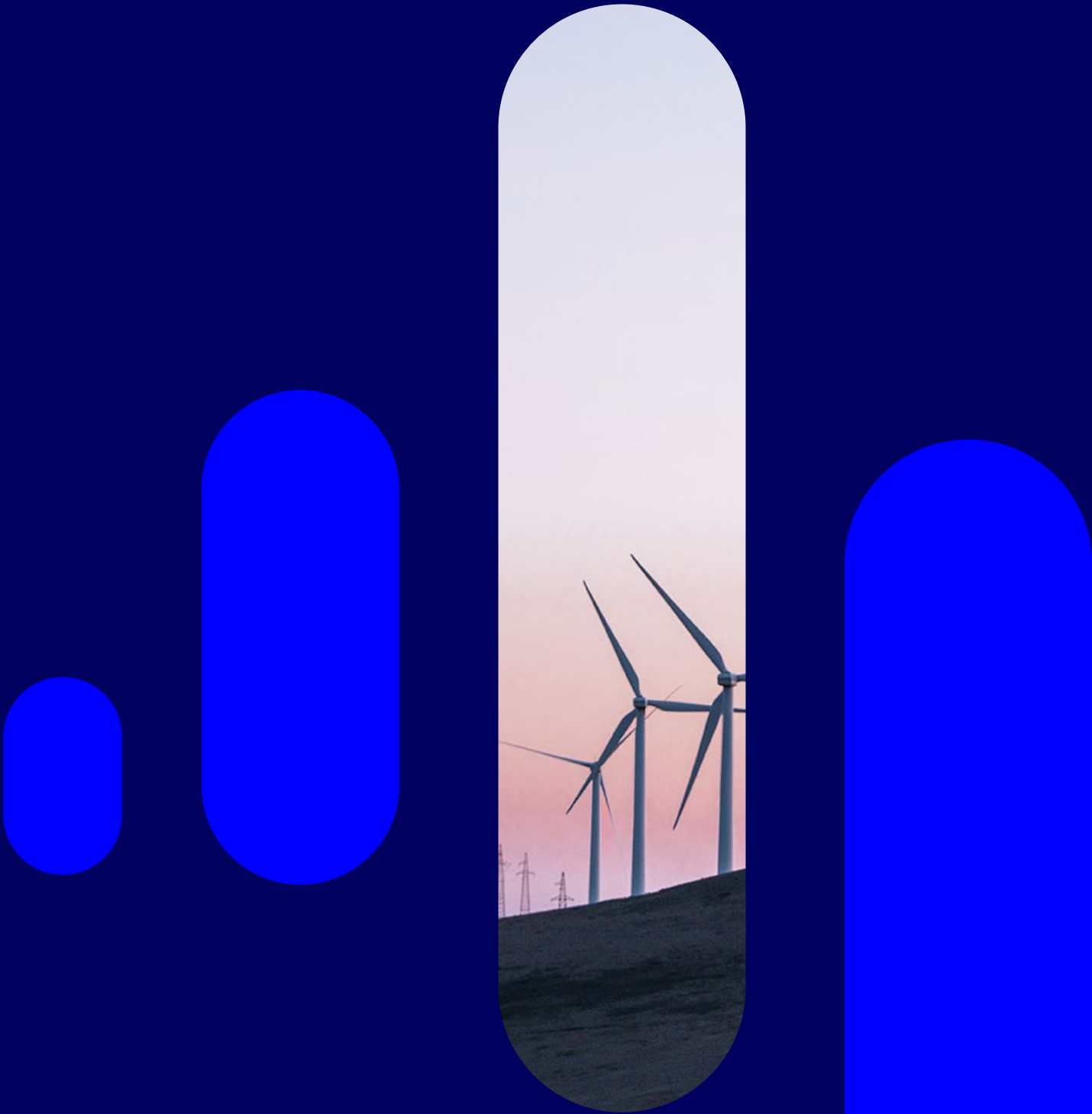


Nordea



Sustainability Indices
2023

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SUSTAINABILITY INDICES

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Introduction

Nordea has reported on environmental and sustainability performance on an annual basis since 2002. Nordea's sustainability reporting in the Annual Report for 2023 constitutes sustainability disclosures found (i) in the Sustainability at the core chapter on pages 16–17, (ii) in the Non-financial statement (incl. our EU taxonomy reporting) on pages 84–98, (iii) in the Corporate Governance Statement 2023 on page 61, (iv) on pages 241–242 in Note G11 "Risk and liquidity management" and (v) in the Sustainability notes on pages 329–380 which provide in-depth information and data related to the sustainability disclosures.

In this document we present indices referring to our reporting in relation to the Principles for Responsible Banking (PRB), the Task Force on Climate-related Financial Disclosures (TCFD) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

- The Principles for Responsible Banking (PRB) Reporting and Self-Assessment Template in this indices document is where we report on the implementation of the PRB.
- We report climate-related information based on the recommendations from Task force on climate-related financial disclosures (TCFD). In 2023 we have further progressed climate-related financial disclosures in line with TCFD. In this indices document we present a cross-reference – our TCFD Index – to where relevant disclosures can be found in our external public reporting for 2023.
- Our sustainability disclosures have been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, and with relevant parts of GRI G4 Financial Services Sector Disclosures. In this document we present our GRI Content Index including omission statements.

An independent third party, PricewaterhouseCoopers Oy (PwC), has provided assurance on the sustainability information provided in the Annual Report; in the Principles for Responsible Banking (PRB) Reporting and Self-Assessment Template on pages 2–14 in this document; and in the GRI Index on pages 16–21 in this document as indicated in the Independent practitioner's limited assurance report on page 380 in Nordea Annual Report 2023.

All page numbers in the indices in this document refers to Nordea Annual Report 2023 if not otherwise stated.

Principles for Responsible Banking Reporting and Self-Assessment Template

The table below sets out the reporting and self-assessment requirements for signatories of the Principles for Responsible Banking (PRB). It is where we provide our response and self-assessment in relation to the principles and provide references and links to where in our existing reporting and at public

domains the required information can be found. For details about the third-party assurance performed by PricewaterhouseCoopers Oy, see their assurance report on page 380 in Nordea Annual Report 2023.

