

# Nordea 1, SICAV

## A Luxembourg UCITS

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Prospectus • January 2026

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**Nordea**

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# A Word to Potential Investors

## All investments involve risk

With these funds, as with most investments, future performance may differ from past performance. There is no guarantee that any fund will meet its objectives or achieve any particular level of performance.

Fund investments are not bank deposits. The value of your investment can go up and down, and you could lose some or all of your invested money. Levels of income could also go up or down (as a rate or in absolute terms). No fund in this prospectus is intended as a complete investment plan, nor are all funds appropriate for all investors.

Before investing in any fund, you should understand its risks, costs and terms of investment, and how well these characteristics align with your own financial circumstances and risk tolerance.

As a potential investor, it is your responsibility to know and follow all applicable laws and regulations, including any foreign exchange restrictions, and to be aware of potential tax consequences. We recommend that you consult an investment adviser, legal adviser and tax adviser before investing.

Any difference among portfolio security currencies, share class currencies, and your home currency may expose you to currency risk. If your home currency is different from your share class currency, the performance you experience as an investor could be very different from that of the share class.

## Who can invest in these funds

Distributing this prospectus, offering these shares for sale, or investing in these shares is legal only where the shares are registered for public sale or where sale is not prohibited by local law or regulation. This prospectus is not an offer or solicitation in any jurisdiction, or to any investor, where not legally permitted or where the person making the offer or solicitation is not qualified to do so.

The shares in the SICAV may not be directly or indirectly offered or sold in the USA. Unless otherwise decided by the board or the management company, US persons may not subscribe for shares in the SICAV.

US persons do not include any “Non-United States person” as used in Rule 4.7 under the U.S. Commodity Exchange Act, as amended. Therefore, US taxpayers, as defined for US federal income tax purposes, may subscribe for shares in the SICAV as long as they do not qualify as US persons.

For more information on restrictions on share ownership, contact us (see below).

## Which information to rely on

In deciding whether or not to invest in a fund, you should look at (and read completely) the most recent prospectus, the articles, the application form including the terms and conditions, the relevant Key Investor Information Documents (KIIDs)/ Key Information Documents (KIDs), and the most recent financial reports. These documents are available as described in “**Notices and Publications**”. By subscribing for shares in any of these funds, you are considered to accept the terms described in these documents.

Together, all these documents contain the only approved information about the funds and the SICAV. Information in this prospectus, or any document about the SICAV or funds, may have changed since the publication date.

In case of any inconsistency in translations of this prospectus, the KIIDs/KIDs or the financial reports, the English version will prevail.

## Currency abbreviations

<b>AUD</b>	Australian dollar	<b>HKD</b>	Hong Kong dollar
<b>BRL</b>	Brazilian real	<b>JPY</b>	Japanese yen
<b>CAD</b>	Canadian dollar	<b>NOK</b>	Norwegian kroner
<b>CNH</b>	Offshore renminbi	<b>PLN</b>	Polish zloty
<b>CNY</b>	Onshore renminbi	<b>RMB</b>	People's Republic of China renmimbi (onshore and offshore)
<b>CHF</b>	Swiss franc		
<b>DKK</b>	Danish kroner	<b>SEK</b>	Swedish kronor
<b>EUR</b>	Euro	<b>SGD</b>	Singapore dollar
<b>GBP</b>	British pound	<b>USD</b>	United States dollar

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# Fund Descriptions

All of the funds described in this prospectus are part of Nordea 1, SICAV, which functions as an umbrella structure for them. The SICAV exists to offer investors access to active professional investment management through a range of funds designed to seek income and/or long-term growth while diversifying investments with the aim of mitigating the impact of risks.

By law and regulation, each fund is permitted to invest as described in "General Investment Powers and Restrictions", and is equally required to comply with the restrictions stated in that same section. However, each fund also has its own investment policy, which is generally narrower than what is permitted by law and regulation. Descriptions of the specific investment objectives, main investments, and other key characteristics of each fund begin on the next page.

The board of the SICAV has overall responsibility for the SICAV's business operations and its investment activities, including the investment activities of all of the funds. The board has delegated the day-to-day management of the funds to the management company, which in turn has delegated some of its functions to investment managers and service providers. The board retains supervision over the management company.

More information about the SICAV, the board, the management company and the service providers appears in the final sections of this prospectus, "The SICAV" and "The Management Company".



## Terms with specific meanings

The terms below have the following meanings in this prospectus.

**2010 Law** The Luxembourg Law of December 17, 2010 on Undertakings for Collective Investment.

**articles** The Articles of Incorporation of the SICAV.

**base currency** The currency in which a fund does the accounting for its portfolio and maintains its primary NAV.

**board** The Board of Directors of the SICAV.

**business day** Each day the management company is open for business. This excludes all legal and bank holidays in Luxembourg as well as Good Friday and 24 December. At its discretion, the management company may also be closed on other days; in such cases, shareholders will be notified as required by law.

**eligible state** Any state that the board considers to be consistent with a given fund's investment portfolio.

**emerging markets** Countries with less developed economies and/or less established financial markets and potential higher economic growth. Examples include most countries in Asia, Latin America, Eastern Europe, the Middle East and Africa. The list of emerging markets is subject to change. The management company, in its discretion and based on reviews by recognized index providers, will review and determine which countries constitute emerging markets

**EMIR** the European Market Infrastructure Regulation (EMIR) widely referred to as the Refit Regulation after the European Commission's Regulatory Fitness and Performance programme

**ESG** environmental, social and corporate governance

**EU Taxonomy** The EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

**financial reports** The annual report of the SICAV, along with any semi-annual report that has been issued since the most recent annual report.

**fund** Except where indicated otherwise, any sub-fund for which the SICAV serves as an umbrella UCITS. Equivalent to "Sub-Fund" in the articles and certain other documents, as indicated in those documents and "product" in the context of SFDR

**GDPR** Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

**institutional investors** Investors within the meaning of article 174 of the 2010 Law, such as credit institutions and other financial professionals investing on the behalf of themselves or other investors (whether retail in connection with a discretionary management agreement or institutional), as well as insurance companies, pension funds, or other UCIs.

### KID Key Information Document

**KIID** Key Investor Information Document.

**member state** A member state of the EU or of the European Economic Area.

**NAM** Nordea Asset Management, the asset management business conducted by Nordea Investment Funds S.A. and Nordea Investment Management AB, including its subsidiaries and branches.

**NAV** Net asset value per share; the value of one share of a fund.

**Nordea Group** Nordea Bank Abp and all its affiliated entities, including Nordea Investment Funds S.A.

**Principal Adverse Impact (PAI)** 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.

**Paris Agreement** The international treaty on global climate change reached at the 2015 United Nations Climate Change Conference, and

entering force on 4 November 2016.

**Paris-Aligned Fossil Fuel Policy** NAM's policy to exclude companies involved in fossil fuel production, distribution or services if they do not have a recognised strategy to achieve an emissions path that is consistent with the Paris Agreement's goal.

**prospectus** This document.

**public authority** Any government, government agency, supranational entity, local authority or government-sponsored organisation.

**regulated market** A regulated market within the meaning of Directive (2014/65/EC), of the European Parliament, regularly operating, recognised, and open to the public.

**SFDR** Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector.

**SFDR RTS** the regulatory technical standards of the SFDR

**SICAV** Nordea 1, SICAV.

**sustainability factors** Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**UN SDGs** The Sustainable Development Goals adopted by the UN General Assembly on 25 September 2015 as part of the global sustainable development framework known as the 2030 Agenda for Sustainable Development.

**US person** Any of the following, but not limited to:

- a US resident, a trust of which a US resident is a trustee, or an estate of which a US resident is an executor or administrator
- a partnership or corporation organised or incorporated under US federal or state law
- an agency or branch of a non-US entity located in the US
- a non-discretionary or similar account (other than an estate or trust account) that is held by a dealer or other fiduciary for the benefit or account of a US person
- a discretionary or similar account (other than an estate or trust account) that is held by a dealer or other fiduciary organised, incorporated or (if an individual) residing in the US
- a partnership or corporation organised or incorporated by a US person under non-US laws primarily for investing in securities that are not registered under the Securities Act of 1933 Act, unless organised or incorporated and owned by accredited investors (as defined in the Securities Act of 1933 Act) who are not natural persons, estates or trusts
- any other U.S. person defined by US Rule 902 of Regulation S

**valuation day** A day on which a fund processes transactions in its shares and for which it publishes a NAV. Unless otherwise defined for a particular fund, a business day is not a valuation day if, on that day, any stock exchange or market on which a substantial portion (as determined by the board or its designee) of the fund's investment trades is closed, restricted, suspended, cancelled or otherwise altered.

**VAG** refers to the German Act on the Supervision of Insurance Undertakings or "Versicherungsaufsichtsgesetz" which regulates inter alia the investment limits for undertakings which carry on insurance business and certain pension funds.

**we, us** The SICAV, acting through the board or through any service providers described in this prospectus except for the auditor and any distributors.

**you** Any past, current or prospective shareholder, or an agent for the same.

# Asia ex Japan Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI All Country Asia Ex Japan – Net Return Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Asian companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in Asia, excluding Japan.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section “**Derivatives the funds can use**”.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Manulife Investment Management (Hong Kong) Limited.

**Base currency** USD.

## Risk Considerations

Read the “**Risk Descriptions**” section carefully before investing in the fund, with special attention to the following:

- Country risk — China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See “**Sustainability Risk Integration applicable to all funds**” and “**Risk Descriptions**”.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an “equity fund” in accordance with the German Investment Tax Act (please refer to chapter “**Investing in the Funds**” for further information) as it continuously invests more than 50% of total assets in equities (“Kapitalbeteiligungen”) as defined within the German Investment Tax Act.

# Asian Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI All Country Asia Ex. Japan – Net Return Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Asian companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in Asia, excluding Japan.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Nordea Asset Management Singapore Pte. Ltd

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Country risk — China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Chinese Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI China 10/40 – Net Return Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Chinese companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business in People's Republic of China.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: China A-shares (directly via the Stock Connect): 50%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Manulife Investment Management (Hong Kong) Limited.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Country risk — China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Emerging ex China Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Emerging Markets ex China 10/40 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies in emerging markets.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in emerging markets, excluding China.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Nordea Asset Management Singapore Pte. Ltd

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Emerging Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Emerging Markets Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies in emerging markets.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in emerging markets.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total net assets indicated: China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics. The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Nordea Asset Management Singapore Pte. Ltd

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Country risk — China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Empower Europe Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Europe IMI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of European companies.

Specifically, the fund may invest at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in Europe.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies across market capitalizations that benefit from an increased focus on energy resilience, industrial production reshoring, and defence and cybersecurity, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Currency
- Derivatives
- Equity

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a thematic approach
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

The fund is eligible for the French PEA (Plan d'Épargne en Actions).

# European Small and Mid Cap Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Europe SMID Cap Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in small and medium capitalisation equities of European companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in Europe and whose market capitalisation is EUR 20 billion or less, or are constituents of the fund's benchmark.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Liquidity
- Small and mid-cap equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# European Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Europe Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of European companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in Europe.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global AI Innovators Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that enable the broader adoption of AI, build AI into their products and services for monetization or benefit from AI by using it to drive efficiencies and/or generate revenue, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Sands Capital Management, LLC

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Currency
- Derivatives
- Emerging and frontier market
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a thematic approach
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Climate and Environment Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable investment objective, and, in addition, provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that develop climate- and environment-friendly solutions, such as renewable energy and resource efficiency, and that appear to offer superior growth prospects and investment characteristics.

The fund considers principal adverse impacts on sustainability factors.

The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depository receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a thematic approach
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Climate Transition Engagement Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team mainly focuses on companies that demonstrate a transition towards environmentally sustainable business practices, with a particular focus on Paris agreement alignment, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Nordea Asset Management UK Ltd

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Country risk — China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Global Disruption Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that are game-changers and that appear to offer superior growth prospects and investment characteristics. Game-changers are those companies whose products or services are highly innovative and have the potential to disrupt existing business models.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Depositary receipt
- Currency
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Diversity Engagement Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that meet our expectations on diversity, such as but not limited to Gender, Ethnicity, Age and Socio-economic Status, or are working actively to improve, for instance through shareholder engagement, in one or several of the diversity areas, and that appear to offer superior growth prospects and investment characteristics.

The data that is currently available is predominantly related to gender equality and gender diversity. As data quality and availability evolve, the strategy may gradually be able to formally adopt a broader range of diversity indicators.

The fund partly invests in sustainable investments. The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depository receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a thematic approach
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Global Flexible Opportunities Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio will bear resemblances to those of the benchmark.

### Investment policy

The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section “Derivatives the funds can use”.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team aims to exploit opportunities by constructing a portfolio that overweight certain factors such as but not limited to industries, sectors and regions, which are seen as offering relatively attractive valuation, quality and fundamental momentum characteristics. The team will seek to select companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in “Appendix I – SFDR related information”.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the “**Risk Descriptions**” section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See “**Sustainability Risk Integration applicable to all funds**” and “**Risk Descriptions**”.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a diversified investment approach
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an “equity fund” in accordance with the German Investment Tax Act (please refer to chapter “**Investing in the Funds**” for further information) as it continuously invests more than 50% of total assets in equities (“Kapitalbeteiligungen”) as defined within the German Investment Tax Act.

# Nordea 1 — Global Impact Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable objective, and, in addition, provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that develop climate- and environment-friendly solutions, such as renewable energy and resource efficiency, or social solutions through their products or services, and that appear to offer superior growth prospects and investment characteristics.

The fund considers principal adverse impacts on sustainability factors.

The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Country risk - China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a thematic approach
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Global Listed Infrastructure Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** FTSE Global Infrastructure 50/50 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies, from anywhere in the world, that own, manage or develop infrastructure equipment or facilities.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities of infrastructure companies.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team combines region and sector allocation with fundamental company research to select companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** CBRE Investment Management Listed Real Assets LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Real estate investments
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Opportunity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Loomis, Sayles & Company, LP.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depository receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Global Portfolio Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Global Real Estate Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** FTSE EPRA Nareit Developed Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests, directly or through investment funds, in equities of real estate companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities of real estate companies and real estate investment trusts (REITs).

The fund may invest up to 20% of total assets in equities of real estate companies in emerging markets.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Duff & Phelps Investment Management Co.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Real estate investments
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

# Nordea 1 — Global Small Cap Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Small Cap Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in small capitalisation equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies whose market capitalisation (at the time of purchase) is between USD 50 million and USD 10 billion or that are included in the benchmark.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** GW&K Investment Management LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depository receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Small and mid-cap equity
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Social Empowerment Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable investment objective, and, in addition provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that provide social solutions through their products or services, and that appear to offer superior growth prospects and investment characteristics.

The fund considers principal adverse impacts on sustainability factors.

The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Country risk - China
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with a thematic approach
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Global Stable Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** 70% MSCI World Index (Net Return) and 30% EURIBOR 1M (FX adjusted). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark. MSCI World Index (Net Return) and MSCI World Minimum Volatility Index (Net Return) for risk comparison only. Risk characteristics of the fund's portfolio will bear some resemblance to those of the benchmarks.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Stable Equity Fund — Euro Hedged

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** 70% MSCI World Index (Net Return) hedged to EUR and 30% EURIBOR 1M. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark. MSCI World Index (Net Return) hedged to EUR and MSCI World Minimum Volatility Index (Net Return) hedged to EUR for risk comparison only. Risk characteristics of the fund's portfolio will bear some resemblance to those of the benchmarks.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund may be exposed (through investments or cash) to other currencies than the base currency. At least 90% of the fund's portfolio currency exposure is hedged to the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Derivatives
- Equity
- Hedging
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with minimised currency risk in the base currency
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Global Stable Equity Plus Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 40% expected; 60% maximum

The fund uses TRSs on a continuous basis as an essential component of the investment strategy by mainly gaining exposure to companies and increasing leverage.

The usage may normally fluctuate close to the expected level but under certain circumstances increase to the maximum level, depending on such as but not limited to the market conditions and the fund manager's market expectations.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The team increases the leverage by taking positions in equity derivatives in order to increase the expected return of the fund.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Currency
- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Sustainable Listed Real Assets Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable investment objective, and, in addition, provide shareholders with investment growth in the long term.

**Benchmark** 50% FTSE EPRA Nareit Developed Index (Net Return) and 50% FTSE Global Core Infra 50/50 Index (Net Return). For performance comparison only Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in listed real assets, such as listed infrastructure and real estate companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities of infrastructure companies and/or real estate companies and real estate investment trusts.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives and techniques** the fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** None expected

**Techniques and instruments:** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team invests in listed real assets, such as listed real estate and infrastructure companies that, according to sustainable actions and standards eligibility criteria, make a substantial contribution to one or more of the environmental or social-themed UN SDGs, and that appear to offer superior growth prospects and investment characteristics.

The fund considers principal adverse impacts on sustainability factors.

The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** CBRE Investment Management Listed Real Assets LLC.

**Base currency** USD.

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- Derivatives
- Real Estate investments
- Equity
- Currency
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to global equity markets

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter "Investing in the Funds" for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI ACWI Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Transition Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives and techniques** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments:** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team mainly selects companies that demonstrate a transition path for their business models to become aligned with the goals of the Paris Agreement, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix 1.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Depositary receipt
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as a "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Global Transition Titans Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI World Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of companies from anywhere in the world.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives and techniques** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments:** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team focuses on companies that demonstrate a transition towards environmentally sustainable business practices, with a particular focus on Paris agreement alignment, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix 1.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Depositary receipt
- Emerging and frontier markets
- Equity
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global equity markets

The fund intends to qualify as a "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Indian Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI India 10/40 Index (Net Return). For performance comparison only Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Indian companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in India.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Manulife Investment Management (Singapore) Pte. Ltd.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Sustainability
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Latin American Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI EM Latin America 10/40 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Latin American companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in Latin America.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Principal Asset Management LTDA

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Concentration
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Liquidity
- Securities handling
- Sustainability
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Nordic Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Nordic 10/40 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Nordic companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in the Nordic region.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Nordic Equity Small Cap Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** Carnegie Small CSX Return Nordic. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in small capitalisation equities of Nordic companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in the Nordic region and whose market capitalisation (at the time of purchase) is 0.50% or less of the total market capitalisation of the Nordic stock exchanges, including those in Copenhagen, Helsinki, Oslo, Reykjavik and Stockholm.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Liquidity
- Small and mid-cap equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordic Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** MSCI Nordic 10/40 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Nordic companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in the Nordic region.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics. The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Currency
- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# North American Sustainable Stars Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** Russell 3000 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of North American companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in North America.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Derivatives
- Equity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Norwegian Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** Oslo Exchange Mutual Fund Index – Total Return. For performance comparison only.

Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in equities of Norwegian companies.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or publicly listed, or conduct the majority of their business, in Norway.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** NOK.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Currency
- Derivatives
- Equity
- Liquidity
- Sustainability
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Stable Emerging Markets Equity Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** 80% MSCI Emerging Markets Index (Net Return) and 20% ICE BofA SOFR Overnight Rate Index (FX adjusted). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark. MSCI Emerging Markets Index (Net Return) and MSCI Emerging Markets Minimum Volatility Index (Net Return) for risk comparison only. Risk characteristics of the fund's portfolio will bear some resemblance to those of the benchmarks.

**Investment policy** The fund mainly invests in equities of companies in emerging markets.

Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in emerging markets.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- China A-shares (directly via the Stock Connect): 25%

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- |                                 |                       |
|---------------------------------|-----------------------|
| • Country risk — China          | • Equity              |
| • Currency                      | • Liquidity           |
| • Depositary receipt            | • Securities handling |
| • Derivatives                   | • Sustainability      |
| • Emerging and frontier markets | • Taxation            |
|                                 | • Volatility          |

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging equity markets

The fund intends to qualify as an "equity fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests more than 50% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Active Rates Opportunities Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** iBoxx Euro Covered Interest Rate 1Y Duration Hedged. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in European bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are issued or guaranteed by supranationals, sovereigns, sub-sovereigns, government owned or government guaranteed agencies in Europe or that are denominated in European currencies or in European covered bonds or covered bonds that are denominated in European currencies. The fund also invests at least one third of total assets in debt securities with a rating of AAA/Aaa or lower, but not lower than A-/A3, or equivalent. The fund's modified duration is between -0.5 and +4.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- debt securities rated BB+/Ba1 or lower, including unrated securities: 25%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** None expected

**Techniques and instruments** Usage of repos and reverse repos (% of total assets): 90% expected; 100% maximum

Repos and reverse repos are mainly used on a continuous basis for efficient portfolio management. The use of repos may particularly increase the exposure to government bonds.

The fund will as part of the investment policy use repos to leverage its exposure in order to increase the expected return of the fund, which explains the high level of expected usage.

For further information please see "Disclosure of usage of SFTs".

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- Covered bonds
- Credit
- Derivatives
- Hedging
- Interest rate
- Leverage
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Absolute VaR.

**Expected leverage** 1100%

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets



# Conservative Fixed Income Fund

## Investment Objective and Policy

**Objective** To provide shareholders with moderate returns in excess of cash over an investment cycle.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- defaulted corporate bonds: 5% (as a result of holding corporate bonds defaulting. The fund will not invest actively in defaulted corporate bonds)
- equities: 2.5% (as a result of holding defaulted securities)
- high yield debt securities: 25%

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-5% expected; 10% maximum

In response to market conditions, TRSs can be used by both adding and hedging exposure to relevant asset classes. There is a need for the fund to quickly adapt to changing market conditions. The usage may vary over time depending on market conditions and expectations, such as interest rates, inflation and equity valuation.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team applies an unconstrained and dynamic asset allocation process to seek to exploit market opportunities and consider risk, such as changes in interest rates and credit spreads. The team selects securities that appear to offer superior investment opportunities. The team also manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Covered bonds
- Credit
- Currency
- Derivatives
- Inflation-linked debt securities
- Interest rate
- Leverage
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 200%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for moderate investment growth
- are willing to accept negative investment growth in periods
- are interested in exposure to global bond markets

# Danish Covered Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** 75% NDA Govt CM5 and 25% NDA Govt CM3. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in Danish covered bonds.

Specifically, the fund invests at least two thirds of total assets in covered bonds that are issued by public authorities, or by companies or financial institutions that are domiciled, or conduct the majority of their business, in Denmark.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** DKK.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Covered bond
- Derivatives
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Emerging Market Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** JP Morgan Emerging Markets Bond Index Global Diversified. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in emerging market bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in hard currencies (such as USD and EUR). These securities are issued by public authorities, or by companies that are domiciled or conduct the majority of their business, in emerging markets.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Metlife Investment Management, LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Derivatives
- Emerging and frontier markets
- Interest rate
- Liquidity
- Prepayment and extension
- Securities handling
- Sustainability
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging bond markets

# Emerging Market Corporate Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** JPM Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified) in USD. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in emerging market corporate bonds denominated in USD.

Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in USD. These securities are issued by companies that are domiciled, or conduct the majority of their business, in emerging markets.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Metlife Investment Management, LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Derivatives
- Emerging and frontier markets
- Interest rate
- Liquidity
- Prepayment and extension
- Securities handling
- Sustainability
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging bond markets

# Emerging Market Select Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** JP Morgan Emerging Markets Bond Index Global Diversified. For performance comparison and risk monitoring only.

Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

The fund uses a benchmark which does not take into account the fund's applied ESG exclusions (see SFDR Annex on part "Sector- and value-based exclusions"). Therefore, the fund's exposure to certain sectors might differ substantially from its benchmark, which may cause a deviation in performance.

**Investment policy** The fund mainly invests in emerging market bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in hard currencies (such as USD and EUR). These securities are issued by public authorities or quasi-sovereign issuers, or by companies that are domiciled or conduct the majority of their business, in emerging markets.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

The team also manages currencies actively.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Metlife Investment Management, LLC.

**Base currency** USD.

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Derivatives
- Emerging and frontier markets
- Interest rate
- Leverage
- Liquidity
- Prepayment and extension
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for income and investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging bond markets

# Emerging Market Select Local Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** JP Morgan GBI Emerging Market Global Diversified. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in emerging market bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in emerging market local currencies. These securities are issued by public authorities or quasi-sovereign issuers, or by companies that are domiciled or conduct the majority of their business, in emerging markets. The fund may invest directly in Chinese debt securities traded on the China Interbank Bond Market or Bond Connect.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

The team also manages currencies actively.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Metlife Investment Management, LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Country risk – China
- Credit
- Currency
- Derivatives
- Emerging and frontier markets
- Interest rate
- Leverage
- Liquidity
- Prepayment and extension
- Securities handling
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio.

Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for income and Investment
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to emerging bond markets



# EUR Corporate Bond Fund 1-3 Years

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the short to medium term.

**Benchmark** ICE BofA 1-3 Year Euro Corporate Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in corporate bonds denominated in EUR and credit default swaps.

Specifically, the fund invests at least two thirds of total assets in EUR-denominated corporate bonds and credit default swaps whose underlying credit risk is linked to EUR-denominated corporate bonds. At least two thirds of total assets is invested in securities with a minimum long-term rating of BBB-/Baa3, or equivalent. The fund's modified duration is between 1 and 3.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Interest rate
- Derivatives
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European Corporate Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA Euro Corporate Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in corporate bonds denominated in EUR and credit default swaps.

Specifically, the fund invests at least two thirds of total assets in EUR-denominated corporate bonds and credit default swaps whose underlying credit risk is linked to such bonds. The fund also invests at least two thirds of total assets in debt securities with a long-term rating of AAA/Aaa or lower, but not lower than BBB-/Baa3, or equivalent.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Derivatives
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European Corporate Sustainable Labelled Bond Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable investment objective, and, in addition, provide shareholders with investment growth in the medium to long term

**Benchmark** ICE Euro Corporate Green, Social and Sustainable Bond Index For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in sustainable corporate bonds denominated in EUR.

Specifically, the fund invests at least 85% of total assets in Labelled and other sustainable corporate bonds, as further explained in Appendix I. The fund also invests at least two thirds of total assets in EUR-denominated corporate bonds. The fund also invests at least two thirds of total assets in debt securities with a long-term rating of AAA/Aaa or lower, but not lower than BBB-/Baa3, or equivalent.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund considers principal adverse impacts on sustainability factors.

The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- Credit
- Interest rate
- Derivatives

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to developed bond markets

# European Corporate Sustainable Stars Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA Euro Corporate Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in corporate bonds denominated in EUR and credit default swaps.

Specifically, the fund invests at least two thirds of total assets in EUR-denominated corporate bonds and credit default swaps whose underlying credit risk is linked to such bonds. The fund also invests at least two thirds of total assets in debt securities with a long-term rating of AAA/Aaa or lower, but not lower than BBB-/Baa3, or equivalent.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects issuers with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Interest rate
- Derivatives
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for income and investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European Covered Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** iBoxx Euro Covered Total Return Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in European covered bonds.

Specifically, the fund invests at least two thirds of total assets in covered bonds that are denominated in European currencies or that are issued by companies or financial institutions that are domiciled, or conduct the majority of their business, in Europe. The fund also invests at least two thirds of total assets in debt securities with a rating of AAA/Aaa or lower, but not lower than A-/A3, or equivalent.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- debt securities rated BB+/Ba1 or lower, including unrated securities: 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Covered bond
- Credit
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European Cross Credit Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** 33% ICE BofA BBB EUR Non-Financial Index Hedged to EUR and 67% ICE BofA BB-B EUR Non-Financial Index HY Const Hedged to EUR. For risk comparison only. Risk characteristics of the fund's portfolio will bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in corporate bonds denominated in EUR, including high yield bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities denominated in EUR that are issued by non-financial companies. The fund also invests at least two thirds of total assets in debt securities with a long-term rating of BBB+/Baa1 or lower, but not lower than B-/B3, or equivalent. The fund may invest in securities issued by holding companies of any corporate group, which financial institutions may be part of.

The fund is not allowed to buy unrated securities or securities that have a long-term rating below B-/B3, or equivalent. The fund will sell within six months any securities that are downgraded below the above minimum rating or become unrated.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets



# European Financial Debt Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA Euro Financial High Yield Constrained Index 50%; ICE BofA Euro Lower Tier 2 Corporate Index 25%; ICE BofA Euro Subordinated Insurance Index 15% and ICE EUR Contingent Capital Index. For risk comparison only. Risk characteristics of the fund's portfolio will bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in bonds and credit default swaps from the financial sector in Europe.

Specifically, the fund invests at least two thirds of total assets in debt securities and credit default swaps that are issued by financial institutions (or their parent company) that are domiciled, or conduct the majority of their business, in Europe.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- contingent convertible bonds: 20%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- CoCo bonds
- Concentration
- Convertible securities
- Credit
- Derivatives
- Hedging
- Interest rate
- Leverage
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 120%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European High Yield Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA European Currency High Yield Constrained Index – Total Return 100% Hedged to EUR. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in European high yield bonds and credit default swaps.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities, credit default swaps and other debt securities, including contingent convertible bonds, that are denominated in European currencies or are issued by companies that are domiciled or conduct the majority of their business, in Europe.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSSs): 10%
- contingent convertible bonds: 20%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Capital Four Management Fondsmæglerselskab A/S.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- CDO/CLO
- CoCo bonds
- Convertible securities
- Credit
- Derivatives
- Hedging
- Interest rate
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European High Yield Credit Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA European Currency High Yield Constrained Index – Total Return 100% Hedged to EUR. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in European high yield bonds and credit default swaps.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities, contingent convertible bonds, and credit default swaps, that are denominated in European currencies or are issued by companies (or their parent company) that are domiciled, or conduct the majority of their business, in Europe.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Credit
- Derivatives
- Hedging
- Interest rate
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European High Yield Opportunities Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA European Currency High Yield Constrained Index – Total Return 100% Hedged to EUR. For performance comparison only.

Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in a wide range of European bonds and debt securities.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities, credit default swaps and other debt securities, including asset and mortgage-backed securities (including CDOs and CLOs (ABS/MBSs)) and contingent convertible bonds, that are denominated in European currencies or are issued by companies that are domiciled or conduct the majority of their business, in Europe.

The fund may invest in convertible bonds, contingent convertible bonds, as well as swaps and other derivatives, including swaps and other derivatives based on UCITS eligible loan indices.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSs): 20%
- contingent convertible bonds: 20%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% total assets):** 0-20% expected; 40% maximum

In response to market conditions the fund can use TRSs by both adding and hedging credit exposure to relevant asset classes. There is a need for the fund to quickly adapt to changing market conditions such as when there is an opportunity to gain exposure to relevant asset classes or when the risk-adjusted return on TRSs exceeds that of the investments in securities.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** Capital Four Management Fondsmæglerselskab A/S.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- CDO/CLO
- CoCo bonds
- Convertible securities
- Credit
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# European High Yield Sustainable Climate Bond Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable investment objective, and, in addition, provide shareholders with investment growth in the medium to long term

**Benchmark** ICE European Currency High Yield Paris-Aligned Index Hedged to EUR. For performance comparison. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in high yield bonds.

Specifically, the fund invests at least 85% of total assets in sustainable corporate bonds. Specifically, the fund invests at least two thirds of total assets in high yield debt securities, credit default swaps and other debt securities, including contingent convertible bonds, that are denominated in European currencies or are issued by companies (or their parent company) that are domiciled, or conduct the majority of their business, in Europe.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities. The fund considers principal adverse impacts on sustainability factors. The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Credit
- Derivatives
- Hedging
- Interest rate
- Liquidity
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to developed bond markets

# European High Yield Sustainable Stars Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA European Currency High Yield Constrained Index – Total Return 100% Hedged to EUR. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in high yield bonds and credit default swaps.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities, credit default swaps and other debt securities, including contingent convertible bonds, that are denominated in European currencies or are issued by companies (or their parent company) that are domiciled, or conduct the majority of their business, in Europe.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

The above rating criteria also apply to the underlying securities of derivatives.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects issuers with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Credit
- Derivatives
- Hedging
- Interest rate
- Liquidity
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for income and investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets



# European Short-Term Corporate Bond Fund

## Investment Objective and Policy

**Objective** The objective of the fund is to provide investors with investment growth in the long term

**Benchmark** iBoxx EUR Liquid Investment Grade Ultrashort 50%; ICE Euro Currency 1-Week Deposit Bid Rate Constant Maturity 50%. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invest in European short duration investment grade corporate bonds.

Specifically, the fund invest mainly in bonds, debt securities, money market instrument and other interest-bearing instruments that are issued or guaranteed by governments, public entities, supranational institutions as well as companies globally. The fund will invest in securities with a residual maturity of 2 years or more. The fund's weighted average life is expected to be above 1 year. The securities are mainly denominated in EUR. The fund does not qualify as a money market fund within the meaning of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities, including 20% of investment securities with a residual maturity of 2 years or more that appear to offer superior investment opportunities. The fund partly invests in sustainable investments. The fund considers principal adverse impacts on sustainability factors. The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- Concentration
- Credit
- Derivatives

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 1 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to developed bond markets

# European Sustainable Labelled Bond Fund

## Investment Objective and Policy

**Objective** To invest in sustainable investments, according to its sustainable investment objective, and, in addition, provide shareholders with investment growth in the medium to long term.

**Benchmark** JP Morgan EMU Government Bond Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in European sustainable bonds.

