

## Social Responsible Investments in Nordea

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Nordea Asset Management

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\* Investing for their own account – according to MiFID definition.



# Nordea

## A stable bank among the largest European players

### Ratings:

- |                     |     |
|---------------------|-----|
| • Standard & Poor's | AA- |
| • Moody's           | Aa3 |
| • Fitch             | AA- |

|                     |       |
|---------------------|-------|
| Core Tier 1 capital | 16.3% |
|---------------------|-------|

|                       |             |
|-----------------------|-------------|
| Market Capitalisation | EUR 40.3 bn |
|-----------------------|-------------|

|              |              |
|--------------|--------------|
| Total assets | EUR 679.9 bn |
|--------------|--------------|

|     |              |
|-----|--------------|
| AuM | EUR 273.3 bn |
|-----|--------------|

- Group origins go back to 1848
- Nordea is the largest institution in the Nordic region with 650 branch locations serving 10 million personal customers
- The three main business lines are retail banking, wholesale banking and wealth management
- S&P has a stable outlook for Nordea's AA-rating
- Continuous growth in operating income over the last 5 years

Source: Nordea. Date: 30.09.2015

## Nordea Asset Management: stable partner with focus on delivering alpha and outcome

|  |                         |
|--|-------------------------|
| <b>AuM</b>   | <b>EUR 183 bn</b>       |
| <b>Net sales</b>   | <b>EUR 15bn in 2014</b> |
| <i>Only European asset manager to consistently feature in the annual list of top ten cross-border asset managers in terms of European net flows as published by Morningstar*</i> |                         |
| <b>Multi-boutique Approach</b>   | <b>AuM</b>              |
| • Internal Boutiques   | 85%                     |
| • External Boutiques   | 15%                     |
| <b>Global Distribution</b>   | <b>AuM</b>              |
| • Captive Distribution   | 50%                     |
| • Non-Captive Distribution   | 50%                     |
| <b>Team</b>  | 600                     |
| <i>out of which investment team</i>  | 160                     |
| <b>Flat Organisation structure and Global Presence:</b>  |                         |
| <i>Stockholm, Copenhagen, Oslo, Helsinki, Luxembourg, Cologne, Frankfurt, Vienna, Zurich, Paris, London, Milan, New York, São Paulo, Singapore</i>                               |                         |

### Active Manager:

- Alpha through our Multi-Boutique approach combining our internal strengths with exclusive external competences
- Outcome built on stability to meet clients' risk appetite and needs

### Stable Partner:

- Stable relationship model and large product breadth: reliability and trust
- One Platform, Many Specialists: Alpha and outcome solutions in one platform to serve clients in all weathers.

Source: Nordea. Date: 30.09.2015. \* Source: Morningstar Direct. Data (expressed in EUR) provided by Morningstar for funds, fund of funds and ETFs on 15.04.2015 (for 2012, 2013 and 2014). Since this information is based on estimated flows, the data is subject to change in the future.

# Nordea Vision

## Our vision

Being a leading European asset manager

## Our mission means...

Deliver returns...

Right assets

Excess performance

... with responsibility

Risk adjusted

ESG proactive

Operational excellence

Being "ESG proactive" is an integrated part of our mission statement

It includes

- ✓ Traditional ESG application
- ✓ ESG integration in investment processes
- ✓ Being in the forefront of ESG innovation
- ✓ Ensuring we have the right ESG product offering for clients

# RI team - 14 team members in Stockholm and Copenhagen offices

Sasja Beslik  
Head of Responsible  
Investments

## ESG Analysis

Anna Strömberg

\* Product responsible

### Nordic Products

Katarina Hammar\*, Petter  
Brunnberg, Felix Nilsson,  
Alexandra Barganowski

### Global Products

Anna Strömberg, Hetal Damani\*,  
Josephine Ekros Roth, Olena  
Velychko, Susanne Røge Lund\*,  
Emir Borovac, Trige Julie Helm

