

COMMUNICATION ON ENGAGEMENT (COE)

Nordea-fonden

Period covered by this Communication on Engagement

From: January 2020 To: January 2022

Part I. Statement of Continued Support by Chief Executive Officer, Mr. Henrik Lehmann Andersen

27 January 2022

To our stakeholders:

I am pleased to confirm that Nordea-fonden reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our first Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Henrik Lehmann Andersen
Chief Executive Officer

Part II. Description of actions

Social responsibility (CSR)

Nordea-fonden is a nonprofit business foundation whose goal is reflected in its mission to support good living in Denmark by supporting projects within health, exercise, nature and culture. The foundation strives to ensure that its grants are driven by and reflect demands and trends in society.

Nordea-fonden is aware of its social responsibility and, through its work and aided by a number of policies, wishes to run a foundation which, in continuation of the foundation's core values – commitment, respect and ethical conduct – and good foundation governance, ensures ongoing focus on the four focus areas under the UN Global Compact – anti-corruption, the environment, human rights and labour.

Since January 2020, Nordea-fonden has been participating in the UN Global Compact, and therefore prepares this Communication on Engagement (COE) every two years, and which reflects the CSR section in the foundation's annual report (in Danish). This is thus the first COE prepared by Nordea-fonden.

Good foundation management

Nordea-fonden follows all the recommendations of the Committee on Foundation Governance (<https://godfondsledelse.dk/english>). The foundation's approach to the recommendations can be found here: www.nordeafonden.dk/god-fondsledelse-2021 (in Danish).

The recommendations provide important inspiration for the foundation's daily activities and for concrete actions. Throughout 2021, the foundation has thus focused on increasing transparency on asset management and capital placement, key stakeholders and partners and strengthening public affairs work.

The foundation's management focuses on social conditions, diversity and employee development and well-being in order to maintain a corporate culture that is fully aligned with the foundation's values and supportive in solving its core tasks.

Part III. Measurement of outcomes

Ethical guidelines: How Nordea-fonden supports the principles of the UN Global Compact

In recent years, Nordea-fonden has worked to strengthen the ethical guidelines that broadly describe the foundation's approach and actions. This applies within asset management, grants and communication.

For grants, in 2021 a sustainability guide (in Danish) has been prepared which is designed to encourage the foundation's applicants and beneficiaries to think and act ethically and sustainably. It can be downloaded (in Danish) from the foundation's website:

<https://nordeafonden.dk/miniguide-til-baeredygtighed>. In 2022, Nordea-fonden will actively strengthen the applicants and beneficiaries focus on sustainability.

With regard to asset management, an investment strategy is in place which is updated every three years. By implementing the investment strategy, decisive weight is given to complying with the foundation's ethical guidelines, such that the guidelines take precedence before returns, so that financially attractive investments are opted out of or liquidated if the ethical guidelines cannot be adhered to. Nordea-fonden does not make and does not have any investments in tobacco companies and is not making any new investments in fossil fuels. Investments which have already been made in fossil fuels will be phased out by 2029 at the latest.

Recently, the ethical guidelines have been strengthened with the requirement that asset managers must observe good tax conduct (Tax Code of Conduct 2020). This is to prevent the foundation from (indirectly) contributing to aggressive tax planning and tax avoidance. As outlined in the Tax Code of Conduct, tax revenue plays an important role in a well-functioning society and is a key source of revenue, and Nordea-fonden is fully supportive of this. Consequently, due diligence always includes a tax assessment for new investments.

Finally, the ethical guidelines state that the foundation's asset managers must confirm in writing that they support and comply with the ten principles of the UN Global Compact. A violation of these principles or the foundation's ethical guidelines in general will result in the liquidation of the investment. In 2021, an investment in bonds from developing countries was liquidated due to a violation of environmental conventions.

In 2021, Nordea-fonden's Code of Conduct for members of the Board and employees was updated to include, in addition to matters relating to anti-corruption and bribery, gifts and participation in events – an explicit code of collegial conduct. The code of conduct is intended to protect the foundation, the members of the Board and employees from undue interest, and to ensure that all Board members and employees act solely in the interests of the foundation.

There is a clear link between promoting the 10 principles of the UN Global Compact and promoting the 17 Sustainable Development Goals (SDGs), which are also supported by Nordea-fonden.

The UN's 17 Sustainable Development Goals commit Denmark and the other UN member states to work towards goals that cover everything from gender equality and climate to quality education and responsible consumption and production. The path towards achieving the SDGs by 2030 is accompanied by a number of global targets and indicators for all UN member states.

For Denmark, 197 indicators for progress towards achieving the SDGs were prepared in 2020 with the support of six foundations, including Nordea-fonden.

Nordea-fonden is contributing to the Danish indicators by making charitable grants throughout Denmark. Please refer to Nordea-fonden's annual report for 2021 (in Danish) for examples of nationwide projects which the foundation has supported in 2021 and which relate to the Danish indicators. In 2022, the foundation will continue to help meet the Danish indicators through the grants it makes.

Recently, Nordea-fonden has converted traditional investment activities into investments in investment funds that focus on a sustainable climate and environment, while also investing in a

venture fund that focuses on innovative and sustainable technologies for construction and property.

The foundation's activities regarding grants and operations has only a very limited impact on the environment and climate. The foundation has no physical production facilities and only a few employees who are all guided by policies, codes of conduct and internal guidelines. This sets a framework for the foundation's purchases, maintenance and running of the foundation's property as well as for travel and transport, where the foundation's employees are increasingly using digital meetings rather than meeting face to face. All suppliers of goods and services are expected to comply with the foundation's values and code of conduct. Social clauses are standard in the foundation's agreements with tradesmen and service providers. Please refer to Nordea-fonden's annual report for 2021 (in Danish) for an assessment of the foundation's climate impact.

In the next two years, Nordea-fonden will also continue to work on initiatives and concrete objectives that support the ten principles of the UN Global Compact.

Within the field of grants, efforts will increasingly be made to inspire beneficiaries to base their activities and facilities, including construction, on sustainable solutions which, on the one hand, respect the 10 principles while at the same time creating solutions that are compatible with the SDGs.

New investments will continue to be made in line with the investment strategy, which means that they must comply with the foundation's ethical guidelines and support ESG principles. Particular attention will be paid to making new investments that can address the current environmental challenges and which support sustainable development.