Specifically, the fund invests at least 85% of total assets in labelled and other sustainable bonds as further explained in Appendix I. The fund also invests at least two thirds of total assets in debt securities issued or guaranteed by supranationals, sovereigns, sub-sovereigns, government owned or government guaranteed agencies in Europe or that are issued in European currencies.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- debt securities rated lower than BBB-/Baa3, or equivalent, including unrated securities: 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund considers principal adverse impacts on sustainability factors.

The fund has sustainable investment as its objective, within the meaning of Article 9 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Covered bonds
- Credit
- Derivatives
- Interest rate
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund that has sustainable investment as an objective and that considers principal adverse impacts on sustainability factors
- are interested in exposure to developed bond markets

# Fixed Maturity Bond 2027 Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth by targeting a stable income over a three year period.

**Benchmark** EURIBOR 1 M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests in investment grade debt securities denominated in EUR.

Specifically, the fund invests at least two thirds of total assets in EUR-denominated corporate and government issued or linked securities, money market instruments and interest rate swaps. Also at least two thirds of total assets is invested in securities with a minimum long-term rating of BBB-/Baa3, or equivalent. Up to one third of total assets may be invested in below investment grade and unrated securities.

In the period leading to maturity, the fund may hold high levels of cash and cash equivalents, due to the maturity of the invested securities. Consequently, the investment policy described herein, and investment restrictions may no longer be relevant in the 3 months preceding the maturity date, including a cash level going beyond 20% of the fund's net assets.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The investments will be made taking into consideration the maturity date of the fund. The fund follows a buy and maintain strategy, whereby the majority of the instruments held within the fund are expected to be held until maturity.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Derivatives
- Dividend distribution
- Fixed maturity date
- Interest rate

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest according to the maturity date of the fund. Redemption fees might apply in case of redemption requests received prior to maturity date. See section **"Redemption fee"**.

The fund may appeal to investors who:

- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets
- are looking for investment growth by achieving a stable income over a three- year period.

**Share classes and Distribution Policy** The fund intends (but does not guarantee) to distribute interim dividend annually. Dividend may include distribution out of the capital (please refer to "share class L" under "share class supplement label" for further information).

**Subscription period** The fund had an Initial Subscription Period that started on 15 March 2024 and ended on 19 April 2024 with a launch date on 19 April 2024.

**Maturity Date** This fund will mature 3 years after the launch date and the fund will be liquidated. If exceptional market conditions make it unacceptable in the shareholders' interest to sell the fund's asset for purposes of liquidating the fund at the maturity date, we may decide to defer the maturity date by up to 6 months.

# Fixed Maturity Bond 2028 Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth by targeting a stable income over a three year period.

**Benchmark** EURIBOR 1 M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

In the period leading to maturity, the fund may hold high levels of cash and cash equivalents, due to the maturity of the invested securities. Consequently, the investment policy described herein, and investment restriction on cash and cash equivalent may no longer be relevant in the 3 months preceding the maturity date.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSS): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-10% expected; 10% maximum

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The investments will be made taking into consideration the maturity date of the fund. The fund follows a buy and maintain strategy, whereby the majority of the instruments held within the fund are expected to be held until maturity.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- CDO/CLO risk
- Concentration
- Credit
- Derivatives
- Liquidity
- Dividend distribution
- Fixed maturity date
- Interest rate

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest according to the maturity date of the fund. Redemption fees might apply in case of redemption requests received prior to maturity date. See section **"Redemption fee"**

The fund may appeal to investors who:

- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets
- are looking for investment growth by achieving a stable income over a three- year period.

**Share classes and Distribution Policy** The fund intends (but does not guarantee) to distribute interim dividend annually. Dividend may include distribution out of the capital (please refer to "share class L" under "share class supplement label" for further information).

**Subscription period** The fund had an Initial Subscription Period that started on 20 January 2025 and ended on 17 March 2025 with a launch date on 19 March 2025.

**Maturity Date** This fund will mature 3 years after the launch date and the fund will be liquidated. If exceptional market conditions make it unacceptable in the shareholders' interest to sell the fund's asset for purposes of liquidating the fund at the maturity date, we may decide to defer the maturity date by up to 6 months.

# Fixed Maturity Bond III Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth by targeting a stable income over the funds lifetime (as published in the KID).

**Benchmark** EURIBOR 1 M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

In the period leading to maturity, the fund may hold high levels of cash and cash equivalents, due to the maturity of the invested securities. Consequently, the investment policy described herein, and investment restriction on cash and cash equivalent may no longer be relevant in the 3 months preceding the maturity date.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSS): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-10% expected; 10% maximum

### Techniques and instruments

Usage of repos and reverse repos (% of total assets): 10% expected; 75% maximum.

Repos and reverse repos are mainly used on a continuous basis for efficient portfolio management.

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The investments will be made taking into consideration the maturity date of the fund. The fund follows a buy and maintain strategy, whereby the majority of the instruments held within the fund are expected to be held until maturity.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- CDO/CLO risk
- Concentration
- Credit
- Derivatives
- Liquidity
- Dividend distribution
- Fixed maturity date
- Interest rate

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest according to the maturity date of the fund. Redemption fees might apply in case of redemption requests received prior to maturity date. See section **"Redemption fee"**

The fund may appeal to investors who:

- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets
- are looking for investment growth by achieving a stable income over a three- year period.

**Share classes and Distribution Policy** The fund intends (but does not guarantee) to distribute interim dividend at least yearly. Dividend may include distribution out of the capital (please refer to "share class L" under "share class supplement label" for further information).

**Subscription period** The fund will have an Initial Subscription Period ("ISP"). During such ISP, the fund will allocate investments to money market instruments, bonds, UCITS/UCIs, cash and cash equivalents.

Unless we decide otherwise, the fund is closed to subscriptions since the end of the ISP.

The fund will be launched at the latest 5 business days after the ISP has ended.

The ISP as well as the initial launch date will be published in the KID.

However, if at the end of the ISP subscriptions are insufficient to build up the fund's portfolio in accordance with its objective and investment policy, we may decide, taking into account the interests of shareholders, not to launch the fund. Any received subscription amount will be repaid as soon as practically possible (without interest).

**Maturity Date** The fund maturity date will be published in the KID, on the maturity date the fund will be liquidated or merged. The board will inform the investors in advance of the option chosen prior the maturity date. If exceptional market conditions make it unacceptable in the shareholders' interest to sell the fund's asset for purposes of liquidating the fund at the maturity date, we may decide to defer the maturity date by up to 6 months.



# Fixed Maturity Bond V Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth by targeting a stable income over the funds lifetime (as published in the KID).

**Benchmark** EURIBOR 1 M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

In the period leading to maturity, the fund may hold high levels of cash and cash equivalents, due to the maturity of the invested securities. Consequently, the investment policy described herein, and investment restriction on cash and cash equivalent may no longer be relevant in the 3 months preceding the maturity date.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSS): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-10% expected; 10% maximum

**Techniques and instruments** Usage of repos and reverse repos (% of total assets): 10% expected; 75% maximum.

Repos and reverse repos are mainly used on a continuous basis for efficient portfolio management.

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The investments will be made taking into consideration the maturity date of the fund. The fund follows a buy and maintain strategy, whereby the majority of the instruments held within the fund are expected to be held until maturity.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment

Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- CDO/CLO risk
- Concentration
- Credit
- Derivatives
- Liquidity
- Dividend distribution
- Fixed maturity date
- Interest rate

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest according to the maturity date of the fund. Redemption fees might apply in case of redemption requests received prior to maturity date. See section **"Redemption fee"**

The fund may appeal to investors who:

- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets
- are looking for investment growth by achieving a stable income over a three- year period.

**Share classes and Distribution Policy** The fund intends (but does not guarantee) to distribute interim dividend at least yearly. Dividend may include distribution out of the capital (please refer to "share class L" under "share class supplement label" for further information).

**Subscription period** The fund will have an Initial Subscription Period ("ISP"). During such ISP, the fund will allocate investments to money market instruments, bonds, UCITS/UCIs, cash and cash equivalents. Unless we decide otherwise, the fund is closed to subscriptions since the end of the ISP.

The fund will be launched at the latest 5 business days after the ISP has ended.

The ISP as well as the initial launch date will be published in the KID.

However, if at the end of the ISP subscriptions are insufficient to build up the fund's portfolio in accordance with its objective and investment policy, we may decide, taking into account the interests of shareholders, not to launch the fund. Any received subscription amount will be repaid as soon as practically possible (without interest).

**Maturity Date** The fund maturity date will be published in the KID, on the maturity date that the fund will be liquidated or merged. The board will inform the investors in advance of the option chosen prior the maturity date. If exceptional market conditions make it unacceptable in the shareholders' interest to sell the fund's asset for purposes of liquidating the fund at the maturity date, we may decide to defer the maturity date by up to 6 months.

# Fixed Maturity Bond VI Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth by targeting a stable income over the funds lifetime (as published in the KID).

**Benchmark** EURIBOR 1 M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

In the period leading to maturity, the fund may hold high levels of cash and cash equivalents, due to the maturity of the invested securities. Consequently, the investment policy described herein, and investment restriction on cash and cash equivalent may no longer be relevant in the 3 months preceding the maturity date.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSS): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-10% expected; 10% maximum

**Techniques and instruments** Usage of repos and reverse repos (% of total assets): 10% expected; 75% maximum.

Repos and reverse repos are mainly used on a continuous basis for efficient portfolio management.

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The investments will be made taking into consideration the maturity date of the fund. The fund follows a buy and maintain strategy, whereby the majority of the instruments held within the fund are expected to be held until maturity.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- CDO/CLO risk
- Concentration
- Credit
- Derivatives
- Liquidity
- Dividend distribution
- Fixed maturity date
- Interest rate

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest according to the maturity date of the fund. Redemption fees might apply in case of redemption requests received prior to maturity date. See section **"Redemption fee"**

The fund may appeal to investors who:

- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets
- are looking for investment growth by achieving a stable income over a three- year period.

**Share classes and Distribution Policy** The fund intends (but does not guarantee) to distribute interim dividend at least yearly. Dividend may include distribution out of the capital (please refer to "share class L" under "share class supplement label" for further information).

**Subscription period** The fund will have an Initial Subscription Period ("ISP"). During such ISP, the fund will allocate investments to money market instruments, bonds, UCITS/UCIs, cash and cash equivalents.

Unless we decide otherwise, the fund is closed to subscriptions since the end of the ISP.

The fund will be launched at the latest 5 business days after the ISP has ended.

The ISP as well as the initial launch date will be published in the KID.

However, if at the end of the ISP subscriptions are insufficient to build up the fund's portfolio in accordance with its objective and investment policy, we may decide, taking into account the interests of shareholders, not to launch the fund. Any received subscription amount will be repaid as soon as practically possible (without interest).

**Maturity Date** The fund maturity date will be published in the KID, on the maturity date that the fund will be liquidated or merged. The board will inform the investors in advance of the option chosen prior the maturity date. If exceptional market conditions make it unacceptable in the shareholders' interest to sell the fund's asset for purposes of liquidating the fund at the maturity date, we may decide to defer the maturity date by up to 6 months.

# Flexible Fixed Income Fund

## Investment Objective and Policy

**Objective** To provide shareholders investment growth in the medium to long term.

**Benchmark** Bloomberg GlobalAgg index EUR, hedged. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- defaulted corporate bonds: 5% (as a result of holding corporate bonds defaulting. The fund will not invest actively in defaulted corporate bonds)
- equities: 2.5% (as a result of holding defaulted securities)

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-5% expected; 10% maximum

In response to market conditions, TRSs can be used by both adding and hedging exposure to relevant asset classes. There is a need for the fund to quickly adapt to changing market conditions. The usage may vary over time depending on market conditions and expectations, such as interest rates, inflation and equity valuation.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team applies an unconstrained and dynamic asset allocation process to seek to exploit market opportunities such as changes in interest rates and credit spreads. The team selects securities that appear to offer superior investment opportunities. The team also manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Covered bonds
- Credit
- Currency
- Derivatives
- Inflation-linked debt securities
- Interest rate
- Leverage
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 300%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for income and investment growth
- are interested in exposure to global bond markets

# Flexible Fixed Income Plus Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** Bloomberg GlobalAgg index EUR, hedged. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- defaulted corporate bonds: 5% (as a result of holding corporate bonds defaulting. The fund will not invest actively in defaulted corporate bonds)
- equities: 2.5% (as a result of holding defaulted securities)

The fund may invest in securities of any credit rating quality, including unrated securities.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-10% expected; 20% maximum

In response to market conditions, TRSs can be used by both adding and hedging exposure to relevant asset classes. There is a need for the fund to quickly adapt to changing market conditions. The usage may vary over time depending on market conditions and expectations, such as interest rates, inflation and equity valuation.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team applies an unconstrained and dynamic asset allocation process to seek to exploit market opportunities, such as changes in interest rates and credit spreads. The team selects securities that appear to offer superior investment opportunities. The team also manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Covered bonds
- Credit
- Currency
- Derivatives
- Inflation-linked debt securities
- Interest rate
- Leverage
- Liquidity
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 900%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for income and investment growth
- are interested in exposure to global bond markets



# Global High Yield Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA Developed Markets High Yield Constrained Index Hedged to USD. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests globally in corporate high yield bonds.

Specifically, the fund invests at least two thirds of total assets in subordinated and high yield debt securities issued by companies.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** MacKay Shields LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Derivatives
- Interest rate
- Liquidity
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global bond markets

# Global High Yield Sustainable Stars Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA Developed Markets High Yield Constrained Index Hedged to USD. For performance comparison only.

Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

The fund uses a benchmark which is not aligned with the environmental and/or social characteristics of the fund and does not take into account the fund's applied ESG exclusions. Therefore, the fund's exposure to certain sectors might differ substantially from its respective benchmark, which may cause a deviation in performance.

**Investment policy** The fund mainly invests globally in corporate high yield bonds.

Specifically, the fund invests at least two thirds of total assets in subordinated and high yield debt securities issued by companies.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects issuers with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and that appear to offer superior growth prospects and investment characteristics. The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** MacKay Shields LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Derivatives
- Interest rate
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to global bond markets

# International High Yield Opportunities Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA Developed Markets High Yield Constrained Index USD hedged. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests globally in corporate high yield bonds.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities issued by companies.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSs): 20%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives and techniques** The fund may use derivatives and other techniques for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Capital Four Management Fondsmæglerselskab A/S.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- CDO/CLO
- Credit
- Derivatives
- Hedging
- Interest rate
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth with minimised currency risk in the base currency
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, , and with a minimum percentage of sustainable investment
- are interested in exposure to global bond markets

# Low Duration European Covered Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the short to medium term.

**Benchmark** iBoxx Euro Covered Interest Rate 1Y Duration Hedged. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in European covered bonds.

Specifically, the fund invests at least two thirds of total assets in covered bonds that are denominated in European currencies or that are issued by companies or financial institutions that are domiciled, or conduct the majority of their business, in Europe. The fund also invests at least two thirds of total assets in debt securities with a rating of AAA/Aaa or lower, but not lower than A-/A3, or equivalent. The fund's modified duration is between 0 and 2.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- debt securities rated BB+/Ba1 or lower, including unrated securities: 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Covered bond
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 1 year.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Low Duration US High Yield Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA 0-3 Month US Treasury Bill Index. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests in US high yield corporate bonds.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities that are denominated in USD or are issued by companies that are domiciled, or conduct the majority of their business, in the United States of America. The fund's modified duration is between 0 and 2 and the average effective weighted maturity of the investments is between 0 and 7 years. The maturity measurement allows for the likelihood of bonds being called or prepaid.

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** MacKay Shields LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Derivatives
- Hedging
- Interest rate
- Liquidity
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Multi Credit Fund of Funds

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** Bloomberg Euro Government TR EUR (3-5y) 30%, ICE BofA Euro Corporate TR EUR 55% and ICE BofA Euro High Yield TR HEUR 15%. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in Funds investing on the European market.

Specifically, fund is a fund of funds that primarily invests, directly or indirectly, in a selection of UCITS and UCIs with exposure to European fixed income markets. These underlying funds invest in a broad range of instruments including, but not limited to, government bonds, covered bonds, inflation-linked bonds, convertible bonds, and other debt securities issued or guaranteed by European sovereigns, sub-sovereigns, supranationals, or government-related entities. The portfolio may also include exposure to corporate credit, credit default swaps, and money market instruments. Investments are predominantly denominated in European currencies. Underlying funds may invest in securities outside of Europe, depending on market opportunities and portfolio strategies.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** The expected usage in underlying funds is 0-10%; maximum 20%.

In response to market conditions, TRSs can be used by both adding and hedging exposure to relevant asset classes. There is a need for the fund to quickly adapt to changing market conditions. The usage may vary over time depending on market conditions and expectations, such as interest rates, inflation and equity valuation

**Techniques and instruments** Usage: None expected

**Strategy** The fund follows an active allocation approach within a fund-of-funds structure, investing in a selection of European fixed income strategies. Allocation is reviewed regularly to adapt to market conditions, aiming to balance credit and interest rate exposure for stable, risk-adjusted returns.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Convertible securities
- Covered bonds
- Credit
- Derivatives
- Hedging
- Investment Fund
- Interest rate
- Leverage
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR

**Expected leverage** 500%

The fund may invest in underlying funds that extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets



# North American High Yield Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA US High Yield Index. For performance comparison only.

Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in US high yield corporate bonds.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities that are issued by companies that are domiciled, or conduct the majority of their business, in the United States of America.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSs): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Ares Capital Management II LLC

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- Credit
- CDO/CLO
- Derivatives
- Interest rate
- Hedging
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Nordea 1 — Norwegian Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** Bloomberg Series-E Norway Govt All > 1 Yr Bond Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in Norwegian bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are issued by public authorities, or by companies that are domiciled or conduct the majority of their business, in Norway.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** NOK.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Derivatives
- Interest rate
- Leverage

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Relative VaR.

**Expected leverage** 100%.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Norwegian Short-Term Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the short to medium term.

**Benchmark** 50% Norwegian Regular Market Index, sector 1, 2 and 3, Floating Rate Securities and 50% NIBOR 3M. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in bonds denominated in NOK.

Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in NOK and issued by public authorities or companies. The fund may invest in securities with a residual maturity of 2 years or more. The fund's weighted average life is expected to be above 1 year.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** NOK.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Interest rate
- Derivatives

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 1 year.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Nordea 1 — Swedish Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** OMRX Treasury Bond 1 – 30 Years Index.

For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in Swedish bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are issued by public authorities, or by companies that are domiciled or conduct the majority of their business, in Sweden.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** SEK.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Interest rate
- Derivatives

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Swedish Short-Term Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the short to medium term.

**Benchmark** 25% OMRX Mortgage Bond Index 1-3 Years and 75% OMRX T-Bill. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in bonds denominated in SEK.

Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in SEK and issued by public authorities or companies. The fund may invest in securities with a residual maturity of 2 years or more. The fund's weighted average life is expected to be above 1 year.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** SEK.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Interest rate
- Derivatives

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 1 year.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# US Corporate Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** Bloomberg US Credit Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in US corporate bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are issued by companies that are domiciled, or conduct the majority of their business, in the United States of America. The fund also invests at least two thirds of total assets in debt securities with a long-term rating of AAA/Aaa or lower, but not lower than BBB-/Baa3, or equivalent.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** MacKay Shields LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Derivatives
- Interest rate
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets



# US Corporate Sustainable Stars Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** Bloomberg US Credit Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in US corporate bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities that are issued by companies that are domiciled, or conduct the majority of their business, in the United States of America.

The fund also invests at least two thirds of total assets in debt securities with a long-term rating of AAA/Aaa or lower, but not lower than BBB-/Baa3, or equivalent.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects issuers with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** MacKay Shields LLC.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for Income and investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Nordea 1 — US High Yield Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA US High Yield Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

**Investment policy** The fund mainly invests in US high yield corporate bonds.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities that are issued by companies that are domiciled, or conduct the majority of their business, in the United States of America.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSs): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Ares Capital Management II LLC

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- Credit
- CDO/CLO
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# US High Yield Sustainable Stars Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** ICE BofA US High Yield Index. For performance comparison only.

Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

The fund uses a benchmark which is not aligned with the environmental and social characteristics of the fund and does not take into account the fund's applied ESG exclusions. Therefore, the fund's exposure to certain sectors might differ substantially from its respective benchmark, which may cause a deviation in performance.

**Investment policy** The fund mainly invests in US corporate high yield bonds.

Specifically, the fund invests at least two thirds of total assets in high yield debt securities that are issued by companies that are domiciled, or conduct the majority of their business, in the United States of America.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset-and mortgage-backed securities, including CDOs and CLOs (ABSs/MBSs): 10%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team selects issuers with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and that appear to offer superior growth prospects and investment characteristics.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-investment manager(s)** Ares Capital Management II LLC

**Base currency** USD.

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- Credit
- CDO/CLO
- Derivatives
- Hedging
- Interest rate
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on ESG issues is performed on each financial instrument in the portfolio, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. In addition, the sustainability risk profile of this portfolio benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for income and investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# US Total Return Bond Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the medium to long term.

**Benchmark** Bloomberg US Agg Total Return Index. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests in US bonds.

Specifically, the fund invests at least two thirds of total assets in debt securities of any type, such as asset-and mortgage-backed securities (ABSs/MBSs), collateralised loan obligations (CLOs) and pass-through securities, and of any seniority and maturity that are issued by public authorities, or by companies that are domiciled or conduct the majority of their business, in the United States of America or its territories. The fund also invests at least 30% of total assets in debt securities that are issued, guaranteed, or collateral-secured by the US government or any of its agencies (including instrumentalities and sponsored corporations) or MBSs that are privately issued and rated at least AA-/Aa3 or equivalent.

The fund may invest in securities of any credit rating quality, including unrated securities.

The fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team generally seeks to identify investment opportunities across all sub-sectors of the US mortgage market.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Sub-Investment manager(s)** DoubleLine Capital LP.

**Base currency** USD.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- ABS/MBS
- CDO/CLO
- Credit
- Derivatives
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Commitment.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Balanced Income Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth and achieve relatively stable income.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in bonds as well as various other asset classes such as equities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in corporate and government debt securities and debt-related securities, equities and equity-related securities, money market instruments, and UCITS/UCIs, including exchange-traded funds. The debt investments may include securities such as convertible bonds, covered bonds, inflation-linked bonds and emerging market bonds. The fund may invest in credit default swaps.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- defaulted corporate bonds: 5% (as a result of holding corporate bonds defaulting. The fund will not invest actively in defaulted corporate bonds)

The fund targets a net equity exposure in the range of 0% to 25%.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs:** 0-5% expected; 10% maximum

In response to market conditions, TRSs can be used by both adding and hedging exposure to relevant asset classes. There is a need for the fund to quickly adapt to changing market conditions. The usage may vary over time depending on market conditions and expectations, such as interest rates, inflation and equity valuation.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team uses a risk-balanced and dynamic asset allocation process, with a focus on bonds. The team also takes both long and short positions and manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Covered bonds
- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 450%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for a combination of investment growth and stable income
- are interested in exposure to multiple asset classes

# Diversified Growth Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in equities as well as various other asset classes such as bonds issued by companies, financial institutions or public authorities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in equities and equity-related securities, debt securities and debt-related securities and money market instruments.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% total assets):** 0-40% expected; 100% maximum

In response to market conditions, TRSs can be used as an integrated part of the investment strategy mainly by gaining exposure to companies and increasing leverage. The usage may vary over time depending on market conditions and expectations, such as interest rates and equity valuation.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team uses a dynamic asset allocation process, with a focus on equities. The team can also use bonds, takes both long and short positions and manages currencies actively.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Convertible securities
- Covered bonds
- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Real estate investments
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 350%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# GBP Diversified Return Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth and achieve relatively stable income. In addition, the fund aims to preserve capital over a 3 year investment horizon.

**Benchmark** SONIA. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in equities as well as various other asset classes such as bonds issued by companies, financial institutions or public authorities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in equities and equity-related securities, debt securities and debt-related securities and money market instruments.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% total assets):** 0-10% expected; 20% maximum

In response to market conditions, TRSs can be used as an integrated part of the investment strategy mainly by gaining exposure to companies and increasing leverage. The usage may vary over time depending on market conditions and expectations, such as interest rates and equity valuation.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team uses a risk-balanced and dynamic asset allocation process, with a focus on bonds and equities. The team also takes both long and short positions and manages currencies actively.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** GBP.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Covered bonds
- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 350%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for a combination of investment growth and stable income
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to multiple asset classes

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Smart Step Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term.

**Benchmark** The fund is actively managed without reference to a benchmark.

**Investment policy** The fund mainly invests in bonds and money market instruments, and in equities of companies from anywhere in the world.

Specifically, the fund will initially invest mainly in covered bonds, European government bonds, and money market instruments. The covered bonds are denominated in European currencies or are issued by either companies or financial institutions domiciled or exercising the predominant part of their economic activities in Europe. The fund will also invest in equities of companies from anywhere in the world, and the exposure to equities will gradually increase during the step-in period, as described in the strategy part.

The fund will be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives:** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section “**Derivatives the funds can use**”.

**Usage of TRSs (% total assets):** None expected

**Techniques and instruments** Usage of repos and reverse repos (% of total assets): None expected

**Strategy** In actively managing the fund’s portfolio, the management team selects securities that appear to offer superior growth prospects and investment opportunities.

The fund aims to reach its investment objective by investing in a dynamic diversified portfolio where the investment in the equity component is obtained through a rebalancing (step-in) procedure.

The fund follows a dynamic investment approach, initially building a portfolio with at least 70% invested in covered bonds, European government bonds or money market instruments. During the step-in period, the fund will progressively and systematically shift toward global equities. Under normal market conditions, equity exposure is expected to increase by approximately 1.5%-points per month, although this may vary based on market conditions and the Investment manager’s on going assessment. At the end of the step-in period, the fund will aim to have an equity exposure between 80-100%.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the “**Risk Descriptions**” section carefully before investing in the fund, with special attention to the following:

- Concentration
- Covered bonds
- Credit
- Currency
- Derivatives
- Equity
- Interest rate
- Prepayment and extension

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See “**Sustainability Risk Integration applicable to all funds**” and “**Risk Descriptions**”.

**Global exposure calculation** Commitment

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest at least 5 years. Redemption fees might apply in case of redemption requests received prior to the end of the step-in period. See section “Redemption fee”.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- want to invest in a fund that will gradually increase the exposure towards global equity markets over the step-in period

**Step-in period** The step-in period will run for up to five years starting from the launch date. The end of this step-in period will be published in the KID.

At the end of the step-in period, the board may decide to merge the fund into another fund, and if this option is chosen, the board will inform the investors in advance. If exceptional market conditions make it unacceptable in the shareholders’ interest to reach the aimed equity exposure at the end of the step-in period, we may decide to defer the end of the step-in period by up to 6 months.

# Nordea 1 — Stable Return Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth and achieve relatively stable income.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in equities as well as various other asset classes such as bonds issued by companies, financial institutions or public authorities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in equities and equity-related securities, debt securities and debt-related securities and money market instruments.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% total assets):** 0-10% expected; 20% maximum

In response to market conditions, TRSs can be used as an integrated part of the investment strategy mainly by gaining exposure to companies and increasing leverage. The usage may vary over time depending on market conditions and expectations, such as interest rates and equity valuation.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team uses a risk-balanced and dynamic asset allocation process, with a focus on bonds and equities. The team also takes both long and short positions and manages currencies actively.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Convertible securities
- Covered bonds
- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 350%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for a combination of investment growth and stable income
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to multiple asset classes

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Alpha 7 MA Fund

## Investment Objective and Policy

**Objective** To maximise shareholder return in the long term through a combination of income and investment growth (total return).

The fund targets a volatility in the range of 5% to 7%, where 7% is seen as the tail volatility during adverse market conditions.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in various asset classes such as equities, bonds issued by companies, financial institutions or public authorities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in equities and equity-related securities, debt securities and debt-related securities, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

Due to its extensive use of derivatives, the fund may hold above 20% of its total assets in cash and cash equivalents.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% total assets):** 0-20% expected; 100% maximum

In response to market conditions, TRSs can be used as an integrated part of the investment strategy mainly by gaining exposure to companies and increasing leverage. There is a need for the fund to quickly adapt to changing market circumstances and the usage may vary over time depending on the market conditions and expectations, such as interest rates and equity valuation.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team seeks exposure to various risk premia strategies that have little or no correlation with each other. The allocation between these strategies is based on continuous bottom-up valuations combined with a focus on short-term market behaviour across asset classes and risk factors. The team also takes both long and short positions and manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 500% – 700%

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 3 years.

The fund may appeal to investors who:

- are looking for a combination of investment growth and income within a targeted volatility range
- are interested in exposure to multiple asset classes

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Nordea 1 — Alpha 10 MA Fund

## Investment Objective and Policy

**Objective** To maximise shareholder return in the long term through a combination of income and investment growth (total return).

The fund targets a volatility in the range of 7% to 10%, where 10% is seen as the tail volatility during adverse market conditions.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in various asset classes such as equities, bonds issued by companies, financial institutions or public authorities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in equities and equity-related securities, debt securities and debt-related securities, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

Due to its extensive use of derivatives, the fund may hold above 20% of its total assets in cash and cash equivalents.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% of total assets):** 50% expected; 250% maximum

The fund uses TRSs on a continuous basis by mainly gaining long and short exposure to companies and increasing leverage for the purpose of implementing the investment strategy under current market conditions. TRSs may exceed the expected level under certain circumstances depending on market conditions and expectations, such as interest rates and equity valuation.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team seeks exposure to various risk premia strategies that have little or no correlation with each other. The allocation between these strategies is based on continuous bottom-up valuations combined with a focus on short-term market behaviour across asset classes and risk factors. The team also takes both long and short positions and manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

**Expected leverage** 650% - 1000%

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for a combination of investment growth and income within a targeted volatility range
- are interested in exposure to multiple asset classes

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.



# Nordea 1 —

# Alpha 15 MA Fund

## Investment Objective and Policy

**Objective** To maximise shareholder return in the long term through a combination of income and investment growth (total return).

The fund targets a volatility in the range of 10% to 15%, where 15% is seen as the tail volatility during adverse market conditions.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in various asset classes such as equities, bonds issued by companies, financial institutions or public authorities, money market instruments and currencies from anywhere in the world.

Specifically, the fund may invest in equities and equity-related securities, debt securities and debt-related securities, money market instruments, and UCITS/UCIs, including exchange-traded funds. The fund may invest in credit default swaps.

Due to its extensive use of derivatives, the fund may hold above 20% of its total assets in cash and cash equivalents.

The fund may be exposed (through investments or cash) to other currencies than the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

**Usage of TRSs (% of total assets):** 125% expected; 400% maximum

The fund uses TRSs on a continuous basis by mainly gaining long and short exposure to companies and increasing leverage for the purpose of implementing the investment strategy under current market conditions.

The high level of expected usage reflects the nature of the fund that has a high level of leverage and has different exposures to a variety of asset classes. The level of expected usage of TRSs accounts only for a limited share of the fund's expected gross level of leverage.

TRSs may exceed the expected level up to the maximum level under certain circumstances depending on market conditions and expectations, such as interest rates and equity valuation.

For further information please see **"Disclosure of usage of SFTs"**.

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team seeks exposure to various risk premia strategies that have little or no correlation with each other. The allocation between these strategies is based on continuous bottom-up valuations combined with a focus on short-term market behaviour across asset classes and risk factors. The team also takes both long and short positions and manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities. The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Credit
- Currency
- Depositary receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Interest rate
- Leverage
- Prepayment and extension
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

### Expected leverage

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

The expected level of leverage is 1400%, much of which could be due to the use of currency forwards. These instruments can have high notional values which increase the expected level of leverage. Leverage may significantly exceed the expected level from time to time, especially prior to the expiry of currency forward contracts. Closing an active currency position requires temporarily holding excessive currency forward contracts, resulting in higher leverage, with no impact to the risk level of the fund. Leverage is calculated as the "sum of the notionals" without any netting of opposing positions. As the leverage calculation considers neither sensitivity to market movements on a fund level nor whether it increases or decreases the overall



fund risk, it may not be representative of the actual investment risk level within the fund. For more information on the leverage calculation methodology, please see 'Gross Leverage' under General Investment Powers and Restriction

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for a combination of investment growth and income within a targeted volatility range
- are interested in exposure to multiple asset classes

The fund intends to qualify as a "mixed fund" in accordance with the German Investment Tax Act (please refer to chapter **"Investing in the Funds"** for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

# Dynamic Rates Opportunities Fund

## Investment Objective and Policy

**Objective** To maximise shareholder return in the long term through a combination of income and investment growth (total return).

**Benchmark** Euribor 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests globally, directly or through derivatives, in bonds.

Specifically, the fund invests at least two-thirds of total assets in covered bonds or in debt securities issued by supranationals, sovereigns, sub-sovereigns, government owned or government guaranteed agencies. The fund also invests at least one third of total assets in debt securities with a rating of AAA/Aaa or lower, but not lower than A-/A3, or equivalent.

The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- debt securities rated BB+/Ba1 or lower, including unrated securities: 25%

The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section **"Derivatives the funds can use"**.

Derivatives used as part of the investment strategy and efficient portfolio management techniques will either increase the risk of the fund or keep the risk of the fund unchanged.

Derivatives used for hedging will have the effect of reducing the risk of the fund.