## Active Ownership & Thematic Research

Ylva Hannestad & Magdalena Kettis

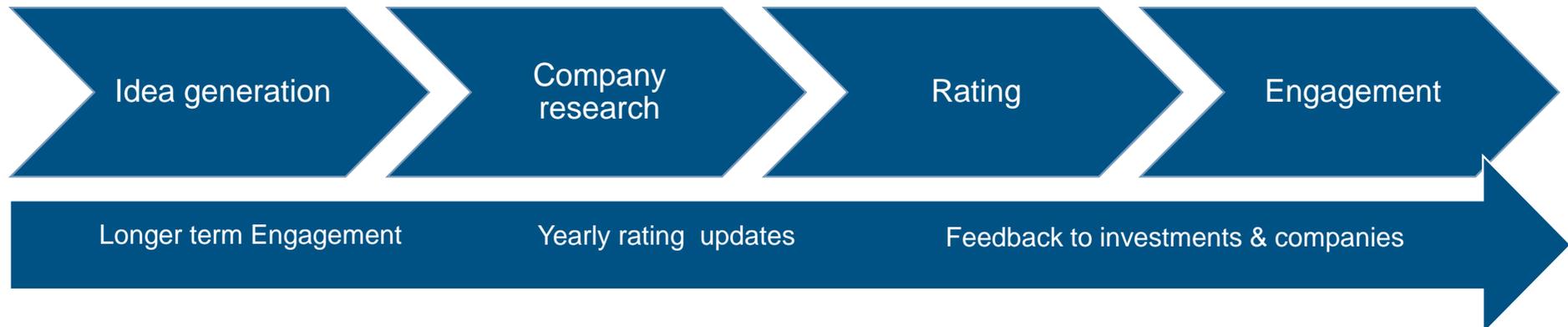
Ylva Hannestad  
Magdalena Kettis  
Olena Velychko

## Communication

Petter Brunnberg

Petter Brunnberg

# ESG Analysis process



- is about positive selection
  - Our aim is to identifying companies that integrate environmental, social and governance metrics, as well as financial metrics, in the business decisions.
- is about being an active and responsible owner
  - Change is created through active ownership
- is about long term performance
  - We believe sustainable business models have survival bias
  - By adding the ESG perspective we reduce the tail risk

# ESG Rating criteria

| Rating      | Rating characteristics   |  |  |
|-------------|--|--|--|
|             | <i>Governance structure</i>  | <i>Key Issue</i>   | <i>Transparency</i>  |
| A (Mature)  | <p>The company <b>shows a top management commitment</b> and has implemented well established strategies, organization and <b>monitoring systems</b> to manage environmental and <b>social risks</b> and <b>opportunities</b>.</p> <p>Stakeholder dialogues are used as a strategic tool. These companies develop best practice methods and are regarded as leaders.</p>  | <p><b>Key</b> issues are identified, addressed and <b>managed</b> to <b>minimize risks</b> and to <b>capture opportunities</b>.</p> <p>The company is signatory to important initiative addressing key issues.</p> | <p><b>Public information</b> is provided <b>continuously</b> (annually and on company webpage) and the progress is reported through quantitative and qualitative information.</p> <p>The company <b>responds to international initiatives</b> such as the Carbon Disclosure Project. The company <b>disclose progress</b> and trends through KPIs and set targets.</p> |
| B (Rising)  | <p>The company shows a top management commitment and is <b>under way</b> to implement strategies, an organization and monitoring systems to manage environmental and social risks and opportunities.</p> <p>Stakeholder dialogues have been conducted with relevant stakeholders. A “rising” company has <b>willingness</b> to create a <b>governance structure</b> but is in the beginning of implementing their framework.</p> | <p>Risks and opportunities are identified and to some extent addressed.</p>  | <p>Information is provided (annually and/or on company webpage). The company presents quantitative and qualitative information.</p>  |
| C (Laggard) | <p>The company <b>is not showing</b> a strong top management commitment towards acting responsible. The company has <b>not developed</b> and implemented strong group wide policies and practices to manage ES related risks and opportunities.</p>  | <p>The company has <b>not made</b> a <b>full ES</b> risk assessment and has not identified opportunities related to their business operations nor is identified issues addressed.</p>                              | <p>The <b>company provides weak disclosure</b> of qualitative and quantitative information related to ES risks and opportunities.</p>  |

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