

Nordea Liv transparency account 2022

1. Background

Livsforsikringssselskapet Nordea Liv Norge AS (Nordea Liv) is the third largest provider of life and pension products in Norway. It is 100% owned by Nordea Bank Abp (“Nordea”), and adhering to the Nordea governance and strategy implemented throughout the Nordea Group.

Nordea is a signatory to the Principles for Responsible Banking and to the UN Global Compact and its underlying principles on human rights, labour rights, environment and anti-corruption. Nordea's approach to counteract human right violations is also aligned with the principles in OECD Guidelines for Multinational Enterprises (“OECD Guidelines”) and UN Guiding Principles on Business and Human Rights (“UNGP”). These principles form a base for the Norwegian Transparency Act (the “Act”).

This is the Nordea Liv account for the financial year 2022 and is published as required by the Act.

2. About Nordea

Nordea is a Nordic bank with global presence. We are the largest financial services group in the Nordic region and one of the biggest banks in Europe. We have representation in 21 countries including our four home markets – Denmark, Finland, Norway and Sweden – and serve approximately 10 million customers. Our four business areas – Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management – are designed to support the relationship strategy specific to each customer segment. As a financial services company, our success relies on the confidence our stakeholders have in us. We are committed to integrating sustainability, including caring for the environment, protecting and respecting labour and human rights, and combating financial crime, into our business strategy and operations.

We support the Universal Declaration on Human Rights and include human rights in our Code of Conduct¹, Sustainability Policy², Responsible Investment Policy³, Supplier Code of Conduct⁴ and sector guidelines⁵. Furthermore, we address human rights as a sustainability issue in all parts of our organisation and in our due diligence processes. We have identified our most critical human rights areas as being within financing, investments, transactions and sourcing. During 2022 we started the work with assessing the impacts of human rights in these processes and adapting risk frameworks to account for risk to people in addition to risk to business.

¹ <https://www.nordea.com/en/doc/nordea-code-of-conduct-2022.pdf> Approved by the Board of Directors on 16 June 2022

² <https://www.nordea.com/en/doc/nordeasustainabilitypolicy.pdf> Approved by the Board of Directors on 16 June 2021

³ <https://www.nordea.com/en/doc/nordea-responsible-investment-policy-july-2022.pdf> Approved July 2022

⁴ <https://www.nordea.com/en/doc/nordea-supplier-code-of-conduct-2019.pdf> Approved 2019

⁵ <https://www.nordea.com/en/sustainability/policies-sector-guidelines>

3. Guidelines and procedures

Nordea is committed to respecting human rights. Nordea's approach to human rights is included in our Code of Conduct, Sustainability Policy, Responsible Investment Policy, Supplier Code of Conduct and in our Sector Guidelines.

Our efforts to handle actual and potential adverse impacts on fundamental human rights are guided by the following initiatives:

- The Principles for Responsible Banking
- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- UN Principles for Responsible Investment
- The Universal Declaration of Human Rights
- UN Environment Programme Finance Initiative
- The ILO Declaration of Fundamental Principles of Rights at Work
- The Children's Rights and Business Principles
- UN Convention on the Rights of the Child

Grievance mechanisms

Nordea is committed to conducting business with the highest ethical standards and according to applicable laws, rules and regulations. For this reason, we encourage all customers, partners as well as our own employees to always report any suspected fraudulent or unethical behaviour by Nordea or its employees.

This procedure is intended solely for reporting suspected misconduct or irregularities, such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour, and should not be used for customer complaints or to report on issues related to personal disputes.

4. Due Diligence process

4.1 Human rights assessment in the supply chain

It is paramount for our joint ability to deliver on the sustainability goals that our suppliers and business partners (“Suppliers”) are committed and work diligently with sustainability. Our Supplier Code of Conduct, which is aligned with the Nordea Code of Conduct and the UN Global Compact, sets the standard for how we expect our Suppliers to act. It is not enough that our Suppliers abide by the laws and regulations in the countries where they operate, but we expect them to proactively move beyond compliance. By having a contractual commitment from our Suppliers, we ensure that the sustainability requirements are governed as an integrated part of the supplier and contract management.

