

Nordea

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⌛	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	-	n/a		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	-	n/a		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

Nordea

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory only services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

Sweden

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

☐ 1

☐ 2-5

☒ 6-10

☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

564

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes

☒ No

OO 04	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 04.1 | Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 | Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		147	400	000	000
Currency	EUR				
Assets in USD		194	154	408	741

OO 04.3 | Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06**Mandatory****Descriptive****General****OO 06.1** | To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☐ Publish our asset class mix as percentage breakdown
- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	<10%
Fixed income – corporate	10-50%	<10%
Fixed income – government	<10%	<10%
Fixed income – other	10-50%	<10%
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	<10%
Other (1), specify	10-50%	<10%
Other (2), specify	0	0

	'Other (1)' specified
--	-----------------------

Fund certificates

☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General
-------	---	---------	---------

OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
---------	--

	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

OO 07.2	Indicate the proportion of your externally managed assets in fund-of-funds.
---------	---

	% of externally managed assets
Fund-of-funds	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
-------	---	---------	---------

OO 08.1	Indicate the breakdown of your organisation's AUM by market.
---------	--

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
---------	--

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 10.2	Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.
---------	--

- ☒ Yes, our total listed equities are 10% or more of our total AUM
- ☐ No, our total listed equities are less than 10% of our total AUM

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
----------------	--

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ Fixed Income – other
- ☐ Cash
- ☐ Other (1)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
--	-----------------------------------

Fund certificates

OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
----------------	--

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ Fixed Income – other
- ☐ Cash
- ☐ Other (1)
- ☐ None of the above

	'Other (1)' [as defined in OO 05]
--	-----------------------------------

Fund certificates

OO 12	Mandatory	Gateway	General
--------------	------------------	----------------	----------------

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
----------------	---

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation
--	--------------------------------------

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- ☒ Listed Equities
- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

Closing module

- ☒ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

Nordea

Reported Information

Public version

Overarching Approach

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
OA 01.1	Indicate if you have a responsible investment policy.		
	<input checked="" type="radio"/> Yes <input type="radio"/> No		
OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.		
	<input checked="" type="radio"/> Yes <input type="radio"/> No		
OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]		

Nordeas Policy for Responsible Investment describes our strategy, vision and mission and RI investment framework. Key components in our approach to responsible investing and Nordeas RI policy is active ownership through engagements, offering RI products and solutions, integration of ESG into the investment process as well as excluding companies which are producing illegal weapons or are involved in the development or production phase of nuclear weapon programmes. Nordea also use ESG sovereign bond ratings to better understand ESG risks associated with these investments. Nordea does not invest in sovereign bonds issued by governments which are subject to broad sanctions and/or fail to respect human rights.

The policy framework is based on international norms and conventions and is applied to all funds and portfolios managed by Nordea Investment Management, both internally managed and externally managed, so called white labelled funds. The policy does not apply to funds of funds investing in external funds and funds within Nordeas Guided Fund Universe.

OA 02	Mandatory	Core Assessed	PRI 6
OA 02.1	Indicate if your responsible investment policy is publicly available.		
	<input checked="" type="radio"/> Yes		
OA 02.2	Provide a URL to your responsible investment policy.		
	URL http://www.esg.nordea.com		
	<input type="radio"/> No		

OA 02.3

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- ☒ Yes
- ☐ Yes, all
- ☒ Yes, some

OA 02.4

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
RI Norm Screening	http://www.esg.nordea.com
Nordeas Corporate Governance Policy	http://www.nordea.se/Privat/Sparande/Fonder+hos+Nordea+avkastning+med+ansvar/202674.html#f2837812-cb75-4b86-b194-77d3208fd7df

☐ No

OA 03

Mandatory

Core Assessed

PRI 1,2

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
----------------	---

The RI policy covers investments in listed companies, not unlisted companies.

OA 04	Mandatory	Core Assessed	General
--------------	------------------	----------------------	----------------

OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

- ☐ Yes
☒ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
--------------	------------------	------------------------------	----------------

OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
----------------	--

- ☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
----------------	--

- ☒ At least once per year
☐ Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.
----------------	---

- ☐ Quarterly
☐ Biannually
☒ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 06	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

OA 06.1	List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.
----------------	--

- ☒ Add responsible investment objective 1

Objective 1	Integration of ESG into all Nordea managed investments
Key performance indicators	Number of ESG stock analysis available to portfolio managers
Describe the progress achieved	So far 5000 ESG stock analysis available. Target of 7000 company analysis available.

☒ Add responsible investment objective 2

Objective 2	Further development of ESG Stars products
Key performance indicators	
Describe the progress achieved	

☒ Add responsible investment objective 3

Objective 3	Development of ESG Declaration for all Nordea Funds
Key performance indicators	Implementation of the ESG Declaration to all Nordeas funds across Nordics
Describe the progress achieved	In process of implementation in Sweden. Will be finalized by Q3. The Declaration will then be implemented in Norway, Denmark and Finland.

OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
----------------	---

- ☐ Add responsible investment objective 1 for the next reporting year
- ☐ Add responsible investment objective 2 for the next reporting year
- ☐ Add responsible investment objective 3 for the next reporting year

Governance and human resources

OA 07	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

Firstly, we have an internal RI committee overseeing Nordea's RI processes, practices and policies. The head of Nordea Asset Management is chairing the committee. The rest of the nine members of the committee are: Head of Responsible Investment and Identity, Head of Investments, Head of Products and Operations, Head of Alternatives and Manager Selection, Head of Institutional Clients, Head of Wealth Management Communication, Head of Global Fund Distribution, Head of CSR of Nordea Group and CIO Nordea Life and Pensions Norway.

The committee shall:

Ensure that Nordea Asset Management follows the intention of the RI policy and always acts in the interest of clients

Decide on the level of engagement in companies that violate international norms or companies where an engagement is deemed relevant for other reasons

Decide on exclusions of companies from Nordea Investment Management's investment universe

Decide on significant changes in RI processes

Decide on any changes in the RI Policy

Monitor ongoing engagements

The committee meets quarterly, and more frequently if needed.

The Responsible Investments and Identity team, comprised of 9 people located in Sweden, Norway, Denmark and Finland is located in the Nordea Investment Management unit. Head of RII reports directly to head of Asset Management. Part of these nine people, but employed by Investments, is one person supporting Investments with developing and maintaining the ESG-integration in the Investment organization.

The Investments unit have themselves rolled out the ESG-integration. Now both the RII team and the Investment organization themselves are involved in developing the PMs understanding of, and use of ESG-information in their investment decisions.

The Nordic Institutional Clients unit have what they call the "RI Ambassador forum". One person or more from each IC team in each Nordic country are RI ambassadors and also have 10% of their position attributed to this. They all meet quarterly to discuss and proceed the work towards IC clients on RI, and the aim of the RI ambassadors is also that this person shall have deeper RI related knowledge, so he or she can support the rest of the IC teams. The ambassador forum is headed by an RI ambassador who has 30% of his position attributed to RI.

In the Investment organization, all of the 12 investment boutiques (investment teams) have their dedicated RI person, being the entry point and link between the RII team and the investment team.

In addition, members of the RII team (responsible investments and identity) also have different investment boutiques responsibilities. Meaning some are responsible for providing the international focused equities team or the fixed income team for example with information relevant for them. This could also be providing ESG footprints or carbon footprints of their funds for information.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
---------	---

	Roles present in your organisation
--	------------------------------------

- ☒ Board members or trustees
 - ☐ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☒ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investment analysts
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
---------	---

	Number
--	--------

9

OA 08.3	Additional information. [Optional]
----------------	------------------------------------

In addition to the nine dedicated RI staff internally, several people have workresponsibilities related to RI as part of their job position, and as part of their score card. Within the Nordic Institutional Sales unit for example, each country has its own RI ambassadors which has 10% of their position related to RI. The head of the ambassador forum has 30% of his scorecard linked to RI.

OA 09	Voluntary	Additional Assessed	General
--------------	------------------	----------------------------	----------------

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
----------------	---

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
--------------	------------------	----------------------	----------------

OA 10.1	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
----------------	---

☒ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

- ☒ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

- ☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☒ Basic
☐ Moderate
☐ Advanced
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
☐ International Corporate Governance Network (ICGN)
☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
☒ Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☒ Basic
☐ Moderate
☐ Advanced
- ☐ Local Authority Pension Fund Forum
☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--

Nordea sits in the steering committee on two PRI investro intiativeso n fracking and water risk, respectively. We also engage in an investor initiative through the PRI adressing oil sand.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Active members of the Swesif, Finsif, Dansif and Norsif.

Your organisation's role in the initiative during the reporting period (see definitions)
--

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Active members of the Swesif, Finsif, Dansif and Norsif. Founding members of Finsif and Norsif. In the board of Finsif and Norsif, and chairings the seminar group in Norsif.

☐ Shareholder Association for Research and Education (Share)

☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

☐ Basic

☐ Moderate

☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Nordea is co-chairing the UNEP Financial Initiative's Water and Finance Work Stream (WFWS).

☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

☒ Basic

☐ Moderate

☐ Advanced

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ No

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☐ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

OA 11.3

Additional information. [Optional]

Nordea holds presentations and speeches on various RI related internal and external events, to promote the principles of RI and ESG. We have for example spoken in CDP events, and head of RI in Nordea Sasja Beslik attended the panel debate on water risk at the annual PRI conference this autumn.

We also support bachelor and master students in their assignments and master thesis, with support, access to information and knowledge, to further promote RI among the students. We also meet with government representatives to discuss topics related to RI. Head of Sasja Beslik has had meeting with the department of environmental affairs in Sweden, to discuss how to promote climate awareness within the finance industry. He has further talked with the Swedish government, promoting an ESG Declaration for all funds sold on the Swedish market. I.e fund specific information on what RI strategies that applies to that specific fund.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

OA 12.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☒ Yes, individually
- ☒ Yes, in collaboration with others

OA 12.2 Select the methods you have used.

- ☐ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☐ Drafted your own written submissions to governments, regulators or standard-setters
- ☒ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

OA 12.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- ☐ Yes, publicly available
- ☐ No
- ☐ No

ESG issues in asset allocation**OA 13** Voluntary Descriptive **PRI 1****OA 13.1** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

- ☐ Yes
- ☒ No

OA 14 Voluntary Descriptive **PRI 1****OA 14.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- ☒ Yes

OA 14.3 Please specify which thematic area(s) you invest in and provide a brief description.