PRINCIPLE 1: ALIGNMENT	
We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	
Business model Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.	
Response	Links and references
<p>In 2023 Nordea was present in 20 countries, including its four Nordic home markets – Denmark, Finland, Norway and Sweden. Through its four business areas – Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management – Nordea offers a wide range of products and services.</p> <p><u>Personal Banking</u> In Personal Banking we provide household customers with easy and convenient everyday banking and advice for all stages of life. We strive to offer a comprehensive and attractive range of financial products and services, along with a great customer experience.</p> <p><u>Business Banking</u> In Business Banking we aim to be the preferred bank for small and medium-sized enterprises, helping them develop and grow in a sustainable way. Our advisory services and comprehensive range of products and digital solutions enable our customers to be successful both locally and internationally.</p> <p><u>Large Corporates & Institutions</u> In Large Corporates & Institutions (LC&I) we support large Nordic corporate and institutional customers with a range of financial solutions. We also provide services through the product and specialist units Markets and Investment Banking & Equities as well as through our international corporate branches in New York, London and Shanghai.</p> <p><u>Asset & Wealth Management</u> In Asset & Wealth Management we offer an extensive range of awardwinning savings products through internal and external distribution channels. Our ambition is to be the preferred wealth manager in each Nordic market and a leading European asset manager, providing our customers with valuable advice, global reach and a competitive sustainability offering.</p>	<p>See Note G8.5 in Nordea Annual Report 2023 for a list of the countries in which we have operations (employees).</p> <p>See Note G2.1 in Nordea Annual Report 2023 for operating income distribution between our business areas, geographies and product groups</p> <p>See pages 27–35 and 47 in Nordea Annual Report 2023 for information about our business areas, presence and legal structure.</p>

PRINCIPLE 1: ALIGNMENT	
Strategy alignment	
Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	
Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?	
<input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights <input checked="" type="checkbox"/> International Labour Organization fundamental conventions <input checked="" type="checkbox"/> UN Global Compact <input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples <input type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: — <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: <i>Norwegian Transparency Act, UK Modern Slavery Act.</i> <input type="checkbox"/> None of the above	
Response	Links and references
As a member of the core group of founding banks and a signatory to the Principles for Responsible Banking (PRB), we are committed to the objectives of the Sustainable Development Goals (SDGs) and the Paris Agreement. Sustainability is integral to how we organise our operations, run the bank and manage our risks. Our sustainability work is built on four strategic pillars: financial strength, climate and environmental action, social responsibility, and governance and culture. Under each pillar, we have identified relevant UN Sustainable Development Goals and specific sustainability-related matters that impact us or that we can have a significant impact on – through our financing, investments and internal operations.	See pages 331–332, Note S1 “About the sustainability notes” and pages 374–375, Note S6 “Materiality and impact analysis” in Nordea Annual Report 2023.
We take our corporate responsibility to respect human rights seriously and are guided by the UN Guiding Principles on Business and Human Rights in all our business operations. We work to continually integrate human rights considerations into our policies, practices, and decision-making processes, ensuring that respect for human rights is integral to how we conduct business. Through ongoing awareness-building, training, and accountability mechanisms, we empower our employees to uphold human rights in their daily activities.	See Note S4 “Social responsibility” in Nordea Annual Report 2023.
In 2023 we published a human rights policy that provides information about our commitments and efforts to respect human rights in all our business activities and relationships. In addition, we published a supporting thematic guideline describing our strategic position and actions	See our Human Rights Policy and Social responsibility thematic guideline on Nordea.com

PRINCIPLE 2: IMPACT AND TARGET SETTING

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response	Links and references
In 2020, we conducted an impact analysis alongside our strategic evaluation, with a specific focus on lending and our balance sheet. This analysis considered the needs of each country and the extent of exposure. It included three of our four business areas: Personal Banking, Business Banking, and Large Corporates & Institutions. As a Nordic bank predominantly serving Denmark, Finland, Norway, and Sweden, the impact analysis naturally covered these countries. In 2022 we conducted the impact analysis on investments for Nordea Asset Management (NAM) based on the Investment Portfolio Impact Analysis Tool launched in 2021. Leveraging this tool, we incorporated NAM’s Asset Under Management (AUM) data as of August 31, 2022 and used the global view of needs linked to the SDGs due to the diversity of countries and sectors of NAM’s investments. In 2023, we performed a new round of impact analysis for our lending portfolio. This initiative was driven by an update to the impact analysis tool, providing more detailed sector-specific information and a more comprehensive data requirement.	See Note S6 “Materiality and impact analysis” in Nordea Annual Report 2023 for details about the materiality and impact analysis.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
 i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
 ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.

Response	Links and references
The impact analysis over the lending portfolio included three of our four business areas: Personal Banking, Business Banking, and Large Corporates & Institutions. The composition of the portfolio; PeB 50% ; BB 28% ; LC&I 16%, based on Loans to the public in 2023. The portfolio is geographically well-diversified with no market accounting for more than 36% of total lending measured by the geographical location of the customer handling unit.	For a full list of exact exposure per sector and country, see Note G11 “Risk and liquidity management” and for a breakdown per business area, see Note G2.1 “Segment reporting” in Nordea Annual Report 2023.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank’s portfolio impacts into the context of society’s needs.

Response	Links and references
By using the UNEP FI Portfolio Impact Identification Tools, where country needs scores is included, the most relevant challenges and priorities related to sustainable development in the four Nordic countries were taken into account in the impact analysis. As our four main market where we operate is in the Nordic the main impact area is similar to all four countries. In a summary our main impact areas are: <ul style="list-style-type: none"> • Availability, accessibility, affordability, quality of resources & services • Climate stability • Biodiversity & healthy ecosystems The PRB impact assessment conducted 2023 on the lending portfolio was done to reconfirm the impact areas and the significant SDGs. When conducting the materiality and impact analysis in 2020, we worked closely with internal stakeholders from all levels and parts of the organisation and we also had a dedicated group of Board members as an advisory group who were consulted on several occasions. In addition, we sought input from external stakeholders such as academia, NGOs, investors and customers. The purpose was to put our suggested strategy into a holistic context, challenging our approach to ensure that all relevant impacts had been taken into consideration.	See Note S6 “Materiality and impact analysis” in Nordea Annual Report 2023 for details about the materiality and impact analysis.

