

# Nordea

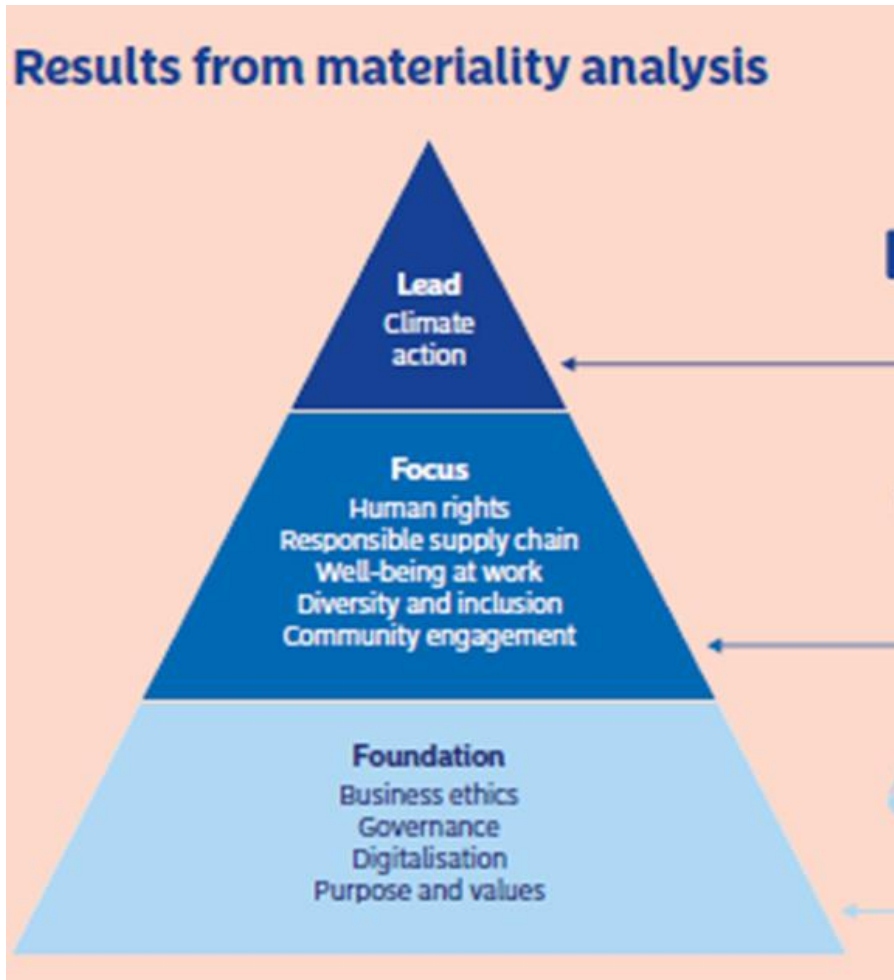
## UNEPFI European Roundtable

### Target Setting

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# Target setting



## Short-term sustainability goals

Fulfilled     In progress

Goal	Description	Comment
	Enhance the ESG screening tools to improve the consolidation capabilities for responsible investment, responsible financing and responsible procurement.	The ESG screening tools for investment, financing and procurement have been developed and enhanced during the year. As an example, we have included ESG in the development of a light evaluation process to increase evaluation coverage of our core customers and in the revised Supplier Code of Conduct.
	Launch a risk management framework in order to identify key risks in the value chain (focus on human rights, labour rights, anti-corruption measures and environment).	In 2018, we included sustainability in our Group Board Directive on Risk and incorporated ESG risk into our risk taxonomy at the same risk level as other key risks, e.g. credit risk, operational and market risk.
	Establish a KPI framework with individual KPIs.	Contributing to sustainability is a common priority across Nordea. In 2018, we developed targets based on the material analysis conducted in 2018. Based on this, starting in 2019, KPIs will be included in scorecards where relevant and appropriate.
	Continue implementation of the updated Sustainability Policy and the principles for sustainable financing, investment and advice.	The implementation of the principles for sustainable financing, investment and advice included in the Sustainability Policy continued in 2018. Main focus areas included raising internal awareness and knowledge, enhancing ESG screening tools and the launch of a new position statement and sector guidelines.
	Establish a baseline for climate change and human rights-related risks throughout the value chain.	We have initiated work to establish a baseline for climate change and to define the carbon footprint for our internal operations. This work will continue in 2019. A human rights assessment of our internal operations will be performed in the beginning of 2019.
	Launch position statement and guidelines in relevant areas, e.g. defence and shipping.	We have launched sector guidelines for the defence industry and the shipping industry.