Area

- ☒ Clean technology

Asset class invested

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Green buildings

Asset class invested

- ☒ Listed equity
 - ☐ Fixed income - corporate
 - ☐ Fixed income - government
 - ☐ Sustainable forestry
 - ☐ Sustainable agriculture
 - ☐ Microfinance
 - ☐ SME financing
 - ☐ Social enterprise / community investing
 - ☐ Affordable housing
 - ☐ Education
 - ☐ Global health
 - ☐ Other area, specify
- ☐ No

OA 14.4	Additional information.
---------	-------------------------

Nordeas Climate and Environment fund investment in environmental specific topics.

Innovation

OA 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 18.1

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

We find among other the following particular innovative:

Stars products

Absolute ESG analysis

ESG integration into investment process

Field visits

Proactive engagement within positive screened portfolios

We would like to highlight our stars-family of funds. These are equity funds which, on the top of traditional financial analysis, are looking for the next generation of leading companies. By that we mean the companies that are able to cope with and taking advantage of the new megatrends in a sustainable way- tomorrows winners. On top of traditional financial analysis, the companies therefore have to be very good in terms of ESG measures and/or contribute with the production of needed products in order to achieving sustainable development.

We would also like to highlight that we on our company visits and fieldtrips makes videos. We see this as a very effective way to engage other people into both how we work as well as the key issue and themes covered in the different videos.

Further, we have now finished the 1st part of ESG-integration into the Investment unit, meaning all portfolio managers now have access to (MSCI)s company assessments and ratings on ESG. We have worked with them on how they should use this information, and the advantages of using this, and we are pleased to see how the PMs now are using the information. However, this is continuous work in progress to learn and encourage the PMs how to use the ESG information.

Assurance of responses

OA 19**Voluntary****Additional Assessed****General****OA 19.1**

Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

☒ Yes

OA 19.2

Indicate who has reviewed, validated and/or assured your reported information.

- ☐ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

☐ No

Nordea

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
--------	-----------	-------------	---------

SAM 01.1	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
-----------------	---

Note: Nordea uses external managers to manage some of our own funds, called for example Nordea Global High Yield. I.e we (Nordea) set all premises, the mandate, all ESG restrictions and more, but the fund is managed by for instance MacKay Shields.

All white labelled funds have exact the same RI policy and procedure as internally managed funds. They have to follow Nordeas exclusion list and we screen all WL holdings to identify norm breaching companies (environmental, human rights violations, labour rights violation or corruption). These companies are then subject to engagement, either by Nordeas internal team themselves, and/or in cooperation with our partner Hermes.

The only thing that separates the WL funds from the overall management of our internal funds is that full ESG-integration understandably only covers our internal managed funds. I.e internal managers have access to company specific ratings and reports on ESG. We however encourage the external managers to use ESG information and implements ESG-integration to the level we have done internally.

SAM 02	Mandatory	Core Assessed	PRI 4
--------	-----------	---------------	-------

SAM 02.1	Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.
-----------------	---

☐ Yes

☒ No

SAM 03	Mandatory	Gateway	General
--------	-----------	---------	---------

SAM 03.1	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring
-----------------	--

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 04	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	General
--------	---------------------	-----------------------	-----------------	---------

SAM 04.1	Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.
-----------------	--

Listed equity (LE)

Type of strategy	As % of externally managed listed equity
Passive	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

Fixed income - corporate (FIC)

Type of strategy	As % of externally managed corporate fixed income
Passive	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

Fixed income - government (FIG)

Type of strategy	As % of externally managed government fixed income
Passive	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

SAM 05

Mandatory

Gateway

PRI 1,2

**SAM
05.1**

Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	FIC	FIG
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM
05.2**

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SAM
05.3**

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

Selection

SAM 06

Mandatory

Core Assessed

PRI 1-6

**SAM
06.1**

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

	LE	FIC	FIG
Review the manager's responsible investment policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss managers' governance and management of responsible investment activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the type of ESG reporting you expect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Evaluate the quality and coverage of ESG research used by managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	n/a
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Monitoring

SAM 08	Mandatory	Core Assessed	PRI 1
SAM 08.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:		
	General		

	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Request information on ESG incorporation in specific investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Nordea monitors that the external managers follows all screening filters we have requested for the specific equity and fixed income (both corporate and government) funds. I.e an external manager trying to buy holdings in a company on Nordeas exclusion list, will automatically be stopped by a Nordea specific trading system.