A non-exhaustive list of examples of how derivatives could be used in the fund includes the following:

- Take an active duration position by using an interest rate swap or futures,
- Hedge against credit risk from covered bonds by using a credit default swap,
- Hedge against an unwanted duration position by using an interest rate swap or future,
- Hedge against a currency risk by using an FX forward.

The derivatives used in the fund will mainly be subject to market risk, credit risk, interest rate risk, currency risk.

**Usage of TRSs:** None expected

**Techniques and instruments** Usage of repos and reverse repos (% of total assets): 90% expected; 100% maximum.

Repos and reverse repos are mainly used on a continuous basis for efficient portfolio management. The use of repos may particularly increase the exposure to government bonds.

The fund will as part of the investment policy use repos to leverage its exposure in order to increase the expected return of the fund, which explains the high level of expected usage.

For further information please see **"Disclosure of usage of SFTs"**.

**Strategy** In actively managing the fund's portfolio, the management team seeks to identify investment opportunities within and across sectors of the fixed income markets focusing on relative value opportunities while concentrating exposures to the most attractive risk factors in the global rates markets and at the same time minimizing directional duration risk.

The fund aims to achieve its objectives by taking positions in bond markets, directly or through the use of derivatives. The fund will as part of the investment policy use sell-buy back transactions to leverage its exposure in order to increase the expected return of the fund.

The fund partly invests in sustainable investments.

The fund considers principal adverse impacts on sustainability factors.

The fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, as further explained in Appendix I.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR.

## Risk Considerations

Read the **"Risk Descriptions"** section carefully before investing in the fund, with special attention to the following:

- Concentration
- Covered bonds
- Credit
- Derivatives
- Hedging
- Inflation-linked debt securities
- Interest rate
- Leverage
- Prepayment and extension
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See **"Sustainability Risk Integration applicable to all funds"** and **"Risk Descriptions"**.

**Global exposure calculation** Absolute VaR.

### Expected leverage

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

The expected level of leverage is 1400%, much of which will be due to interest rate swaps used to hedge the interest rate risk

in the fund. The interest rate swaps can have a high notional value when they are used to hedge interest rate risk in the short end of the yield curve. In periods when most of the fund's exposure is in bonds in the short part of the yield curve, the leverage is therefore likely to be towards the upper end of the historical range and may even exceed the expected level of leverage. Most interest rate swaps in the fund are used to hedge interest rate risk and are thereby reducing the total risk in the fund. Leverage is calculated as the "sum of the notionals" without any netting of opposing positions. The fund frequently has interest rate swap exposure in the different directions close to the same point on the yield curve, resulting in a high gross leverage, but such leverage would be significantly lower, if a netted exposure was calculated. As the leverage calculation considers neither sensitivity to market movements on a fund level nor whether it increases or decreases the overall fund risk, it may not be representative of the actual investment risk level within the fund.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth
- want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment
- are interested in exposure to developed bond markets

# Global Equity Long/Short Fund

## Investment Objective and Policy

**Objective** To provide shareholders with investment growth in the long term and a moderate to low correlation to the equity markets over time.

**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.

**Investment policy** The fund mainly invests, directly or through derivatives, in equities of companies from anywhere in the world.

Specifically, the fund invests in equities and equity-related securities. The fund may also gain exposure to these assets through UCITS/UCIs, including exchange-traded funds.

Due to its extensive use of derivatives, the fund may hold above 20% of its total assets in cash and cash equivalents.

The fund may be exposed (through investments or cash) to other currencies than the base currency. The fund's major part of currency exposure is normally hedged to the base currency.

**Derivatives** The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".

**Usage of TRSs:** 300% expected; 600% maximum

The fund uses TRSs on a continuous basis by mainly taking long and short exposure to companies for the purpose of implementing the investment strategy. The usage may exceed the expected level up to the stated maximum depending on such as the current market conditions, market expectations and investment opportunities.

For further information please see "Disclosure of usage of SFTs".

**Techniques and instruments** Usage: None expected

**Strategy** In actively managing the fund's portfolio, the management team takes long positions in equities (such as ownership) and/or equity indices that it believes will increase in price and short positions in equities and/or equity indices through derivatives (such as but not limited to swaps and futures) that it believes will decline in price or balance the volatility of the fund according to the fund objective and risk profile. The team also manages currencies actively.

The fund qualifies as an Article 6 of the SFDR. The investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities.

The fund does not consider principal adverse impacts on sustainability factors.

**Investment manager(s)** Nordea Investment Management AB.

**Base currency** EUR

## Risk Considerations

Read the "Risk Descriptions" section carefully before investing in the fund, with special attention to the following:

- Currency
- Depository receipt
- Derivatives
- Emerging and frontier markets
- Equity
- Hedging
- Leverage
- Securities handling
- Short position
- Taxation
- Volatility

### Sustainability risk integration

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the portfolio.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the portfolio. Conversely, such exclusions may increase the concentration risk of the portfolio which could – seen in isolation – result in higher volatility and a greater risk of loss.

See "Sustainability Risk Integration applicable to all funds" and "Risk Descriptions".

**Global exposure calculation** Absolute VaR

**Expected leverage** 400%.

The fund may extensively use financial derivatives to implement the investment policy and achieve its target risk profile.

## Investor Considerations

**Suitability** The fund is suitable for all types of investors through all distribution channels.

**Investor profile** Investors who understand the risks of the fund and plan to invest for at least 5 years.

The fund may appeal to investors who:

- are looking for investment growth and a moderate to low correlation to the equity markets over time
- are interested in exposure to global equities

The fund intends to qualify as a mixed fund in accordance with the German Investment Tax Act (please refer to chapter Investing in the Funds for further information) as it continuously invests at least 25% of total assets in equities ("Kapitalbeteiligungen") as defined within the German Investment Tax Act.

## Credit Policy

The management company, through appointed investment managers, assesses credit quality of bonds and money market instruments according to ratings of credit agencies or internal evaluations or both.

## Responsible Investment Policy

The board believes that responsible investing is an important part of good corporate citizenship as well as being important for long-term value creation. All funds manage their investments following the responsible investment policy of Nordea Asset Management which is accessible via [nordea.lu](https://nordea.lu).

The responsible investment policy and activities are overseen by the Responsible Investment Committee of Nordea Asset Management. The committee includes members from the Senior Executive Management team and is chaired by the Head of Nordea Asset Management.

Nordea Asset Management has signed the UN Principles for Responsible Investments and are thus committed to integrating ESG factors into our investment analysis, decision-making processes and active ownership practices.

### Baseline ESG safeguards applicable to all funds

NAM's responsible investment framework also comprises a baseline integration of ESG safeguards. The ESG safeguards consist of norm-based screening and exclusions lists, implemented across the product range to ensure the portfolio meets a minimum standard independent of the individual portfolios' ESG ambitions.

Further, a growing part of the product range includes additional ESG features. Depending on the investment strategy, the portfolio could for example exclude certain sectors, select securities with higher ESG standards, or invest thematically.

For specific information on which additional ESG features are integrated in investment decisions of a strategy, and the likely impacts of sustainability risks on the returns of relevant strategy reference is made to Appendix I.

### Principal adverse impacts

We have opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated in our processes, including due diligence processes, procedures for considering those impacts. A statement on due diligence policies with respect to those impacts is accessible [here](#).

### Sustainability Risk Integration applicable to all funds

Sustainability risks are considered in the investment decision-making process together with traditional investment risks (for example market, credit or liquidity risk). Sustainability risks may have a significant impact on traditional investment risks and be a factor that contributes to their materiality.

The management company and investment managers only use ratings of credit agencies approved by the European Securities and Markets Authority (ESMA) or the Securities and Exchange Commission (SEC).

NAM integrates sustainability risk considerations in the investment decision-making process by

- Ensuring portfolio managers and analysts have access to relevant ESG information, making it possible to identify sustainability risks within the investable universe. The assessment of sustainability risks is facilitated by ESG data and information from external providers, where applicable, supplemented by, and used as input in our internal proprietary ESG tools that we have developed for use throughout our organization.
- Including and considering sustainability risks as part of investment evaluation in line with the investment strategy of each product.
- Identifying, evaluating and taking relevant action on issuers exhibiting high exposure to sustainability risk. How sustainability risk considerations are integrated in practice differ among our investment teams as the relevance, availability of information and time horizon of sustainability risks will vary depending on the funds' characteristics, including asset class, investment strategy, client objectives.

In addition to the above, NAM's Risk & Performance Analysis team integrate, where relevant, ESG analysis in the risk reporting, which is made available to analysts and portfolio managers on a daily basis.

Additional expertise in the sustainability risk domain may be provided by our analysts in our Responsible Investment team, which is responsible for supporting our analysts and portfolio managers ultimately responsible for the investment decision process.

The Risk Management Function, which is independent from our Investment department, performs risk oversight, monitoring and escalation based on established policies.

A statement on Sustainability risk integration in the investment decision-making process and a statement on integration of sustainability risks in remuneration are available [here](#).

### Statement on the environmental and social characteristics, sustainable investment objectives and the applied methodologies

A statement on the environmental and social characteristics, sustainable investment objectives and the applied methodologies ("SFDR article 10" statements) is available [here](#).

# Risk Descriptions

All investments involve risk.

The risk descriptions below correspond to the main risk factors listed for each fund. A fund could potentially be affected by risks beyond those listed in the **"Fund Descriptions"** or described here, nor are these risk descriptions themselves intended to be exhaustive. Each risk is described as if for an individual fund.

Any of these risks could cause a fund to lose money, to perform less well than similar investments or a benchmark, to experience high volatility (ups and downs in NAV), or to fail to meet its objective over any period of time.

**ABS/MBS risk** Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity risk.

MBSs is a category that includes collateralised mortgage obligations, or CMOs, including home mortgages. ABSs represent an interest in a pool of debt, such as credit card receivables, auto loans, student loans, equipment leases and home equity loans, and include CLOs and CDOs.

The pool of securities underlying ABSs and MBSs may be structured in tranches. Senior debt takes priority over all other tranches, mezzanine debt is next in line for payment, and junior debt payments are made only after all obligations of both the senior and mezzanine tranches have been satisfied. Credit, prepayment, extension and liquidity risks will all be affected by the seniority of the particular tranche.

MBSs and ABSs also tend to be of lower credit quality than many other types of debt securities. To the extent that the debts underlying an MBS or ABS go into default or become non-collectable, the securities based on those debts will lose some or all of their value, particularly if there are no government guarantees. To the extent that any assets or collateral exist, it may be difficult to convert them into cash.

**CDO/CLO risk** The lower tranches of CDOs and CLOs can experience significantly higher risk than upper tranches of the same CDOs or CLOs.

These securities can be hurt by a decline in the underlying assets. Because of their complex structure, they can also be hard to value accurately and their behavior in different market conditions may be unpredictable.

**CoCo bonds risk** Issuers of contingent convertible securities (CoCo bonds or CoCos) can cancel or suspend scheduled income payments at will. CoCos carry extension risk, and they can be highly volatile.

A CoCo bond can be junior not only to other debt obligations but to equity holders as well. It can also lose some or all of its value instantaneously in case of a write-down or if a trigger event occurs; for example, the trigger could be activated either through a loss of capital (numerator) or an increase in risk-weighted assets (denominator). Because CoCos are in effect perpetual loans, the principal amount may be paid off on the call date, anytime afterward, or never. CoCos can also have liquidity risk.

There is a risk that volatility or price collapses could spread across issuers and that the CoCos could become illiquid. This risk could be worse depending on the level of underlying instrument arbitrage. In case of conversion into equity, the portfolio manager would be forced to sell any new equity shares if the fund's investment policy does not permit equities; this could involve liquidity risk. While CoCos tend to offer attractive yields, any assessment of their risk must include not only their credit ratings (which may be below investment grade) but also the other risks associated with CoCos, such as the risk of conversion, coupon cancellation, and liquidity risk.

**Collateral risk** The value of collateral might not cover the full value of a transaction, and might not cover any fees or returns due to the fund. If any collateral the fund holds as protection against counterparty risk (including assets in which cash collateral has been invested) declines in value, it may not fully protect the fund against losses. Difficulties in selling collateral may delay or restrict the ability of the fund to meet redemption requests. While the fund uses industry standard agreements with respect to all collateral, in some jurisdictions even these agreements might prove to be difficult or impossible to enforce under local law.

**Concentration risk** To the extent that the fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a fund that invests more broadly.

Focusing on any company, industry, sector, country, region, type of stock, type of economy, etc. makes the fund more sensitive to the factors that determine market value for the area of focus. These factors may include economic, financial or market conditions as well as social, political, environmental or other conditions. The result can be both higher volatility and a greater risk of loss.

**Convertible securities risk** Because convertible securities are structured as bonds that typically can, or must, be repaid with a predetermined quantity of equity shares, rather than cash, they carry both equity risk and the credit and default risks typical of bonds.

Because of their hybrid nature, convertible securities typically are less exposed to the performance and risk of the issuer's stock as well as of the issuer's bonds, meaning it is likely they will underperform one or the other at any given time. With convertible securities that have the option of repaying principal either in cash or equity securities, repayment will typically be in the form of whichever is worth less at the time of repayment, which could mean that the fund misses out on the benefits of appreciation in the issuer's equities. At the same time, if a convertible security is repaid in the issuer's equities, it is possible that these equities could fall in value before the fund is able to liquidate them.

**Counterparty risk** Any entity with which the fund does business could become unwilling or unable to meet its obligations to the fund.

If a counterparty becomes bankrupt, the fund could lose some or all of its money and could experience delays in getting back securities or cash that were in the possession of the



counterparty. This could mean the fund is unable to sell the securities or receive the income from them during the period in which it seeks to enforce its rights, a process that itself is likely to create additional costs. In addition, the value of the securities could fall during the period of delay.

Agreements with counterparties can be affected by liquidity risk and operational risk (including the risk of human error and criminal activity), either of which could cause losses or limit the fund's ability to meet redemption requests.

Because counterparties are not liable for losses caused by a "force majeure" event (such as a serious natural or human-caused disaster, riot, terrorist act or war), such an event could cause significant losses for which the fund would likely have no recourse.

Counterparty risk may be mitigated by securing appropriate collateral.

**Country risk – China** The legal rights of investors in China are uncertain, government intervention is common and unpredictable, and some of the major trading and custody systems are unproven.

In China, it is uncertain whether a court would protect the fund's right to securities it may purchase, whether purchased via a local broker under a Qualified Foreign Institutional Investor (QFII) Licence, the Stock Connect program or other methods. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the fund with relatively little standing to take legal action in China. The regulations of these schemes may be subject to change.

In addition, Chinese security exchanges or authorities may tax or limit short-swing profits, recall eligible stocks, set or change quotas (maximum trading volumes, either at the investor level or at the market level) or otherwise block, limit, restrict or delay trading, hampering or preventing a fund from implementing its intended strategies.

**Stock Connect program** The Shanghai- or Shenzhen-Hong Kong Stock Connect programs (Stock Connect) are joint projects of the Hong Kong Exchanges and Clearing Limited (HKEX), China Securities Depository and Clearing Corporation Limited (ChinaClear), and the Shanghai and the Shenzhen Stock Exchanges. Hong Kong Securities Clearing Company Limited (HKSCC), a clearing house that in turn is operated by HKEX, acts as nominee for investors accessing Stock Connect Securities.

Creditors of the nominee or custodian could assert that the assets in accounts held for the funds are actually assets of the nominee or custodian. If a court should uphold this assertion, creditors of the nominee or custodian could seek payment from the assets of the relevant fund. HKSCC, as nominee, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners (such as the funds). Consequently, title to such securities, or the rights associated with them (such as participation in corporate actions or shareholder meetings), cannot be assured.

Should the SICAV or any fund suffer losses resulting from the performance or insolvency of HKSCC, the SICAV would have no direct legal recourse against HKSCC, because Chinese law

does not recognize any direct legal relationship between HKSCC and either the SICAV or the depositary.

Should ChinaClear default, HKSCC's contractual liabilities will be limited to assisting participants with claims. A fund's attempts to recover lost assets could involve considerable delays and expenses, and may not be successful.

**China Interbank Bond Market (CIBM)** China prohibits outside lenders from extending credit directly to individuals or entities within China. Outside investors (such as the fund) can buy Chinese corporate and government bonds. Because these bonds are denominated in RMB, whose value and liquidity is to some extent controlled by the government, currency risks (described below) may affect the liquidity and trading price of Chinese bonds. Many of the same concerns about investor rights apply to Chinese bonds as well.

**Bond Connect** Bond Connect aims to enhance the efficiency and flexibility of investing in the China Interbank Bond Market. Although Bond Connect removes CIBM's investment quota and the need for a bond settlement agent, investments made through Bond Connect may be subject to high price volatility and potential lack of liquidity due to low trading volume of certain debt securities. Large spreads between bid and offer prices, which make it harder to sell bonds at a profit, are also a risk, as is counterparty risk.

**Currencies** In China, the government maintains two separate currencies: onshore renminbi (which must remain within China and generally cannot be owned by foreigners) and offshore renminbi (which can be owned by anyone). The exchange rate, and the extent to which the currencies can be exchanged, is determined by a combination of market and government actions. This effectively creates currency risk within a single nation's currency, as well as liquidity risk.

A range of sustainability risks in China may apply to investments and cause their value to be impacted by the occurrence of environmental, social or governance events/conditions. Environmental risk is related to extreme weather events such as droughts, floods and storms, as well as progressive environmental degradation of natural resources, such as air or water, and can have financial impact on companies, which may be affected by higher carbon, water and waste management prices. The process of transition towards a lower-carbon economy, adaptation to technological changes and adoption of safety/environmental regulations can result in financial risk. Social risk is linked to health, safety and human rights and the value of investments may be influenced by failure of employee welfare or due to unethical practices. Governance risk in China is more evident than in developed markets as a consequence of sub-optimal corporate governance practices (independence and composition of board) and implications of governmental intervention creating uncertainty for investors.

**Covered bond risk** Covered bonds are bonds usually issued by financial institutions, backed by a pool of assets (typically, but not exclusively, mortgages and public sector debt) that secure or "cover" the bond if the issuer becomes insolvent.

With covered bonds the assets being used as collateral remain on the issuer's balance sheet, giving bondholders additional recourse against the issuer in case of default.

In addition to carrying credit, default and interest rate risks, covered bonds could face the risk that the collateral set aside to secure bond principal could decline in value.

**Danish covered bonds** The vast majority of these bonds are backed by mortgage pools. Danish covered bonds follow a “balance principle” whereby each new loan is in principle funded by the issuance of new bonds of equal size, identical cash flow and maturity characteristics, further reducing default risk.

Note that Danish law and regulation allow that in times of significantly rising interest rates or difficult market environments for bond issuance, some Danish mortgage bonds can extend their maturity, thus increasing the impact of interest rate risk.

To the extent that the fund invests in Danish covered bonds that are callable (which many are), it takes on prepayment risk.

**Credit risk** A bond or money market security, whether from a public or private issuer, could lose value if the issuer’s financial health deteriorates. This risk is greater the lower the credit quality of the debt, and the greater the fund’s exposure to below investment grade bonds.

Certain high yield bonds rated Ba1 or BB+ and below by some Rating Agencies are very speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments. Compared to higher-rated securities, lower-rated high yield bonds generally tend to be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid. Certain funds may also invest in high yield bonds placed by emerging market issuers that may be subject to greater social, economic and political uncertainties.

In extreme cases, a debt security could go into default, meaning the issuers or guarantors of certain bonds could become unable to make payments on their bonds.

If the financial health of the issuer of a bond or money market security weakens, or if the market believes it may weaken, the value of the bond or money market security may fall or become more volatile, and it may become illiquid.

Below investment grade bonds are considered speculative. Compared to investment grade bonds, the prices and yields of below investment grade bonds are more sensitive to economic events and more volatile, and the bonds are less liquid.

Debt issued by governments and government-owned or -controlled entities can be subject to many risks, especially in cases where the government is reliant on payments or extensions of credit from external sources, is unable to institute the necessary systemic reforms or control domestic sentiment, or is unusually vulnerable to changes in geopolitical or economic sentiment. Even if a government issuer is financially able to pay off its debt, investors may have little recourse should it decide to delay, discount or cancel its obligations. Debt issued by corporations is usually less liquid than debt issued by government or supranational entities.

Bonds that are in default may become illiquid or worthless. Trying to recover principal or interest payments from a defaulted issuer can be difficult, particularly if the bonds are unsecured or subordinate to other obligations, and can involve additional costs.

**Currency risk** To the extent that the fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses, in some cases significantly.

Exchange rates can change rapidly and unpredictably, and it may be difficult for the fund to unwind its exposure to a given currency in time to avoid losses. Changes in exchange rates can be influenced by such factors as export-import balances, economic and political trends, governmental intervention and investor speculation.

Intervention by a central bank, such as aggressive buying or selling of currencies, changes in interest rates, restrictions on capital movements or a “de-pegging” of one currency to another, could cause abrupt or long-term changes in relative currency values.

**Custody risk** The depositary, and any entity to whom custody of fund assets is further delegated, are all considered counterparties and are subject to counterparty risk. In addition, because cash deposits are not segregated at the depositary or sub-custodian level, these assets would be at greater risk in the event of a bankruptcy or other failure of any of these parties.

**Depository receipt risk** Depository receipts (certificates that represent securities held on deposit by financial institutions) carry illiquid securities and counterparty risks.

Depository receipts, such as American Depositary Receipts (ADRs), European Depositary Receipts (EDRs), Global Depositary Receipts (GDRs) and Participation Notes (P-Notes), can trade below the value of their underlying securities. Owners of depository receipts may lack some of the rights (such as voting rights) they would have if they owned the underlying securities directly.

**Derivatives risk** Small movements in the value of an underlying asset can create large changes in the value of a derivative, making derivatives highly volatile in general, and exposing the fund to potential losses significantly greater than the cost of the derivative.

Derivatives are subject to the risks of the underlying asset(s) as well as carrying their own risks. Some of the main risks of derivatives are:

- the pricing and volatility of some derivatives, in particular credit default swaps, may diverge from the pricing or volatility of their underlying reference(s)
- in difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by some derivatives
- using derivatives involves costs that the fund would not otherwise incur
- changes in tax, accounting, or securities laws could cause the value of a derivative to fall or could force the fund to terminate a derivative position under disadvantageous circumstances

**Exchange-traded derivatives** Trading in these derivatives or their underlying assets could be suspended or subject to limits. There is also a risk that settlement of these derivatives through a transfer system may not happen when or as expected.

**OTC derivatives — non-cleared** Because OTC derivatives are in essence private agreements between a fund and one or more counterparties, they are less highly regulated than market-traded securities. They also carry greater counterparty and liquidity risks. If a counterparty ceases to offer a derivative that a fund had been planning on using, the fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

**OTC derivatives — cleared** Because these derivatives are cleared on a trading platform, their liquidity risks are similar to those for exchange-traded derivatives. However, they still carry counterparty risk that is similar to non-cleared OTC derivatives.

**Dividend distribution risk** Funds or share classes may have a dividend distribution risk if your income from the distribution can be paid out partially or completely from the funds' capital. This may for example be the case if the fund or share class has fixed distribution (a given percentage of the assets is to be paid on a regular basis) or if the management company is allowed to pay dividend out of the funds' capital. This may have a tax consequence depending on your personal tax situation. Also, it may constraint capital growth in the future.

**ETF risk** An ETF may trade below its full value, especially during intra-day trading. In addition, index tracking ETFs may not exactly reflect the underlying index (or benchmark).

To lower transaction costs, indexing ETFs will typically hold a smaller set of securities than the underlying index or benchmark. This leads to tracking error, which is typically limited, but over time can lead to an increasing divergence between the ETF and the index or benchmark.

**Emerging and frontier markets risk** Emerging and frontier markets are less established, and more volatile, than developed markets. They involve higher risks, particularly market, credit, legal and currency risks, and are more likely to experience risks that, in developed markets, are associated with unusual market conditions, such as liquidity and counterparty risks.

Reasons for this higher level of risk include:

- political, economic, or social instability
- economies that are heavily reliant on particular industries, commodities, or trading partners
- high or capricious tariffs or other forms of protectionism
- quotas, regulations, laws, restrictions on repatriation of monies, or other practices that place outside investors (such as the fund) at a disadvantage
- changes in laws or failure to enforce laws or regulations, to provide fair or functioning mechanisms for resolving disputes or pursuing recourse, or to otherwise recognise the rights of investors as understood in developed markets
- excessive fees, trading costs, taxation, or outright seizure of assets
- inadequate reserves to cover issuer or counterparty defaults
- incomplete, misleading, or inaccurate information about securities and their issuers
- non-standard or sub-standard accounting, auditing or financial reporting practices

- markets that are small and have low trading volumes, and consequently can be vulnerable to liquidity risk and to manipulation of market prices
- arbitrary delays and market closures
- less developed market infrastructure that is unable to handle peak trading volumes
- fraud, corruption and error

In certain countries, securities markets may also suffer from impaired efficiency and liquidity, which may worsen price volatility and market disruptions. To the extent that emerging markets are in different time zones from Luxembourg, and may have different trading days, these risks could be compounded for the fund if it is not able to react in a timely fashion to price movements that occur when the fund is not open for business.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, Latin America and Eastern Europe, as well as countries such as China and India that have successful economies but may not offer the highest levels of investor protection. Frontier markets are the least developed of the emerging market countries. The list of emerging and less developed markets is subject to continuous change.

A sustainability risk in emerging and frontier markets may have more negative impact than in developed countries. Environmental, social and governance aspects may not be prioritized in regulations by local governments due to challenges related to financial stability of those countries, lack of political consensus and pressure on competition. Consequently, investors may experience a negative impact on the values of their investments in emerging and frontier markets.

**Equity risk** Equities can lose value rapidly, and typically involve higher (often significantly higher) market risks than bonds or money market instruments.

If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

**Fixed maturity date risk** Funds with a fixed maturity date will often be characterized by having a risk profile that changes significantly during the lifetime of the product. For example the risks associated with the portfolio may decrease as the maturity date approaches because securities mature or are redeemed. Also, for funds with fixed maturity date the redemption fee may vary with the holding period of the investment and often the redemption fees are high compared to other fund products.

**Hedging risk – portfolio** Any attempts to reduce or eliminate certain risks may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss.

Any measures that the fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at all times. Hedging involves costs, which impact investment performance.

**Hedging risk – contagion** It may not be possible to fully isolate all risks (such as counterparty risk) and all costs of currency hedged share classes from classes that are not

currency hedged. An up-to-date list of share classes that could experience contagion risk is available on request and free of charge at the registered office of the management company.

**Hedging risk – currency hedged share classes** Any attempts to reduce or eliminate the effect of exchange rate fluctuations between the base currency of the fund and the currency of the share class may not be successful, especially during times of market volatility. Mainly due to interest rate differentials and costs associated with performing the hedging activity, the currency hedged share class may have a different performance to the equivalent share class in the base currency. The currency hedging on the hedged share classes has no correlation with the currency exposure of the fund's portfolio holdings, which may include currencies other than the base currency of the fund or the currency of the share class.

**Inflation-linked debt securities** The inflation protection that these securities are designed to offer does not protect them from interest rate risk. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security may be considered taxable ordinary income, even though the fund will not receive the principal until maturity. In the case of inflation-indexed bonds, whose principal value is periodically adjusted according to the rate of inflation. Any decline in the index measuring inflation will result in a decline in the value of the bonds and, in turn, a decline in the interest rate.

To the extent that the inflation index used by an inflation-linked security does not accurately measure the real rate of inflation in the prices of goods and services, the security will fail to protect against the erosion of purchasing power caused by inflation.

**Interest rate risk** When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity or duration of the bond investment.

**Investment fund risk** As with any investment fund, investing in the fund involves certain risks an investor would not face if investing in markets directly:

- the actions of other investors, in particular sudden large outflows of cash or behavior that results in a tax penalty for the fund, could cause losses to other investors
- the investor cannot direct or influence how money is invested while it is in the fund
- the fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the fund decides to register in jurisdictions that impose narrower limits, this decision could further limit its investment activities
- because the fund is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply
- because fund shares are not publicly traded, the only option for liquidation of shares is generally redemption, which could be subject to any redemption policies set by the fund

- the fund could suspend redemptions of its shares, for any of the reasons described in **"Rights We Reserve"** under **"Investing in the Funds"**
- the fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor
- to the extent that the fund invests in other UCITS/UCIs, it will have less direct knowledge of, and no control over, the decisions of the UCITS/UCI's investment managers, it could incur a second layer of investment fees (which will further erode any investment gains), and it could face liquidity risk in trying to unwind its investment in a UCITS/UCI
- to the extent that the SICAV conducts business with affiliates of Nordea Group, and these affiliates (and affiliates of other service providers) do business with each other on behalf of the SICAV, conflicts of interest may be created; to mitigate these, all such business dealings are conducted on an "arm's length" basis, and all entities, and the individuals associated with them, are subject to strict "fair dealing" policies that prohibit profiting from inside information and showing favoritism)

Where a fund invests in another UCITS/ other UCI, these risks apply to the fund, and in turn indirectly to shareholders.

**Legal risks** There is a risk that legal agreements in respect of certain derivatives, instruments and techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by a particular law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

The SICAV might be subject to certain contractual indemnification obligations. The SICAV will not, and potentially none of the service providers, carry any insurance for losses for which the SICAV may be ultimately subject to an indemnification obligation. Any indemnification payment with respect to a fund would be borne by that fund and will result in a corresponding reduction in the price of the shares.

**Leverage risk** The fund's high net exposure to certain investments could make its share price more volatile.

To the extent that the fund uses leverage to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the fund level, and as such may lead to important losses.

**Liquidity risk** Certain securities may be hard to value or to buy or sell at a desired time and price, especially in larger quantity. In addition, temporary market conditions could cause any security to become hard to value or to sell at a desired time and price.

Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and a fund may incur loss as a result. An inability to sell a portfolio position can



adversely affect those funds' value or prevent those funds from being able to take advantage of other investment opportunities.

Liquidity risk could affect the fund's value and its ability to pay redemption proceeds or to repay, for example, buy-sellback agreement proceeds by the agreed deadline, because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, those funds may be forced to sell investments at unfavourable times and/or conditions.

Securities that are inherently less liquid than, for example, large equities that trade daily on major exchanges, may include Rule 144A securities as well as a security of any type that represents a small issue, trades infrequently, or is traded on markets that are comparatively small or that have long settlement times. Investment in debt securities, small and mid-capitalisation stocks and emerging market issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions, whether or not accurate.

**Market risk** Prices and yields of many securities can change frequently — sometimes with significant volatility — and can fall, based on a wide variety of factors.

Examples of these factors include:

- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human-caused disasters (including but not limited to pandemics), whether they qualify as force majeure or not
- cybercrime, fraud and other criminal activities
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad.

**Operational risk** The fund could be subject to the risk of loss resulting from human error or criminal activity such as cybercrime and fraud, faulty processes or governance, or technological failures.

Operational risks may subject the fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading, among other things.

Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

**Prepayment and extension risk** Any unexpected behaviour in interest rates could hurt the performance of callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date).

When interest rates fall, issuers tend to pay off these securities and re-issue new ones at lower interest rates. When this

happens, the fund may have no alternative but to reinvest the money from these prepaid securities at a lower rate of interest ("prepayment risk").

At the same time, when interest rates rise, borrowers tend not to prepay their low-interest mortgages. This can lock in the fund to receiving below-market yields until interest rates fall or the securities mature ("extension risk"). It can also mean that the fund must either sell the securities at a loss or forgo the opportunity to make other investments that may turn out to have performed better.

The prices and yields of callable securities typically reflect the assumption that they will be paid off at a certain point before maturity. If this prepayment happens when expected, the fund generally will not suffer any adverse effects. However, if it happens substantially earlier or later than expected, it can mean that the fund effectively overpaid for the securities.

These factors can also affect the fund's duration, increasing or decreasing sensitivity to interest rates in undesired ways. In some circumstances, the failure of rates to rise or fall when anticipated could cause prepayment or extension risks as well.

**Real estate investments risk** Real estate and related investments, including real estate investment trusts (REITs), can be hurt by any factor that makes an area or individual property less valuable.

Specifically, investments in real estate holdings or related businesses or securities (including interests in mortgages) can be hurt by natural disasters, economic declines, overbuilding, zoning changes, tax increases, population or lifestyle trends, environmental contamination, defaults on mortgages, failures of management, and other factors that may affect the market value or cash flow of the investment.

**Securities handling risk** Some countries may restrict securities ownership by outsiders or may have less regulated custody practices.

These practices may leave the fund more vulnerable to fraud, error, ownership disputes, and other sources of financial loss unrelated to market declines.

**Small and mid-cap equity risk** Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies.

Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks. Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

**Short position risk** The use of a short position (whose value moves in the opposite direction from the value of the security itself) may increase the risk of both loss and volatility.

In theory, potential losses from using short positions can be unlimited as security prices could potentially rise infinitely, whereas the loss from investing in a long position cannot exceed the amount invested.

The short selling of investments may be subject to changes in regulations, which could create losses or the inability to continue using short positions as intended or at all.

**Standard practices risk** Investment management practices that have worked well in the past, or are accepted ways of addressing certain conditions, could prove ineffective.

**Sustainability risk** An environmental, social or governance event, or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Sustainability risk may significantly increase the volatility of the investment return of the fund.