1. That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.
 2. Further guidance can be found in the Interactive Guidance on impact analysis and target setting.
 3. ‘Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.
 4. Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

PRINCIPLE 2: IMPACT AND TARGET SETTING																	
Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2) ⁵ ? Please disclose.																	
Response	Links and references																
<p><u>Climate change</u> Through our significant exposure to sectors with high greenhouse gas emissions, such as real estate, shipping and agriculture, we have a negative impact on climate change. As a financial institution our largest challenge and impact comes from scope 3 emissions from our investment and lending portfolios, so-called financed emissions.</p>	See Note S3 "Climate and environment" in Nordea Annual Report 2023.																
<p><u>Biodiversity</u> We recognise the value of biodiversity and functioning ecosystems and the societal threats from loss and degradation. We recognise that we contribute to negative impact through financing of, investing in and buying from companies with large negative impact and our responsibility to act by including biodiversity in our business model, sustainability governance and offerings.</p> <p>As part of recognising this topic as material for us, we have set biodiversity to be our second impact area.</p>	See Note S3 "Climate and environment" in Nordea Annual Report 2023.																
<p>d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>																	
<p><u>Climate change</u> We have prioritised sectors identified as vulnerable to climate and environment-related risks. Targeted sector analysis covered more than 70% of lending exposures and more than 80% of lending financed emissions. We have also updated our business environment scanning to cover the most relevant climate policies and regulations as well as sector decarbonisation roadmaps in the Nordic region.</p> <p>Within investments, we have established targets both as asset owner ("Reduce at least 25% in the carbon footprint for listed equities, corporate bonds and directly held real estate by 2025") and asset manager ("Reduce the weighted average carbon intensity (WACI) of listed equities and corporate bonds by 50% before the end of 2030").</p>	See Note S3 "Climate and environment" in Nordea Annual Report 2023 for details on sector analysis and targets as well as our climate action agenda..																
<p><u>Biodiversity</u> We set practice targets in 2023, adopting a progressive approach towards setting impact targets where data availability and quality allow. During 2024 we will assess biodiversity dependencies and impacts covering the corporate lending portfolio and make a physical and reputational biodiversity risk assessment of all Nordea's offices. We will also conduct an environmental impact assessment of material sourcing categories, including biodiversity risks.</p>	See Note S3 "Climate and environment" in Nordea Annual Report 2023 for details on approach to biodiversity.																
<p>Self-assessment summary: Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?</p> <table border="0"> <tr> <td>Scope:</td> <td><input checked="" type="checkbox"/> Yes</td> <td><input type="checkbox"/> In progress</td> <td><input type="checkbox"/> No</td> </tr> <tr> <td>Portfolio composition:</td> <td><input checked="" type="checkbox"/> Yes</td> <td><input type="checkbox"/> In progress</td> <td><input type="checkbox"/> No</td> </tr> <tr> <td>Context:</td> <td><input checked="" type="checkbox"/> Yes</td> <td><input type="checkbox"/> In progress</td> <td><input type="checkbox"/> No</td> </tr> <tr> <td>Performance measurement:</td> <td><input type="checkbox"/> Yes</td> <td><input checked="" type="checkbox"/> In progress</td> <td><input type="checkbox"/> No</td> </tr> </table> <p>Which most significant impact areas have you identified for your bank, as a result of the impact analysis? <i>Climate change and biodiversity</i></p> <p>How recent is the data used for and disclosed in the impact analysis?</p> <p><input type="checkbox"/> Up to 6 months prior to publication</p> <p><input checked="" type="checkbox"/> Up to 12 months prior to publication</p> <p><input type="checkbox"/> Up to 18 months prior to publication</p> <p><input type="checkbox"/> Longer than 18 months prior to publication</p> <p>Open text field to describe potential challenges, aspects not covered by the above etc.: <i>(optional)</i></p>		Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No
Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No														
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No														
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No														
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No														

5. To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

PRINCIPLE 2: IMPACT AND TARGET SETTING

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁶ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with⁷ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response	Links and references
<p><u>Climate change</u></p> <p>When setting target in the climate area we have joined different commitment and are following policy frameworks to be able to set impactful targets. Some of the action we have taken are the following:</p> <ul style="list-style-type: none"> • Our implementation strategy where we set conditions with the aim to support and challenge customers to take responsibility and to make the transition needed to fulfil the objective of the Paris agreement. • We have joined the Net Zero Banking Alliance, the Net Zero Asset Owner Alliance and the Net Zero Asset Managers initiative in order to establish common guidelines and work with peers on the roadmap towards net-zero emissions in the realeconomy as well as in our portfolios. • Several of the targets that Nordea has set are already aligned, or closely aligned, with the requirements set out in the Science Based Targets initiative (SBTi). • Our methodology for estimating financed emissions is mainly based on the PCAF Standard, applying as well certain deviations and own methods to meet specific characteristics of our portfolio. <p>Our business objective is to achieve net-zero emissions across our value chain in terms of scope 1, 2 and 3 emissions by the end of 2050 at the latest. As we have made this long-term commitment to align our business to the goals of the Paris Agreement, we have set interim targets to reduce emissions by 2030 across both our lending and investment portfolios. These targets were set using scenarios and modelled pathways that align with the long-term trajectory to limit warming according to the Paris Agreement. These targets will support the SDG 13: Climate action that is part of one of the significant impact areas.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on our climate target setting.</p> <p>See “Climate targets and actions for the lending portfolio” and related methodologies documents at nordea.com for further details.</p>
<p><u>Biodiversity</u></p> <p>We set practice targets in 2023, adopting a progressive approach towards setting impact targets where data availability and quality allow. During 2024 we will assess biodiversity dependencies and impacts covering the corporate lending portfolio and make a physical and reputational biodiversity risk assessment of all Nordea’s offices. We will also conduct an environmental impact assessment of material sourcing categories, including biodiversity risks.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on approach to biodiversity.</p>