Outputs and outcomes

SAM 14

Mandatory to Report Voluntary to Disclose

Descriptive

PRI 1-6

SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.
---------------------	--

	%
--	---

38

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
---------------	------------------	----------------------	--------------

SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
---------------------	---

- ☐ Yes, we disclose information publicly
- ☐ Yes, we disclose information to clients/beneficiaries only
- ☒ We do not proactively disclose information to the public and/or clients/beneficiaries

Nordea

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview				
LEI 01	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	PRI 1
LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.			
Strategies				
<input checked="" type="checkbox"/> Passive				
<div>% of internally managed listed equities</div> <div> <input checked="" type="radio"/> <10% </div> <div> Report on your strategies that represent <10% of listed equities </div> <div> <input type="radio"/> Yes </div> <div> <input checked="" type="radio"/> No </div> <div> <input type="radio"/> 10-50% </div> <div> <input type="radio"/> >50% </div>				
<input checked="" type="checkbox"/> Active – quantitative (quant)				
<div>% of internally managed listed equities</div> <div> <input type="radio"/> <10% </div> <div> <input type="radio"/> 10-50% </div> <div> <input checked="" type="radio"/> >50% </div>				
<input checked="" type="checkbox"/> Active – fundamental and other active strategies				
<div>% of internally managed listed equities</div> <div> <input type="radio"/> <10% </div> <div> <input type="radio"/> 10-50% </div> <div> <input checked="" type="radio"/> >50% </div>				
LEI 02	Voluntary	Descriptive	PRI 1	

LEI 02.1

Provide a brief overview of how you incorporate ESG issues in listed equity investments.

All equity investments, like all fixed income investments are subject to Nordeas policy on responsible investments.

Twice a year, we screen with the support of our external partner Ethix, all our funds (internally managed and white-labelled) to identify companies violating international norms on human rights, labour rights, corruption and environment. The results of the screening, conducted twice a year, are reviewed and assessed by Nordeas RI committee. The committee decides on the level of engagement with companies verified for violations.

Nordeas exclusion list covers all equity investments (in addition to all fixed income investments). The exclusion consists of companies producing illegal weapons such as cluster munitions, and companies involved in the development or production phase of nuclear weapon programmes. The exclusion list also includes companies where an engagement is not feasible, or the company is unwilling to change.

Further, for our two ESG enhanced equity funds, Nordeas internal team for responsible investments performs an ESG-analysis where we give a rating from A to C based on how the company managed their ESG risks and opportunities. We here also look at the company's business model, and products contribution to sustainable development.

Also, all portfolio managers (applies to both equity and fixed income) have access to company specific and sector specific ESG research by MSCI. They here have access to qualitative and quantitative assessments and ratings (from AAA to CCC) of a company based on ESG measures.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03**Mandatory****Gateway/Core Assessed****PRI 1****LEI 03.1**

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 99
--	--

☒ Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 1
--	---

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed listed equities
--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
----------	---

Norm screening strategy: Nordea wants to ensure that we do not invest in companies producing illegal weapons or nuclear weapons. Further, we believe in the role as an active investor and strive to engage the companies we are invested in to improve their behaviour and follow internal norms. In order to do so, we need to screen our funds to identify which companies we need to exclude, and which we should initiate an engagement with.

ESG-integration strategy: Further, we believe in the means of ESG-integration. Not at least is this also an important principle in the PRI. We have therefore made ESG company specific information available to all our portfolio managers. We see this as an important part of being a responsible investor, delivering returns with responsibility, being compliant with the PRI principles and being a role model for peers within RI. Further, we believe that ESG information can make the PMs take better investment decisions, i.e. improve return or not at least reduce risk.

LEI 04	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 04.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
----------	---

Type of ESG information

☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Issue-specific analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 04.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

We use our external service provider Ethis for screening and Hermes for common engagement. We further use MSCI, EIRIS, Trucost and Solaron for ESG research, also to support our internal analysis.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

- ☐ Yes
☐ No

LEI 05	Voluntary	Additional Assessed	PRI 1
---------------	------------------	----------------------------	--------------

LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
-----------------	---

- ☒ Engagement
- ☐ We have a systematic process to ensure the information is made available.
 - ☒ We occasionally make this information available.
 - ☐ We do not make this information available.
- ☒ (Proxy) voting
- ☐ We have a systematic process to ensure the information is made available.
 - ☐ We occasionally make this information available.
 - ☒ We do not make this information available.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

Type of screening

- ☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

Products and Sectors

Negative screening and exclusion of companies involved in illegal weapons such as cluster munitions or companies involved in the development or production phase of nuclear weapon programmes are excluded from all funds. Further, several of Nordeas funds and mandates apply additional screening filters and exclude companies that have more than 5% of their revenues from tobacco, alcohol, gambling, pornography or other military equipment.

Activity

Nordea excludes companies violating international norms on human rights, labour rights, corruption and the environment if an engagement does not lead to progress, or the company is unwilling to change. This is then done for all Nordeas funds (internally managed and WL). Further, several of Nordeas funds and mandates apply a norm exclusion screening filter rather than the engagement strategy for all other funds. This means that the fund will exclude all companies that can be identified to violate international norms instead of initiating engagement.

☒ Positive/best-in-class screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
--	-------------

Nordeas ESG enhanced positively screened fund of family, the stars funds, assesses companies both based on the companys products contribution to sustainable development, how they behave (i.e if there are any controversies reported) but also how they in general manage ESG risks and opportunities. Included in the way we view a companys products contribution to SD, is also a positive or negative bias towards different sectors.

The ESG analysis and assessment looks at commitment from management, policies, management systems and targets/progress on targets related to key ESG issues within the company.

☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify
Rios declaration on development and the environment

	Description
--	-------------

The biannual screening we do with the support from Ethix, to identify companies that are violating international norms on the above mentioned, are based on the conventions and principles as indicated above. Ethix also has experts with key competence in specific areas that we use both to support in our work (i.e expert knowledge around occupied territory controversies), and which conventions and principles to look to as a basis and foundation for the screening.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

The screening criterias are rather fixed. Ethix may change or update the basis for screening, i.e new conventions for the norm screening. If Nordea wants to change the screening criterias we request Ethix to perform the screening after, this decision lies with the RI committee.

LEI 07	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
----------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 08	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached
----------	---

- ☐ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 09.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
----------	--

- ☒ Environmentally themed funds
- ☐ Socially themed funds
- ☒ Combination of themes

LEI 09.2	Describe your organisation's processes for sustainability thematic funds. [Optional]
----------	---

Investments for the ESG enhanced stars funds are based on both a financial assessment and an ESG assessment. A company has to be "approved" by both parts before a company is investable.

Nordea also has an environmentally themed fund called Nordea Climate and Environment.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.
----------	---

For the ESG enhanced stars funds, only companies rated B or better on a scale from A to C in our in-house analysis are investable.

Integration key to managing risk:

Since ESG issues are an increasing source of risk and opportunity, we initiated a process to integrate ESG data, both positive and negative, as a factor in assessing investments. At year's end 2013, all investments were integrated. All portfolio managers in Nordea have access to ESG research and company specific information, which they can use as a basis in their overall assessment of a company, and in the investment decision process. We have for example seen than portfolio managers that look at two rather similar companies from a performance perspective, chose higher rated companies from an ESG perspective over lower rated companies, as a way to reduce additional risk.

The ESG data can help control risk in an investment portfolio, and is a potential indicator of better performance. Full ESG integration will strengthen Nordea's profile as one of Europe's leaders in responsible investment.

LEI 11	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
----------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 12	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
----------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2	Describe how ESG information is held and used by your portfolio managers.
----------	---

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 13	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 13.1

Indicate into which aspects of investment analysis you integrate ESG information.

- ☐ (Macro) economic analysis
- ☒ Industry analysis
- ☐ Systematically
- ☒ Occasionally
- ☒ Analysis of company strategy and quality of management
- ☒ Systematically
- ☐ Occasionally
- ☒ Idea generation
- ☐ Systematically
- ☒ Occasionally
- ☒ Portfolio construction
- ☐ Systematically
- ☒ Occasionally
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

Outputs and outcomes

LEI 16**Voluntary****Descriptive****PRI 1****LEI 16.1**

Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

a) Impacted funds' financial performance

Screening	Thematic	Integration of ESG issues	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	
<input type="radio"/> No	<input type="radio"/> No	<input type="radio"/> No	

b) Reduced funds' risk or volatility

Screening	Thematic	Integration of ESG issues	
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	
<input type="radio"/> No	<input type="radio"/> No	<input type="radio"/> No	

c) Improved funds' ESG performance

Screening	Thematic	Integration of ESG issues	
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No	

LEI 17	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 17.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
----------	---

☒ ESG issue 1

ESG issue and explanation	
<p>A pulp and paper manufacturer company which we provide internally analysis of, was sold out in our niche fund Swedish Stars because of breaches on international norms such as indigenous peoples right in China and child labour in Pakistan. We reassessed the company, and had to downgrade the company due to the increased risk picture, and lack of sufficient company response and systems regarding the issue. Hence, the company were no longer investable for our ESG enhanced fund.</p>	
ESG incorporation strategy applied	
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Combination of ESG incorporation strategies	
Impact on investment decision or performance	
<p>Another example is a company, where both head of RI and a portfolio manager early on were involved in conversations with the company over lacking approach to identify and monitor the risk of corruption, and the company was not able to show any risk assessments done in high-risk countries. This revealed high risks that could impact the company financially, and the portfolio manager decided to sell out of the company. The company has since then had some negative media attention regarding corruption and other ESG risks.</p>	

☐ ESG issue 2

☐ ESG issue 3

☐ ESG issue 4

☐ ESG issue 5

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- ☐ We disclose it publicly
- ☐ We disclose it to clients and/or beneficiaries only
- ☒ We do not proactively disclose it to the public and/or clients/beneficiaries

Nordea

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

Nordea engages with companies violating international norms and with companies where we see significant room for improvement in relation to ESG issues. Nordea initiates engagement dialogues to change behaviour and to enhance business performance by addressing business practices used by the companies we invest in.

Engagements are conducted by in-house specialists, either independently or in cooperation with service provider and/or other investors.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03

Mandatory

Core Assessed

PRI 2

LEA
03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☉ Yes

LEA
03.2

Describe how you identify and prioritise engagements.

Nordeas engage with companies:

1. violating international norms for human rights, labour rights, environmental protection and anti-corruption. Semi-annually Nordea screen all holdings to identify companies that violate international norms. Nordea's internal Responsible Investments then decided on the level of engagement with the companies identified and the forms of the engagements. The engagement activities are reviewed continuously by the RI team and semi-annually by the RI committee.