## Target setting and the Real Economy – 10 highest CO2 emitters in Sweden

- **1. SSAB-** (Steel - 12% of total CO2 emissions)
- **2. Cementa** - (Cement).
- **3. Preem** – (Oil Refinery)
- **4. LKAB** – (iron ore/mining)
- **5. Boreralis-** (petrochemicals/plastics)
- **6. Nordkalk** –(lime)
- **7. ST1-**(oil refinery)
- **8. Värtaverket** – Coal-fired energy/district heating (to be closed 2022)
- **9. Vattenfall Uppsala** - waste to energy.
- **10. Rönnskärsverken** – metals smelter



## Target Setting and the Transition

LT rank	Company <sup>M</sup>	Country / region	Average market cap 2018 (US\$bn)	2018 steel production (million tonnes)	Weighted rank	Transition risks rank	Physical risks rank	Transition opportunities rank	Climate governance & strategy rank	Production by process (%)	
										Open hearth	BOF / EAF
1	SSAB	Sweden	4.5	8.0	6.25	3	6	2	1		
2	ArcelorMittal	Luxembourg	31	93	7.34	10	10	1	2		
3	Hyundai Steel	South Korea	6.4	24	8.25	1	3	9	4		
4	Tata Steel	India	9.7	27	8.34	8	4	6	3		
5	POSCO	South Korea	26	43	8.72	6	8	3	8		
6	JFE Holdings	Japan	13	28	8.94	11	2	4	9		
7	Nippon Steel	Japan	20	48	9.67	13	5	5	6		
8	BlueScope Steel	Australia	6.5	6.0	10.13	2	7	16	5		
9	China Steel	Taiwan	13	15	10.37	9	1	11	7		
10	JSW Steel	India	12	17	12.59	14	14	8	10		
11	Baoshan Iron & Steel	China	28	47	12.71	15	11	7	13		
12	Nucor	USA	20	22	13.07	4	16	14	17		
13	Severstal	Russia	13	12	13.26	5	9	20	11		
14	Gerdau	Brazil	6.9	15	13.65	7	15	12	18		
15	Novolipetsk Steel (NLMK)	Russia	15	17	13.91	12	13	19	12		
16	Angang Steel	China	6.8	25	14.64	20	12	13	15		
17	Hesteel	China	5.3	27	15.35	17	17	15	16		
18	Beijing Shougang	China	3.6	16	15.38	19	20	10	20		
19	US Steel	USA	5.8	15	15.49	18	19	17	14		
20	Inner Mongolia Baotou Steel	China	13	15	15.74	16	18	18	19		

**Weighting**

**30%    10%    30%    30%**

## Target Setting and the 'Inevitable (Nordic) Policy Response' - Examples of Climate Targets/Policies

Year	EU	DK	CPH	FI	HEL	NO	OSL	SE	STO
2020	20% Renewable Energy			38% Renewable Energy		30% GHG Reduction	50% GHG Reduction	50% Renewable Energy	
2025			<b>Carbon Neutral</b>						End coal 2022
2030	32% Renewable Energy	Ban on new fossil-fueled cars		Coal banned – 50% renewables		40% GHG reduction	95% GHG Reduction		Fossil Free City Council
2035					<b>Carbon Neutral</b>				
2040								100% renewables	<b>Fossil Free City</b>
2045								Net Zero emissions	
2050	Climate Neutral	Low Emission Society		Reduce GHG Emissions by 80–95%		Low Emission Society			

**Nordea**

**Thank you!**