See **“Sustainability Risk Integration applicable to all funds”**.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available via [nordea.lu](https://nordea.lu).

**Taxation risk** A country could change its tax laws or treaties in ways that affect the fund or shareholders.

Tax changes potentially could be retroactive and in some cases could affect investors with no direct investment in the country.

**Volatility risk:** Volatility risk refers to the potential for significant fluctuations in the market value of the fund’s assets, driven by changes in market conditions, investor sentiment, macroeconomic factors, or geopolitical events. Volatility is typically quantified using statistical measures such as standard deviation or variance of returns over a given time horizon. Elevated volatility may lead to increased uncertainty in the fund’s performance and can amplify both gains and losses. For funds with exposure to asset classes or instruments that exhibit high price variability—such as equities, commodities, or derivatives—volatility risk may materially impact the fund’s net asset value and liquidity profile.



# General Investment Powers and Restrictions

Each fund, and the SICAV itself, must comply with all applicable EU and Luxembourg laws and regulations, as well as certain circulars, technical standards and other requirements. This section presents, in tabular form, the portfolio management requirements of the 2010 Law as well as the requirements set by the European Securities and Markets Authority (ESMA) for risk monitoring and management. In case of any discrepancy, the 2010 Law itself, in the original French version, would prevail over either the articles or the prospectus (with the articles taking precedence over the prospectus).

If any violation of the 2010 Law by a fund is detected, the investment manager must make compliance with the relevant policies a priority in its securities trades and management decisions for the fund, taking due account of the interests of shareholders.

Except where noted, all percentages and restrictions apply to each fund individually, and all asset percentages are measured as a percentage of total assets.

## Permitted assets, techniques and transactions

The table below describes what is allowable to any UCITS. The funds may set limits that are more restrictive in one way or another, based on their investment objectives and policies. A fund's usage of any asset, technique or transaction must be consistent with its investment policies and restrictions.

No fund can acquire assets that come with unlimited liability attached, underwrite securities of other issuers, or issue warrants or other rights to subscribe for their shares.

Security/ Transaction	Requirements	
1. Transferable securities and money market instruments	Must be listed or traded on an official stock exchange in an eligible state, or on a regulated market in an eligible state (a market that operates regularly, is recognised and is open to the public).	Recently issued securities must include in their terms of issue a commitment to apply for official listing on a regulated market and such admission must be received within 12 months of issue.
2. Money market instruments that do not meet the requirements in row 1	Must be subject (at the securities or issuer level) to regulation aimed at protecting investors and savings and must meet one of the following: <ul style="list-style-type: none"> <li>be issued or guaranteed by a central, regional or local authority, or a central bank of an EU member state, the European Central Bank, the European Investment Bank, the EU, a public international body to which at least one EU member state belongs, a sovereign nation, or a member state of a federation</li> <li>be issued by an undertaking whose securities qualify under row 1 (with exception of recently issued securities)</li> <li>be issued or guaranteed by an institution that is subject to, and complies with, EU prudential supervision rules or other rules the CSSF considers to be at least as stringent</li> </ul>	Can also qualify if the issuer belongs to a category approved by the CSSF, is subject to investor protections that are equivalent to those described directly at left, and meets one of the following criteria: <ul style="list-style-type: none"> <li>is issued by a company with at least EUR 10 million in capital and reserves that publishes annual accounts consistent with Directive 78/660/EEC</li> <li>is issued by an entity dedicated to financing a group of companies at least one of which is publicly listed</li> <li>is issued by an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line</li> </ul>
3. Transferable securities and money market instruments that do not meet the requirements in rows 1 and 2	Limited to 10% of fund assets.	
4. Units of UCITS or other UCIs that are not linked to the SICAV*	Must be limited by constitutional documents to investing no more than 10% of assets in other UCITS or other UCIs. <ul style="list-style-type: none"> <li>If the target investment is an "other UCI", it must:</li> <li>invest in UCITS-allowable investments</li> <li>be authorised by an EU member state or by a state the CSSF considers to have equivalent laws on supervision, with sufficient cooperation between authorities</li> </ul>	<ul style="list-style-type: none"> <li>issue annual and semi-annual reports to enable an assessment of assets, liabilities, income and operations over the reporting period</li> <li>offer investor protections that are equivalent to those of a UCITS, in particular as to the rules on asset segregation, borrowing, lending and uncovered sales</li> <li>the target fund might have different investment strategies or restrictions than the fund, to the extent that such investments do not result in a circumvention of the investment strategies or restrictions of the fund</li> </ul>
5. Units of UCITS or other UCIs that are linked to the SICAV*	Must meet all requirements in row 4. The SICAV's annual report must state the total annual management and advisory fees charged both to the fund and to the UCITS/other UCIs in which the fund has invested during the relevant period.	The UCITS/other UCI cannot charge a fund any fees for subscribing for or redeeming shares.
6. Shares of other funds of the SICAV	Must meet all requirements in rows 4 and 5. The target fund cannot invest, in turn, in the acquiring fund (reciprocal ownership).	The acquiring fund surrenders all voting rights in shares it acquires. The value of the shares does not count in the calculation of the assets of the SICAV for the purpose of verifying the minimum capital requirements imposed by the 2010 Law.

\* A UCITS or other UCI is considered to be linked to the SICAV if both are managed or controlled by the same Management Company or another affiliated entity.

7. Real estate and commodities, including precious metals	Direct ownership of precious metals or commodities, or certificates representing them, is prohibited. Investment exposure is allowed only indirectly, through assets, techniques and transactions allowed under the 2010 Law.	Direct ownership of real estate or other tangible property is prohibited except for what is directly necessary to conducting the SICAV's business.
8. Deposits with credit institutions	Must be repayable or withdrawable on demand, and any maturity date must be no more than 12 months in the future.	The credit institutions either must have a registered office in an EU/EEA member state or, if not, be subject to prudential supervision rules the CSSF consider to be at least as stringent as EU rules.
9. Cash and cash equivalents	The SICAV may hold cash for treasury purposes or in case of unfavorable market conditions. Limited to 20% of fund assets, except in case of exceptionally unfavorable market conditions or for funds following an investment policy through the extensive use of financial derivatives and for which higher levels of liquid assets are required.	
10. Derivatives and equivalent cash-settled instruments	Underlying assets must be those described in rows 1, 2, 4, 5, 6 and 8 or must be financial indices, interest rates, foreign exchange rates or currencies consistent with fund investment objectives and policies. All usage must be adequately captured by the risk management process described in "Management and monitoring of global risk" below.	OTC derivatives must meet all of the following criteria: <ul style="list-style-type: none"> <li>• be subject to reliable and verifiable independent daily valuations</li> <li>• be able to be sold, liquidated or closed by an offsetting transaction at their fair value at any time at the SICAV's initiative</li> <li>• be with counterparties that are institutions subject to prudential supervision and that belong to categories approved by the CSSF</li> <li>• See also "Counterparties to derivatives and techniques".</li> </ul>
11. Reverse repos	Must be used as an efficient portfolio management technique only. The volume of transactions must not interfere with a fund's pursuit of its investment policy or its ability to meet redemptions. All counterparties must be subject to EU prudential supervision rules or to rules the CSSF consider to be at least as stringent.	<ul style="list-style-type: none"> <li>• For each transaction, the fund must receive and hold collateral that is at least equivalent, at all times during the lifetime of the transactions, to the full current value of the securities lent.</li> <li>• During the life of a reverse repo, the fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except if the fund has other means of coverage.</li> <li>• The fund must have the right to terminate any of these transactions at any time or to recall the full amount of cash.</li> <li>• The SICAV cannot grant or guarantee any other type of loan to a third party.</li> <li>• The securities purchased through a reverse repo must conform to the fund's investment policy and must, together with the other securities that the fund holds in its portfolio, globally respect the fund's investment restrictions. See also "Counterparties to derivatives and techniques".</li> </ul>
12. Repos	Must be used as an efficient portfolio management technique only. The cash received from the sales of securities subject to the repos is invested in accordance with the investment strategy and investment restrictions of the fund. With repos, the fund must ensure that it has sufficient assets to settle the transaction agreed with the counterparty. The volume of transactions must not interfere with a fund's pursuit of its investment policy or its ability to meet redemptions. All counterparties must be subject to EU prudential supervision rules or to rules the CSSF consider to be at least as stringent.	The fund must have the right to recall any securities subject to the repos or terminate the repos at any time. See also "Counterparties to derivatives and techniques".
13. Borrowing	The SICAV is not allowed to borrow in principle except if it is on a temporary basis and represents no more than 10% of a fund's assets.	The SICAV may however acquire foreign currency by means of back-to-back loans and use repos as an efficient portfolio management technique.
14. Short sales	Direct short sales are prohibited.	Short positions may be acquired only through derivatives.

## Diversification requirements

To ensure diversification, a fund cannot invest more than a certain amount of its assets in one issuer, as defined below.

For purposes of this table, companies that share consolidated accounts (whether in accordance with Directive 2013/34/EU or with recognised international rules) are considered to be a single issuer. The percentage limits indicated by the vertical brackets in the center of the table indicate the maximum aggregate investment in any single issuer for all bracketed rows.

Maximum investment/exposure, as a % of total net assets				
Category of securities	In any one issuer	In aggregate	Other	Exceptions
A. Transferable securities and money market instruments issued or guaranteed by a sovereign nation, any EU public local authority, or any public international body to which one or more EU member states belongs.	35%	35%		A fund may invest in as few as six issues if it is investing in accordance with the principle of risk spreading and meets both of the following criteria: <ul style="list-style-type: none"> <li>it invests no more than 30% in any one issue</li> <li>the securities are issued by an EU member state, its local authorities or agencies, a member state of the OECD or of the G20, Singapore or Hong Kong, or by a public international body of which one or more EU member state belongs</li> </ul> The exception described for Row C applies to this row as well.
B. Covered bonds as defined in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and public supervision and amending Directives 2009/65/EC and 2014/59/EU and certain bonds issued before 8 July 2022 by a credit institution whose registered office is in an EU member state and which is subject by law to special public supervision designed to protect bondholders*.	25%		80% in any issuer in whose bonds a fund has invested more than 5% of assets.	
C. Any transferable securities and money market instruments other than those described in rows A and B above.	10%	20%	20% in transferable securities and money market instruments within the same group. 40% in aggregate in all issuers in which a fund has invested more than 5% of its assets (does not include deposits and OTC derivative contracts with financial institutions subject to prudential supervision and securities indicated in rows A and B).	For index-tracking funds, the 10% increases to 20% in the case of a published, sufficiently diversified index that is adequate as a benchmark for its market and is recognised by the CSSF. This 20% increases to 35% (but for one issuer only) in exceptional market conditions, such as when the security is highly dominant in the regulated market in which it trades.
D. Deposits with credit institutions.	20%			
E. OTC derivatives with a counterparty that is a credit institution as defined in row 8 above (first table in section).	10% max risk exposure (OTC derivatives and EPM techniques combined)			
F. OTC derivatives with any other counterparty.	5% max risk exposure			
G. Units of UCITS or UCIs as defined in rows 4 and 5 above (first table in section).	20% in any one UCITS or UCI	If the management company has not decided on lower limits: - 30% in all other UCIs excluding UCITS - 100% in UCITS	Target funds of an umbrella structure whose assets and liabilities are segregated are considered as a separate UCITS or other UCI. Assets held by the UCITS or other UCIs do not count for purposes of complying with rows A - F of this table.	

\* The bonds issued before 8 July 2022 also must invest all sums deriving from their issuance in assets that, for the life of the bonds, are capable of covering all claims attaching to the bonds and in case of issuer bankruptcy would be used, on a priority basis, to reimburse principal and accrued interest.

## Additional requirements set by the management company

Unless specifically stated in **"Fund Descriptions"**, a fund's investment in the following securities is limited to the following percentage of the fund's total assets:

- 5% collectively in mortgage-backed and asset-backed securities (MBSs and ABSs)
- 10% in contingent convertible bonds
- 10% in China A- shares
- 10% in other UCITS/UCIs

## Limits on concentration of ownership

These limits are intended to prevent the SICAV or a fund from the risks that could arise (for itself or an issuer) if it were to own a significant percentage of a given security or issuer. A fund does not need to comply with the investment limits described under "Diversification requirements" (above) and "Limits on concentration of ownership" (below) when exercising subscription rights attaching to transferable securities or money market instruments that form part of its assets, so long as any resulting violations of the investment restrictions are corrected as described in the introduction to "General Investment Powers and Restrictions".

Category of securities	Maximum ownership, as a % of the total value of the securities issued	
Securities carrying voting rights	Less than would enable the SICAV to exercise significant influence over the management of an issuer	<div>These limits can be disregarded at purchase if at that time the gross amount of bonds or money market instruments, or the net amount of the instruments in issue, cannot be calculated.</div> <div>These rules do not apply to:<ul style="list-style-type: none"><li>• securities described in row A of the table above</li><li>• shares of a non-EU company that mainly invests in its home country and represents the only way to invest in that country in accordance with the 2010 Law</li><li>• purchases or repurchases of shares of subsidiaries that provide management, advice or marketing in their country, when done as a way of effecting transactions for SICAV shareholders in accordance with the 2010 Law</li></ul></div>
Non-voting securities of any one issuer	10%	
Debt securities of any one issuer	10%	
Money market securities of any one issuer	10%	
Shares of any fund of an umbrella UCITS or UCI	25%	

## Master and feeder funds

The SICAV can create one or more funds that qualify as a master fund or a feeder fund, or can designate any existing fund a master fund or a feeder fund. The rules below apply to any fund that is a feeder fund.

Security	Investment Requirements	Other Terms and Requirements
Units of the master fund	At least 85% of assets.	The master fund cannot charge any fees for subscribing or redeeming shares/units.
Derivatives and ancillary cash and cash equivalents*	Up to 15% of assets.	Derivatives must only be used for hedging. In measuring derivatives exposure, the feeder fund must combine its own direct exposure with, in proportion to its investment, either the actual exposure created by the master fund or its maximum permitted exposure. The timing of NAV calculation and publication for the master fund and for the feeder fund must be coordinated in a way designed to prevent market timing and arbitrage between the two funds.

\* Also includes movable and immovable property, which is allowed only if it is directly necessary to the SICAV's business.

## Management and monitoring of global risk

The management company uses a risk management process, approved and supervised by its board, to monitor and measure at any time the overall risk profile of each fund from direct investment, derivatives, techniques, collateral and all other sources. Global risk assessments are calculated every trading day (whether or not the fund calculates a NAV for that day), and encompass numerous factors, including coverage for contingent liabilities created by derivative positions.

Any derivatives embedded in transferable securities or money market instrument count as derivatives held by the fund, and any exposure to transferable securities or money market instruments gained through derivatives (except certain index-based derivatives) counts as investment in those securities or instruments.

Upon request, a unitholder may obtain supplementary information relating to the quantitative limits applying to the fund's risk management, the methods used to apply those limits, and any recent developments in the risk and yields of the fund's main categories of investment.

**Risk monitoring approaches** There are three main risk measurement approaches: the commitment approach and the two forms of value at risk (VaR), absolute and relative. These approaches are described below, and the approach each fund uses is described in **"Fund Descriptions"**. The board and the management company choose which approach each fund will use based on the fund's investment policy and strategy.

Approach	Description
<b>Absolute Value-at-Risk (Absolute VaR)</b>	The fund seeks to estimate the maximum loss it could experience in a month (meaning 20 trading days), and requires that 99% of the time, the fund's worst outcome does not exceed a 20% reduction in net asset value, and 95% of the time does not exceed a 14.1% reduction.
<b>Relative Value-at-Risk (Relative VaR)</b>	Used for funds that measure and limit overall exposure compared to a benchmark that represents the relevant segment of the reference financial market. The fund seeks, with 99% confidence, to maintain an estimated fund VaR that does not exceed twice the VaR of the benchmark.
<b>Commitment</b>	The fund calculates its global exposure by taking into account either the market value of an equivalent position in the underlying asset or the derivative's notional value, as appropriate. This allows the fund to reduce its global exposure by taking into account the effects of certain hedging or offsetting positions, consistent with ESMA guidelines 10/788. A fund using this approach must ensure that its overall market exposure does not exceed 200% of total assets (100% from direct investment and 100% from derivatives).

**Gross leverage** Any fund that uses the Absolute or Relative VaR approach must also calculate its expected level of gross leverage, which is stated in **"Fund Descriptions"**. A fund's expected level of leverage is an indicative level, not a regulatory limit, and the actual level of leverage may significantly exceed or fall short the expected level from time to time. However, a fund's use of derivatives will remain consistent with its investment objective, investment policies and risk profile, and will comply with its VaR limit.

Gross leverage is a measure of total derivative usage and is calculated as the "sum of the notionals", which represents the aggregate exposure of all derivative positions. This measure does not incorporate any hedging or netting, meaning that offsetting positions are not treated as cancelling each other out. For example, establishing new positions to offset existing ones will increase the gross leverage figure, even though such actions may reduce the actual risk within the portfolio. As the leverage calculation considers neither the sensitivity to market movements on a fund level nor whether it increases or decreases a fund's overall risk, it may not be representative of the actual investment risk level within a fund.

## How the Funds Use Instruments and Techniques

### Legal and regulatory framework

A fund may use the following instruments and techniques consistent with the 2010 Law, Grand Ducal regulation of 8 February 2008, CSSF Circulars 08/356 and 14/592, ESMA guidelines 14/937, the Securities Financing Transactions (SFT) regulation (EU) 2015/2365 and any other applicable law and regulation. Each fund's usage must also be consistent with its investment objective and policies and will not increase its risk profile beyond what it otherwise would have been.

### What the funds can use derivatives for

A fund may use derivatives for any of the following purposes, consistent with what is described in **"Fund Descriptions"**.

When using any derivatives, the fund will comply with the EMIR, and we have adequate procedures and oversight arrangements in place to ensure we comply with EMIR.

**Hedging** Hedging is taking a market position that is in the opposite direction from the position created by other portfolio investments, for the purpose of reducing or canceling out exposure to price fluctuations or certain factors that contribute to them.

- **Credit hedging** Typically done using credit default swaps. The goal is to hedge against credit risk. This includes purchasing or selling protection against the risks of specific assets or issuers as well as proxy hedging (taking an opposite position in a different investment that is likely to behave similarly to the position being hedged).
- **Currency hedging** Typically done using currency forwards. The goal is to hedge against currency risk. A fund may engage in:
  - direct hedging (same currency, opposite position)
  - cross-hedging (reducing exposure to one currency while increasing exposure to another, the net exposure to the base currency being left unchanged), when it provides an efficient way of gaining the desired exposures

proxy hedging (taking an opposite position in a different currency that is considered likely to behave similarly to the base currency)

anticipatory hedging (taking a hedge position in anticipation of an exposure that is anticipated to arise as the result of a planned investment or other event)

- **Duration hedging** Typically done using interest rate swaps, swaptions and futures. The goal is to seek to reduce the exposure to rate shifts for longer-maturity bonds.
- **Price hedging** Typically done using options on indices (specifically, by selling a call or buying a put). Usage is generally limited to situations where there is sufficient correlation between the composition or performance of the index and that of the fund. The goal is to hedge against fluctuations in the market value of a position.
- **Interest rate hedging** Typically done using interest rate futures, interest rate swaps, writing call options on interest rates or buying put options on interest rates. The goal is to manage interest rate risk.

**Investment exposure** A fund can use any allowable derivative and other techniques to gain exposure to permissible assets, in particular when direct investment is economically inefficient or impracticable.

**Leverage** A fund can use any allowable derivative and other techniques to increase its total investment exposure beyond what would be possible through direct investment. Leverage typically increases portfolio volatility.

**Efficient portfolio management** Reducing risks or costs or generating additional capital or income.

### Derivatives the funds can use

A derivative is a financial contract whose value depends on the performance of one of more reference assets (such as a security or basket of securities, an index or an interest rate).

The following are the most common derivatives used by the funds:



- financial futures
- options, such as options on equities, interest rates, indices, bonds, currencies, or commodity indices
- warrants
- forwards, such as currency forwards (foreign exchange contracts for future delivery at a specified price)
- swaps (contracts where two parties exchange the returns from two different reference assets, such as foreign exchange or interest rate swaps but NOT including total return, credit default, commodity index, volatility or variance swaps)
- credit derivatives, such as credit default swaps (contracts where one party receives a fee from the counterparty in exchange for agreeing that, in the event of a bankruptcy, default or other “credit event”, it will make payments to the counterparty designed to cover the latter’s losses)
- structured financial derivatives, such as credit-linked and equity-linked securities
- total return swaps (transaction in which one counterparty makes payments based on a fixed or variable rate to the other counterparty, who transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of an underlying reference asset, index or basket of assets); this category includes equity swaps, contracts for difference (CFDs) and other derivatives with similar characteristics (collectively referred to as TRSs throughout the prospectus)
- swaptions (options that provide the right, but not the obligation, to engage in a swap)

Futures are generally exchange-traded. All other types of derivatives are generally OTC (over the counter, meaning they are in effect private contracts between a fund and a counterparty).

For any index-linked derivatives, the index provider determines the rebalancing frequency and there is no cost to the relevant fund when the index itself rebalances.

A fund may use more exotic derivatives (derivatives whose payoff structure or underlying asset(s) are more complex) to the extent that it is consistent with its investment restrictions.

### **Instruments and techniques the funds can use**

A fund can use the following instruments and techniques with respect to any and all securities it holds for efficient portfolio management (as described above).

None of the funds are authorized to use securities lending transactions.

### **Repurchase and sell-buy back transactions**

By using repurchase and sell-buy back transactions (collectively referred to as repos throughout the prospectus), the fund legally sells securities to a counterparty, against payment, and has the obligation to buy back the securities at a later date and for a specific price. The cash received from the sales of securities via repos is invested in accordance with the investment strategy and investment restrictions of the fund.

The main difference between a repurchase and sell-buy back transaction is the handling of coupons or dividend payments on securities purchased as part of the transaction.

If a counterparty defaults or goes bankrupt there is a risk of loss or delay in recovering the investment. Also, there is a risk of loss if, due to market movements, the value of the securities

sold increases in value relative to the cash received by the fund. As a consequence, this could restrict the fund’s ability to fund security purchases or redemption requests.

### **Reverse repurchase and buy-sell back transactions**

By using reverse repurchase and buy-sell back transactions (collectively referred to as reverse repos throughout the prospectus), the fund buys securities from a counterparty, against payment, and has the obligation to sell back the securities at a later date and for a specific price.

The main difference between a reverse repurchase transaction and a buy-sell back transaction is the handling of coupons or dividend payments on securities purchased as part of the transaction.

Only the following assets may be used for reverse repos:

- short-term bank certificates or money market instruments
- shares or units of investment-grade money market UCIs
- adequately liquid bonds of non-governmental issuers
- bonds issued or guaranteed by an OECD country (including the country’s local public authorities) or by a supranational institution or undertaking with regional (including EU) or world-wide scope
- shares included in a main index and traded on an EU regulated market or a stock exchange of an OECD country
- If a counterparty defaults or goes bankrupt there is a risk of loss or delay in recovering the investment. Also, there is a risk of loss if, due to market movements, the value of the securities purchased decreases relative to the value of the cash transferred by the fund. As a consequence, this could restrict the fund’s ability to fund security purchases or redemption requests.

### **Disclosure of usage of SFTs**

#### **Repos, reverse repos and TRSs**

Where a fund uses repos, reverse repos and TRSs, the rationale for such usage and the expected and maximum usage proportion of total assets is disclosed for each fund in the **“Fund Descriptions”**. This is disclosed as “none expected” where such instruments and techniques are currently not used, were not used in the recent past and are not intended to be used in the near future.

For TRSs, usage refers to the notional amount displayed as a percentage of the fund’s total assets.

A fund’s expected usage is an indicative limit, not a regulatory limit, and the actual usage may exceed the expected usage from time to time. Updated information on the actual usage is available on request. Investments may exceed the expected level up to the maximum permitted level in certain circumstances.

### **Revenues**

- 100% of the gross revenues from the use of repos, reverse repos and TRSs are returned to the applicable fund.

The fund will trade repos, reverse repos and TRSs and the result generated from these transactions (positive or negative) is solely for the account of the fund. The management company does not receive any fees or costs out of those revenues additional to the management fee and charges taken from the fund over a year, as described below.



No additional third parties or service providers are involved or remunerated in connection with derivatives and techniques transactions.

The revenues received from repos, reverse repos and TRSs and the related fixed or variable fees and operational costs, are disclosed in the financial reports.

### Counterparties to derivatives and techniques

A counterparty must meet the following criteria:

- undergo analysis applicable to the counterparty's intended activity, which can include a review of such aspects as company management, liquidity, profitability, corporate structure, capital adequacy, and asset quality, as well as the regulatory framework; legal status and geographic criteria are typically be considered as well
- be considered creditworthy by the management company
- typically have a public credit rating that is at least investment grade

Unless otherwise stated in this prospectus, no counterparty to a derivative held by any fund can serve as an investment manager of that fund or any other fund within the SICAV, or otherwise have any control or approval over the composition or management of such a fund's investments or transactions or over the assets underlying a derivative. Affiliated counterparties are allowed provided that the transactions are conducted at arm's length.

### Collateral policies

These policies apply to assets received from counterparties to reduce counterparty risk in connection with repos, reverse repos and OTC derivatives.

For repos and reverse repos, any change in the net counterparty exposure may be eliminated by variation margin or by repricing of the transaction, in accordance with the Global Master Repurchase Agreement.

For OTC derivatives, variation margins, if any, are received on dedicated collateral depositary accounts and are not available for reuse.

**Acceptable collateral** The main securities that may be accepted as collateral are:

- cash and cash equivalents, such as a letter of credit or a demand note from a first class credit institution not affiliated to the counterparty
- investment grade bonds issued or guaranteed by a member state of the OECD or by their local authorities or by supranational institutions and undertakings
- shares or units issued by money market UCIs that calculate a daily net asset value are rated at least AAA or equivalent
- investment grade bonds issued or guaranteed by first class issuers offering an adequate liquidity
- shares listed or dealt on a regulated market of a EU Member State or on a stock exchange of a member state of the OECD
- shares or units issued by UCITS investing mainly in bonds or shares qualifying under the two bullets immediately above

Non-cash collateral must be traded on a regulated market or multilateral trading facility with transparent pricing and must

be able to be sold quickly for close to its pre-sale valuation. To ensure that collateral is suitably independent from the counterparty as far as both credit risk and investment correlation risk, collateral issued by the counterparty or its group is not accepted. The collateral is not expected to display a high correlation with the performance of the counterparty. Counterparty credit exposure is monitored against credit limits and collateral is valued on a daily basis.

Collateral received from a counterparty in any transaction may be used to offset the overall exposure to that counterparty.

**Diversification** All collateral held by the SICAV must be diversified by country, market and issuer, with exposure to any issuer no greater than 20% of a fund's assets. A fund could be fully collateralised by different transferable securities and money market instruments issued or guaranteed by a member state, one or more of its local authorities, a third country, or a public international body to which one or more member states belong. In this case, the fund should receive collateral from at least 6 different issues, with no issue exceeding 30% of the fund's total assets.

**Reuse and reinvestment of collateral** Cash collateral received to reduce counterparty risk will either be placed on deposit or invested in high-quality government bonds, repurchase transactions or short-term money market funds (as defined in the Guidelines on a Common Definition of European Money Market Funds) that calculate a daily net asset value and are rated AAA or equivalent.

Non-cash collateral will not be sold, reinvested or pledged.

**Custody of collateral** Collateral (as well as other securities that can be held in custody) transferred by title to a fund will be held by the depositary or a sub-custodian. With other types of collateral arrangements, such as a pledge agreement, collateral can be held by a third party custodian that is subject to prudential supervision and is unrelated to the collateral provider.

**Valuation and haircuts** All collateral is marked to market (valued daily using available market prices), taking into account any applicable haircut (a discount to the value of collateral intended to protect against any decline in collateral value or liquidity).

The SICAV has implemented a haircut policy relating to the classes of assets received as collateral. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the SICAV under normal and exceptional liquidity conditions.

### Risks

The risks associated with above-mentioned instruments and techniques are described in "Risk Descriptions".

# Investing in the Funds

## Share Classes

Within each fund, the SICAV can create and issue share classes. All share classes within a fund invest commonly in the same portfolio of securities but may have different characteristics and investor eligibility requirements.

Each share class is identified first by a core share class label (described in the table below) and then by any applicable prefixes and currency abbreviation. Within any given share class of any fund, all shares have equal rights of ownership.

The information below describes all currently existing core share classes and prefixes.

### Available classes

While any fund is permitted to issue any core share class, and to configure it with any combination of the features described below, in practice only certain configurations are available in any given fund. Also, some funds or share classes that are available in certain jurisdictions may not be available in others. For the most current information on available share classes, go to [nordea.lu](http://nordea.lu).

### Core share class characteristics

Core Class	Available to	Distributor Commission or Retrocession Available	Management Company Requirements	Minimum initial investment amount*
<b>C</b>	All investors investing through an approved distributor that provides independent portfolio management or investment advice. Approved distributors in countries that prohibit receiving and retaining commissions. Approved distributors that provide non-independent advice (as defined by MiFID II, for EU distributors) and have client agreements that prohibit receiving and retaining commissions.	No	None	None
<b>D</b>	Institutional investors or shareholders who meet all terms of the written agreement, at the discretion of the management company.	No	Written agreement before first investment	On application
<b>E</b>	All investors investing through an approved distributor.	Yes	None	None
<b>F</b>	All investors generally investing through an account with Nordea Group or any other investor, at the discretion of the management company.	No	None	None
<b>I</b>	Institutional investors.	Yes	None	EUR 75,000 or equivalent in other currencies
<b>N</b>	At the discretion of the management company, all investors who meet the terms of the written agreement, and which are approved distributors that provide non-independent advice (as defined by MiFID II, for EU distributors), have a separate fee arrangement with their clients, and have client agreements that prohibit receiving and retaining commissions;	No	Written agreement before first investment	EUR 25 million or equivalent in other currencies
<b>P</b>	All investors.	Yes	None	None
<b>P1</b>	All investors	Yes	Written agreement before first investment	None
<b>Q</b>	All investors generally investing through an account with Nordea Group, or any other investor, at the discretion of the management company.	Yes	None	None
<b>Q1</b>	All Investors generally investing through a strategic partner account, or any other investor, at the discretion of the management company.	Yes	None	None
<b>Q2</b>	All Investors generally investing through a strategic partner account, or any other investor, at the discretion of the management company.	Yes	None	None
<b>Q3</b>	All Investors generally investing through an account with Nordea Group, or any other investor, at the discretion of the management company.	Yes	None	EUR 100,000 or equivalent in other currencies
<b>V</b>	Institutional investors, including UCIs, established in Brazil, at the discretion of the management company (hedged to BRL share class).	No	Written agreement before first investment	EUR 5 million or equivalent in other currencies
<b>X</b>	Institutional investors who are part of Nordea Group and who meet the terms of the written agreement, who have an arrangement where part or all of the fees normally charged to the fund/share class are collected directly from the investor by the management company; at the discretion of the management company.	No	Written agreement before first investment	EUR 25 million or equivalent in other currencies
<b>X1</b>	Institutional investors who meet the terms of the written agreement, who have an arrangement where part or all of the fees normally charged to the fund/share class are collected directly from the investor by the management company; at the discretion of the management company.	No	Written agreement before first investment	EUR 25 million or equivalent in other currencies
<b>Y</b>	Specialised Investment Funds (governed by the Law of 13 February 2007) and UCIs that have appointed Nordea Investment Funds S.A. as management company or alternative investment fund manager; at the discretion of the management company. UCIs that have appointed a Nordea entity as management company; at the discretion of the management company. Other entities belonging to the Nordea Group for strategic purposes; at the	No	None	None

Core Class	Available to	Distributor Commission or Retrocession Available	Management Company Requirements	Minimum initial investment amount*
	discretion of the management company.			
<b>Z</b>	Institutional investors who are willing to seed newly launched funds and who meet all terms of the written agreement, at the discretion of the Management Company.	No	Written agreement before first investment	On application

\* Amounts apply for each share class of each fund, and include initial investments made by switches, subject to “Rights We Reserve”.

## Share class supplemental labels

Core share classes are issued either as distributing shares or accumulating shares. Additionally, hedging features may be added. Prefixes are added to the core share class label to indicate these characteristics. Currency codes are added as a Prefix on share classes to indicate the share class currency.

**Distributing share classes** Distributing share classes are entitled to payment of a dividend, subject to approval by a vote of shareholders at the general meeting or by the SICAV, as relevant. Dividends may be paid out of capital and/or may reduce the NAV of the relevant share class. Dividends paid out of capital could be taxed as income in certain jurisdictions.

Dividends are by default paid in cash by bank transfer and in the currency of the share class. Shareholders may request to have their distributions reinvested in further distributing shares of the same fund and share class, if offered as an option below.

No interest is paid on unclaimed dividend payments, and after 5 years these unclaimed payments will be returned to the fund. No fund will make a dividend payment if the assets of the fund are below the minimum capital requirement, or if paying the dividend would cause that situation to occur.