4.2 Monitoring and screening

Human rights risks are integrated to our Supplier screening and monitoring processes, where indicators such as the risk of child labour, the risk of modern slavery, the right to freedom of association, and the decency of working conditions are being evaluated as part of the pre-screening. The pre-screening and monitoring process also covers if the Supplier has been subject to negative media exposure due to misconduct related to human rights, enabling us to take appropriate actions.

In 2022 we have further matured the process for pre-screening and monitoring supply chain sustainability risks. We have implemented a new version of our screening system, trained our sourcing managers in using the system, and implemented a four-eyes principle on assessing Suppliers with an inherent high-risk evaluation. All Suppliers in our contract database with whom we have an active agreement are subject to continuous monitoring. In case a risk is identified, a formal process will be initiated to determine the appropriate course of action. We believe that the best outcome will be achieved by engaging in dialogues with our Suppliers, and termination of agreement is our last resort. Any validated risks are logged for improved oversight and to secure that these are being thoroughly investigated, mitigated and documented.

4.3 Training for employees and board

All Nordea employees are required to complete an annual Code of Conduct training to ensure adequate awareness and knowledge of our ethical principles including human rights.

In 2022, the Nordea board members received training on key sustainability factors in our business environment as well as emerging risks, such as biodiversity.

4.4 Real estate

Nordea Liv invests in directly held real estate assets that starts with an acquisition and ends with divestment. In these processes, and in the holding period, several processes are performed in order to achieve our sustainability ambitions. During acquisitions, management, leasing, projects and divestments, different types of relevant due diligence processes are performed which includes indicators for human rights and working conditions. The due diligence processes are performed towards counterparties, tenants, suppliers and contractors.

The counterparties are screened according to our KYC requirements and sanction standards. The tenants are screened towards our PEP requirements and Sanction lists.

For some high risk industries, background checks should be carried out. Nordea have limited risk appetite and shall perform additional controls before entering into business relationship with companies within certain industries such as Payment Service Providers, Money Service Business, Virtual Currencies etc . The extra controls should be performed according to local Enhanced Due Diligence (EDD) procedures.

We use contractors and suppliers that have high standards with regard to workers' rights, health and safety practices and business ethics.

We require that all our suppliers has a safety policy in line with the ILO conventions.

All major suppliers and large contractors shall be certified according to the ISO standards 14001 or 9001 or have an equivalent quality management system or an industry certification that includes ongoing systematic quality work.

All suppliers must have a written environmental policy that is known to the employees. Suppliers must have performed and documented training regarding good and safe workplace. Suppliers and subcontractors must be authorized in accordance with current industry rules for their respective work-category. Contract work must be carried out in accordance with current regulations and industry rules and standards.

5. Due diligence findings and way forward

As part of Nordea's continuous and ongoing due diligence of Suppliers, we have conducted a risk assessment of our supply chain, identifying areas where there is an elevated risk of human rights issues. The areas identified are IT (hardware and accessories), IT consultants in high-risk countries, facility management (buildings, cleaning services, agriculture products like coffee), branded material and travel.

In 2023, we intend to deep-dive into the high-risk areas identified during 2022, applying a risk-based approach, where we will assess if Nordea has caused or contributed to adverse impacts, and if so, define suitable measures to cease, prevent and mitigate the identified impacts. We will also improve the process for tracking implementation and remediation, to ensure we are on track to fulfil our target to have a human rights impact assessment of the supply chain in place by the end of 2023.

Signatures to the Norwegian Transparency Act Statement for the year 2022

Bergen, 20. June 2023

Katja Sofia Bergqvist

Chair

Jon Brenden

Board member

Johan Bertil Ludvig Nystedt

Board member

Eldbjørg Sture

Board member

Espen Widerøe

Board member

Hans-Erik Lind

CEO