2. where we see significant room for improvement in relation to ESG issues. Nordea's internal ESG analyst team is responsible for analyzing companies for our Responsible Investment funds. Within the analysis process we identify companies that have a room for improvement to ESG issues, in a selection of these companies we initiate engagement dialogue.

☐ No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA
04.1

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☐ Yes, for all engagement activities

☒ Yes, for the majority of engagement activities

☐ Yes, for a minority of engagement activities

☐ No

LEA
04.2

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

☐ Yes, in all cases

☒ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA
04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

Monitoring and evaluation of progress of engagements are done in several different ways. For a majority of the engagement we conduct we set short and long term targets and these are follow-up by the internal team continuously and semi-annually by Nordeas internal Responsible Investment committee.

Some engagements we conduct are more intense and for these we can follow up for example on a weekly basis with the company.

☐ No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

**LEA
05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

**LEA
05.2**

Describe how you identify and prioritise collaborative engagements.

Collaborative engagements is selected based on the relevance to RII's current activities, for example current thematic research, interesting themes, sectors/companies with high risk.

Each ESG analyst is responsible for "screening" for relevant engagements and present possible engagements to the team. The head of RII is responsible for deciding on which engagements we should participate and the level of involvement

☐ No

LEA 06

Mandatory

Core Assessed

PRI 2

**LEA
06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

☒ Yes

☐ Yes, for all collaborative engagement activities

☒ Yes, for the majority of collaborative engagement activities

☐ Yes, for a minority of collaborative engagement activities

☐ No

**LEA
06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☐ Yes, in all cases
- ☒ Yes, in the majority of cases
- ☐ Yes, in the minority of cases

**LEA
06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

This is monitored through different ways, for example in some cases we monitor and follow-up how companies change their behaviour based on the collaborative engagements we participate in.

☐ No

Process for engagements conducted with/on your behalf by service providers

LEA 07

Mandatory

Core Assessed

PRI 2,4

**LEA
07.1**

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

☒ Yes

**LEA
07.2**

Indicate what role you play in engagements that your service provider conducts on your behalf.

- ☒ Specify the issues for the engagement
- ☒ Specify the objectives for the engagement
- ☒ Select the companies to be engaged with
- ☒ Participate directly in the engagements with your service provider
- ☒ Actively monitor and review the activities of the service provider
- ☐ Other, specify

☐ No

LEA 08

Mandatory

Core Assessed

PRI 2,6

**LEA
08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- ☒ The subject (or ESG issue(s)) of engagement
- ☒ The objectives of the engagement
- ☒ The rationale for engagement
- ☒ The frequency/intensity of interactions with companies
- ☒ Progress towards achieving engagement goals
- ☒ Outcomes that have been achieved from the engagement
- ☒ Next steps for engagement activity
- ☐ Other, specify
- ☐ None of the above

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
--------	-----------	---------------------	---------

LEA 09.1

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Service provider engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1

Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report	Voluntary to Disclose	Core Assessed	PRI 2
---------------	----------------------------	------------------------------	----------------------	--------------

LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
-----------------	--

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	50
Collaborative engagements	100
Service provider engagements	7

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
-----------------	---

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Service provider engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.4

Indicate for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

Type of engagement	% High involvement
Service provider engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 12

Voluntary

Additional Assessed

PRI 2

LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Service provider engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

**LEA
12.2**

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

15

% Social only

30

% Corporate Governance only

5

% Overlapping ESG issues

50

100%

Collaborative engagements

% Overlapping ESG issues

100

100%

	Service provider engagements
--	------------------------------

	% Environmental only
--	----------------------

50

	% Social only
--	---------------

50

100%

LEA 13	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

☒ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	5
Collaborative engagements	
Service provider engagements	2

☐ No

LEA 14	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
-----------------	---

☒ Add Example 1

Topic or ESG issue	Use of uncertified Indonesian wood in paper manufacturing, presenting a significant risk to companies' reputation
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Company commitment to sourcing only from certified forests
Scope and Process	<p>We engaged with 15 companies. This represented 18% by number of the companies in our portfolio that we believe may be exposed to this risk.</p> <p>We conducted numerous meetings with all companies, including with Directors on the Board.</p>
Outcomes	Seven of the companies contacted have agreed to change their purchasing practices, and two of these have issued new policy statements on this issue.

☒ Add Example 2

Topic or ESG issue	Corporate governance
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Split Chairman and CEO roles
Scope and Process	<p>We met with 6 US listed companies that currently have a combined Chairman/CEO.</p> <p>This represents x% of the US companies we hold that have a joint Chairman/CEO.</p>
Outcomes	We are awaiting formal responses from these companies to our proposals.

- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
----------	--

- ☒ We disclose it publicly

	please provide URL
--	--------------------

<http://www.esg.nordea.com>

**LEA
15.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☐ Yes

☒ No

**LEA
15.3**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Reporting to the public	Reporting to clients/beneficiaries
Engagement information disclosed <input type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information	Engagement information disclosed <input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information

**LEA
15.4**

Indicate how frequently you typically report engagements information.