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change		See response below

6. Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

7. Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

PRINCIPLE 2: IMPACT AND TARGET SETTING		
In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.		
Response	Links and references	
Impact area	Indicator code	Response
Climate change	A.1.1	Yes
	A.1.2	Yes – net zero by 2050 and Intermediate 2030 targets set. Baseline is 2019 (if not indicated otherwise for specific targets)
	A.1.3	Yes
	A.1.4	Yes – see response to Principle 2.1d and 2.2c
	A.1.5	Yes – see response to Principle 3.2
	A.2.1	Yes – see response to Principle 2.2d
	A.2.2	Yes – see pages 353–357 in Nordea Annual Report 2023 for our calculated Absolute Financed emissions in our lending and investment portfolios
	A.2.3	Yes – see pages 346–348 in Nordea Annual Report 2023 for our Sector-specific emissions intensity
	A.2.4	Indicator is not currently calculated
	A.3.1	Yes - see page 88 in Nordea Annual Report 2023 for our Green Asset Ratio and page 336 for our Green loans and Sustainability-linked loans
	A.3.2	Yes - see page 353 in Nordea Annual Report for our exposure per sector in the lending portfolio
	A.4.1	Yes – see pages 343–344 in Nordea Annual Report for our progress in reducing financed emissions in the lending and investment portfolios
	A.4.2	Indicator is not currently calculated
	<p><u>Climate change</u></p> <p>Base year is disclosed for all climate targets. Baselines are disclosed for all sector targets. In 2023, the inclusion of commercial real estate (CRE) in the scope of financed emissions and data quality improvements across all lending portfolios, impacted our baseline and historical figures. Detailed information on our methodology is included in the “Financed emissions methodology for the lending portfolio” and “Climate target methodologies for the lending portfolio” at nordea.com.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on our climate targets and related baselines. Detailed information on our methodology is included in the “Financed emissions methodology for the lending portfolio” and “Climate target methodologies for the lending portfolio” at nordea.com.</p>
<p><u>Biodiversity</u></p> <p>We set practice targets in 2023, adopting a progressive approach towards setting impact targets where data availability and quality allow. During 2024 we will assess biodiversity dependencies and impacts covering the corporate lending portfolio and make a physical and reputational biodiversity risk assessment of all Nordea’s offices. We will also conduct an environmental impact assessment of material sourcing categories, including biodiversity risks.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on approach to biodiversity.</p>	

PRINCIPLE 2: IMPACT AND TARGET SETTING	
<p>c) SMART targets: (incl. key performance indicators (KPIs)⁸): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	
Response	Links and references
<p><u>Climate change</u> Our business objective is to achieve net-zero emissions across our value chain in terms of scope 1, 2 and 3 emissions by the end of 2050 at the latest. As we have made this long-term commitment to align our business to the goals of the Paris Agreement, we have set interim targets to reduce emissions by 2030 across both our lending and investment portfolios. Additionally, each business area has set individual climate-related targets and actions for 2023–2025 that are monitored and reported regularly. See an overview of our climate targets on page 342 in Nordea Annual Report 2023.</p> <p>To support the lending portfolio interim objective to reduce absolute financed emissions by 40–50% by 2030, we have performed climate risk sector-specific deep dives and set sector-specific targets in order to align with regional sector roadmaps and scientific pathways. Targeted sector analysis covered more than 70% of lending exposures and more than 80% of lending financed emissions.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on our climate targets.</p> <p>Further details can be found in “Climate targets and actions for the lending portfolio” available on Nordea.com.</p> <p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on our sector targets.</p>
<p><u>Biodiversity</u> We set practice targets in 2023, adopting a progressive approach towards setting impact targets where data availability and quality allow. During 2024 we will assess biodiversity dependencies and impacts covering the corporate lending portfolio and make a physical and reputational biodiversity risk assessment of all Nordea’s offices. We will also conduct an environmental impact assessment of material sourcing categories, including biodiversity risks.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on approach to biodiversity.</p>
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
Response	Links and references
<p><u>Overall</u> The long-term plan for how to integrate sustainability into our business strategy includes a commitment to achieve net zero emissions by 2050 backed-up by long-term objectives for climate action and 2023-2025 targets for all strategic pillars. To ensure that sustainability is integrated into all business areas and Group functions, a Group-wide implementation programme has been established with dedicated work streams and an Operational Steering Committee. The progress of the programme is monitored by the Sustainability and Ethics Committee and the Board Operations and Sustainability Committee on a quarterly basis. The Board Operations and Sustainability Committee receives quarterly updates on the implementation of sustainability in our Group business strategy. During 2023 we continued to integrate ESG KPIs applicable to remuneration for the Group Leadership Team and other senior leaders across the Nordea Group. Also, other employees now have their variable pay or Profit Sharing Plan linked to ESG goals in addition to financial targets.</p>	<p>See Note S5 “Governance and culture” in Nordea Annual Report 2023.</p>
<p><u>Climate change</u> We offer to finance our customers’ transition plans and help them become more mature. We have therefore developed and offer products and services such as sustainability-linked, green financing and other ESG-focused products.</p> <p>Supporting and engaging with our customers is central to our climate strategy. We focus on developing products and solutions that both support their transition and enable us to increase the positive impact (financing sustainable activities) while decreasing the negative impact (financing the transition away from high-emitting activities). Through close dialogue, we encourage our customers to further develop and strengthen their transition plans. And we provide them with financing to enable their transition.</p> <p>Sector deep dives enabled insights into each portfolio to understand climate- and environment-related risks and opportunities, by means of estimating financed emissions and building transition pathways to align our overall targets and strategy.</p>	<p>See Note S2 “Financial strength” in Nordea Annual Report 2023 for details on our ESG offering.</p> <p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on actions related to our climate targets including sector specific actions. Further details can be found in “Climate targets and actions for the lending portfolio” available on Nordea.com.</p>
<p><u>Biodiversity</u> No impact target has yet been set but practice targets were set during 2023. We have also published a thematic guideline on biodiversity in 2023, where we recognize our responsibility to contribute to societal goals, describe our current work to address biodiversity issues across the organisation and our commitments to action ahead. This guideline forms an important and first step in our roadmap towards 2025 to integrate biodiversity dependency, impact and related risks and opportunities into our sustainability strategy and our sustainability governance.</p>	<p>See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on approach to biodiversity.</p>

8. Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets

PRINCIPLE 2: IMPACT AND TARGET SETTING		
Self-assessment summary: Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...		
	... first area of most significant impact: ... <i>Climate Change</i>	... second area of most significant impact: ... <i>Biodiversity</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

Links and references

Climate change

For our lending portfolio, we have included targeted financed emissions development in regional policy frameworks and real customer level transition plans in our financial planning to ensure progress towards our lending portfolio targets for 2030 and 2050. Portfolio emissions and climate risk analysis have been performed in several areas to understand the portfolio footprint, resulting in actions to derisk and steer the balance sheet in the right direction. For details on progress of climate targets please see pages 341–347 in Nordea Annual Report 2023.

See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on actions related to our climate targets including sector specific actions.

To support our customers in the transition journey, we helped facilitate EUR 77bn of sustainable financing during 2023, placing us on track to reach our 2025 objective to facilitate more than EUR 200bn in sustainable financing.

Biodiversity

No impact target has yet been set but a practice targets is set during 2023. We have also published a thematic guideline on biodiversity in 2023, where we recognize our responsibility to contribute to societal goals, describe our current work to address biodiversity issues across the organisation and our commitments to action ahead. This guideline forms an important and first step in our roadmap towards 2025 to integrate biodiversity dependency, impact and related risks and opportunities into our sustainability strategy and our sustainability governance.

