea shall take these principles and other relevant environmental, social and governance principles into consideration when evaluating business risks and opportunities in connection to advice, investing and financing.

3.2.1 Advice
- We are committed to enhancing our competence and knowledge regarding environmental, social and governance aspects relevant for advice in relation to our products and services.
- We are committed to improving our advice in a way that enables our customers preferences and to make informed decisions on environmental, social and governance aspects relevant in relation to our products and services and to be transparent of such aspects and impacts.
- We are committed to increasing the integration of existing and emerging environmental, social and governance aspects relevant when developing advice in relation to products and services.

3.2.2 Investing
- We are committed in a risk-based approach to include and consider environmental, social and governance aspects in our research and appropriate analysis processes and to have an understanding of the challenges and opportunities companies have in their respective businesses and industries.
- We are committed to utilise our rights and responsibilities as a long-term shareholder by using tools including voting, representation on nomination committees and engagement with companies to influence companies’ environmental, social and governance performance. We believe a sound corporate governance structure is essential for creating long-term shareholder value.
- We are committed to develop and supply investment products that support sustainable development. By combining financial performance with environmental, social and governance insights we strive to offer clients responsible solutions.
- We are committed to being transparent and providing our customers with the sustainability profile of our products.
- We are committed to engage with relevant stakeholders in order to ensure continuous development of our activities.

3.2.3 Financing
- We are committed to engage with customers on environmental, social and governance matters and to have an understanding of the challenges and opportunities customers have in their respective businesses and industries.
- We are committed to include and integrate environmental, social and governance risk assessments in risk management and due diligence processes.
- We are committed to develop and supply financial products that support sustainable development.
- We are committed to engage with stakeholders in order to ensure continuous development and performance in financing activities.
- We are committed to prevent financial crime and to include measures to manage these risks in financing activities.
- We are committed to engage in analysing the potential reputational risk elements in connection to financing. Equally we expect that customers and stakeholders would engage themselves in managing their reputational risk.
- We are committed to high standards and best practices with regards to tax compliance and reporting and do not finance or facilitate tax schemes that are regarded as tax evasion or finance tax schemes that may be legal but perceived as aggressive tax planning or otherwise not in line with Nordea’s ethical standards.

3.3 Sustainable Banking Strategy
Nordea wants to make a difference for a greater good - not only for ourselves, but for the future and for generations to come. To fulfil this commitment the Group Board have decided on a Group sustainable banking strategy. GS has ownership for oversight and coordination of the Group's sustainability strategy and associated target setting, follow-up and escalation process.

The Group strategy must be cascaded to the Business Areas (BA) and Group Function (GF). The BAs and GFs must establish, monitor and disclose specific strategic targets relating to sustainability in accordance with the Group sustainability strategy. This includes setting qualitative and, when relevant, quantitative targets to support the achievement of the targets. It also includes developing
policies and processes that aim at steering and aligning the portfolio and limiting financial and sustainability impacts stemming from ESG factors that are material to Nordea’s business environment in order to meet its strategic objectives and adhere to voluntary and regulatory disclosure requirements as well as relevant national targets.

### 3.4 External voluntary Commitments and initiatives

Nordea recognizes the importance of participating in and supporting external voluntary commitments and initiatives that enable businesses to operate in a more sustainable way.

Initiatives are signed with the aim to influence other companies, sectors and/or states to improve their sustainability practices. Commitments are signed by Nordea to manifest our commitment to sustainability and aim to improve Nordea’s own sustainability practices. Nordea’s participation in external voluntary commitments and initiatives as listed in the annual Nordea Sustainability Report.