Reporting to the public	Reporting to clients/beneficiaries
<input type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input checked="" type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify	<input checked="" type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify

☐ We disclose it to clients and/or beneficiaries only

☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
----------	--

Nordea Investment Funds (NIF) votes foremost at AGMs and EGMs where NIF represents a considerable shareholding. NIF participate in nomination committees for companies when invited usually when NIF is among 3-5 largest shareholders. In nomination committee capacity (member or chair), Nordea files relevant shareholder resolutions. Nordea files other types of shareholder resolutions as needed.

Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
----------	---

	Approach
--	----------

☒ We use our own research or voting team and make our own voting decisions without the use of service providers.

	Based primarily on
--	--------------------

- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain

☐ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
----------	-----------------------------------

For Nordic companies we use our own research and for non-Nordic companies we hire service providers which provide research and make voting recommendations that we use to inform our voting decisions.

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

☐ Yes, in most cases
☒ Sometimes, in the following cases:

- ☒ votes in selected markets
- ☐ votes on certain issues (all markets)
- ☐ votes for significant shareholdings (all markets)
- ☐ other, explain

☐ No
☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
-----------------	------------------------------------

Depending on the size of our ownership we discuss the relevant issue with the chairman of the board of the company in advance. Otherwise we inform about the basis for our decision when votes are cast.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

☐ We do track or collect this information
☒ We do not track or collect this information

LEA 22.3	Additional information. [Optional]
-----------------	------------------------------------

We vote on AGMs/EGMs in companies where we have substantial holdings.

LEA 23	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
-----------------	--

☒ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	<div> <div></div> <div>%</div> </div> 90
Against (opposing) management proposals	<div> <div></div> <div>%</div> </div> 09
Abstentions	<div> <div></div> <div>%</div> </div> 01

100%

LEA 23.3	For the reporting year, describe your approach towards voting on shareholder resolutions.
-----------------	---

We do not have a specific approach towards shareholder resolutions, but evaluate all proposals presented on the AGM/EGM in the same way.

☐ No, we do not track this information

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
---------------	------------------	----------------------	----------------

LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

- ☐ We disclose it publicly
☐ We disclose it to clients/beneficiaries only
☒ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.6	Additional information. [Optional]
-----------------	------------------------------------

The Corporate Governance policy, which includes guidelines for our voting activities, is available on our web site.

Nordea

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

FI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

Fixed income – government

Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

FI 02

Mandatory to Report Voluntary to Disclose

Peering

General

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

Credit quality	Fixed Income - Corporate	Fixed Income - Government
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
High yield	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate	Fixed Income - Government
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%

ESG incorporation in actively managed fixed income
FI 03
Voluntary
Descriptive
PRI 1
FI 03.1

Provide a brief overview of how you incorporate ESG issues in fixed income investments.

Fixed Income - Corporate

All fixed income corporate investments are subject to Nordeas policy on responsible investments. The only difference between the policy on equity versus corporate bonds is that we exclude companies, we do not engage bonds issuers.

Nordeas exclusion list covers all fixed income corporate investments (in addition to all equity income investments). The exclusion consists of companies producing illegal weapons such as cluster munitions, and companies involved in the development or production phase of nuclear weapon programmes. The exclusion list also includes companies where an engagement is not feasible, or the company is unwilling to change.

Companies that apply additional screening filters like tobacco, alcohol, pornography, gambling or other military equipment will also be restricted from buying bonds from such companies.

Fixed Income - Government

All fixed income sovereign investments are subject to Nordeas policy on responsible investments.

All portfolio managers have access to ESG specific information and ratings provided by MSCI on country level. Nordea AM use ESG sovereign bond ratings to better understand ESG risks associated with these investments.

Nordea AM does not invest in sovereign bonds issued by governments which are subject to broad sanctions and/or fail to respect human rights

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
FI 04.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.		

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	100

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

	Total actively managed fixed income - corporate
--	---

100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
----------------	---

Norm screening strategy: Nordea want to ensure that we do not invest in companies producing illegal weapons or nuclear weapons. In order to do so, we need to screen our funds to identify which companies we need to exclude.

ESG-integration strategy: Further, we believe in the means of ESG-integration. Not at least is this also an important principle in the PRI. We have therefore made ESG company specific information available to all our portfolio managers. We see this as an important part of being a responsible investor, delivering returns with responsibility, being compliant with the PRI principles and being a role model for peers within RI. Further, we believe that ESG information can make the PMs take better investment decisions, i.e improve return or not at least reduce risk.

FI 05	Voluntary	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

FI 05.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
----------------	---

Type of ESG information

- ☒ Raw ESG company data

Describe who provides this information.

MSCI and Trucost

☒ Issuer-related analysis or ratings

Describe who provides this information.

MSCI and Trucost

☒ Sector-related analysis or ratings

Describe who provides this information.

MSCI

☒ Country-related analysis or ratings

Describe who provides this information.

MSCI

☒ Screened bond list

Describe who provides this information.

Ethix

☒ Issue-specific analysis or ratings

Describe who provides this information.

MSCI

☒ Other, specify

The internal team for RI also support PMs with company, theme and sector specific analysis and research.