The SICAV currently offers the following categories of distributing shares:

### Share classes with prefix “A”

- eligible for annual distributions
- dividends can be re-invested upon request

### Share classes with prefix “J”

- available at the discretion of the management company
- eligible for annual distributions
- generally available only to Institutional Investors in Denmark, Finland, Norway and Sweden
- dividends can be re-invested upon request

### Share classes with prefix “L”

- available at the discretion of the management company
- eligible for interim distributions at least annually
- we may decide the payment of a dividend out of the capital where the investment income/capital gain generated by the relevant fund is insufficient to pay a distribution as planned. Investors should also note that the payment of dividends out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Such distributions may result in an immediate decrease in the Net Asset Value per share of the fund and in the capital that the fund has available for investment in the future. Capital growth may be reduced so that a high distribution yield does not imply a positive or high return on investors’ total investments
- the ex-dividend day will normally be at least annually.
- we may decide to review the expected distribution rate

### Share classes with prefix “M”

- available at the discretion of the management company
- eligible for monthly distributions
- we may decide the payment of a dividend out of the capital, in this case the capital will be eroded and the potential for future capital growth may be impacted

### Brazilian hedged share classes (core class “V”)

- Hedged to BRL share class available at the discretion of the management company to institutional investors (including UCIs) established in Brazil. The Hedged to BRL share class cannot be denominated in BRL which is a restricted currency, and is therefore denominated in the base currency of the relevant fund. Dealing requests for V share classes must be received by the transfer agent before 10h30 CET on a valuation day in order to be processed that day. Any dealing request for V share classes received at or after 10h30 CET will be processed on the next applicable valuation day. The NAV of the share class is converted in BRL via the use of derivatives including non-deliverable forwards. The NAV will fluctuate in line with the fluctuation in exchange rate between the BRL and the fund’s base currency due to the use of currency derivatives. The cost of these transactions will be reflected exclusively in the NAV of the BRL Hedged share class. The performance of the BRL Hedged share class will consequently differ from the performance of other share classes within a fund.

**Accumulating share classes** Accumulation shares retain all net investment income in the share price and generally do not distribute any dividends. For classes E, Z, X and Y, any shares that do NOT contain the prefix “A”, “J”, “L” or “M” are accumulation shares. For all other classes, shares that DO contain the prefix “B” are accumulation shares.

### Currency hedged share classes (prefix H)

Currency hedged shares seek to hedge the NAV, expressed in the fund’s base currency, to the currency of the share class. The SICAV may use derivatives such as currency forwards (deliverable or non-deliverable) to perform the currency hedging, at the cost of the shareholders, in the respective share classes. Costs include direct or indirect charges from the counterparties, as well as the impact of the interest rate differentials of the currencies exchanged in the currency forward contract. In practice it is unlikely that the hedging will eliminate 100% of the fluctuations in foreign exchange rates. For more on currency hedging, see “Permitted assets, techniques and transactions”.

When currency hedging applies to P-Shares, the letter “P” is omitted. Ex:

- currency hedged BP-Shares are denominated “HB-Shares”,
- currency hedged AP-Shares are denominated “HA-Shares”,

- currency hedged MP-Shares are denominated “HM-Shares”.

**Currency codes** Each share class carries the standard three-letter code for the currency in which it is denominated. A share class may be issued in any currency as decided by the SICAV.

## Share Class Fees

**Subscription fee** This fee is not charged by us but may be charged by your local intermediary when you invest. It is calculated as a percentage of the amount being invested. The subscription fees shown here are the maximum you might pay. The actual subscription fee you pay varies by fund and share class, though in no case will it exceed the applicable maximum shown.

### Maximum subscription fees, by fund type and share class

Fund Type*	C, N, P, P1, Q1, Q2,	All other classes
Equity	5.00%	None
Balanced	1.00% for Balanced Income Fund 3.00% for all others	None
Bond	0% for Fixed Maturity Bond 2027 Fund, Fixed Maturity Bond 2028 Fund, Fixed Maturity Bond III Fund, Fixed Maturity Bond V Fund and Fixed Maturity VI  1.00% for Conservative Fixed Income Fund, EUR Corporate Bond Fund 1-3 Years, European Short Term Corporate Bond Fund, Flexible Fixed Income Fund, Flexible Fixed In-come Plus Fund, Low Duration European Covered Bond Fund, Norwegian Short-Term Bond Fund, Swedish Short-Term Bond Fund,  3.00% for all others	None
Absolute Return	5.00%	None

\* See "Contents" for the list of funds by fund type.

## Redemption fee

Funds listed below are subject to a redemption fee to compensate the management company for redemption requests received by the management company before the fund's final maturity.

Fund	Core Class	First year after end of subscription period	From end of first year after end of subscription period to second year thereafter	From second year after end of subscription period and before maturity
Fixed Maturity Bond 2027 Fund	P	1.50%	1.00%	0.50%
Fixed Maturity Bond 2028 Fund	P			
Fixed Maturity Bond III Fund (only P1)	P1			
Fixed Maturity Bond V Fund	P1			
Fixed Maturity Bond VI Fund	P1			

The core class listed below is subject to a redemption fee to compensate the management company for redemption requests received by the management company before the end of the step-in period.

Fund	Core Class	First year after launch	Second year after launch	Third year after launch	Fourth year after launch	Fifth year after launch	After the end of the step-in period
Smart Step Fund	P1	2.50%	2.00%	1.50%	1.00%	0.50%	0%

We may reduce or waive the redemption fee amount at our discretion.

## Charges taken from the fund over a year

These fees cover fund operating costs, including management, administration, tax d'abonnement and distribution costs. These fees are accrued on a daily basis on the total assets in the relevant share classes and funds and deducted from fund assets quarterly, and therefore reduce the performance of your investment.

These fees are the same for all shareholders of a given fund and share class.

These fees may occasionally be reduced or waived by the management company.

**Management fees** These fees, payable out of the assets of the relevant funds, are due to the management company. Management fees for D and Z shares are set in the separate terms that apply to investors in these shares. Management fees

for X and X1 shares are not taken from the fund but are paid by investors in this type of shares. The value of investments in any Nordea Funds is excluded from the management fee calculation except if those investments are in Y share classes. Management fees for Y shares are zero.

**Operational expenses** These expenses consist of an administration fee (for central administration), depositary fees (charges for safekeeping and other associated services), and the tax d'abonnement (see "**Taxes paid from fund assets**"). Safekeeping and related administration charges are based on the value of assets held in custody and vary from fund to fund depending on the countries the funds are invested in.

Operational expenses further include:

- All expenses of the auditor and legal advice
- All expenses connected with publication and supply of information to shareholders, as well as expenses connected

with regulatory requirements of the SICAV, in particular the cost of printing, the distribution of financial reports as well as any prospectuses and expenses associated with the collection, reporting and publication of data about the SICAV

- Certain expenses associated with accessing and using research platforms
- All expenses related to the maintenance, production, printing, translation, distribution, dispatch, storage and archiving of the KIIDs/KIDs
- Any advertising costs and expenses other than those specified above that the management company determines to be directly related to the offer or distribution of shares, and certain platform fees and expenses, as applicable.
- All expenses involved in registering and maintaining the registration of the SICAV with supervisory authorities and stock exchanges

**Distribution fee** This fee is paid to the management company as Global Distributor, who may pass on all or part of the distribution fee to the approved local distributor or intermediary. The fee is charged only on E shares and is 0.75% a year.

**Performance fee** The management company may receive a performance fee. The performance fee is deducted from the NAV and passed on to the investment manager for the respective fund.

For institutional share classes (except I share classes), the management company has the discretion to decide, prior to the first investment, to charge or not a performance fee and to determine the rate of performance fee that is applied to the share class.

In the case of X share classes, a performance fee may be directly invoiced by the management company to the investors per the separate charging structure agreed upon between each individual investor and the management company.

The investment manager may elect to forego its right to the performance fee. In such a case, the management company is not entitled to receive a performance fee from the respective fund.

Where applicable, performance fee is due if, at the end of the performance review period, the net asset value per share

exceeds its respective high watermark and its accumulated hurdle rate since performance fee was last paid.

The performance of a share class is reviewed at the end of each calendar year. If a share class is created during a calendar year, the performance review period must be at least 12 months from the date the share class was launched.

The high watermark of a share is the greater of (i) the initial net asset value per share or, (ii) the highest net asset value price at the end of each calendar year. The performance reference period is equal to the whole life of the fund and cannot be reset.

The applicable hurdle rates for the non-hedged share classes are set out in the table below. For hedged share classes, an equivalent variable short-term interest rate expressed in the relevant currency will be applied for the respective currency.

A floor of 0% is applied to the hurdle rate, i.e. as long as the interest rate used as hurdle rate for any share class is negative, the hurdle rate is considered to be 0%. This means that performance fee cannot be charged if the value of the shares falls or remain unchanged during a calendar year.

The performance fee is calculated and accrued daily and paid yearly in arrears, in respect of each calendar year.

At the end of the calendar year for which performance fee is to be calculated, the performance fee for each share is equal to maximum 15% of the appreciation of the net asset value per share (net of performance fee) in excess of the high watermark from when performance fee was last paid, after deduction of the accumulated hurdle rate since performance fee was last paid. Any performance fee due will generally be paid within 30 business days after the end of each calendar year.

In case a fund is liquidated, merged or in case of net redemptions as observed on any valuation day, the pro rata of the year-to-date performance accrual that relates to such shares is considered as due regardless of the performance of the fund after such liquidation, merger or net redemption.

Past performance against the hurdle rate is disclosed, once available, in the applicable KIID/KID.

No performance fee is currently applied.

## Examples of how performance fee is calculated

Calendar year	NAV end of calendar year	Performance (net) end of calendar year	Hurdle rate	Accumulated hurdle rate since last performance fee	High watermark since last performance fee	Fee rate	Performance fee due
Year 1	105	5.00%	1.50%	1.50%	Exceeded with 5.00%*	15.00%	$5.00\% - 1.50\% \times 15.00\% = 0.53\%$
Year 2	104	-0.95%	1.00%	1.00%	Unchanged	15.00%	None
Year 3	103	-0.96%	0%**	1.00%	Unchanged	15.00%	None
Year 4	106	2.91%	3.00%	4.03%	Exceeded with 0.95%	15.00%	None
Year 5	113	6.60%	1.00%	5.07%	Exceeded with 7.62%	15.00%	$7.62\% - 5.07\% \times 15.00\% = 0.38\%$

\*The initial subscription price represents the first high watermark. In this case the initial subscription price is 100.

\*\*Hurdle rate is 0% if negative.

## How fund expenses are applied and used

All expenses that are paid from funds' total assets are reflected in NAV calculations, and the actual amounts paid are documented in the SICAV's annual reports. Expenses are calculated and accrued each valuation day for each fund and share class and paid quarterly in arrears.

All fees paid by the SICAV are subject to VAT where applicable. Each fund and share class pays all costs it incurs directly and also pays its pro rata share (based on its total net asset value) of costs not attributable to a specific fund or share class.



### Expenses not included in any of the above

- all taxes payable on the assets and/or income, except for the taxe d'abonnement
- depositary transaction fees
- other transaction-related fees, such as ordinary brokerage fees and commissions, bank charges, stamp duties and similar levies

- litigation expenses
- any extraordinary expenses or other unforeseen charges
- all other expenses chargeable to the SICAV

Management fees and operational expenses of share classes available to institutional investors:

	Management Fee					Operational expenses (Max)			
	D	I and V	X and X1	Y	Z	D	I, V, X1	X and Y	Z
Active Rates Opportunities Fund	On Application	0.350%	Invoiced to Investors	0.000%	On Application	0.150%	0.150%	0.100%	0.100%
Alpha 7 MA Fund	On Application	0.900%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Alpha 10 MA Fund	On Application	1.000%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Alpha 15 MA Fund	On Application	1.200%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Asia ex Japan Equity Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Asian Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Balanced Income Fund	On Application	0.650%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
Chinese Equity Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Conservative Fixed Income Fund	On Application	0.100%	Invoiced to investors	0.000%	On Application	0.150%	0.150%	0.100%	0.100%
Danish Covered Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
Diversified Growth Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Dynamic Rates Opportunities Fund	On Application	0.550%	Invoiced to investors	0.000%	On Application	0.150%	0.150%	0.100%	0.100%
Emerging ex China Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Emerging Market Bond Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Emerging Market Corporate Bond Fund	On Application	0.800%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Emerging Market Select Bond Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Emerging Market Select Local Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.300%	0.300%	0.150%	0.250%
Emerging Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Empower Europe Fund	On application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
EUR Corporate Bond Fund 1-3 Years	On Application	0.200%	Invoiced to investors	0.000%	On Application	0.150%	0.150%	0.100%	0.100%
European Corporate Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European Corporate Sustainable Labelled Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European Corporate Sustainable Stars Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European Covered Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European Cross Credit Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European Financial Debt Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European High Yield Bond Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
European High Yield Credit Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
European High Yield Opportunities Fund	On Application	0.650%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
European High Yield Sustainable Climate Bond Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
European High Yield Sustainable Stars Bond Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
European Short-Term Corporate Bond Fund	On Application	0.125%	Invoiced to investors	0.000%	On Application	0.150%	0.150%	0.100%	0.100%
European Small and Mid Cap Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
European Sustainable Labelled Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
European Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%

Fixed Maturity Bond 2027 Fund	n/a	n/a	n/a	n/a	On Application	n/a	n/a	n/a	0.150%
Fixed Maturity Bond 2028 Fund	n/a	n/a	n/a	n/a	On Application	n/a	n/a	n/a	0.150%
Fixed Maturity Bond III Fund	n/a	n/a	n/a	n/a	On Application	n/a	n/a	n/a	0.150%
Fixed Maturity Bond V Fund	n/a	n/a	n/a	n/a	On Application	n/a	n/a	n/a	0.150%
Fixed Maturity Bond VI Fund	n/a	n/a	n/a	n/a	On Application	n/a	n/a	n/a	0.150%
Flexible Fixed Income Fund	On Application	0.400%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
Flexible Fixed Income Plus Fund	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
GBP Diversified Return Fund	On Application	0.700%	Invoiced to investors	0.000%	On Application	0.100%	0.250%	0.100%	0.200%
Global AI Innovators Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Climate and Environment Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Climate Transition Engagement Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Disruption Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Global Diversity Engagement Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Global Equity Long/Short Fund	On Application	0.900%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Flexible Opportunities Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global High Yield Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global High Yield Sustainable Stars Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Impact Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Listed Infrastructure Fund	On Application	0.800%	Invoiced to investors	0.000%	On Application	0.300%	0.300%	0.150%	0.250%
Global Opportunity Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Portfolio Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Real Estate Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.300%	0.300%	0.100%	0.250%
Global Small Cap Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Social Empowerment Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Global Stable Equity Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.300%
Global Stable Equity Fund – Euro Hedged	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Global Stable Equity Plus Fund	On application	0.850%	Invoiced to investors	0.000%	On application	0.250%	0.250%	0.100%	0.200%
Global Sustainable Listed Real Assets Fund	On Application	0.800%	Invoiced to investors	0.000%	On Application	0.300%	0.300%	0.150%	0.250%
Global Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Global Transition Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Global Transition Titans Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Indian Equity Fund	On Application	1.000%	Invoiced to investors	0.000%	On Application	0.350%	0.350%	0.150%	0.300%
International High Yield Opportunities Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Latin American Equity Fund	On Application	1.000%	Invoiced to investors	0.000%	On Application	0.300%	0.300%	0.150%	0.250%
Low Duration European Covered Bond Fund	On Application	0.250%	Invoiced to investors	0.000%	On Application	0.150%	0.150%	0.100%	0.100%
Low Duration US High Yield Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Multi Credit Fund of Funds	On Application	0.500%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
Nordic Equity Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Nordic Equity Small Cap Fund	On Application	1.000%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Nordic Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
North American High Yield Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
North American Sustainable Stars Equity Fund	On Application	0.750%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%

Norwegian Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
Norwegian Equity Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Norwegian Short-Term Bond Fund	On Application	0.125%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.100%
Smart Step Fund	n/a	See fee table below	n/a	n/a	On Application	n/a	n/a	n/a	0.200%
Stable Emerging Markets Equity Fund	On Application	1.000%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.150%	0.200%
Stable Return Fund	On Application	0.850%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
Swedish Bond Fund	On Application	0.300%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.150%
Swedish Short-Term Bond Fund	On Application	0.125%	Invoiced to investors	0.000%	On Application	0.200%	0.200%	0.100%	0.100%
US Corporate Bond Fund	On Application	0.350%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
US Corporate Sustainable Stars Bond Fund	On Application	0.350%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
US High Yield Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
US High Yield Sustainable STARS Bond Fund	On Application	0.600%	Invoiced to investors	0.000%	On Application	0.250%	0.250%	0.100%	0.200%
US Total Return Bond Fund	On Application	0.550%	Invoiced to investors	0.000%	On Application	0.350%	0.350%	0.100%	0.300%

Management fees and operational expenses of share classes available to all investors (excluding classes reserved to institutional investors):

	Management Fee						Operational expenses (Max)
	P	Q, Q1, Q2, Q3 (Max)	E	C	F (Max)	N	
Active Rates Opportunities Fund	0.700%	0.700%	0.700%	0.450%	0.450%	0.350%	0.250%
Alpha 7 MA Fund	1.600%	1.600%	1.600%	1.000%	1.000%	0.900%	0.350%
Alpha 10 MA Fund	1.700%	1.700%	1.700%	1.100%	1.100%	1.000%	0.350%
Alpha 15 MA Fund	2.000%	2.000%	2.000%	1.300%	1.300%	1.200%	0.350%
Asia ex Japan Equity Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Asian Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Balanced Income Fund	1.200%	1.200%	1.200%	0.750%	0.750%	0.650%	0.300%
Chinese Equity Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Conservative Fixed Income Fund	0.175%	0.175%	0.175%	0.150%	0.150%	0.100%	0.250%
Danish Covered Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
Diversified Growth Fund	1.600%	1.600%	1.600%	0.950%	0.950%	0.850%	0.350%
Dynamic Rates Opportunities Fund	1.100%	1.100%	1.100%	0.650%	0.550%	0.550%	0.250%
Emerging ex China Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Emerging Market Bond Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.400%
Emerging Market Corporate Bond Fund	1.200%	1.200%	1.200%	0.900%	0.900%	0.800%	0.400%
Emerging Market Select Bond Fund	0.900%	0.900%	0.900%	0.600%	0.600%	0.500%	0.350%
Emerging Market Select Local Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
Emerging Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Empower Europe Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
EUR Corporate Bond Fund 1-3 Years	0.400%	0.400%	0.400%	0.300%	0.300%	0.200%	0.300%
European Corporate Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
European Corporate Sustainable Labelled Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
European Corporate Sustainable Stars Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
European Covered Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
European Cross Credit Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.300%
European Financial Debt Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.300%
European High Yield Bond Fund	1.000%	1.000%	1.000%	0.550%	0.600%	0.500%	0.400%
European High Yield Credit Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.350%
European High Yield Opportunities Fund	1.200%	1.200%	1.200%	0.750%	0.750%	0.650%	0.400%
European High Yield Sustainable Climate Bond Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.400%
European High Yield Sustainable Stars Bond Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.350%
European Short-Term Corporate Bond Fund	0.250%	0.250%	0.250%	0.175%	0.175%	0.125%	0.300%
European Small and Mid Cap Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
European Sustainable Labelled Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
European Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%

	Management Fee						Operational expenses (Max)
	P	Q, Q1, Q2, Q3 (Max)	E	C	F (Max)	N	
Fixed Maturity Bond 2027 Fund	1.100%	n/a	n/a	n/a	n/a	n/a	0.200%
Fixed Maturity Bond 2028 Fund	1.200%	n/a	n/a	n/a	n/a	n/a	0.200%
Fixed Maturity Bond III Fund	1.300% (max)	n/a	n/a	n/a	n/a	n/a	0.200%
Fixed Maturity Bond V Fund	1.150%	n/a	n/a	n/a	n/a	n/a	0.200%
Fixed Maturity Bond VI Fund	1.300% (max)	n/a	n/a	n/a	n/a	n/a	0.200%
Flexible Fixed Income Fund	0.800%	0.800%	0.800%	0.500%	0.500%	0.400%	0.300%
Flexible Fixed Income Plus Fund	1.000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.300%
GBP Diversified Return Fund	1.500%	1.500%	1.500%	0.700%	0.700%	0.700%	0.350%
Global AI Innovators Fund	1.750%	1.750%	1.750%	0.950%	0.950%	0.850%	0.400%
Global Climate and Environment Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Global Climate Transition Engagement Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
Global Disruption Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Global Diversity Engagement Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
Global Equity Long/Short Fund	1.800%	1.800%	1.800%	1.000%	1.000%	0.900%	0.350%
Global Flexible Opportunities Equity Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
Global High Yield Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
Global High Yield Sustainable Stars Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
Global Impact Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
Global Listed Infrastructure Fund	1.600%	1.600%	1.600%	0.900%	0.900%	0.800%	0.400%
Global Opportunity Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.400%
Global Portfolio Fund	1.500 %	0.800%	1.500%	0.850%	0.850%	0.750%	0.350%
Global Real Estate Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.400%
Global Small Cap Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.400%
Global Social Empowerment Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
Global Stable Equity Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Global Stable Equity Fund – Euro Hedged	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Global Stable Equity Plus Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Global Sustainable Listed Real Assets Fund	1.750%	1.750%	1.750%	0.900%	0.900%	0.800%	0.400%
Global Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Global Transition Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Global Transition Titans Fund	1.750%	1.750%	1.750%	0.850%	0.850%	0.750%	0.350%
Indian Equity Fund	1.800%	1.800%	1.800%	1.100%	1.100%	1.000%	0.500%
International High Yield Opportunities Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
Latin American Equity Fund	1.600%	1.600%	1.600%	1.100%	1.100%	1.000%	0.400%
Low Duration European Covered Bond Fund	0.500%	0.500%	0.500%	0.350%	0.350%	0.250%	0.250%
Low Duration US High Yield Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
Multi Credit Fund of Funds	1.0000%	1.000%	1.000%	0.600%	0.600%	0.500%	0.300%
Nordic Equity Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Nordic Equity Small Cap Fund	1.500%	1.500%	1.500%	1.100%	1.100%	1.000%	0.350%
Nordic Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
North American High Yield Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
North American Sustainable Stars Equity Fund	1.500%	1.500%	1.500%	0.850%	0.850%	0.750%	0.350%
Norwegian Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
Norwegian Equity Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Norwegian Short-Term Bond Fund	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.300%
Smart Step Fund	See fee table below	n/a	n/a	n/a	n/a	n/a	See fee table below
Stable Emerging Markets Equity Fund	1.800%	1.800%	1.800%	1.100%	1.100%	1.000%	0.350%
Stable Return Fund	1.500%	1.500%	1.500%	0.950%	0.950%	0.850%	0.350%
Swedish Bond Fund	0.600%	0.600%	0.600%	0.400%	0.400%	0.300%	0.300%
Swedish Short-Term Bond Fund	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.300%
US Corporate Bond Fund	0.700%	0.700%	0.700%	0.450%	0.450%	0.350%	0.400%
US Corporate Sustainable Stars Bond Fund	0.700%	0.700%	0.700%	0.450%	0.450%	0.350%	0.400%
US High Yield Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
US High Yield Sustainable STARS Bond Fund	1.000%	1.000%	1.000%	0.700%	0.700%	0.600%	0.400%
US Total Return Bond Fund	1.100%	1.100%	1.100%	0.650%	0.650%	0.550%	0.450%

	P1 Management fee	Operational expenses (max)
Fixed Maturity Bond III Fund	1.200% (max)	0.200%
Fixed Maturity Bond V Fund	1.100%	0.200%
Fixed Maturity Bond VI Fund	1.200% (max)	0.200%

		Management Fee			Operational expenses (max)	
		P	P1	I	I	P, P1
Smart Step Fund	Year 1	1.000%	0.900%	0.400%	0.250%	0.350%
	Year 2	1.100%	1.000%	0.450%		
	Year 3	1.200%	1.100%	0.500%		
	Year 4	1.400%	1.300%	0.600%		
	From Year 5	1.500%	1.500%	0.650%		

## Share Class Policies

We issue shares in registered form only. With these shares, the owner's name is recorded in the SICAV's register of shareholders and the owner receives a confirmation of subscription.

### Other policies

Shares are issued to one one-thousandth of a share (three decimal places). Fractional shares receive their pro rata portion of any dividends, reinvestments and liquidation proceeds.

Shares carry no preferential or preemptive rights. No fund is required to give existing shareholders any special rights or terms for subscribing for new shares. All shares must be fully paid up.

## Subscribing, Switching, Redeeming and Transferring Shares

In general we recommend that you place all transaction orders through your intermediary or an authorised distributor, unless there is reason not to do so. If you are an institutional investor, you can place transactions through your intermediary, an authorised distributor or the transfer agent.

### Information that applies to all transactions except transfers

**Dealing requests** You can submit requests to subscribe, switch or redeem shares.

When placing any request, you must include all necessary identifying information, including the account number and the name and address of the accountholder exactly as they appear on the account. Your request must indicate the fund, share class, ISIN number, reference currency, transaction size (currency; number of shares or invested amount) and type of transaction (purchasing, switching or redeeming). Any requests that we consider to be incomplete or unclear may be delayed or rejected. We cannot be responsible for any losses or missed opportunities arising from unclear requests.

Once you have placed a request, you can withdraw it only prior to the cut-off time on the same day. At or after cut-off time, any request that is accepted will be considered final and irrevocable.

No request will be accepted or processed in any way that is inconsistent with this prospectus as according to CSSF circular 04/146.

**Cut-off times and processing schedule** Unless specified otherwise in "Fund Descriptions", dealing requests received by the transfer agent before 15h30 CET on a valuation day will be processed that day. Any dealing request received at or after the cut-off time will be processed on the next applicable valuation day.

Note that the NAV at which a dealing request will be processed cannot be known at the time the request is placed.

**Pricing** Shares are priced at the NAV for the relevant share class and are quoted (and processed) in the currency of that share class. Except for initial offering periods, during which the price is the initial offer price, the share price for a transaction will be the NAV calculated for the day on which the transaction request is processed. The transfer agent deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the transfer agent.

**Currencies** We accept and make payments exclusively in the share class currency, except in a share class whose currency is a non-deliverable currency. In such cases, payments will be made in the fund's base currency.

**Fees charged by intermediaries** Your local intermediary may impose their own fees as part of any contractual arrangements that they may have with an investor. Such fees are independent of the SICAV, the depositary and the management company, are deducted from your transaction amounts and are generally kept by the intermediary. Consult your financial advisor or local intermediary to learn what your actual fee rate would be for a given investment.

**Late or missing payments to shareholders** The payment of a dividend or redemption proceeds to any shareholder may be delayed, reduced, or withheld if required by foreign exchange rules, other rules imposed by the shareholder's home jurisdiction, or for other reasons. In such cases we cannot accept responsibility, nor do we pay interest on amounts delayed.

**Changes to account information** You must promptly inform us of any changes in personal or bank information, particularly any information that might affect your eligibility for any share class. We will require adequate proof of authenticity for any



request to change the bank account associated with your fund investment.

**Settlement** The settlement date of dealing transactions (subscriptions, redemptions and switches) will generally be 3 business days after the transactions have been processed, but shall not exceed 8 business days. For redemptions and switches, the dealing period can also be extended if the SICAV or the management company decides to do so because of exceptional circumstances (for example, if a fund does not have adequate liquidity to pay out redemption proceeds). Neither the SICAV nor the management company is responsible for any delays or charges incurred at any receiving bank or settlement system.

**Exceptions and unusual circumstances** The language in this “Investing in the Funds” section, up until “Rights We Reserve”, describes generally applicable terms and procedures. See “Rights We Reserve” or descriptions of terms and procedures that may apply under certain unusual circumstances or at the discretion of the SICAV.

**Subscribing for shares** Also see “Information that applies to all transactions except transfers” above.

To make an initial investment, submit a completed application form and all account opening documentation (such as all required tax and anti-money laundering information). However, the original documents must also be sent via postal letter. Note that some distributors may have their own account opening requirements. Once an account has been opened, you can place your initial and any additional orders.

Payment must be sent via bank transfer (net of any bank charges) in the currency denomination of the share class(es) you want to subscribe for or, if that currency is non-deliverable, in the base currency of the fund. We do not accept cheques or third-party payments.

Shares will be allocated to your account as soon as your order has been processed. However, they cannot be sold, switched or redeemed until your payment is received. If we do not receive good payment, on time (see “Settlement” above), for the full amount of your subscription, we may cancel the subscription and seek full payment of our costs and any investment losses. Shares certificates will not be issued in respect of shares but contract note will be issued upon request of the shareholder. We may do this by taking action against you and your intermediaries or by deducting the amount owed from any assets of yours we hold, including fund shares, payments you are due to receive from us, or a late-arriving or insufficient subscription payment.

**Switching shares** Also see “Information that applies to all transactions except transfers” above.

You can switch shares of any fund into the same class of shares in any other fund in the SICAV. You can also switch into a different share class, either within the same fund or as part of a switch to a different fund; in this case, you must indicate your desired share class on your request.

All switches are subject to the following conditions:

- you must meet all eligibility and minimum initial investment requirements for the share class into which you are requesting to switch
- for any switches into shares with a higher subscription fee than what you paid, you may be charged the difference

- both share classes involved must be denominated in the same currency
- the switch must not violate any restrictions stated in this prospectus (including in “Fund Descriptions”)
- the switch might not be accepted until any previous transaction involving the shares to be switched has been fully settled

We will let you know if any switch you request is not permitted by this prospectus.

We process all switches on a value-for-value basis, using the NAVs of the two investments that are in effect as at the time we process the switch.

Because a switch is considered two separate transactions (a simultaneous redemption and subscription) it may create tax or other implications. The subscription and redemption components of a switch are subject to all terms of each respective transaction.

**Redeeming shares** Also see “Information that applies to all transactions except transfers” above.

Redemption requests that are for more than the value of the account (at the time the redemption is processed) will be considered as “not in good order” and rejected.

The SICAV does not pay interest on redemption proceeds whose arrival is delayed for reasons beyond its control.

Note that any redemption proceeds will only be paid out once all investor documentation has been received, including any requested in the past that was not adequately provided.

We pay redemption proceeds only to investors identified in the SICAV’s register of shareholders. Payment is made by bank transfer, using the bank account details we have on file for your account. The account to be paid to must always be in the name of the registered shareholder(s). If any required information is missing, the payment will be held back until such information has been provided.

All payments are made at the shareholder’s expense and risk.

## Transferring shares

In order to transfer ownership of shares to another investor, you must submit a properly executed transfer instruction. Please contact your intermediary or an authorised distributor, or the transfer agent if you are an institutional investor who has invested directly through the transfer agent, to ensure that you complete the right documentation.

The receiving investor is subject to all applicable holding restrictions, eligibility and documentation requirements. Please see “Who can invest in these funds”, “Investing in the Funds” and “Measures to prevent money laundering and financing of terrorism”.

## How We Calculate NAV

### Timing and formula

Unless indicated otherwise in “Fund Descriptions”, we calculate the NAV for each share class of each fund on each valuation day using this general formula:

$$\frac{(\text{assets} - \text{liabilities})}{\text{number of outstanding shares}} = \text{NAV}$$



Each NAV per share is rounded to four decimal places in the base currency of the fund and, where applicable, exchanged to the currency in which each share class is denominated.

All NAVs per share whose pricing involves currency conversion of an underlying NAV are calculated using market exchange rates in effect at the time the NAV calculation process starts.

The issue, switch and redemption amounts are rounded up or down to the smallest commonly used fractional currency amount.

Appropriate provisions will be made to account for the costs, charges and fees attributable to each fund and class as well as accrued income on investments.

### Swing pricing

On business days when net dealing in fund shares exceeds a certain threshold, a fund's NAV may be adjusted by a swing factor. This adjustment reflects an assessment of the overall costs (estimated tax charges and trading costs that may be incurred by the fund and the estimated bid/offer spread of the assets in which the fund invests) incurred in buying or selling investments to satisfy, respectively, net subscriptions or net redemptions of shares (understanding that a fund generally maintains adequate daily liquidity to handle ordinary cash flows with little or no impact on ordinary investment operations). The NAV price will be adjusted upwards when net dealing in fund shares is positive (net subscription), and will be adjusted downwards when net dealing in fund shares is negative (net redemption). In the event the swing pricing is not deemed to be applied on a net subscription or net redemption dealings, adverse impact on the Fund's assets may be attributable to each underlying share, although it is likely not considered to be material in relation to the potential growth in value of a share.

Swing pricing is intended to reduce the impact of these costs on shareholders who are not dealing their shares at that time, and is impacting the shareholders who are dealing their shares by adjusting their NAV price by the swing factor. To the extent that markets have different charging structures on the buy and sell side, the swing factor may not be equal for net subscriptions or net redemptions.

Although all funds may be subject to swing pricing, thresholds and swing factors (as fixed by the board or the management company) can vary by fund. Under normal market conditions, the adjustment swing factor will not be larger than 2.00% of what the NAV would otherwise be for all share classes within a fund. In extraordinary situations (such as high net dealings, significant market volatility, market disruption or significant economic contraction, a terrorist attack or war (or other hostilities), a pandemic or other health crisis, or a natural disaster), this limit may be increased, on a temporary basis, to protect the interests of shareholders. Shareholders will be notified of a decision to increase the adjustment swing factor limit via a notice. The swing factor of a specific fund is available upon request to the management company.