See Note S3 “Climate and environment” in Nordea Annual Report 2023 for details on approach to biodiversity.

PRINCIPLE 3: CLIENTS AND CUSTOMERS
 We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers⁹ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹⁰). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response	Links and references
<p>Our Sustainability Policy sets out our principles for ensuring the long-term sustainability of our operations and, in so doing, strengthens our long-term customer relationships and contribution to a greater good. In addition to the policy, we have position statements and sector guidelines that provide guidance and principles for dealing with both business opportunities and risk mitigation.</p> <p>Over the past couple of years we have seen a significant increase in the demand for our sustainability offering, accelerated by customer demand and the growing strength of our product range, guidance and engagement. With our experience with sustainability-linked and green lending, ESG-focused investment products as well as active ownership, we are well placed to accelerate our customers' and investee companies' transition to a sustainable future.</p> <p>We continually engage with customers and investee companies to understand the sustainability challenges and opportunities they face in their business environments. This enables us to address material sustainability risks and concretely put to action our sustainability related commitments. Our approach prioritises dialogue over disengagement.</p>	<p>Links and references All of our relevant policies are listed in Nordea Annual Report 2023, in Notes S8 "Position statements and guidelines" and S9 "Directives, instructions and policies".</p> <p>Our publicly disclosed policies can all be found at www.nordea.com/en/sustainability/policies-sector-guidelines.</p> <p>See Note S2 "Financial strength" in Nordea Annual Report 2023 for details on ESG offering and engagement.</p>

3.2 Business opportunities
 Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response	Links and references
<p>In 2023 we continued to see strong demand for our sustainable products, financing, and advisory services, even in the face of challenging market conditions and a slowdown in activity in specific sectors. Our offering includes lending products, such as green loans and sustainability-linked loans, as well as facilitating our customers' access to capital markets financing, such as green, social, sustainable and sustainability-linked bonds.</p> <p>We also continue supporting our household customers' transition by offering financial advice, combined with our sustainable product offering. We offer homeowners green mortgages and energy efficiency loans. In addition, we offer specifically tailored loans for electric vehicles, to support the transition to less emission intensive transport modes.</p> <p>In 2023 we helped facilitate EUR 77bn of sustainable financing, placing us on track to reach our 2025 objective to facilitate more than EUR 200bn in sustainable financing.</p> <p>To cater for our SME customers' need for transition financing, we are piloting a new Net-Zero Commitment Loan for customers publicly committing to net zero through the SME Climate Hub. We are the first financial institution globally to offer this product and hope it will incentivise customers to commit to net zero and start their transition journey.</p>	<p>See Note S2 "Financial Strength" in Nordea Annual Report 2023 for details on our ESG-related opportunities.</p>

9. A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.
 10. Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

<p>PRINCIPLE 4: STAKEHOLDERS We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.</p>	
<p>4.1 Stakeholder identification and consultation</p> <p>Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹¹) you have identified as relevant in relation to the impact analysis and target setting process?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p>	
Response	Links and references
<p>We are committed to building and sustaining strong and longlasting relationships with our stakeholders. We continually seek insights into their needs and expectations, and respond in a timely manner with relevant actions and engagement.</p> <p>We have continued to build on our thorough stakeholder analysis to identify which stakeholders to engage with from a sustainability perspective, and retained our defined six major stakeholder groups: customers; employees; shareholders; suppliers; authorities; and broader society. When conducting the materiality and impact analysis in 2020, we worked closely with internal stakeholders from all levels and parts of the organisation and we also had a dedicated group of Board members as an advisory board who were consulted on several occasions. In addition, we sought input from external stakeholders such as academia, NGOs, investors and customers. The purpose was to put our suggested strategy into a holistic context, challenging our approach to ensure that we had taken all relevant impacts into consideration. In 2023, we met with several of non-governmental organisations (NGOs) to share our practises and be advised on various issues within sustainability. Work with our areas of most impact continued, for example through deep dives for our most climate-vulnerable sectors.</p>	<p>See Note S7 “Our stakeholders” in Nordea Annual Report 2023 for details about our stakeholder engagement activities in 2023.</p> <p>See Note S6 “Materiality and impact analysis” in Nordea Annual Report 2023, for details about how we involved our stakeholders in the impact analysis.</p>

<p>PRINCIPLE 5: GOVERNANCE & CULTURE We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	
<p>5.1 Governance Structure for Implementation of the Principles</p> <p>Does your bank have a governance system in place that incorporates the PRB?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> • which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), • details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as • remuneration practices linked to sustainability targets. 	
Response	Links and references
<p>At Board level, the Board Operations and Sustainability Committee assists the Group Board in fulfilling its oversight responsibilities concerning sustainability, which encompass governance, strategy, risk management and operationalisation. The committee receives quarterly updates on the integration of sustainability into our Group business strategy.</p> <p>To ensure a high level of awareness with respect to sustainability and ESG matters, the entire Board received training in 2023 on biodiversity, human rights and CSRD double materiality, all of which provide the basis for Nordea’s ESG governance.</p> <p>The Chief of Staff is accountable for overseeing and facilitating the Group-wide integration of ESG factors into the risk management framework and business processes. Additionally, the Chief of Staff is accountable for the development of the Group’s strategic sustainability priorities and analysis of emerging topics, ensuring that Nordea’s sustainability agenda remains aligned with the business environment developments, such as geopolitical and regulatory trends, and Nordea’s long-term net-zero commitment. We also have an executive-level Group-wide committee – the Sustainability and Ethics Committee – as a sub-committee of the CEO’s Group Leadership Team. The Sustainability and Ethics Committee is mandated to facilitate the integration of sustainability into the business strategy and supports the integration of ESG factors into our risk management framework. It is tasked with recommending to the Group CEO a long-term plan for fully integrating sustainability into the business strategy and ensuring appropriate implementation to achieve Group level targets. The committee is chaired by the Head of Business Banking and met on 12 occasions in 2023. PRB implementation is part of the Group-wide integration of ESG factors.</p> <p>During 2023 we continued to integrate ESG KPIs applicable to remuneration for the Group Leadership Team and other senior leaders across the Nordea Group. Also, other employees now have their variable pay or Profit Sharing Plan linked to ESG goals in addition to financial targets.</p>	<p>See Note S5 “Governance and culture” in Nordea Annual Report 2023 for details on our sustainability governance structure.</p>

11. Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.