FI 05.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
----------------	---

All PMs have access to company our country specific ESG information to support their investment decisions for both corporate and sovereign bonds. We further have access to Trucost information to support PMs on bonds investment. Ethix screening support identification of bonds PMs cannot invest in.

The use of EIRIS and Solaron is to suport equity analysis mainly for rthe star funds.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

FI 06.1	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
----------------	---

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

	Description
--	-------------

Products and Sectors

Negative screening and exclusion of companies involved in illegal weapons such as cluster munitions or companies involved in the development or production phase of nuclear weapon programmes are excluded from all funds. Further, several of Nordeas funds and mandates apply addition screening filters and exclude companies that have more than 5% of their revenues from tobacco, alcohol, gambling, pornography or other military equipment.

Activity

Nordea excludes companies violating international norms on human rights, labour rights, corruption and the environment if an engagement does not lead to progress, or the company is unwilling to change. This is then done for all Nordeas funds (internally managed and WL) and also applies for corporate fixed income. Further, several of Nordeas funds and mandates apply a norm exclusion screening filter rather than the engagement strategy for all other funds. This means that the fund will exclude all companies that can be identified to violate international norms.

☐ Positive/best-in-class screening

☒ Norms-based screening

Screened by

☒ UN Global Compact Principles

☒ Universal Declaration of Human Rights

☒ International Labour Organization Conventions

☒ United Nations Convention Against Corruption

☒ OECD Guidelines for Multinational Enterprises

☐ Other, specify

	Description
--	-------------

The biannual screening we do with the support from Ethix, do identify companies that are violating international norms on the abovementioned are based on the conventions and principles as indicated above. Ethix also has experts with key competence in specific areas that we use both to support in our work (i.e expert knowledge around occupied territory controversies), and which conventions and principles to look to as a basis and foundation for the screening.

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
----------------	---

The screening criteria are rather fixed. Ethix may change or update the basis for screening, i.e. new conventions for the norm screening. If Nordea wants to change the screening criteria we request Ethix to perform the screening after, this decision lies with the RI committee.

FI 07	Mandatory	Core Assessed	PRI 1
--------------	------------------	----------------------	--------------

FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
----------------	---

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 08	Voluntary	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

FI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.
----------------	--

- ☐ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
- ☒ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

(C) Implementation: Integration of ESG factors

FI 10	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

FI 10.1

Describe how you integrate ESG issues into investment decision-making processes.

Companies on Nordeas exclusion list will not be eligible for investing in bonds issued by the company.

For the ESG enhanced stars funds, only companies rated B or better on a scale from A to C in our in-house analysis are investable.

Integration key to managing risk:

Since ESG issues are an increasing source of risk and opportunity, we initiated a process to integrate ESG data, both positive and negative, as a factor in assessing investments. At year's end 2013, all investments were integrated. All portfolio managers in Nordea have access to ESG research and company specific information, which they can use as a basis in their overall assessment of a company, and in the investment decision process. We have for example seen than portfolio managers that look at two rather similar companies from a performance perspective, chose higher rated companies from an ESG perspective over lower rated companies, as a way to reduce additional risk.

The ESG data can help control risk in an investment portfolio, and is a potential indicator of better performance. Full ESG integration will strengthen Nordea's profile as one of Europe's leaders in responsible investment.

FI 11
Mandatory
Core Assessed
PRI 1
FI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 12
Voluntary
Descriptive
PRI 1

FI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
----------------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 12.2	Describe how ESG information is held and used by your portfolio managers.
----------------	---

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
--------------	------------------	----------------------	--------------

FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.
----------------	---

☒ Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.
----------------	---

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

FI 13.3	Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.
----------------	--

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

All portfolio managers have access to country specific ESG information from MSCI (with more than 5000 companies and issuers) to support their investment analysis and decision making. They have access to a quantitative and qualitative assessment and rating of countries on ESG ranging from AAA to CCC.

☐ No

Outputs and outcomes

FI 16	Voluntary	Descriptive	PRI 1
FI 16.1	Indicate if you believe (by applicable strategy) that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.		

Fixed Income - Corporate

a) Impacted funds' financial performance

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

b) Reduced funds' risk or volatility

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

c) Improved funds' ESG performance

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

Fixed Income - Government

a) Impacted funds' financial performance

ESG incorporation (for actively managed funds)
<input checked="" type="radio"/> Yes <input type="radio"/> No

b) Reduced funds' risk or volatility

ESG incorporation (for actively managed funds)
<input checked="" type="radio"/> Yes <input type="radio"/> No

c) Improved funds' ESG performance

ESG incorporation (for actively managed funds)
<input checked="" type="radio"/> Yes <input type="radio"/> No

Communication

FI 18

Mandatory

Core Assessed

PRI 2,6

FI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- ☐ We disclose it publicly
- ☐ We disclose it to clients/beneficiaries only
- ☒ We do not proactively disclose it to the public and/or clients/beneficiaries

Engagement in fixed income investments

Fixed Income - Corporate

FI 19

Voluntary

Descriptive

PRI 2**FI 19.1**

Indicate if you engage with corporate issuers.

- ☐ Yes
- ☒ No

Fixed Income - Government

FI 20

Voluntary

Descriptive

PRI 2**FI 20.1**

Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.

- ☐ Yes
- ☒ No