**NAV Calculation Error** Any NAV that experiences a calculation error will be addressed according to the principles set out in CSSF Circular 24/856. In case a fund invests in other funds, the materiality thresholds will be determined separately by the management company by reference to the investment

policy laid down in the prospectus, taking into account the liquidity, volatility and valuation uncertainty of the underlying assets. Updated information on such thresholds are available upon request and free of charge at the registered office of the management company. Principles set out in the CSSF Circular 24/856 will be applied as well by the management company in case of non-compliance with investment rules and/or other errors at the level of the fund. When subscribing through financial intermediaries, it may not always be possible to be indemnified in case of NAV calculations errors and/or non-compliance with investment rules and/or other errors at the level of the fund. Investors are advised to seek advice in relation to their rights which may be negatively impacted.

### Asset Valuations

The valuation of assets is based on fair value.

In general, we determine the value of each fund's assets as follows:

- **Cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received** Valued at full value, plus any accrued interest.
- **Fixed income instruments** In general, valued at the most recent prices received from pricing services.
- **Equities** Listed equities are generally valued based on the latest observable market prices retrieved at the valuation point. For markets where foreign and domestic shares co-exist, suspended shares and other exotic equities, other models are used.
- **Listed derivatives** Futures and other liquid derivatives are valued based on market quotes, while more illiquid listed derivatives are valued on standard vendor valuation models that draw on objective market data from underlying instruments.
- **OTC derivatives** Valued based on market prices developed through standard vendor valuation models that draw on objective market data from proven data vendors.
- **Shares or units of UCITS or UCIs** Valued based on the latest traded price (ETF's), latest official net asset value, or a price provided by an approved pricing source available at the valuation point.
- **Currencies** Valued at the market foreign exchange rate (applies to currencies held as assets, to hedging positions, and when translating values of securities denominated in other currencies into the base currency of the fund).
- **All other assets** Valued in good faith at a prudent estimate of their sales price.

All valuation methodologies are established by the board. In any circumstances where it proves impossible to calculate with accuracy or confidence using the usual method, or when, because of unusual market conditions, time differences across markets or other reasons, we believe the values from usual sources and methods are not current or accurate, the board or the management company can choose a different valuation method, using generally recognised, auditable valuation principles. This explicitly includes the application in distressed markets of adjustments in the NAV valuation to reflect the high volatility, the fast-moving prices of securities and the distressed liquidity in the relevant markets.

The NAV may also be adjusted to reflect certain dealing charges incurred by a fund if there is no swing factor applied on the fund.

All assets quoted in a currency other than the base currency of the relevant fund will be valued in the fund's base currency using market exchange rates in effect at the time the NAV calculation process starts.

## Taxes

### Taxes paid from fund assets

The SICAV is subject to a *taxe d'abonnement* (subscription tax) at the following rates:

- Classes C, E, F, N, P, P1, Q, Q1, Q2 and Q3: 0.05%.
- Classes D, I, V, X, X1, Y and Z: 0.01%.
- A progressively decreasing *taxe d'abonnement* rate (from 0.04% down to 0.01%) may apply, subject to certain conditions, on the portion of a fund's assets invested in sustainable economic activities, as defined by Article 3 of the EU Taxonomy. Such portion would be based on actual investments in sustainable economic activities and should not be confused with the intended investments in sustainable economic activities as disclosed in Appendix I, if any.

This tax is calculated and payable quarterly, on the aggregate net asset value of the outstanding shares of the SICAV. The SICAV is not currently subject to any Luxembourg stamp tax, withholding tax, municipal business tax, net worth tax, or taxes on income, profits or capital gains.

The *taxe d'abonnement* is paid out of the operational expenses.

To the extent that any country in which a fund invests imposes **taxes on income or gains** earned in that country, most of these taxes will be deducted before the fund receives its income or proceeds. Some of these taxes may be recoverable. The fund might also have to pay other taxes on its investments. See also "**Taxation risk**" in the "**Risk Descriptions**" section.

While the above tax information is accurate to the best of the board's knowledge, it is possible that a tax authority may modify existing taxes or impose new ones (including retroactive taxes) or that the Luxembourg tax authorities may determine, for example, that any class currently identified as being subject to the 0.01% *taxe d'abonnement* should be reclassified as being subject to the 0.05% rate. The latter case could happen for an institutional share class of any fund for any period during which an investor not entitled to hold institutional shares was found to have held such shares.

### Taxes you are responsible for paying

The following is summary information and is provided for general reference only. Investors should consult their own tax advisors.

**Taxes in your country of tax residence** Distributions of dividends interest, as well as gains realized in the redemption of fund shares, are generally taxable to a beneficial owner in any jurisdiction in which they are a tax resident.

**International tax agreements** Several international tax agreements require the SICAV to report certain information

about fund shareholders to the Luxembourg tax authorities every year, and for those authorities to forward that information to other countries, as follows:

- **Directive on Administrative Cooperation (DAC) and Common Reporting Standard (CRS)** Collected: direct shareholder information such as name, address, date of birth, tax identification number and residency). Financial account information, such as interest and dividend payments, capital gains, and account balances. Sent to the Administration des Contributions Directes in Luxembourg, forwarding to: the home countries of any shareholder located in the EU (DAC) or in OECD countries that have adopted CRS standards.
- **US Foreign Account Tax Compliance Act (FATCA)** Collected: information on direct and indirect ownership of non-US accounts or entities by certain US Persons. Direct shareholder information such as name, address, and tax identification number. Sent to the Administration des Contributions Directes in Luxembourg, forwarding to the US Internal Revenue Service (IRS).

Any shareholder who fails to comply with the SICAV's information or documentation requests may be subject to penalties from their jurisdiction of residence and may be held liable for any penalties imposed on the SICAV that are attributable to the shareholder's failure to provide the documentation. However, shareholders should be aware that such a violation on the part of another shareholder could reduce the value of all other shareholders' investments, and that it is unlikely the SICAV will be able to recover the amount of such losses.

While the management company will make good-faith efforts to ensure compliance with all applicable obligations of tax law, the SICAV cannot guarantee that it will be exempt from withholding requirements or that it will provide all necessary information for shareholders to comply with their tax reporting requirements.

**German Investment Tax Act** If the prospectus or the articles indicate that a fund continuously invests a certain level of its assets in equities (as at the date of this prospectus, the levels are more than 50% to qualify as "equity funds" and at least 25% to qualify as "mixed funds"), German taxable investors may qualify for a full or partial tax exemption for investments in that fund.

### French Taxation

Nordea 1, SICAV – Empower Europe Fund is eligible to be held within the framework of a share savings plan ("*plan d'épargne en actions*" or "*PEA*") in France. Please note that the following restriction will apply at any time: The Fund will permanently invest at least 75% in companies having their registered office in a Member State of the European Union or in another State party to the European Economic Area having concluded with France a tax treaty containing an administrative assistance clause to fight against fraud or tax evasion.

The PEA eligibility of this Fund results from, to the best knowledge of the SICAV, tax law and practices in force in France as at the date of this Prospectus. Eligible French Shareholders should be informed that the Funds' eligibility for the PEA may be cancelled following any change in law or interpretation, or any change having an impact on their investment universe. If applicable, shareholders will be informed in a timely manner by publishing a notice on our

website and/or by any other means deemed appropriate. In such a case, investors should seek professional tax and financial advice.

## Measures to Prevent Improper and Illegal Behaviour

### Measures to prevent money laundering and financing of terrorism

We (meaning the SICAV, the management company) will at all times comply with any obligations imposed by all applicable laws, regulations and circulars with respect to the prevention of money laundering and financing of terrorism, and, in particular, with the Luxembourg Law of 12 November 2004 (as amended by the Luxembourg law of 25 March 2020).

Before opening an account and on an ongoing basis, investors will be required to provide documentary evidence of their identity (as well as the identities of any beneficial owners), their address, and the source of the funds to be invested. Additional documentation may be required from time to time pursuant to legal, regulatory and other requirements.

Where the investor is purchasing shares on behalf of, or as an intermediary for, one or more of its clients, we will apply enhanced due diligence measures, which includes the requirement to obtain a representation that the intermediary has collected and maintains recorded evidence for its end investors.

We may delay or deny the opening of your account and any associated transaction requests and payments (including switches redemptions and transfers) until we receive, and judge to be satisfactory, all requested documents. We will not be liable for any resulting costs, losses, or lost interest or investment opportunities. In addition, we reserve the right to terminate the business relationship with immediate effect after reasonable attempts to contact the investor to obtain the missing or updated documentation in line with applicable laws and regulations, which will prevent us from fulfilling our anti-money laundering and counter-terrorism financing obligations.

We conduct ongoing transaction monitoring to ensure that transactions are consistent with our knowledge of your identity and our business relationship.

We perform ongoing due diligence on the SICAV's assets in accordance with applicable laws, regulations and circulars.

For more information on the documentation required to open an account, contact us (see below).

### Market timing and excessive trading

The funds are in general designed to be long-term investments and not vehicles for frequent trading or for market timing (defined as short-term trading intended to profit from arbitrage opportunities arising from deficiencies in NAV calculations or from timing differences between market openings and NAV calculations).

These types of trading are not acceptable as they may disrupt portfolio management and drive up fund expenses, to the detriment of other shareholders. We may therefore take various measures to protect shareholder interests, including rejecting, suspending or cancelling any request we believe represents excessive trading or market timing. We may also

forcibly redeem your investment, at your sole cost and risk, if we believe you have engaged in excessive trading or market timing.

### Late trading

We take measures to ensure that any request to subscribe for, switch or redeem shares that arrives at or after the cut-off time for a given NAV will not be processed at that NAV.

## Privacy of Personal Data

We require personal data from potential investors and shareholders for various purposes, such as to maintain the SICAV's register of shareholders, process requests, provide shareholder services, guard against unauthorised account access, conduct statistical analyses, provide you with information on other products and services, and comply with various laws and regulations.

In compliance with the GDPR, we (here meaning the SICAV, the management company or any other service provider appointed by the management company) may do any of the following with personal data:

- gather, store, modify, process and use it in physical or electronic form (including making recordings of telephone calls to or from potential investors, shareholders or their representatives)
- share it with external processing centres, the transfer or payment agents, or other third parties as necessary for the purposes we have described; these third parties, may or may not be Nordea Bank Group entities, and some may be located in jurisdictions with different or lesser information protection standards than Luxembourg
- use it for aggregate data and statistical purposes, and in connection with sending you marketing messages about other products and services offered by a Nordea Asset Management entity, including Nordea Investment Funds S.A. and Nordea Investment Management AB (together, the Nordea Asset Management entities)
- share it as required by applicable law or regulation

We take reasonable measures to ensure the accuracy and confidentiality of all personal data, and do not use or disclose it beyond what is described in this section without the potential investor's or shareholder's consent, unless we are required to do so. At the same time, neither the SICAV nor any Nordea Group entity accepts liability for personal data obtained by unauthorised third parties, except in the case of gross negligence or serious misconduct by the SICAV, a Nordea Group entity or any of their employees or officers. Personal data is held only as long as needed or as required by law, whichever is longer.

Subject to applicable law, you have the right to review, correct or request deletion of the personal data we and any service providers have on file for you at any time, free of charge. Note that the deletion of certain data could prevent us from providing services to you. Information on our Data Privacy policy can be found on [nordea.lu](https://nordea.lu).

## Rights We Reserve

Within the limits of law and the articles, we reserve the right to do any of the following at any time:

- **Reject or cancel any application to open an account or any request to subscribe for or transfer shares** We can reject the entire amount or part of it. If a request to subscribe for shares is rejected, monies will be returned at the purchaser's risk within 7 business days, without interest and minus any incidental expenses.
- **Declare additional dividends** or change (temporarily or permanently) the method used for calculating dividends, within the limits of law and the articles.
- **Require shareholders to prove beneficial ownership of shares or eligibility to hold shares, or compel an ineligible shareholder to relinquish ownership** If the directors of the management company believe that shares are being held in whole or in part by or for an owner who is, or appears likely to become, ineligible to own those shares, we can request certain information from the owner to establish eligibility or confirm beneficial ownership. If no information is provided, or if we consider the information provided to be unsatisfactory, we may either request that the owner redeem the shares and provide evidence of having done so, or we may redeem the shares without the owner's consent, on the next dealing day following notice. We may take these steps to ensure the SICAV's compliance with law and regulation, to avoid the adverse financial consequences for the SICAV (such as tax charges), or for any other reason. The SICAV will not be held liable for any gain or loss associated with these redemptions.
- **Compulsorily switch shareholder shares** The board may decide to compulsorily switch shares of any share class to any other shares of another share class within the same fund. Such decision shall be taken with due regard to shareholders' best interests. Concerned shareholders will be informed of the contemplated compulsory switch, indicating the reasons as well as the applicable process for the intended switch, through a one month's advance notice, during which they will be able to redeem or switch their shares free of any redemption or switching charges. At the end of the notice period, shareholders who still own shares that are being switched and who have not expressly indicated their willingness to participate will be bound by the decision relating to the compulsory switch.
- **Temporarily suspend the calculation of NAVs and transactions in a fund's shares** when, at the sole discretion of the board, a suspension would be consistent with the interests of shareholders and any of the following is true:
  - a certain portion (as defined by the board) of the fund's assets cannot be traded due to a full or partial closure or other restrictions or suspensions on a relevant market
  - a disruption of communication systems or other emergency has made it impractical to reliably value or to trade fund assets
  - an emergency exists that makes it impracticable to value or liquidate assets
  - the fund is a feeder fund and its master fund has suspended its NAV calculations or share transactions
  - for any other reason any portfolio investments cannot be properly or accurately valued
  - the fund is unable to repatriate monies needed to pay out redemption proceeds, or is unable to exchange monies needed for operations or redemptions at what the board considers to be a normal currency exchange rate

- the fund or SICAV is being liquidated or merged, or notice has been given of a shareholder meeting at which it will be decided whether or not to liquidate or merge
- any other circumstances exist under which the law allows for a suspension

A suspension could apply to any share class and fund, or to all, and to any type of request (subscribe, switch, redeem).

If your order is delayed in processing because of a suspension, you will be notified promptly in writing.

All requests whose processing has been delayed because of a suspension of transactions will be executed at the next NAV to be calculated.

- **Implement special procedures during times of high net subscription, switch or redemption requests** If on any valuation day a fund receives and accepts dealing requests whose value exceeds 10% of the fund's total net asset value, the SICAV or the management company may extend processing of some or all requests for a period of as long as 8 valuation days.
- **Soft or hard close a fund or share class to further investment** — temporarily or indefinitely, immediately or at a future date, and in all cases without notice, when the management company believes it is in the best interests of shareholders (such as when a fund has reached the size where further growth appears likely to be detrimental to performance). A closure may apply only to new investors (soft closure) or to further investments from existing shareholders as well (hard closure).
- **Accept securities as payment for shares, or fulfill redemption payments with securities (in-kind payments)** If you wish to request a subscription or redemption in kind, you must get advance approval from the Board of Directors of the SICAV. Except for cases where exemption may be granted, the value of a subscription or redemption in kind will be certified by an auditor's report. You must pay all costs associated with the in-kind nature of the transaction (such as any required auditors' report).

Any securities accepted as a payment in kind for a subscription of shares must be consistent with the fund's investment policy, and acceptance of these securities must not affect the fund's compliance with the 2010 Law.

If you receive approval for an in-kind redemption, we will seek to provide you with a selection of securities that closely or fully matches the overall composition of the fund's portfolio at the time the transaction is processed.

The board may request that you accept securities instead of cash in fulfillment of part or all of a redemption request. If you agree to this, the SICAV may provide an independent valuation report from its auditor and other documentation.

- **Reduce or waive any stated sales charge, or minimum initial investment amount, for any share class, fund, investor, or request**, so long as it is consistent with equal treatment of shareholders.



## Notices and Publications

The following table shows which material (in its most recent version) is made available through which channels.

Information/document	Sent	Media	Online	Office
Prospectus and KIIDs/KIDs			●	●
Application form			●	●
NAVs (share prices) and the start and end of any suspension of the processing of share transactions		●	●	●
Swing factor adjustments				●
Dividend announcements				●
Financial reports			●	●
Shareholder notices	●	●	●	●
Statements/confirmations	●			
Articles and core agreements (management company, investment management, depositary, fund service, other major service providers)				●
Information on our core policies (conflicts of interest, remuneration, engagement, complaints handling, etc.)			●	●

### KEY

**Sent** Sent to all shareholders at the address on the shareholders' register, either physically, electronically, or as an e-mailed link, subject to investor consent (where required).

**Media** Published, as required by law or as determined by the board, in newspapers or other media (such as newspapers in Luxembourg and other countries where shares are available, or electronic platforms such as Bloomberg or Fundsquare, where daily NAVs are published), as well as the Recueil Electronique des Sociétés et Associations.

**Online** Posted online on [nordea.lu](http://nordea.lu), and in some jurisdictions on local Nordea websites.

**Office** Available free of charge upon request from the registered offices of the SICAV and the management company, and available for inspection at those offices. Many items are also available free on request from the central administration, depositary and local representatives.

Shareholder notices include convening notice of shareholder meetings (the annual general meeting and any extraordinary meetings) as well as notices of prospectus changes, suspension of trading in shares (including the lifting of such suspensions), increased swing factor adjustment, and all other items for which notice is required.

Statements and confirmations are sent when there are transactions in your account. Other items are sent when issued.

Audited annual reports are available within four months of the end of the financial year. Unaudited semi-annual reports are available within two months of the end of the period they cover.

Information on past performance, by fund and share class, appears in the applicable KIID/KID and on [nordea.lu](http://nordea.lu).

The articles, the remuneration policy and certain other materials will be sent to the investor, or otherwise made available, free of charge upon request.

# The SICAV

## Operations and Business Structure

### **Name and registered office**

Nordea 1, SICAV  
562, rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg

**Legal structure** Open-ended investment company organised as a société anonyme and qualifying as a société d'investissement à capital variable (SICAV).

**Legal jurisdiction** Luxembourg.

**Incorporated** 31 August 1989 (as Frontrunner I, SICAV).

**Duration** Indefinite.

**Articles of incorporation** First published in the Mémorial C, Recueil des Sociétés et Associations, on 16 October 1989; the most recent amendment was published in the Recueil Electronique des Sociétés et Associations (RESA) on 16 July 2021.

### **Regulatory authority**

Commission de Surveillance du Secteur Financier (CSSF)  
283, route d'Arlon  
L-1150 Luxembourg, Grand Duchy of Luxembourg  
[cssf.lu](http://cssf.lu)

**Registration number (Luxembourg Trade and Companies Register)** B-31442.

**Financial year** 1 January to 31 December.

**Capital** Sum of the assets of all of the funds, at any time.

**Minimum capital (under Luxembourg law)**  
EUR 1,250,000 or equivalent in any other currency.

**Par value of shares** None.

**Share capital and reporting currency** EUR.

**Qualification as a UCITS** The SICAV qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part 1 of the 2010 Law and EU directive 2009/65 and is registered on the CSSF's official list of collective investment undertakings. The SICAV is also governed by the Law of 10 August 1915 on commercial companies.

**Financial independence of the funds** The assets and liabilities of each fund are segregated from those of other funds; there is no cross-liability, and a creditor of one fund has no recourse to the other funds. Shareholders are not liable for the debts of the fund.

To lower costs and increase diversification, the funds may commingle certain assets and manage them as a single pool. In such a case, the assets of each fund will remain segregated as far as accounting and ownership is concerned, and the allocation of performance and costs is assigned to each fund on a pro rata basis.

## Board of Directors of the SICAV

### **Jonathan Paul Griffin (Chair)**

Independent Senior Advisor and Director  
Luxembourg, Grand Duchy of Luxembourg

### **Christophe Girondel**

Global Head of Institutional and Wholesale Distribution and member of Senior Executive Management Group,  
Nordea Investment Funds S.A.  
Luxembourg, Grand Duchy of Luxembourg

### **Brian Stougård Jensen**

Head of Products and member of Senior Executive Management Group,  
Nordea Investment Management AB, Danish Branch  
Copenhagen, Denmark

### **Sheenagh Gordon-Hart**

Partner, The Directors' Office S.A. (partnership of independent directors)  
Luxembourg, Grand Duchy of Luxembourg

### **Anouk Agnès**

Independent director  
Luxembourg, Grand Duchy of Luxembourg

### **Henrika Vikman**

Head of NAM Governance  
Managing Director/CEO of Nordea Investment Management AB, Finnish Branch  
Member of Senior Executive Management Group  
Helsinki, Finland

### **Florence Stainier**

Independent Director  
Luxembourg, Grand Duchy of Luxembourg

The board is responsible for the overall investment policy, objectives and management of the SICAV and funds and, as described more fully in the articles, has broad powers to act on behalf of the SICAV and the funds, including:

- appointing and supervising the management company
- setting investment policy and approving the appointment of any investment manager or sub-investment manager
- making all determinations regarding the launch, modification, merger or discontinuation of funds and share classes, including such matters as timing, pricing, fees, base currency, dividend policy and payment of dividends, liquidation of the SICAV, and other conditions
- determining eligibility requirements and ownership restrictions for investors in any fund or share class, and what steps may be taken in the case of any violation
- determining the availability of any share class to any investor or distributor or in any jurisdiction
- determining when and how the SICAV will exercise its rights and will distribute or publish shareholder communications
- ensuring that the appointments of the management company and the depositary bank are consistent with the 2010 Law and any applicable contracts of the SICAV
- determining whether to list any shares on the Luxembourg stock exchange



The board may delegate some of these responsibilities to the management company.

The board is responsible for the information in this prospectus and has taken all reasonable care to ensure that it is materially accurate and complete. This Prospectus is predicated upon the information, legal statutes, and practices prevailing in Luxembourg as of the issuance date, with acknowledgment of potential modifications. The prospectus will be updated by the board with the prior approval of the CSSF as required when funds are added or discontinued or when other changes are made, such as but not limited to, changes to the investment objective and policy of a fund. In case of material change, you will be informed one month before the change becomes effective and will be offered to redeem from the SICAV free of charge.

Directors serve until their term ends, they resign, or their mandate is revoked, in accordance with the articles. Any additional directors will be appointed in accordance with the articles and Luxembourg law. Independent directors (directors who are not employees of Nordea Group or any of its affiliates) may receive compensation for serving on the board.

## Professional Firms Engaged by the SICAV

The management company and various professional firms are engaged by the SICAV through service agreements, and must provide periodic reports to the board relating to their services. Any professional firm must cooperate fully with a transition of its duties, consistent with its service agreement, its duties under law, and the instructions of the board.

### Management company

See “The Management Company”.

### Depositary

#### J.P. Morgan SE, Luxembourg Branch

6, route de Trèves

L-2633 Senningerberg, Grand Duchy of Luxembourg

The depositary provides such services as:

- providing safekeeping of the assets of the SICAV (custody of assets that can be held in custody and ownership verification and record keeping of other assets)
- fulfilling oversight duties to ensure that the activities defined in the depositary and custodian agreement are carried out in accordance with the board's instructions and, above all, with the 2010 Law and the articles of incorporation. The oversight of the fund activities include the calculation of NAV, the processing of fund shares and the receipt and allocation of income and revenues to each fund and share class, among others
- cash flow monitoring

The depositary must use reasonable care in exercising its functions and is liable to the SICAV and shareholders for any losses that result from failing to properly perform its duties, as defined in the depositary and custodian agreement. It may entrust assets to third party banks, financial institutions or clearinghouses but this will not affect its liability.

Where the law of a third country requires that certain investments be held in custody by a local entity but no local

entities satisfy the delegation requirement, the depositary may nevertheless delegate to a local entity so long as the SICAV has informed investors and has given the depositary appropriate instructions, and only for as long as no other local entity exists that meets the delegation requirements.

Up-to-date information on any safekeeping function delegated by the depositary and an up-to-date list of delegates is available at [nordea.lu](http://nordea.lu).

The depositary has no influence or control over the funds' investment decisions, and is not allowed to carry out activities with regard to the SICAV that may create conflicts of interest between the SICAV, the shareholders and the depositary itself (including its delegates), unless it has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the SICAV and its shareholders.

The depositary fee is included in the operational expenses.

### Auditor

#### PricewaterhouseCoopers Assurance société coopérative

2, rue Gerhard Mercator

L-2182 Luxembourg, Grand Duchy of Luxembourg

The auditor provides independent review of the financial statements of the SICAV and all funds once a year. The auditor also verifies all performance fee calculations.

## Shareholder Meetings and Voting

The annual general meeting is held within 6 months of the end of each financial year, typically at the SICAV's registered office or another location within Luxembourg City, but potentially elsewhere if the board believes it warranted by exceptional circumstances. Other shareholder meetings may be held at other places and times, with appropriate approval and notification.

At the annual general meeting, shareholders generally vote on such matters as the election or re-election of board members, ratification of the auditors, and approval of distribution amounts and the financial report for the past year. Interim dividends can be declared by the board, subject to final approval at the annual meeting.

Written notice convening annual general meetings, including the agenda, date, time, and location, will be provided to shareholders as required by Luxembourg law. To the extent permitted by law, the convening notice to a general meeting of shareholders may provide that the quorum and majority requirements will be assessed against the number of shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting, meaning that participation in the meeting will be based on the number of shares held by each shareholder on that date. Resolutions that concern all shareholders generally will be taken in a general meeting.

Each share gets one vote in all matters brought before a general meeting of shareholders. Fractional shares do not have voting rights.

For information on admission and voting at any meeting, refer to the applicable meeting notice.

### **Shareholder rights when investing through an intermediary**

Only investors registered in the register of shareholders can fully exercise their shareholder rights. When investing through an intermediary, investors may not be able to exercise certain shareholder rights such as voting in the SICAV's general meetings, or being indemnified in case of NAV calculation errors and/or non-compliance with the investment rules and/or other errors at the level of the SICAV. Consult your intermediary for more information on your shareholder rights.

## **Merger or Liquidation**

### **Mergers**

Within the limits of the 2010 Law, the board may decide to merge a fund with another fund within the SICAV, or with a fund in another UCITS, wherever domiciled.

A merger between the SICAV and another UCITS is also possible, as permitted by the 2010 Law. The board is authorised to approve mergers of other UCITS into the SICAV. However, a merger of the SICAV into another UCITS must be approved by a majority of votes cast at a shareholder meeting (no quorum requirement).

Shareholders whose investments are involved in any merger will receive at least one month's advance notice of the merger, during which they will be able to redeem or switch their shares free of any redemption and switching charges. At the end of the notice period, shareholders who still own shares in a fund and class that is being merged out of existence and who have not expressly indicated their willingness to participate in the merger will receive shares of the receiving fund of the merger.

### **Liquidation of a fund or share class**

The board may decide to liquidate a fund or share class if the board believes any of the following is true:

- the value of the assets of the fund or share class is so low as to make continued operation economically inefficient
- there has been a substantial change in political, economic, monetary or regulatory conditions or other circumstances beyond the control of the board
- the liquidation is appropriate as part of an economic rationalisation (such as an overall adjustment of fund offerings)
- to do so would be in the interests of shareholders

- for feeder funds, if the fund becomes a non-feeder fund, or if the master fund liquidates, merges, or splits, and the CSSF approves neither the feeder remaining with the split or merged master fund nor the appointment of a new master fund

If none of the above is true, the board must ask shareholders to approve the liquidation. Even if one of the above is true, the board may opt to submit the matter to a shareholder meeting for a vote. In either case, the liquidation is approved if it receives the votes of a simple majority of the shares present or represented at a validly held meeting (no quorum required).

Once a liquidation has been decided by the board or voted, shareholders must continue to hold their shares, participate in the liquidation process and receive any proceeds due.

### **Liquidation of the SICAV**

The liquidation of the SICAV requires a shareholder vote. Such a vote can be taken at time at a general meeting of shareholders. If it is determined that the SICAV's capital has fallen below two-thirds of legally required minimum capital (under Luxembourg law), or below one-quarter of the minimum set by the articles, then shareholders must be given the opportunity to vote on dissolution at a general meeting held within 40 days of the determination.

Voluntary liquidations (meaning a decision to liquidate that is initiated by shareholders) require a quorum of at least one-half of the capital and approval by at least 2/3 of the votes cast. Otherwise, dissolution will occur if approved by a majority of the shares present and represented at the meeting, or, if the capital is below 1/4 of the minimum set by the articles, by 1/4 of the shares present and represented (no quorum required).

Should it be voted that the SICAV will liquidate, one or more liquidators appointed by the shareholder meeting and duly approved by the CSSF will liquidate the SICAV's assets in the best interest of shareholders and will distribute the net proceeds (after deduction of any costs relating to the liquidation) to shareholders in proportion to their holdings.

Amounts from any liquidations that are not claimed by shareholders within 6 months will be deposited in escrow with the Caisse de Consignation. Amounts still unclaimed after 30 years will be forfeited according to Luxembourg law.

# The Management Company

## Operations and Business Structure

### Name and registered office

Nordea Investment Funds S.A.  
562, rue de Neudorf  
L-2220 Luxembourg, Grand Duchy of Luxembourg

**Legal form** Société anonyme

**Incorporated** 12 September 1989, in Luxembourg (as Frontrunner Management Company S.A.)

### Regulatory authority

Commission de Surveillance du Secteur Financier  
283, route d'Arlon  
L-1150 Luxembourg, Grand Duchy of Luxembourg

**Registration number (Luxembourg Trade and Companies Register)** B-31619

**Other funds managed** See shareholder reports

## Directors of the Management Company

### Nils Bolmstrand (Chair)

Head of Nordea Asset Management  
Stockholm, Sweden

### Brian Stougård Jensen

Head of Products and member of Senior Executive Management Group,  
Nordea Investment Management AB, Danish Branch  
Copenhagen, Denmark

### Graham Goodhew

Independent director  
Luxembourg, Grand Duchy of Luxembourg

### Ana Maria Guzman Quintana

Independent director  
Madrid, Spain

### Henrika Vikman

Head of NAM Governance  
Nordea Investment Management AB, Finnish Branch  
Helsinki, Finland

## Conducting Officers

### Sinor Chhor

Managing Director  
Nordea Investment Funds S.A.  
Luxembourg, Grand Duchy of Luxembourg

### Antoine Sineau

Nordea Investment Funds S.A.  
Luxembourg, Grand Duchy of Luxembourg

### Christophe Wadeux

Nordea Investment Funds S.A.  
Luxembourg, Grand Duchy of Luxembourg

### Maria Ekqvist

Nordea Funds Ltd  
Helsinki, Finland

### Henrik Bestué

Nordea Investment Management AB, Danish Branch  
Copenhagen, Denmark

### Anastasiya Cadez

Nordea Investment Management AB, Danish Branch  
Copenhagen, Denmark

### Thibaud Sacaze

Nordea Investment Funds S.A.  
Luxembourg, Grand Duchy of Luxembourg

## Responsibilities

The management company is responsible for, among other things:

- investment management (including portfolio management and risk management) with respect to all funds
- administration, including corporate agency duties
- marketing

The management company is acting as UCI administrator for the SICAV and this performing registrar agent function, the NAV calculation and accounting function and the client communication function in accordance with CSSF Circular 22/811 on the authorization and organization of entities acting as UCI administrator.

Concerning the registrar function, the management company handles the administrative work required by law and regulation and by the articles of incorporation, calculation of the number of outstanding shares and maintaining the SICAV's register of shareholders and accounting records; opening and closing accounts; processing requests for transactions in fund shares; reconciliation of the transactions with the related cash flows and providing documentation of these transactions to shareholders.

Concerning the NAV calculation and accounting function, the management company, handles with the following operations: identification and correct recording of all accounting movements; valuation of liquid investments; valuation of complex and illiquid investments; determination of the amount of unrealized and realized gain/loss generated by those investments; calculation of income to be distributed to investors; compilation, provision and allocation of fees, commissions and taxes to be borne by the fund as well as all incomes to which the fund is entitled; conversion of operations in foreign currencies in the reference currency of the fund's books; calculation of the total NAV of the fund, and validation of the NAV per share; calculation of the exchange ratio in case of merger as well as subscription, redemption or distribution in kind; publication of the fund's NAV per share; maintenance of adequate records of the fund's activity relating to the NAV calculation and accounting function.

Concerning the client communication function, the management company make available offering document, financial reports and other documents intended for investors; drawing-up of the subscription or redemption contract notes and the certificates of title and the dispatch of such documents to the individual investors; maintenance of adequate records of

the fund's activity relating to the client communication function.

Concerning distribution, the management company serves as the principal distributor. In this capacity it is responsible for all distribution and marketing in jurisdictions in which the SICAV is permitted to engage in those activities.

Concerning corporate agency duties, the management company serves as corporate agent. In this capacity it is responsible for all such duties required by Luxembourg law, in particular the mailing of shareholder documents.

The management company is authorized according to Chapter 15 of the 2010 Law.

### **Delegation of Responsibilities**

With the consent of the SICAV and the CSSF, the management company has the option of delegating to third parties portfolio management, administration and marketing responsibilities so long as it retains supervision, implements appropriate controls and procedures, and updates the prospectus in advance. For example, the management company can appoint one or more investment managers to handle the day-to-day management of fund assets, or investment advisors to provide investment information, recommendations and research concerning prospective and existing investments. The management company will pay a remuneration out of the management fee of the respective fund to the investment manager for the services rendered.

