Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Nordea 1 - Global Climate and Environment Fund

Legal entity identifier: 549300JJG1N66HM3TH21

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective**: 85%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It will make a minimum of **sustainable investments with a social objective**: __ %	☐ with a social objective
	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The sustainable investment objective of the fund is to support the 2030 Agenda for Sustainable Development adopted by the UN, with a focus on climate and environment related thematic issues, by investing in companies that are involved in economic activities that are aligned with one or more of the objectives of the EU Taxonomy as described below or contribute to one or more of the following UN Sustainable Development Goals (SDGs):

SDG 2 - Zero Hunger
SDG 6 - Clean Water and Sanitation
SDG 7 - Affordable and Clean Energy
SDG 8 – Decent Work and Economic Growth
SDG 9 - Industry, Innovation and Infrastructure
SDG 11 - Sustainable Cities and Communities
SDG 12 - Responsible Consumption and Production
SDG 13 - Climate Action
SDG 14 – Life Below Water
SDG 15 – Life on Land

The UN SDGs are a set of 17 Sustainable Development Goals adopted by the United Nations in 2015 as a call for action to end poverty, protect the planet, and ensure peace and prosperity by 2030. For further details, see the link to sustainability related information below under the headline “Where can I find more product specific information online?”.

The EU Taxonomy provides a framework for assessment of environmentally sustainable economic activities and lists economic activities that are considered environmentally sustainable in the context of the European Green Deal. The fund may contribute to any of the environmental objectives set out in the Taxonomy Regulation, depending on the availability of feasible investment opportunities.

Environmentally sustainable activities as defined by the EU Taxonomy are linked to six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

For each of these objectives, the EU Taxonomy provides technical screening criteria, including detailed thresholds. Alignment of the investee companies’ activities with the objectives of the EU Taxonomy is identified and evaluated by use of the technical screening criteria, to the extent data on the alignment of the activities of the companies is reported or available and of an adequate quality from third party data providers. More information is provided in the section “To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?”.

Further, to be eligible for the fund’s investment universe, investee companies must be classified as sustainable by NAM by contributing, through their economic activities, to a sustainable investment objective while not significantly harming any other environmental or social objective and following good governance practices.

There is no reference benchmark designated for the purpose of attaining the sustainable investment objective of the fund.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

To measure the attainment of the sustainable investment objective, the investment manager will use the below indicators. The contribution to each of the SDGs and the Taxonomy alignment is measured and reported in the fund's annual report to demonstrate the attainment of the sustainable investment objective. SDG contribution is measured by each company's contribution weighted by its proportion of total investments. Equally, Taxonomy alignment is calculated as the proportion of each company's activities that are Taxonomy-aligned, weighted by its proportion of the fund's total investments.

- Contribution to SDG 2 - Zero Hunger
- Contribution to SDG 6 - Clean Water and Sanitation
- Contribution to SDG 7 - Affordable and Clean Energy
- Contribution to SDG 8 - Decent Work and Economic Growth
- Contribution to SDG 9 - Industry, Innovation and Infrastructure
- Contribution to SDG 11 - Sustainable Cities and Communities
- Contribution to SDG 12 - Responsible Consumption and Production
- Contribution to SDG 13 - Climate Action
- Contribution to SDG 14 - Life Below Water
- Contribution to SDG 15 - Life on Land
- % of total investments in EU taxonomy aligned activities

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

As part of NAM's methodology to identify sustainable investments, any investments that cause significant harm to environmental or social objectives are excluded. To determine whether an investment causes significant harm, NAM considers significant harm with reference to principal adverse impact indicators as further described below in the section 'How have the indicators for adverse impacts on sustainability factors been taken into account?'.

In addition, exclusions to further limit negative externalities are applied to the investment universe of the fund. The fund's exclusion policy is described in the section ”What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?”.