PRINCIPLE 5: GOVERNANCE & CULTURE

5.2 Promoting a culture of responsible banking:
Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response	Links and references
<p>We have launched an internal sustainability training programme with bespoke curriculum to build our employees' competence and knowledge so they can best support clients' transition to a low-carbon economy.</p>	<p>See Note S2 "Financial strength", Note S3 "Climate and environment" and Note S4 "Social Responsibility" in Nordea Annual Report 2023</p>
<p>In order to build skills and a culture to support our customers' transition, we have developed a proprietary Nordea Climate Transition handbook and a maturity ladder that we use for training customer-facing staff in Large Corporates & Institutions, Business Banking as well as staff in Procurement.</p>	
<p>Our strategy is supported by board and executive-level oversight and responsibilities, and in 2023 we integrated further climate-related KPI's applicable for remuneration for the Group Leadership Team and other senior leaders across the Nordea Group.</p>	
<p>We also ensure awareness, training and support among our leaders to help leaders in making unbiased decisions on remuneration and other employment terms.</p>	

5.3 Policies and due diligence processes
Does your bank have policies in place that address environmental and social risks within your portfolio?¹² Please describe. Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response	Links and references
<p>Our Sustainability Policy sets out our principles for ensuring the long-term sustainability of our operations and, in so doing, strengthens our long-term customer relationships and contribution to a greater good. In addition to the policy, we have position statements and sector guidelines that provide guidance and principles for dealing with both business opportunities and risk mitigation.</p>	<p>See our Sustainability Policy at Nordea.com</p>
<p>ESG factors can be significant drivers of credit, market, liquidity, compliance and operational risks. The principle of embedding ESG factors into risk management and business strategy is based on the importance of each factor as a driver of existing risks. We use qualitative and quantitative measures for the risk identification and materiality assessment of ESG-related risks. We subsequently develop monitoring, mitigation and management strategies for the identified material risk. Where relevant, we assess the potential need for capitalisation while accounting for good practices and regulatory guidance.</p>	<p>See Note S2 "Financial strength" in Nordea Annual Report 2023.</p>
<p>For certain customers, there is an enhanced focus on environmental and social risks. The process includes e.g. ensuring sufficient policies and programs are in place to reduce potential harmful impacts on, for example, the environment, communities and indigenous rights.</p>	
<p>ESG-related considerations in the credit process are further guided by the internal Industry Credit Policies. These can include ESG-related exclusion criteria from exposure to harmful or controversial economic activities and requirements on engagement and monitoring of climate-related transition plans. In addition to these processes, where relevant, we carry out an environmental and social impact assessment when financing large infrastructure and industrial projects, as part of our commitment to the Equator Principles.</p>	
<p>In order to ensure that investment decisions are based on comprehensive information, we seek to integrate ESG factors into our investment analysis. Since ESG factors can have both a negative and a positive impact on our portfolio companies and their business environment, they can be used to identify sustainability risk as well as investment opportunities.</p>	
<p>ESG-related risk considerations are integrated into our investment decision-making framework as part of the overall risk assessment. This assessment, based inter alia on quantitative and qualitative ESG information, allows for a robust identification of ESG-related risks. We identify ESG-related risks by considering ESG factors in the investment process and by assessing the materiality of the potentially negative impact of these ESG factors on the value of the investment. In addition to the integration of climate-related risks, we include risks related to social factors as well as governance-related risks in our considerations.</p>	

12. Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

PRINCIPLE 5: GOVERNANCE & CULTURE

Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response	Links and references
PricewaterhouseCoopers Oy has provided assurance on the sustainability information. The scope of the assured information is indicated in the Independent practitioner’s limited assurance report. The scope of assured information includes the items required by PRB.	Note “S1 About the sustainability notes” in Nordea Annual Report 2023. “Independent practitioner’s limited assurance report” in Nordea Annual Report 2023.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Other: ...

Response	Links and references
Our sustainability disclosures have been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. We report climate-related information based on the recommendations from Task force on climate-related financial disclosures (TCFD).	Note “S1 About the sustainability notes” in Nordea Annual Report 2023 and this document, “Nordea Sustainability Indices 2023”.
Additional information on sustainability as well as an SASB index are available at Nordea.com/sustainability .	“Nordea SASB Index 2023”.
We disclose climate-related information through CDP on an annual basis. See www.cdp.net for further information.	www.cdp.net

PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹³, target setting¹⁴ and governance structure for implementing the PRB)? Please describe briefly.

Response

For 2024, there will be significant updates to the process to align with CSRD requirements on double materiality assessment.

During 2024 we will also assess biodiversity dependencies and impacts covering the corporate lending portfolio and make a physical and reputational biodiversity risk assessment of all Nordea's offices. We will also conduct an environmental impact assessment of material sourcing categories, including biodiversity risks.

Links and references

Note S6 "Materiality and impact analysis" in Nordea Annual Report 2023.

See Note S3 "Climate and environment" in Nordea Annual Report 2023 for details on approach to biodiversity.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these: ...

13. For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

14. For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

TCFD Index

Since last year, we have further progressed our climate-related financial disclosures based on the recommendations from the TCFD. We have performed gap assessments to identify further improvements in our disclosures. Below is a cross-reference to where the recommended disclosures can be found in our external public reporting for 2023. References in the table below are made to the pages in Nordea Annual Report 2023 ("AR") and chapters or headings in Pillar 3 disclosures published in Nordea Group Capital and Risk Management Report 2023 ("P3"). All reports referred to can be found at nordea.com.

Disclosure	AR reference	P3 reference
Governance		
a) Describe the board's oversight of climate-related risks and opportunities.	61, 209–211, 364–365	ESG factors in Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	61, 209–211, 364–365	ESG factors in Governance
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	49, 87–98, 333–336, 338–339, 341–352	Climate-related transition risks Climate-related physical risks Risk identification and assessment Template 1 – Credit quality of exposures by sector, financed emissions and residual maturity Template 2 – Energy efficiency of collaterals Template 5 – Exposures subject to physical risk incl. maturity and credit quality Template 6 – Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures Template 7 – Mitigating actions: Assets for the calculation of GAR Template 8 – GAR (%) Template 10 – Green, sustainable, sustainability-linked loans and bonds
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	333–336, 341–352	Capital and business model risks ESG factors in the business strategy Environment-related risk management
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	333–335, 341–352	Capital and business model risks ESG factors in the business strategy Environment-related risk management
Risk Management		
a) Describe the organisation's process for identifying and assessing climate-related risks.	210–213, 333–335, 345–348	Risk management framework Environment-related risk management
b) Describe the organisation's processes for managing climate-related risks.	210–213, 333–335, 345–348	Risk management framework Environment-related risk management
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	333–335, 344, 364–365	Risk management framework Environment-related risk management
Metrics and Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	88–98, 333–335, 341–357 ¹	Template 1 – Credit quality of exposures by sector, financed emissions and residual maturity Template 2 – Energy efficiency of collaterals Template 4 – Exposures to worlds top 20 carbon-intensive firms Template 5 – Exposures subject to physical risk incl. maturity and credit quality Template 6 – Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures Template 7 – Mitigating actions: Assets for the calculation of GAR Template 8 – GAR (%) Template 10 – Green, sustainable, sustainability-linked loans and bonds
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	344, 346–348, 350–357	Template 1 – Credit quality of exposures by sector, financed emissions and residual maturity
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	333, 336, 341–347, 349 ²	–