An investment manager in turn can, with the approval of the management company, appoint one or more sub-investment managers. The remuneration of the sub-investment managers will be paid by the investment manager out of its own fee. The investment manager or a sub-investment manager may also appoint investment advisors (meaning entities that provide recommendations but do not have the ability to set strategy or place trades in portfolio securities). Information about which entities currently have appointments as investment managers and sub-investment managers, and to which funds, appears in **"Fund Descriptions"**.

The management company must require any delegated entity to comply with the provisions of the prospectus, articles of incorporation and other applicable provisions. Also, regardless of the nature and extent of its delegations, the management company remains liable for the actions of its delegates.

The management company can also appoint various service providers, including distributors, to market and distribute fund shares in any jurisdiction where the shares are approved for sale.

The investment managers, sub-investment managers and sub-investment advisors and all service providers engaged by the management company have agreements to serve for an indefinite period and must provide periodic reports relating to their services. The management company may terminate any of these agreements immediately if it determines that it is in the interest of shareholders. Otherwise, a party of any of these agreements can resign or be replaced by the management company. The management company will pay any costs associated with a termination of any direct delegates and other service providers.

### **Complaints handling**

The management company makes every effort to respond to all formal complaints quickly. A copy of our complaints procedure is available to shareholders free of charge upon request and information on the Complaints Handling procedure is available at [nordea.lu](http://nordea.lu).

Any legal disputes involving the management company, the SICAV or any shareholder will be subject to the jurisdiction of the competent Luxembourg court and adjudicated under Luxembourg law (except that for service providers, the process is as described in their contracts with the SICAV or the management company).

### **Corporate Conduct Policies**

#### **Conflicts of interest**

Because the management company, an investment manager and certain sub-distributors are all part of the Nordea Group, they will at times find their obligations to the SICAV or to a fund to be in conflict with other professional obligations they have pledged to honor. A Nordea Group entity could be an issuer or counterparty for a security or derivative a fund is considering buying or selling. In addition, a Nordea Group entity that serves the SICAV in a given capacity could serve another UCI (whether affiliated with Nordea Group or not) in a similar or different capacity.

Other service providers, such as the depositary and central administration agent could have potential conflicts in interest with the SICAV or the management company. In such cases, the management company seeks to identify, manage and, where necessary, prohibit any action or transaction that could pose a conflict between the interests of, for example, the management company and shareholders, or the SICAV and other clients. The management company strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. Information on the management company's conflict of interest policy is available at [nordea.lu](http://nordea.lu).

#### **Remuneration policy**

The management company has implemented a remuneration policy, based on that of Nordea Group, that is consistent with, and promotes, sound and effective risk management and does not encourage risk taking that is inconsistent with the risk profile of the funds. The management company has committed to ensuring that all individuals subject to the policy — which includes the management company's directors, managers and employees — will comply with the policy.

The remuneration policy integrates governance, a pay structure that is balanced between fixed and variable components, and risk and long-term performance alignment rules. These alignment rules are designed to be consistent with the interests of the management company, the SICAV and the shareholders, with respect to such considerations as business strategy, objectives, values and interests, and include measures to avoid conflicts of interest. The management company ensures that the calculation of any variable remuneration is based on the applicable multi-year performance of the relevant fund(s) and that the actual payment of such remuneration is spread over the same period. Employees in control functions do not receive variable remuneration.



Information on the remuneration policy is available at [nordea.lu](http://nordea.lu).

## Best execution

The investment managers and sub-investment managers, consistent with their duty to act in the best interests of shareholders, have an obligation to execute orders on terms most favorable to their clients. Consequently, the investment managers and sub-investment managers select counterparties and enter into transactions in accordance with best execution principles.

## Voting of portfolio securities

The SICAV has delegated the right to make all decisions about exercising voting rights on securities held in the funds' portfolios to the management company.

## Benchmarks

Benchmarks may be used by some funds as a reference for comparison purposes against which the performance of each fund is measured, as indicated in the "Fund Descriptions". The funds are actively managed, and the investment manager may freely select the securities that it will invest in. Consequently the performance may differ substantially from that of the benchmark.

The SICAV does not have any tracker funds (being funds tracking the return of an index or combination of indices).

Funds may use interest rate benchmarks for the purpose of performance fee calculation as indicated in "Performance fee". Unless specifically stated in "Fund Descriptions", none of the funds charge performance fees.

As of 1 January 2020, any benchmark that is used to calculate performance fees, track the return of an Index or define the asset allocation of a portfolio must comply with Regulation (EU) 2016/1011 (the "Benchmark Regulation"). This means that a benchmark must either be provided by a registered provider or must itself be registered (if the provider is based outside the EU).

The management company has a written plan for what it will do if a benchmark that must comply with the Benchmark Regulation fails to do so or changes materially or ceases to be provided. The plan is available upon request and free of charge at the registered office of the management company.

## Investment Manager Engaged by the Management Company

### Investment Manager

**Nordea Investment Management AB** (including branches).  
Mäster Samuelsgatan 21, M540  
Stockholm 10571, Sweden

## Sub-Investment Managers Engaged by the Investment Manager

### Sub-Investment Managers

**Ares Capital Management II LLC**  
1800 Avenue of the Stars, Suite 1400,  
Los Angeles, CA 90067, USA

**Capital Four Management Fondsmæglerselskab A/S**  
Per Henrik Lings Allé 2, 8th Floor  
2100 Copenhagen, Denmark

**CBRE Investment Management Listed Real Assets LLC**  
201 King of Prussia Road, Suite 600  
Radnor, Pennsylvania, 19087, USA

**DoubleLine Capital LP**  
333 South Grand Ave., 18th Floor  
Los Angeles, CA 90071, USA

**Duff & Phelps Investment Management Co.**  
10 S. Wacker Drive, 19th Floor  
Chicago, IL 60655, USA

**GW&K Investment Management LLC**  
222 Berkeley Street, 15th Floor,  
Boston, MA 02116, USA

**Loomis, Sayles & Company, LP**  
c/o Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, DE 19808, USA

**Mackay Shields LLC**  
1345 Avenue of the Americas  
New York, NY 10105, USA

**Manulife Investment Management (Hong Kong) Limited**  
16th Floor, Lee Garden One,  
33 Hysan Avenue, Causeway bay,  
Hong Kong

**Manulife Investment Management (Singapore) Pte. Ltd**  
8 Cross Street, No.16-01, Manulife Tower,  
Singapore 048424

**Metlife Investment Management, LLC**  
1717 Arch Street, Suite 1500  
Philadelphia, PA 19103, USA

**Nordea Asset Management Singapore Pte. Ltd**  
138 Market Street, #05-01 CapitaGreen  
Singapore 048946, Singapore

**Nordea Asset Management UK Ltd**  
6<sup>th</sup> Floor, 5 Aldermanbury Square  
London, EC2V 7AZ, United Kingdom

**Principal Asset Management LTDA**  
Avenida Brigadeiro Faria Lima, 4221  
7th Floor, Itaim Bibi  
São Paulo, CEP 04538-133, Brazil

**Sands Capital Management, LLC**  
1000 Wilson Boulevard, Arlington,  
Suite 3000, Arlington  
Virginia 22209, U.S.A.

## Other Service Providers Engaged by the Management Company and/or the SICAV

### Distributors and nominees

The SICAV and/or the management company can engage local distributors or other agents in countries or markets where it is not barred from distributing fund shares. In some countries, use of an agent is mandatory, and the agent may not merely facilitate transactions but may hold shares in its own name on

behalf of investors. Fees of distributors and agents are paid out of the management fee.

Distributors can act as nominees, which may affect your rights as an investor. See **"Share Class Policies"**.

## Local representatives and paying agents

### Austria

#### Facility Agent

Erste Bank der österreichischen Sparkassen AG  
Am Belvedere 1  
1100 Vienna, Austria  
E-mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)  
Fax +43 50100 9 12139

### Denmark

#### Representative Agent

Nordea Danmark, Filial af Nordea Bank Abp, Finland  
Grønjobsvej 10  
Postbox 850  
0900 Copenhagen C, Denmark  
Tel +45 5547 0000

### France

#### Centralising Correspondent

CACEIS Bank  
89-91 rue Gabriel Peri  
92120 Montrouge, France  
Tel +33 1 41 89 70 00 | Fax +33 1 41 89 70 05

### Italy

#### Paying Agents

State Street Bank International GmbH – Succursale Italia  
Via Ferrante Aporti 10  
20125 Milan, Italy  
Tel +39 02 3211-7001/ 7002 | Fax +39 02 8796 9964

Allfunds Bank S.A.U. — Succursale di Milano  
Via Bocchetto 6  
20123 Milan, Italy  
Tel +39 02 89 628 301 | Fax +39 02 89 628 240

Société Générale Securities Services S.p.A.  
Via Benigno Crespi, 19/A –MAC2  
20159 Milan, Italy  
Tel +39 02 9178 4661 | Fax +39 02 9178 3059

Banca Sella Holding S.p.A.  
Piazza Gaudenzio Sella 1  
13900 Biella, Italy  
Tel +39 015 3501 997 | Fax +39 2433 964

Banca Monte dei Paschi di Siena S.p.A.  
Piazza Salimbeni 3,  
53100 Siena, Italy  
Tel +39 0577 294111

Caceis Bank S.A., Italian Branch  
Piazza Cavour 2  
20121 Milano, Italy  
Tel +39 02721 74401 | Fax +39 02721 74454

Subject to Italian law and custom, a paying agent in Italy may distribute fund shares through a saving plan. Retail investors residing in Italy can direct a paying agent in that country to either submit dealing requests to the SICAV on their behalf

(grouped by fund or distributor), register shares in the name of the retail investor or a nominee, and perform all services relating to the exercise of shareholder rights. See the Italian application form for details.

### Spain

#### Representative Agent

Allfunds Bank S.A.U.  
C/ de los Padres Dominicos, 7  
28050 Madrid, Spain  
Tel +34 91 270 95 00 | Fax +34 91 308 65 67

### Portugal

#### Paying Agent

BEST - Banco Electrónico de Serviço Total, S.A.  
Rua Castilho, 26, Piso 2  
1250 – 069, Lisboa, Portugal  
Tel +351 218 839 252

### Singapore

#### Representative Agent

Nordea Asset Management Singapore Pte, Ltd  
138 Market Street,  
#05-01 Capitagreen,  
Singapore 048946

### Sweden

#### Paying Agent

Nordea Bank Abp, Swedish Branch  
Smålandsgatan 17  
105 71 Stockholm, Sweden  
Tel +46 8 61 47000 | Fax +46 8 20 08 46

### Switzerland

#### Representative and Paying Agent

BNP PARIBAS, Paris, Zurich branch  
Selnaustrasse 16  
8002 Zurich, Switzerland  
Tel +41 58 212 61 11 | Fax +41 58 212 63 30

### United Kingdom

#### Facilities Agent

FE Fundinfo (UK) Limited.  
Unit 1.1  
First Floor,  
Midas House,  
62 Goldsworth Road,  
Woking  
GU21 6LQ, United Kingdom Tel +44 207 534 7505



### Interpreting this prospectus

The following rules apply unless law, regulation or context require otherwise:

- terms that are defined in the 2010 Law but not here have the same meaning as in the 2010 Law
- the words “include”, “such as” or “for example”, in any form, does not denote comprehensiveness
- a reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement in writing and any certificate, notice, instrument and document of any kind
- a reference to a document, agreement, regulation or legislation refers to the same as it has been amended or replaced (except as prohibited by this prospectus or applicable external controls), and a reference to a party includes the party’s successors or permitted substitutes and assigns
- a reference to legislation includes reference to any of its provision and any rule or regulation promulgated under the legislation
- any conflict in meaning between this prospectus and the articles will be resolved in favor of the prospectus for “**Fund Descriptions**” and in favor of the articles in all other cases

# Appendix I – SFDR related information

Information relating to the environmental and social characteristics, or objectives, of the funds are provided in the below Annexes in accordance with Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector.

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Global Sustainable Stars Equity Fund	407	Norwegian Short-Term Bond Fund
Global Transition Equity Fund	419	Swedish Bond Fund
Global Transition Titans Fund	431	Swedish Short-Term Bond Fund
Indian Equity Fund	442	US Corporate Bond Fund
Latin American Equity Fund	452	US Corporate Sustainable Stars Bond Fund
Nordic Equity Fund	461	US High Yield Bond Fund
Nordic Equity Small Cap Fund	472	US High Yield Sustainable Stars Bond Fund
Nordic Sustainable Stars Equity Fund	483	US Total Return Bond Fund
North American Sustainable Stars Equity Fund	495	<b>Balanced Funds</b>
Norwegian Equity Fund	507	Diversified Growth Fund
Stable Emerging Markets Equity Fund	517	GBP Diversified Return Fund
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**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Asia ex Japan Equity Fund

**Legal entity identifier:** 549300H93PG75WKUHX51

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective  <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



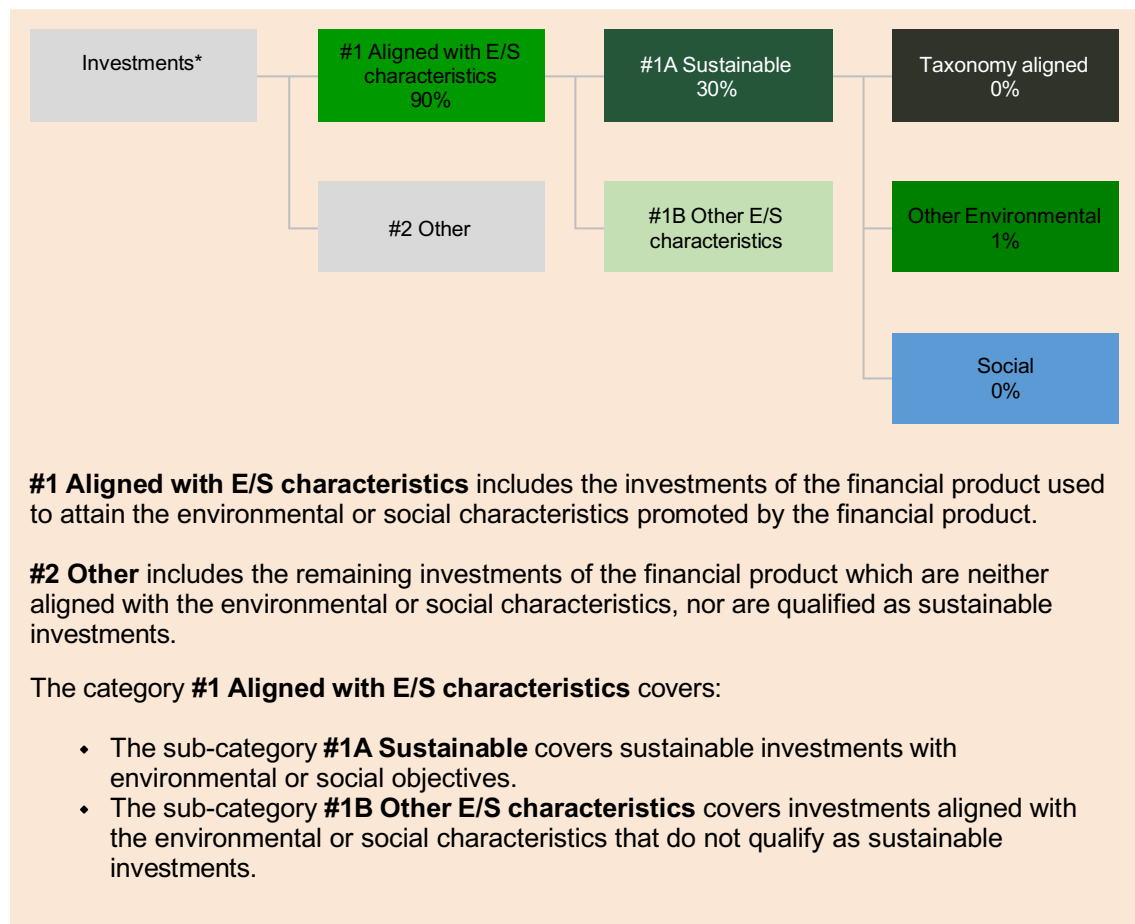
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

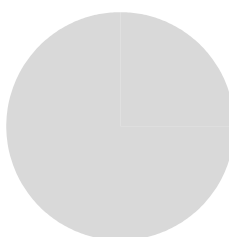
☒ No

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.

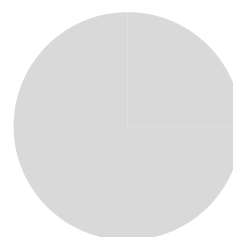
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Asian Sustainable Stars Equity Fund

**Legal entity identifier:** 5493002RWJY1XFZG8U38

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**Carbon footprint scope 1, 2 and 3 limit** The fund aims to promote environmental characteristics related to reduction of carbon emissions by seeking to maintain the fund's total carbon footprint at least 20% below the total carbon footprint of the reference benchmark. The carbon footprint is measured by the scope 1, 2 and 3 greenhouse gas emissions.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

## What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- Relative carbon footprint scope 1, 2 and 3
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. Carbon footprint is managed below the reference benchmark level. 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?".

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

The fund's carbon footprint, measured by the total scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be at least 20% lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1,2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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.

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● ***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.



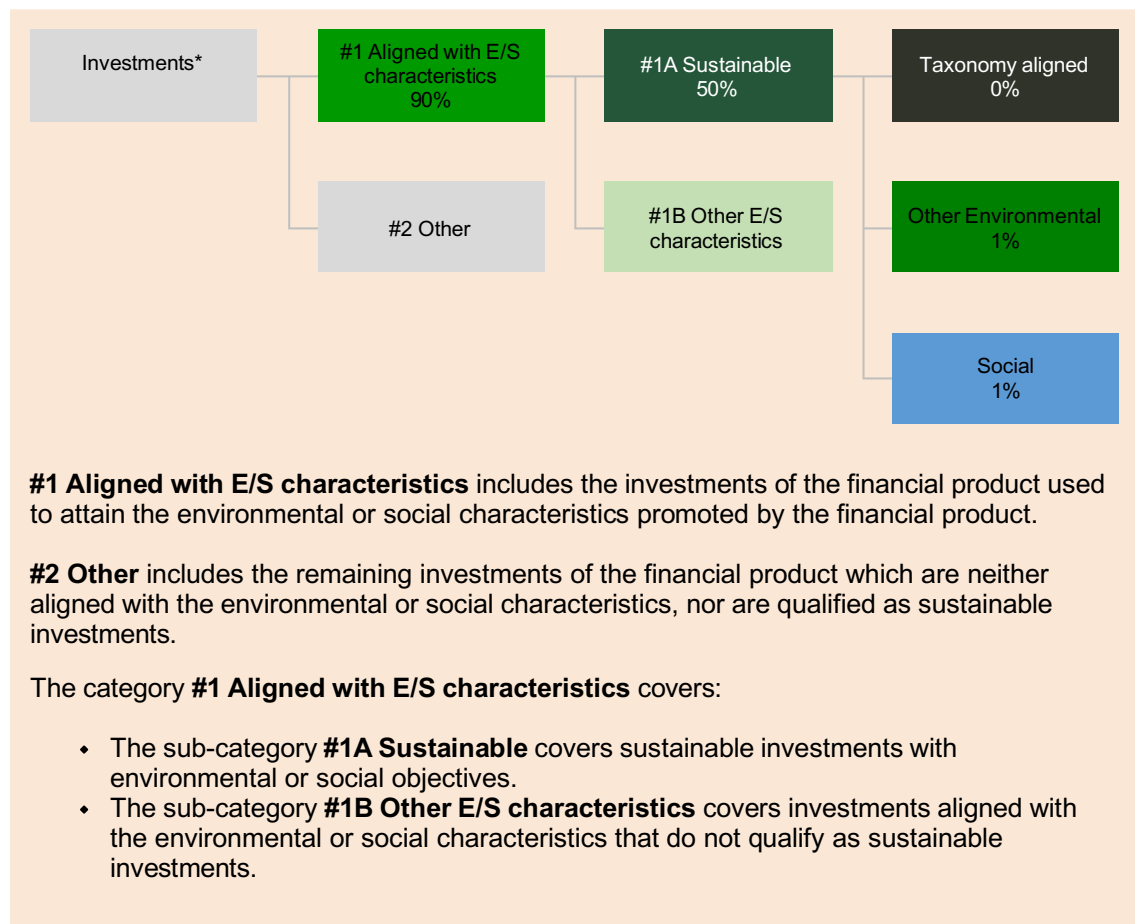
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The fund commits to minimum proportion of investments as illustrated below. Where no percentage proportion or 0% is displayed, such investments may be relevant for the strategy but the fund is not committed to holding a specific proportion at all times, 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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

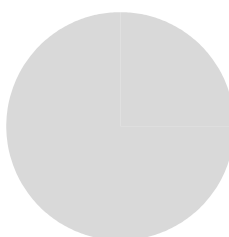
☒ No

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.

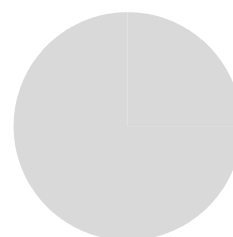
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Chinese Equity Fund

**Legal entity identifier:** 549300GQXITIWOH3T895

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.





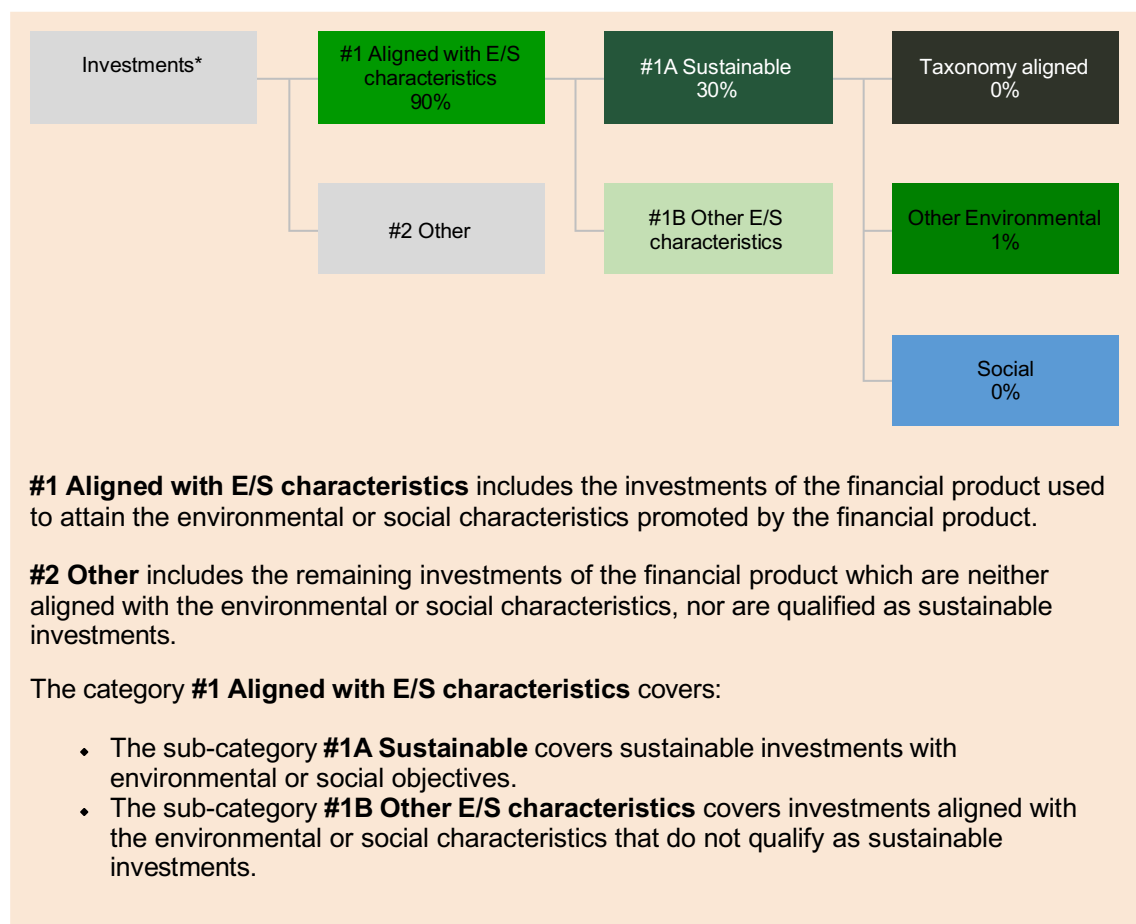
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

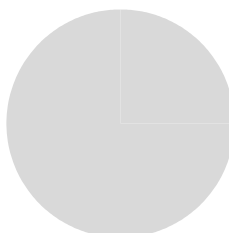
☒ No

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.

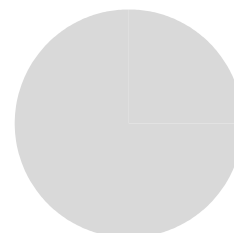
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Emerging ex China Sustainable Stars Equity Fund

**Legal entity identifier:** 54930066X6UUR3V1T114

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 50% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**Carbon footprint scope 1, 2 and 3 limit** The fund aims to promote environmental characteristics related to reduction of carbon emissions by seeking to maintain the fund's total carbon footprint at least 20% below the total carbon footprint of the reference benchmark. The carbon footprint is measured by the scope 1, 2 and 3 greenhouse gas emissions.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- Relative carbon footprint scope 1, 2 and 3
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. Carbon footprint is managed below the reference benchmark level. 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?".

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

The fund's carbon footprint, measured by the total scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be at least 20% lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section of the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1,2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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.



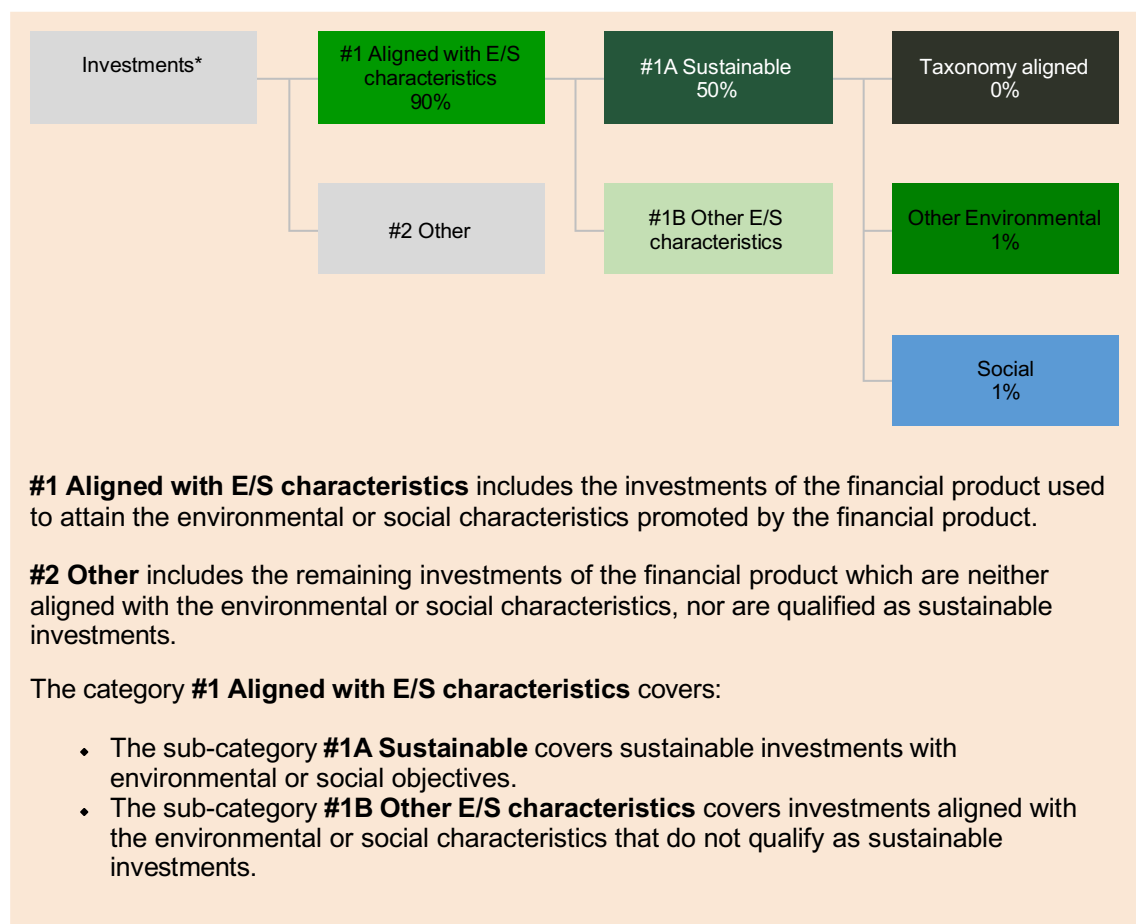
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

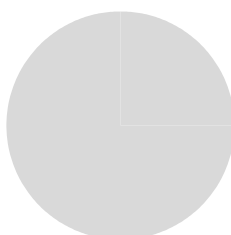
☒ No

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.

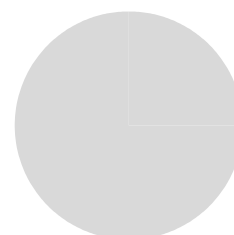
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Emerging Sustainable Stars Equity Fund

**Legal entity identifier:** 549300UFJRQ77N3UYE48

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**Carbon footprint scope 1, 2 and 3 limit** The fund aims to promote environmental characteristics related to reduction of carbon emissions by seeking to maintain the fund's total carbon footprint at least 20% below the total carbon footprint of the reference benchmark. The carbon footprint is measured by the scope 1, 2 and 3 greenhouse gas emissions.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**Biodiversity impact** The fund aims to promote environmental characteristics by keeping the average biodiversity impact of the fund's investments, measured by PAI 1.7.1, below the average biodiversity impact of the benchmark.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- Relative carbon footprint scope 1, 2 and 3
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions
- Relative biodiversity impact

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

The fund's E/S characteristics comprise exclusions, ESG scoring restriction as well as relative outcome criteria. These measures, when applied in combination, are expected to result in a considerable reduction of at least 25% in the number of companies that are relevant for the investable universe.

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. Carbon footprint is managed below the reference benchmark level. 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

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

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?". The biodiversity impact of the fund is lower than the benchmark.

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The pillars in the ESG analysis are assigned standard weights based on the SASB materiality map, with a standard weight of 30% for the Business Model pillar. Analysts have the discretion to adjust pillar weights at the company level depending on the materiality impact, ensuring that the most relevant ESG factors for each company are appropriately weighted in the final ESG score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

The fund's carbon footprint, measured by the total scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be at least 20% lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1,2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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 biodiversity impact of the fund's investments, measured by PAI 1.7.1, must be lower than the biodiversity of the reference benchmark calculated on the same basis. PAI 1.7.1 measures biodiversity impact as activities negatively affecting biodiversity sensitive areas and it is expressed as the share of investments in companies with sites/operations located in or near to biodiversity-sensitive involved in activities that negatively affect those areas.

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.



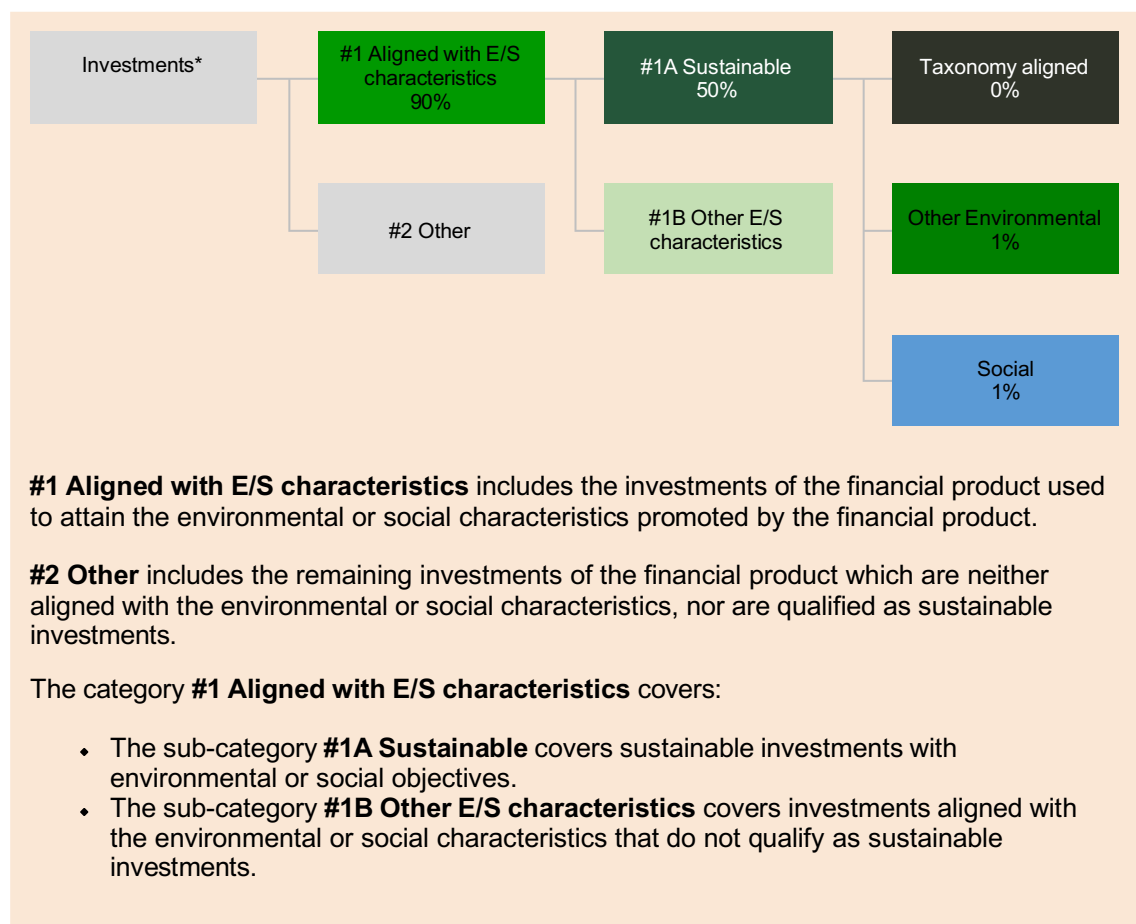
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

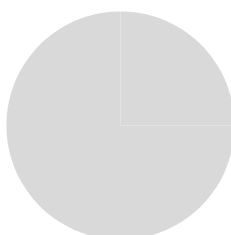
☒ No

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.