As part of the process to identify sustainable investments, companies are screened to ensure that they do not significantly harm (DNSH test) any other social or environmental objectives. The DNSH test uses PAI indicators, as described below, to identify and exclude companies that do not pass the thresholds.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

  We use a comprehensive quantitative process to ensure our investments do not cause significant harm to sustainability objectives. This involves automated screening of companies using the PAI's from table 1, as defined by SFDR regulations. This screening uses data from our approved external providers and applies specific metrics and thresholds for each PAI indicator to identify companies that may be causing significant harm to environmental or social factors.

  We recognize that not all PAI indicators are equally relevant across different industries, so we have developed a materiality mapping approach that ensures companies are assessed on the indicators most relevant to their specific sector. This means that companies are evaluated fairly based on the sustainability factors that matter most for their particular business operations.

  Our materiality-based approach ensures a balanced assessment process. Companies cannot meet our sustainability standards simply by having missing data on indicators that are critical to their industry. At the same time, companies are not unfairly excluded from our investment universe due to poor performance on indicators that are not material to their business operations or due to missing data on less relevant factors.

  Companies that do not pass the quantitative assessment will not qualify as a sustainable investment, unless deemed sustainable based on a manual assessment by NAM's responsible investment analysts.

  In certain cases where a company does not pass the assessment on one or more indicators, bonds or other securities issued by such company may still be considered sustainable if the money raised is specifically used to fund activities that address the reasons for the company not passing the assessment.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

  The alignment of sustainable investments with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is confirmed as part of the process to identify sustainable investments. This alignment is ensured via both the norm-based screening criteria stated in NAM's Responsible Investments Policy and by using DNSH test, which excludes companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises from qualifying as sustainable investments.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ No

☒ Yes, Investment teams have access to absolute PAI metrics and/or normalised scale values (e.g. based on NAM's proprietary PAI tool) across multiple PAI indicators, allowing them to identify outliers and adjust their view of investee companies and issuers accordingly. PAI considerations related to holdings in covered bond may rely on aggregated issuer data or country level data that is available to the Investment teams or taken into account as part of the sustainable investments assessment applicable to such asset. The specific PAI indicators that are taken into consideration are subject to data quality and availability.

Information on PAI on sustainability factors is available in the annual report to be disclosed pursuant to SFDR Article 11(2).

What investment strategy does this financial product follow?

The general investment policy of the fund, including investment universe and benchmark, is further detailed in the Investment Objective and Policy section of the prospectus.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

A fundamental bottom-up research process identifies companies that derive significant future cashflows from their contribution to environmental solutions like resource efficiency, environmental protection and alternative energy solutions. Investee companies are analysed and selected at the investment manager's discretion.

It is ensured that investee companies are sustainable as per SFDR article 2 (17) using a pass/fail criteria on contribution to one or more of the UN SDGs, or one or more of the environmental objectives in the EU Taxonomy as outlined under the fund's sustainable investment objective, with a 20% threshold. Contribution may be measured on the proportion of revenue, capital expenditure or operating expenses that can be linked to the above objectives. Certain sectors where these metrics are not applicable may require fundamental analysis to identify and measure relevant metrics to assess the sustainability profile of the company. For example, financials may be assessed based on their systemic status, funding of fossil fuel related activities etc. The process also tests good governance as described in the section "What is the policy to assess good governance practices of the investee companies?" and that the investee companies' activities do no significant harm to other objectives as described in the section "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?".

The fund does not target a specific minimum contribution to each of the individual UN SDGs or the environmental objectives in the EU Taxonomy, and the allocation between investments contributing to any of the objectives may vary depending on financial metrics and the availability of investment opportunities.

The fund invests a minimum proportion of 2% of its total investments in activities that meet the technical criteria defined in the EU Taxonomy. Such investments may contribute to either of the environmental objectives of the EU Taxonomy.

Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy. The strategy applies PAB exclusions and other sector and value-based exclusions and the fund does not invest in companies that are on Nordea's exclusion list based on their business activities or conduct as further detailed in NAM's Responsible Investment Policy available via the link provided in the section "Where can I find more product specific information online?".

As part of the investment process, companies are screened to ensure that they follow good governance practices.

Engagement is a key and distinctive part of the fund's investment approach.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

Minimum 85% of the fund is in investments that are sustainable as per SFDR article 2 (17). Investments are classified as sustainable, using NAM’s proprietary methodology. The classification is mainly based on contribution to one or more of the UN SDGs or one or more of the environmental objectives in the EU Taxonomy. However, for certain asset types like covered bonds and use-of-proceeds bonds, other measures are relevant. The process also tests good governance as described in the section "What is the policy to assess good governance practices of the investee companies?" and that the companies' activities do no significant harm to other objectives as described in the section "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?".

Minimum 2% of the fund's total investments are in activities that are aligned with the EU Taxonomy. The EU Taxonomy technical screening criteria is used to assess the Taxonomy alignment of the activities that each company is involved in, and the proportion of Taxonomy-aligned activities are calculated and measured for the total assets of the fund by weighting the investment in each investee company with its involvement in Taxonomy-aligned activities. More information can be found in the section “To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?”

The fund adheres to NAM's Paris-Aligned Fossil Fuel Policy that sets thresholds for companies’ exposure to fossil fuel production, distribution and services. This means that the fund will not invest in companies with material involvement in fossil fuel production, distribution or services if they do not have a documented transition strategy that aligns with the Paris Agreement. A link to a description of NAM's Paris-Aligned Fossil Fuel Policy is provided below in the section “Where can I find more product specific information online?”.

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms. Companies engaging in certain activities that are deemed to have significant negative climate or environmental impact, like thermal coal or production of fossil fuels from oil sands and arctic drilling, are also excluded, as well as companies active in the production of controversial weapons or tobacco and companies involved in pornography. Companies’ exposure to certain activities may be measured on production, distribution or revenue contribution depending on the nature of the activity, and thresholds may apply for the purpose of exclusions. A link to the list of excluded companies, as well as the Responsible Investment Policy further detailing the process, is provided below in the section “Where can I find more product specific information online?”. The investments in the fund are also subject to specific exclusions that limit exposure to certain activities that are incompatible with the fund’s investment profile or deemed to be detrimental to the environment or society at large. In addition, the fund excludes investments in companies referred to in the Paris-aligned Benchmark (PAB) exclusions (Article 12(1)(a) to (g) of CDR (EU) 2020/1818). The specific exclusions that apply to the fund can be found in the sustainability-related website disclosures through the link provided below in the section “Where can I find more product specific information online?”.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has risk management processes in place to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging, especially for smaller companies and less developed markets.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

NAM's Responsible Investment Policy provides the basis for assessing investee companies' good governance practices. NAM's norm-based and controversies screening, which identify companies allegedly involved in breaches of international law and norms, also apply to this strategy. The screening process focuses on identifying companies that do not follow good governance practices. For example by being in breach of the principles of the UN Global Compact, UN Guiding Principles of Business and Human rights, OECD guidelines or ILO guidelines. These guidelines encompass topics related to corporate governance, human rights, labour standards, anti-corruption, and environmental issues.

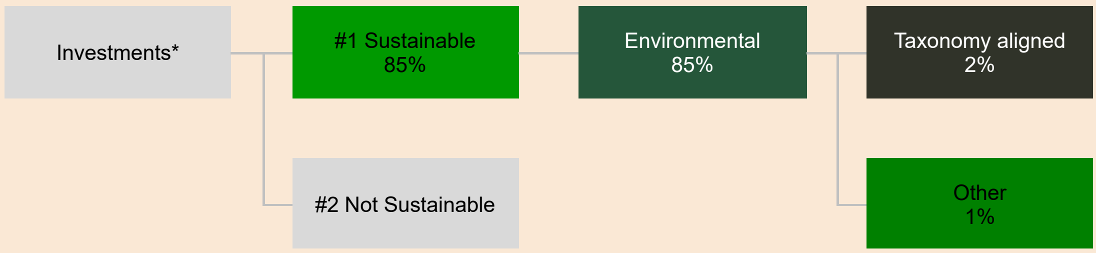
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified in this process will feed into the good governance assessment.