1) Further details is provided in "Financed emissions methodology for the lending portfolio" and "Climate target methodologies for the lending portfolio" available at [Nordea.com](https://nordea.com).

2) Further details is provided in "Climate targets and actions for the lending portfolio" available at [Nordea.com](https://nordea.com).

GRI Content Index

Nordea Bank Abp has reported in accordance with the GRI Standards for the period 1 January to 31 December 2023. For some disclosures we have identified omissions. These are marked with an "X" in the table below and described in detail on page 20. References in the table below are page numbers in Nordea Annual Report 2023 if not otherwise stated.

GRI Standard	Disclosure	Page	Reason for omission disclosed in the table below
GRI 1: Foundation			
GRI 2: General disclosures			
1. THE ORGANIZATION AND ITS REPORTING PRACTICES			
2-1	Organizational details	47, 197, back cover	
2-2	Entities included in the organizations' sustainability reporting	198–199, 331–332	
2-3	Reporting period, frequency and contact point	331–332	
2-4	Restatements of information	Footnotes when applicable	
2-5	External assurance	331–332, 380	
2. ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	27–35, 363, 367–368	
2-7	Employees	363	X
2.8	Workers who are not employees	363	
3. GOVERNANCE			
2-9	Governance structure and composition	60–70	
2-10	Nomination and selection of the highest governance body	61–63	
2-11	Chair of the highest governance body	65–66	
2-12	Role of the highest governance body in overseeing the management of impacts	63–65, 68–69, 364–365	
2-13	Delegation of responsibility for managing impacts	63–65, 68–69, 364–365	
2-14	Role of the highest governance body in sustainability reporting	63–65, 68–69, 364–365	
2-15	Conflicts of interest	83	
2-16	Communication of critical concerns	63–65, 68–69, 364–365	
2-17	Collective knowledge of the highest governance body	63–65, 364–365	
2-18	Evaluation of the performance of the highest governance body	60–70	
2-19	Remuneration policies	78–82	
2-20	Process to determine remuneration	78–82	
2-21	Annual total compensation ratio	363	X
4. STRATEGY, POLICIES & PRACTICES			
2-22	Statement on sustainable development strategy	4–5	
2-23	Policy commitments	331–332, 364–366, 377–378	
2-24	Embedding policy commitments	364–366	
2-25	Processes to remediate negative impacts	358–359, 364–366	
2-26	Mechanisms for seeking advice and raising concerns	358–359, 364–366	
2-27	Compliance with laws and regulations	180, 241–243	
2-28	Membership associations	Nordea.com	
5. STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	374–376	
2-30	Collective bargaining agreements	363	

GRI Standard	Disclosure	Page	Reason for omission disclosed in the table below
Material topics			
GRI 3: MATERIAL TOPICS 2021			
3-1	Process to determine material topics	374–375	
3-2	List of material topics	374–375	
3-3	Management of material topics – <i>Management disclosures applicable to all material topics</i>	374–375, 377–378	
ANTI-CORRUPTION			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	241–243, 366	
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	241–243, 366	X
ANTI COMPETITIVE BEHAVIOUR			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	180, 241–243	
GRI 206: Anti-competitive behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	180, 241–243	
TAX PAYMENTS			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	369–373	
GRI 207: Tax 2019			
207-1	Approach to tax	369–371	
207-2	Tax governance, control, and risk management	369–371	
207-3	Stakeholder engagement and management of concerns related to tax	369–371	
ENERGY			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	349–350	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	350	X
302-3	Energy intensity	350	
EMISSIONS			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	341–352	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	344, 350	
305-2	Energy indirect (Scope 2) GHG emissions	344, 350	
305-3	Other indirect (Scope 3) GHG emissions	344, 350, 353–357	
305-4	GHG emissions intensity	350	

GRI Standard	Disclosure	Page	Reason for omission disclosed in the table below
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 3 Material Topics 2021			
3-3	Management disclosures applicable to specific material topic	349, 367–369	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	367–369	
308-2	Negative environmental impacts in the supply chain and actions taken	367–369	
EMPLOYMENT			
GRI 3 Material Topics 2021			
3-3	Management disclosures applicable to specific material topic	360–363	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	363	X
TRAINING AND EDUCATION			
GRI 3 Material Topics 2021			
3-3	Management disclosures applicable to specific material topic	362	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	362	X
404-2	Programs for upgrading employee skills and transition assistance programs	362	
404-3	Percentage of employees receiving regular performance and career development reviews	362	X
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3 Material Topics 2021			
3-3	Management disclosures applicable to specific material topic	361–363	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	361, 363	
405-2	Ratio of basic salary and remuneration of women to men	361, 363	X
NON-DISCRIMINATION			
GRI 3 Material Topics 2021			
3-3	Management disclosures applicable to specific material topic	361–362	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	361–362	X
SUPPLIER SOCIAL ASSESSMENT			
GRI 3 Material Topics 2021			
3-3	Management disclosures applicable to specific material topic	359, 367–369	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	367–369	
414-2	Negative social impacts in the supply chain and actions taken	367–369	

GRI Standard	Disclosure	Page	Reason for omission disclosed in the table below
CUSTOMER PRIVACY			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	366–367	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	366–367	X
PRODUCT PORTFOLIO			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	335–340	
GRI G4: Financial Services Sector Disclosures			
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	338	X
ACTIVE OWNERSHIP			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	338–340	
GRI G4: Financial Services Sector Disclosures			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on social and environmental issues	339	
COMMUNITY ENGAGEMENT			
GRI 3 Material Topics 2021			
3-3	<i>Management disclosures applicable to specific material topic</i>	359–360	
Own indicator	Engagement in volunteering activities	360	
Own indicator	Volunteering hours	360	

Omission statements

GRI Standard	Explanation	Reason for omission
2-7b	We do not report total number of employees by employment contract (permanent or temporary) by region as we do not collect that information for any purpose. We do not therefore expect to align our reporting by contract by region in the future.	Not applicable
2-7b iii Employees: non- guaranteed hours	Due to country differences and system updates the data for 2023 is incomplete. A project is ongoing to update total workforce definitions and define population for 2-7b iii, in order to report for 2024.	Information incomplete
2-21 b	Reporting on 2-21 a, ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees is sufficient for our purposes and we do not plan to report indicator 2-21 b in the future.	Not applicable
205-2	<p>Anti-corruption policies and procedures are included in our Code of Conduct which is part of the Licence to Work training. The Licence to Work training is mandatory for all employees and consultants working for Nordea. Our suppliers are covered by the Nordea Supplier Code of Conduct in which adherence to anti-corruption as stated in the UNGC is a requirement. We report only the number of employees who have completed their Licence to Work training as a percentage of the total workforce, which includes all employees (excluding those on long-term leave) regardless of region and employee category. The completion rate is excluding consultants. The Code of Conduct is published on Nordea's Intranet and at nordea.com, i.e. communicated to all, both employees and external parties.</p> <p>In addition, we disclose the data on share of total workforce that has completed further in-depth anti-bribery and corruption training tailored to their risk profile.</p>	Not applicable
302-1	Fuel consumption and total energy consumption are not reported in joules as we receive it in litres or MWh from our suppliers of data. We do not have any steam consumption. We do not sell any electricity, heating, cooling or steam. We therefore do not report on GRI 302-1 c. iv) or 302-1 d). Energy consumption and related emissions for our office in Luxembourg is calculated with a location-based proxy.	Not applicable
401-1	We do not report new employee hires but only employee turnover rate. Employee turnover rate is reported according to the following definition: Number of core employees who have left Nordea at their own request divided by average number of FTEs within a chosen period. We can only obtain data on Group level, which is sufficient for our purpose of tracking this measure and we do not plan to report it by age group, gender or region.	Information unavailable
404-1	Reporting training hours per employee and by gender is sufficient for our purposes of tracking this measure. We will evaluate the relevance of disclosing this indicator per employee category in 2024 as part of preparations for CSRD.	Not applicable
404-3	Reporting employees receiving regular performance and career development reviews is sufficient for our purposes of tracking this measure. We will evaluate the relevance of disclosing this indicator per employee category in 2024 as part of preparations for CSRD.	Not applicable
405-2	Reporting gender pay gap on unadjusted and adjusted level is sufficient for our purposes. We will evaluate the relevance of disclosing this indicator per employee category or for significant locations of operation in 2024 as part of preparations for CSRD.	Not applicable
406-1	We report general actions taken as a result of reported cases. However, in order to protect the integrity of the reporters, we do not disclose status of specific incidents or actions taken.	Confidentiality constraints
418-1	We describe our process for ensuring compliance with GDPR but cannot disclose the number of complaints concerning breaches of customer privacy due to confidentiality constraints.	Confidentiality constraints
FS8	We report on investments in environmental, social and governance (ESG) focused products according to EU SFDR and our own internal Nordea Sustainable Selection framework to our customers. We believe this is the most correct way to report on this disclosure.	Not applicable

Emission factors

Emission factors used for internal carbon footprint

Supplementary information to GRI 305: Emissions

Source of emission	Year	Emission factor used
Diesel generators	2023	Swedish EPA, 2022-2023.
	2022	Swedish EPA, 2022.
	2021	Swedish EPA, 2022.
Leased cars	2023	Swedish EPA, 2023; Värmeforsk, 2011; EI, 2023; Ecoinvent v3.9.1; Swedish Transport Administration, 2022.
	2022	Swedish EPA, 2019-2022; Värmeforsk, 2011; EI, 2022; Ecoinvent v3.9.1; Swedish Transport Administration, 2022.
	2021	Swedish EPA, 2021; Swedish Transport Administration, 2021; EL.se, 2020; Ecoinvent v3.8; IEA for electricity.
Electricity	2023	IPCC, 2014; IEA, 2023; EI 2023; AIB, 2023; Ecoinvent v3.9.1.
	2022	IPCC, 2014; IEA, 2022; EI 2022; AIB, 2022; Ecoinvent v3.9.1.
	2021	IPCC, 2014; IEA, 2014; EI.se 2020; Ecoinvent v3.8.
District heating	2023	Euroheat & Power, 2017; Euroheat & Power, 2013; Finnish Energy Statistics, 2021; Swedenergy, 2021.
	2022	Euroheat & Power, 2017; Euroheat & Power, 2013; Finnish Energy Statistics, 2021; Fortum, 2021; Swedenergy, 2021.
	2021	Euroheat & Power, 2017; Euroheat & Power, 2013; Finnish Energy Statistics, 2020; Fortum, 2020; Swedenergy, 2020
District cooling	2023	Ecoinvent v3.8; Average from Finnish and Swedish district cooling suppliers.
	2022	Ecoinvent v3.8; Average from Finnish and Swedish district cooling suppliers.
	2021	Hofors; Ecoinvent v3.8; Average from Finnish and Swedish district cooling suppliers.
Air travel and taxi	2023	BEIS, 2023.
	2022	BEIS, 2022; Swedish EPA, 2021.
	2021	BEIS, 2021; Swedish EPA, 2021.
Own car	2023	BEIS, 2023; Swedish Energy Authority, 2023.
	2022	BEIS, 2022; Swedish Transport Administration, 2022.
	2021	BEIS, 2021; Swedish Transport Administration, 2021.
Hotel	2023	CHSB Index 2021; Cornell Hotel Sustainability Benchmarking 2021.
	2022	CHSB Index 2021; Cornell Hotel Sustainability Benchmarking 2021.
	2021	CHSB Index 2019; Cornell Hotel Sustainability Benchmarking 2019.
Postal service	2023	PostNord's environmental calculator.
	2022	PostNord's environmental calculator.
	2021	PostNord's environmental calculator.
Paper and water	2023	BEIS, 2022-2023.
	2022	BEIS, 2022.
	2021	BEIS, 2021.
Waste	2023	Ecoinvent v3.10; BEIS, 2023.
	2022	BEIS, 2022.
	2021	BEIS, 2021.

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