In addition to the norm-based screening described above, the fund applies a good governance test based on pre-set indicators for sound management structures, employee relations, remuneration of staff and tax compliance.

What is the asset allocation and the minimum share of sustainable investments?

The fund commits to minimum proportion of investments as illustrated below. Where no percentage proportion or 0% is displayed, such investments may be relevant for the strategy but the fund is not committed to holding a specific proportion at all times, and the proportion of such investments may be as low as 0% at the investment manager's discretion. The investment manager has some flexibility to allocate between different types of investments and the sum of the minimum proportions may not equal the fund's total commitments.

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

*Investments refer to the fund's NAV which is the total market value of the fund.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to attain the sustainable investment objective.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Based on currently available data, a minimum of 2% of the fund's investments will be aligned with the EU Taxonomy.
The compliance of the investments with the EU Taxonomy has not been subject to an assurance by auditors or a review by third parties.

Taxonomy-eligibility and alignment as per the EU Taxonomy article 3, may be calculated and provided by investee companies or third-party data providers. Third-party data providers assess how companies are involved in economic activities that substantially contribute to an environmental objective as set out in the technical standards, including thresholds, that are made available under the EU Taxonomy. It is ensured, under the same standards that activities are not significantly harming other sustainable objectives and meeting minimum social safeguards.

The assessment of Taxonomy-alignment will be based on the proportion of a company's or issuer's turnover that derives from Taxonomy-aligned activities. Turnover data is currently the most reliable measure based on both quality and availability criteria. Data is sourced from company reports or from selected data providers on a best effort basis. More information on due diligence and data sources and processing is available in the sustainability related information on the website via the link in the section "Where can I find more product specific information online?".

In addition to the assessment of the taxonomy alignment of investee companies' activities, the DNSH assessment of investee companies that is part of NAM's classification of sustainable investments apply.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes

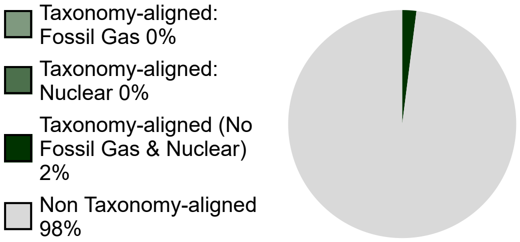
☐ In fossil gas ☐ In nuclear energy

☒ No

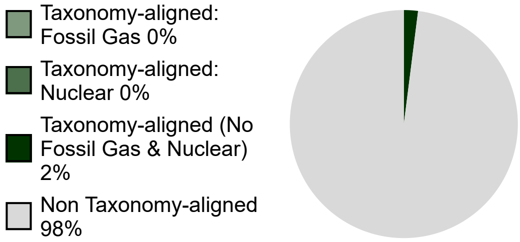
Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

are environmentally sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy is 1% as displayed in 'Other' in the graph in the section "What is the asset allocation and the minimum share of sustainable investments?".

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Cash may be used as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for specific purposes within the scope described in the "Fund Descriptions" in the prospectus. The specific purposes include, but are not limited to, currency hedging and liquidity management. Minimum environmental and social safeguards are applicable to these investments, to exclude companies and issuers subject to international sanctions, as well as entities that are involved in serious breaches of international norms.

Where can I find more product specific information online?

More product-specific information can be found on nordea.lu

Additional information as referenced in the above sections is available here:
Sustainability-related information
Responsible Investment Policy
Exclusion list
Paris-Aligned Fossil Fuel Policy