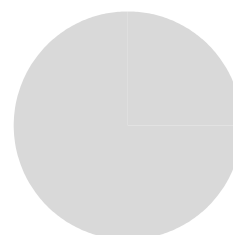
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Empower Europe Fund

**Legal entity identifier:** 6367001R756TA88E5B57

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



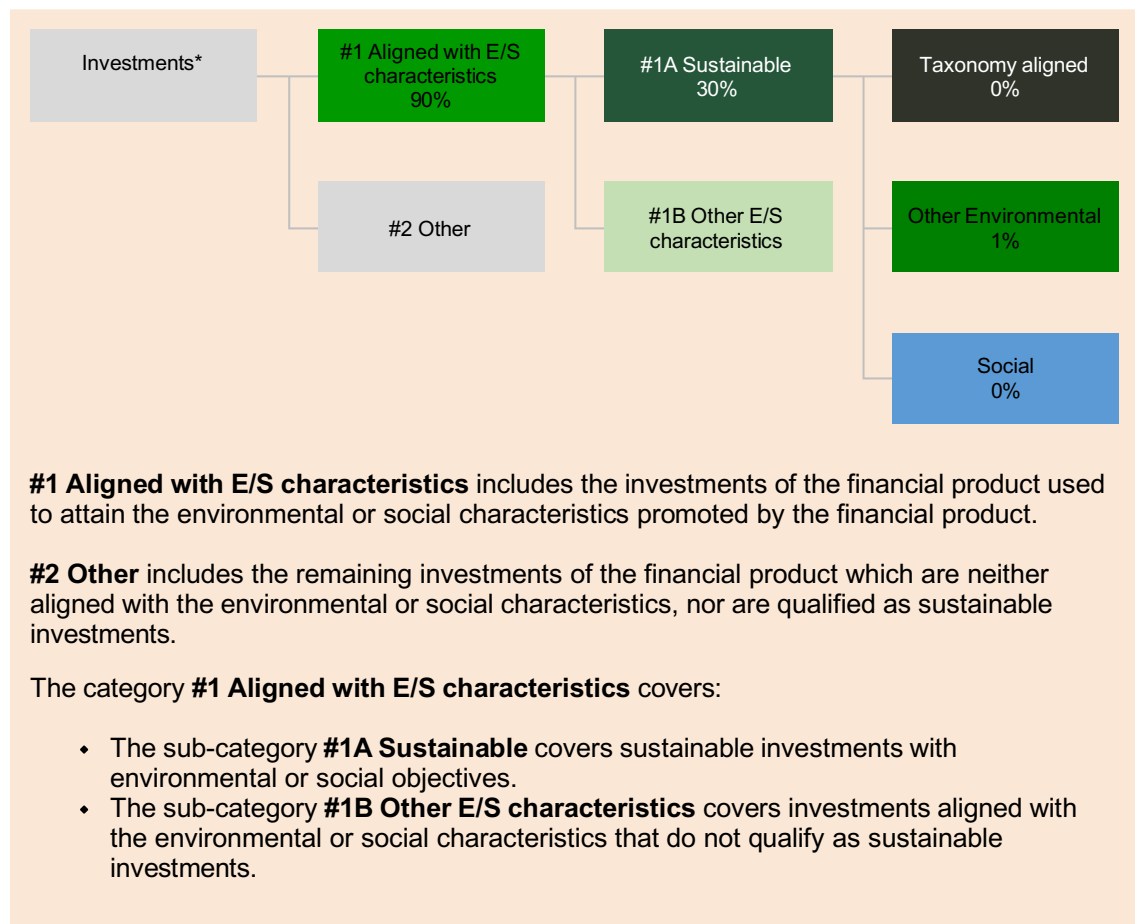
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

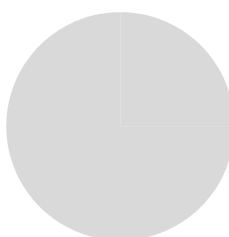
☒ No

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.

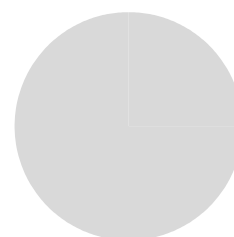
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Small and Mid Cap Sustainable Stars Equity Fund

**Legal entity identifier:** 5493004B5F53JY919256

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- ***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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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.

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.





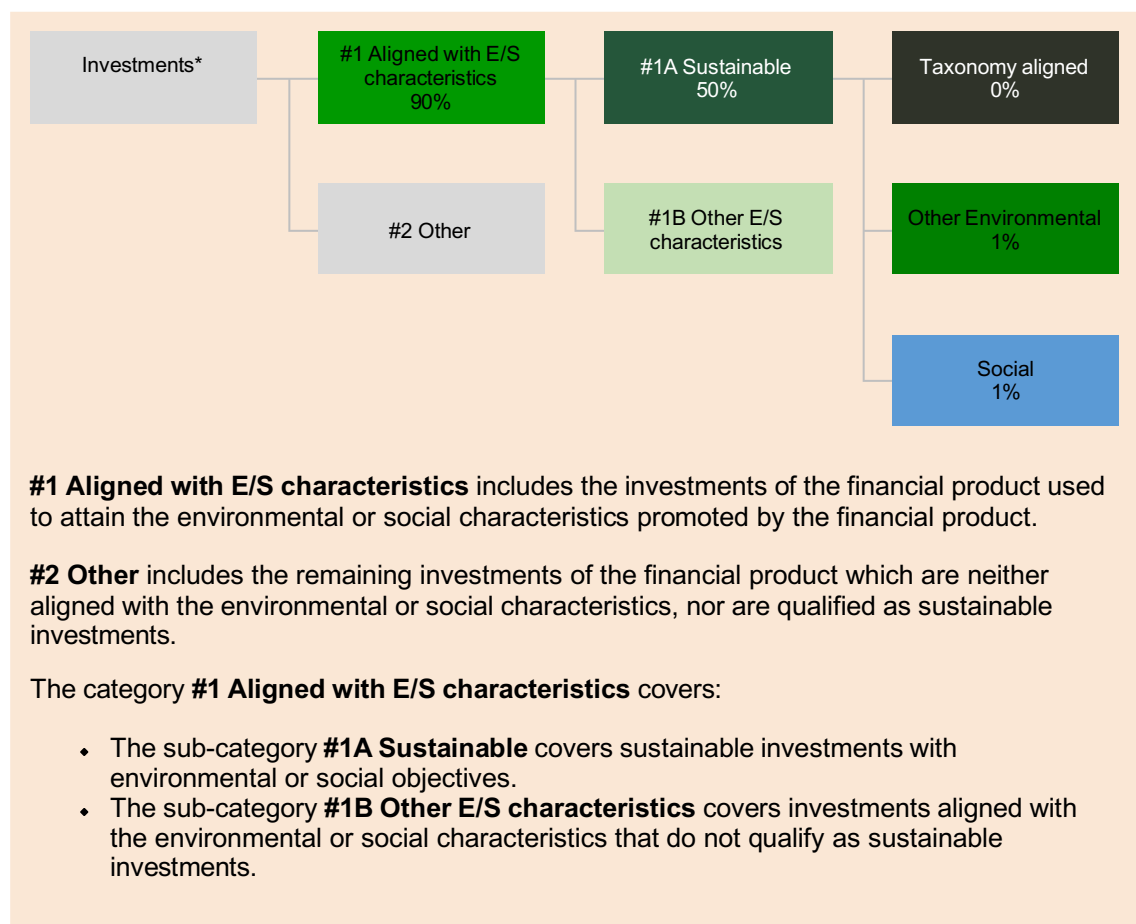
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

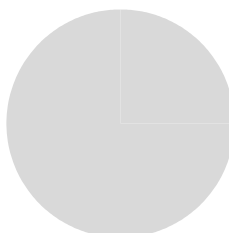
☒ No

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.

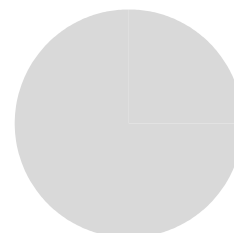
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Sustainable Stars Equity Fund

**Legal entity identifier:** 54930081LEEGLNYZEC05

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**Carbon footprint scope 1, 2 and 3 limit** The fund aims to promote environmental characteristics related to reduction of carbon emissions by seeking to maintain the fund's total carbon footprint at least 20% below the total carbon footprint of the reference benchmark. The carbon footprint is measured by the scope 1, 2 and 3 greenhouse gas emissions.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- Relative carbon footprint scope 1, 2 and 3
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. Carbon footprint is managed below the reference benchmark level. 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?".

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

The fund's carbon footprint, measured by the total scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be at least 20% lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1,2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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.

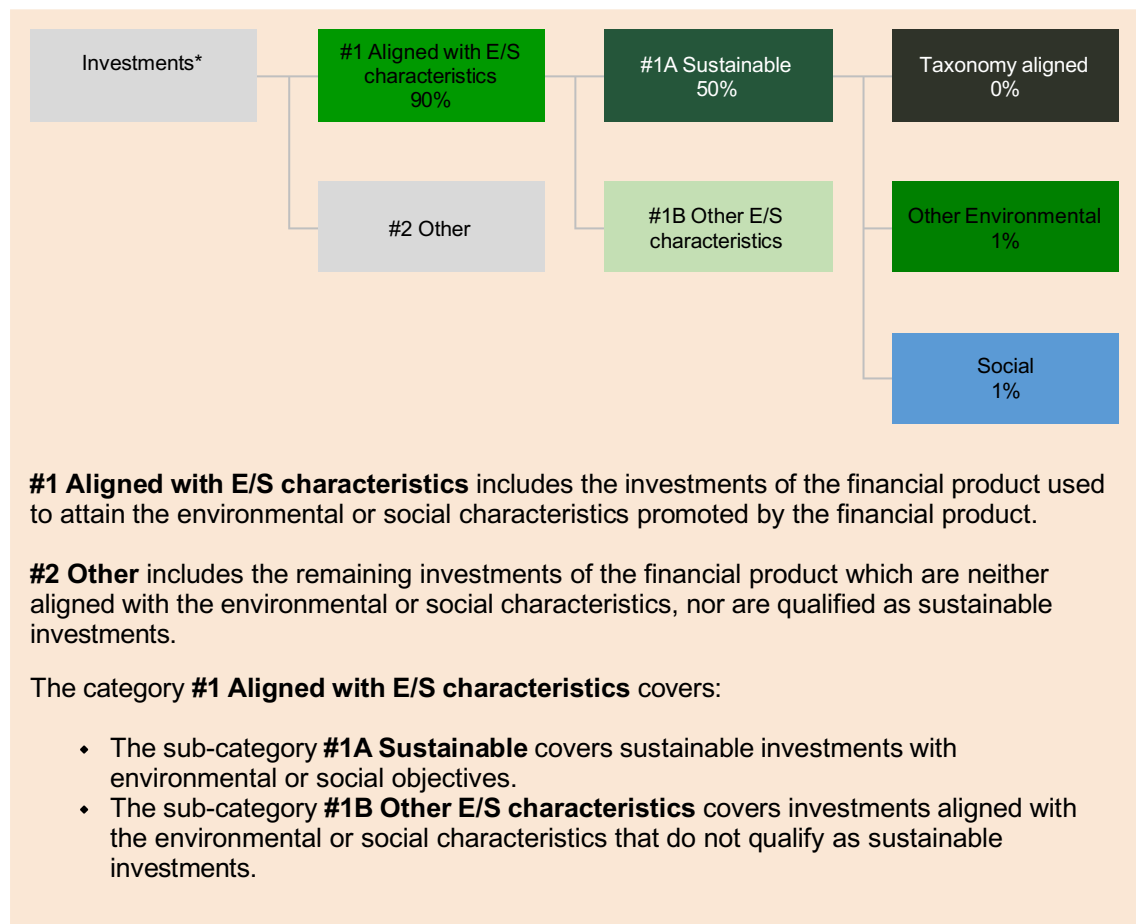
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

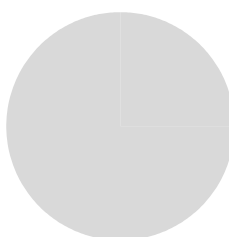
☒ No

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.

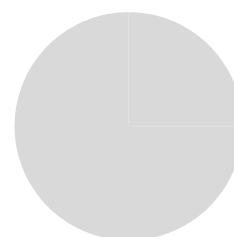
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 AI Innovators Fund

**Legal entity identifier:** 6367008RRALQIVF2Y357

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



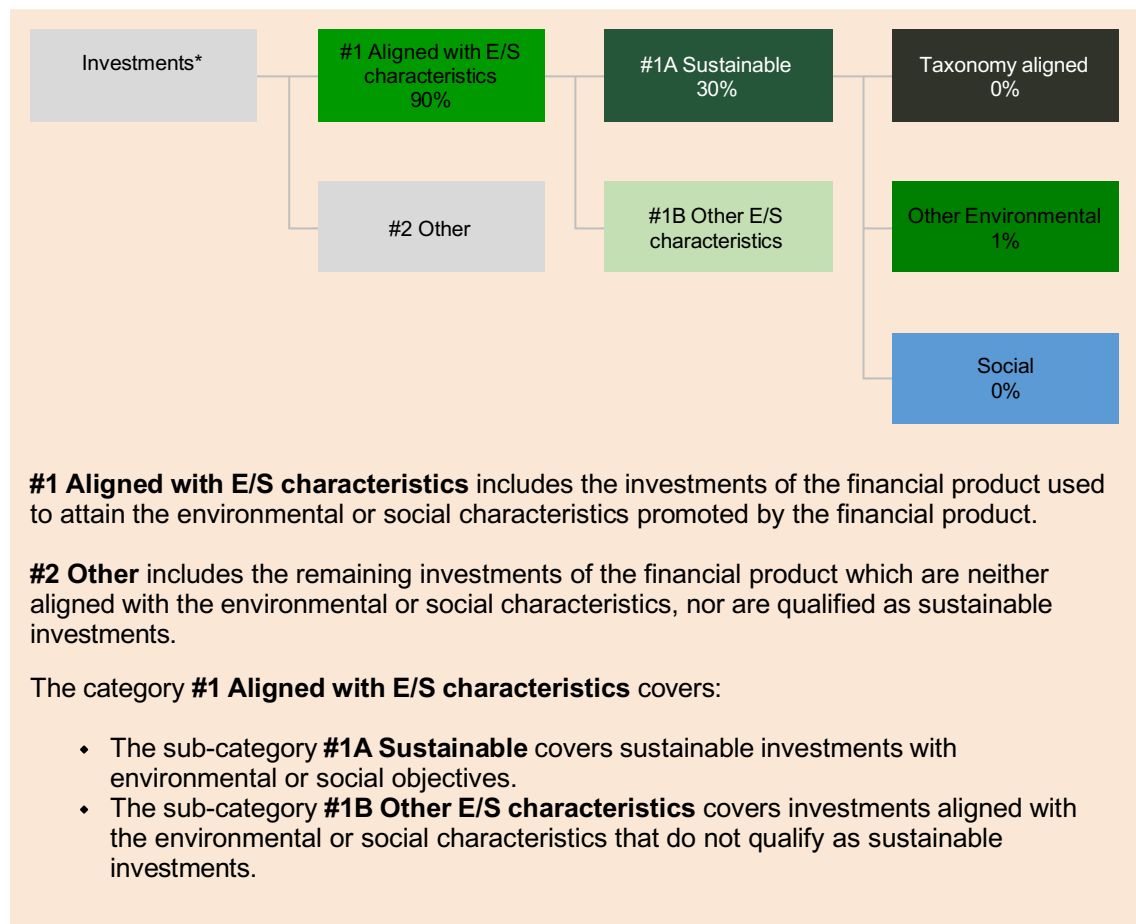
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

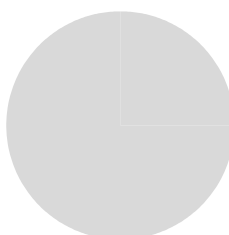
☒ No

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.

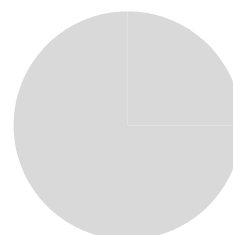
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.





are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**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%**

☒ 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

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☐ 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

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

**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.



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

## What is the sustainable investment objective of this financial product?

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 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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- ***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.

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



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.



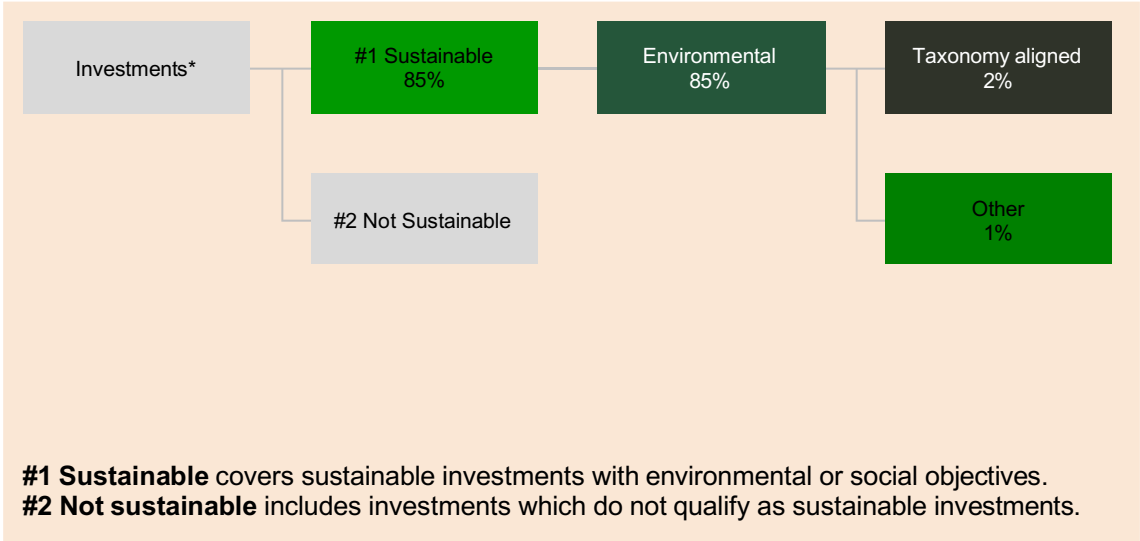
**What is the asset allocation and the minimum share of sustainable investments?**

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.

**Asset allocation** describes the share of investments in specific assets.

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.



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

● **How does the use of derivatives attain the sustainable investment objective?**  
 Derivatives are not used to attain the sustainable investment objective.



## 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

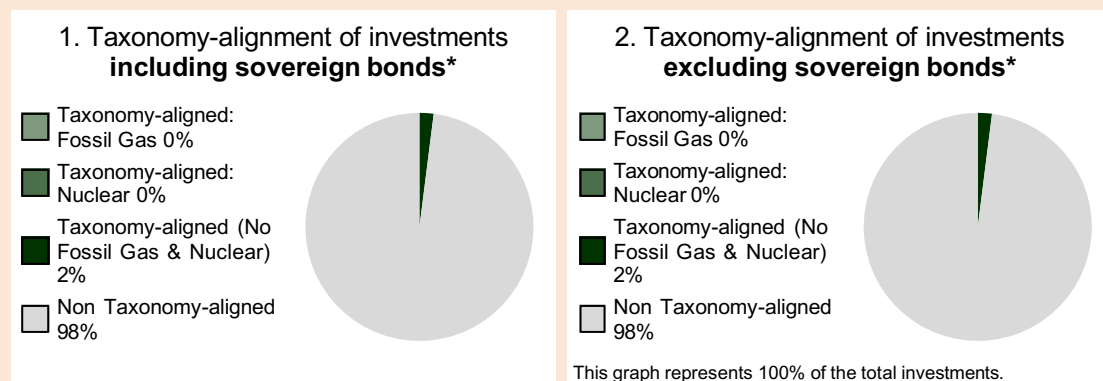
Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and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

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.

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.



\* 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](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Transition Engagement Fund

**Legal entity identifier:** 549300KRLGEORNV7310

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Transition** The fund aims to promote environmental characteristics by investing in companies that demonstrate a transition towards environmentally sustainable business practices, with a particular focus on transition-ready companies, defined as companies that demonstrate emission performance in line with Paris pathways, have Paris-aligned greenhouse gas (GHG) reduction targets or a net zero by 2050 commitment. The fund will also invest in companies that do not yet demonstrate transition towards environmentally sustainable business practices, including Paris Agreement alignment, but show potential to improve. Active ownership and engagement are key components in seeking to influence companies' behaviour, and to initiate and accelerate the needed transition.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments aligned with the transition strategy by being assessed as transition-ready or engaged to accelerate transition
- % of investments, aligned with the E/S characteristics, that do not comply with CTB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

The strategy focuses on identifying potential climate improvers in sectors significantly impacting or impacted by climate change, natural resources, and biodiversity. The fund invests across five themes: air and greenhouse gas emissions, energy management, environmental pollution, natural resource management, and sustainable business models.

Investee companies are actively engaged to promote long-term shareholder value and encourage transition towards environmentally sustainable practices, with a particular focus on Paris Agreement alignment.

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



At engagement initiation, the engagement objective is specified, and progress is continuously measured towards the fulfillment of the objective. If the investee company fails to progress towards its engagement objective, escalation will be considered, including writing open letters to management teams, voicing discontent through voting at AGMs, seeking collaboration with other investors as well as divestment. Yearly reviews are conducted to assess the continued feasibility of each engagement.

Beyond engagement progress monitoring, the strategy uses the Institutional Investors Group in Climate Change (IIGCC) Net Zero Investment Framework's Paris Alignment Maturity Scale, which categorizes companies from 'not aligning' to 'achieving net zero', allowing a systematic evaluation of companies' transition.

Investments are partly dedicated to sustainable investments. The strategy applies CTB 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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

At least 80% of the fund's investments, including all investments in companies operating in high-impact sectors, must fulfil at least one of the following criteria: 1) Exhibit emissions performance in line with Paris pathways; 2) Have a Paris-aligned GHG reduction targets; 3) Have a net zero by 2050 commitment; or 4) Be subject to active engagement to accelerate transition, within six months of investment. The definition of a 'high impact sector' is based on IIGCC Net Zero Investment Framework guidance.

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 Climate Transition Benchmark (CTB) exclusions (Article 12(1)(a) to (c) 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.



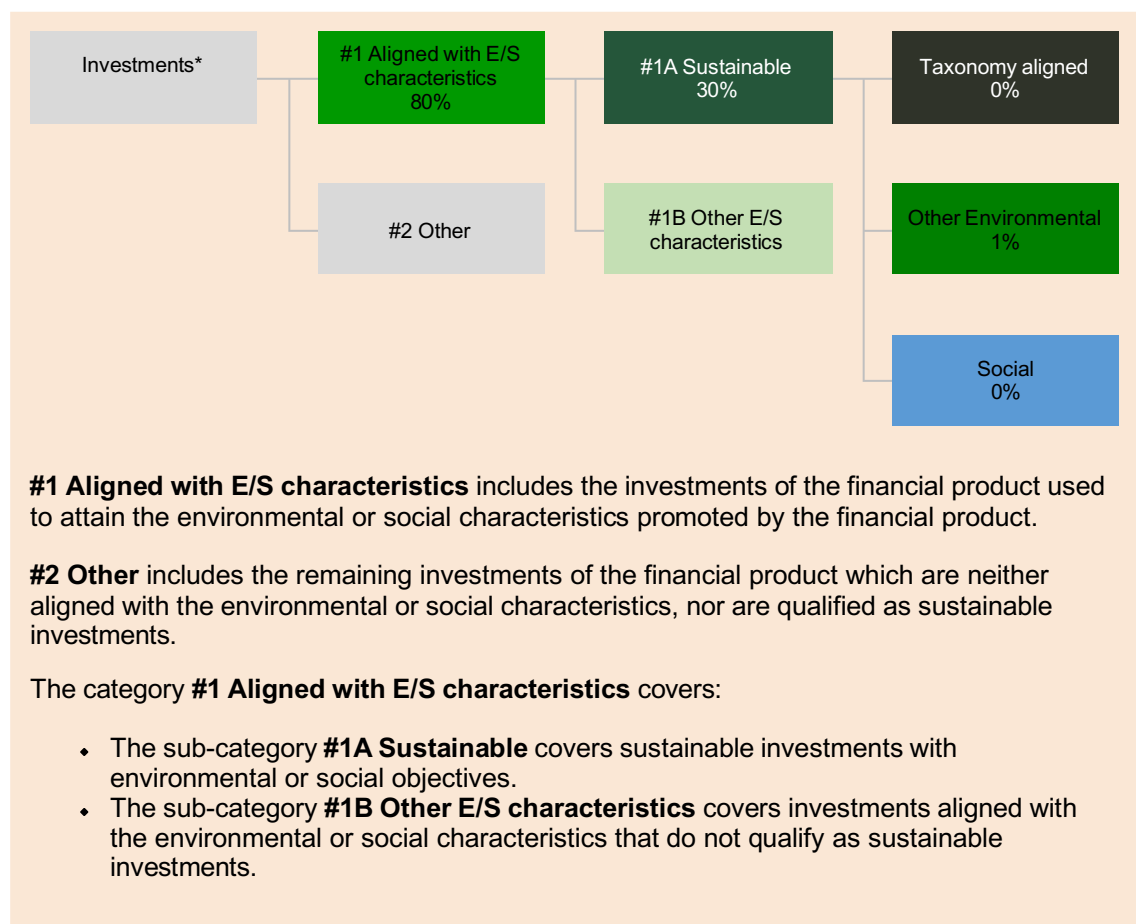
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

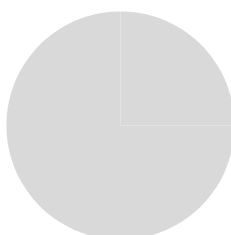
☒ No

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.

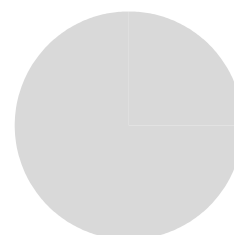
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable. Additionally, the fund may invest in companies that, while not currently meeting the requirements, may be potentially relevant for the transition framework, as well as investments made for portfolio diversification purposes. For such investments, the sector- and value-based exclusions serve as minimum environmental or social safeguards.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](http://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Disruption Fund

**Legal entity identifier:** 549300QBQ3523WUDHH63

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.



● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



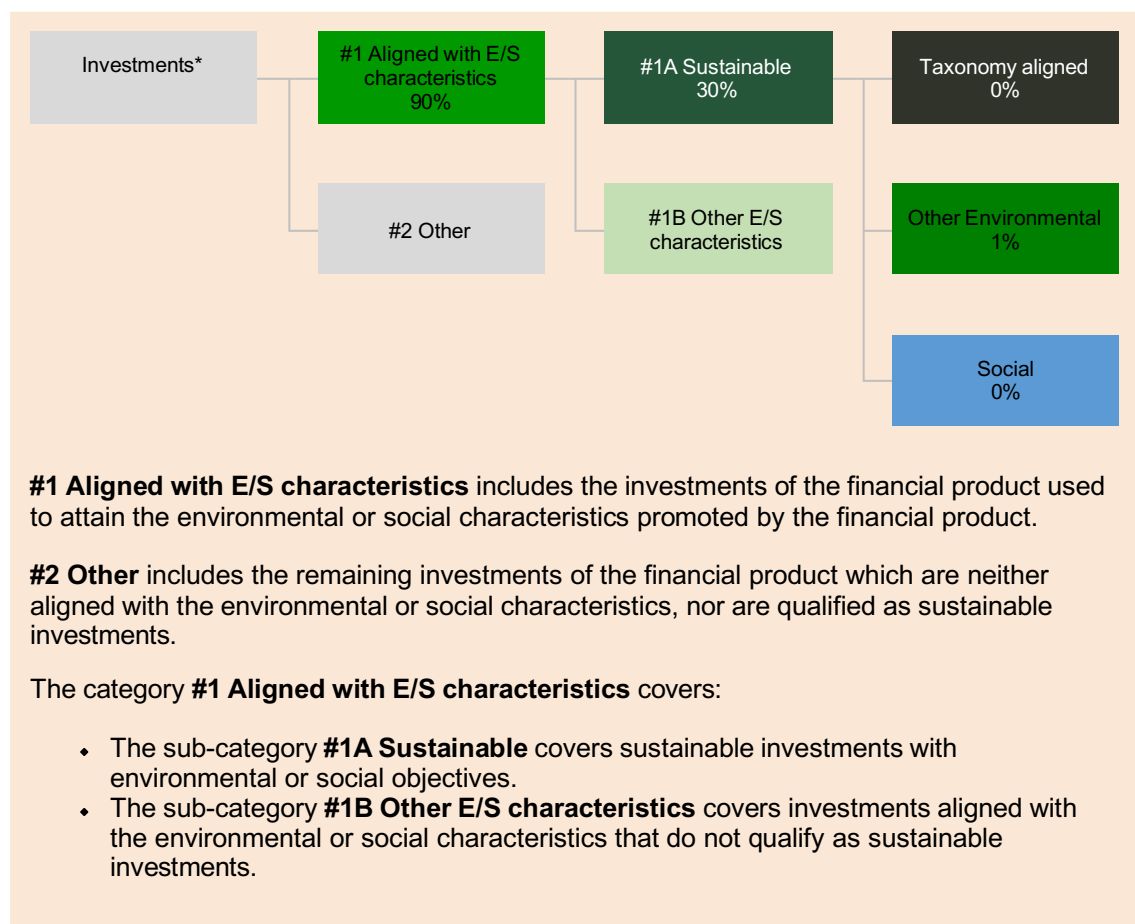
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

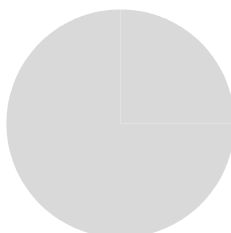
☒ No

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.

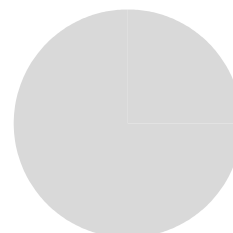
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Diversity Engagement Fund

**Legal entity identifier:** 549300CYWEG7M5HTOM84

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Promoting diversity** The fund aims to promote social characteristics by focusing on diversity in its investment choices. It targets companies that either already meet the investment manager's diversity expectations or are actively working to improve in this area. Currently, the fund's diversity focus is primarily on gender equality and gender diversity due to data availability. However, as data quality and accessibility improve over time, the fund's strategy may expand to include a broader range of diversity indicators such as ethnicity, age, and socioeconomic status.

**ESG rating** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG ratings. ESG rating of an investee company or issuer is the result of an assessment of what the material ESG risks and opportunities of the company/issuer are and how they are monitored, mitigated and reported.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- Executive level diversity
- Board gender diversity
- % of Investments, aligned with the E/S characteristics, with an ESG rating that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG ratings are taken into consideration as part of the security selection. 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?".

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

At the time of investment, the minority gender must represent at least 30% of the upper - level management i.e. either executive level, management level or Board level. Alternatively, the minority gender must hold the position of Board Chairperson or CEO of the company. For companies that show a clear trajectory towards improving and promoting diversity and equality, the threshold for minority gender representation is lowered to 20%. The 20% threshold is controlled on an ongoing basis, and if companies fail to meet the threshold on both upper-level management level and board level, they will be divested within a grace period.

Direct investments made by the fund must meet a minimum ESG rating standard. MSCI ESG ratings are built upon different quantitative ESG factors that are relevant for the investments, as determined by MSCI. These quantitative factors, which may evolve over time and vary by sector, are linked to themes such as climate change, human capital, and corporate governance and include, but are not limited to, carbon emissions, biodiversity and land use, health and safety, access to health care, business ethics and tax transparency. Quantitative factors are weighed and compiled in ESG ratings that provide a measure of companies' exposure to ESG factors and their ability to manage such exposure. The rating scale ranges from the highest AAA and AA ratings to the lowest B and CCC ratings with A, BBB and BB representing average levels. The fund only invests in companies and issuers rated in the BB to AAA range, excluding the B and CCC rating categories. ESG rating data is sourced from selected external providers.

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.

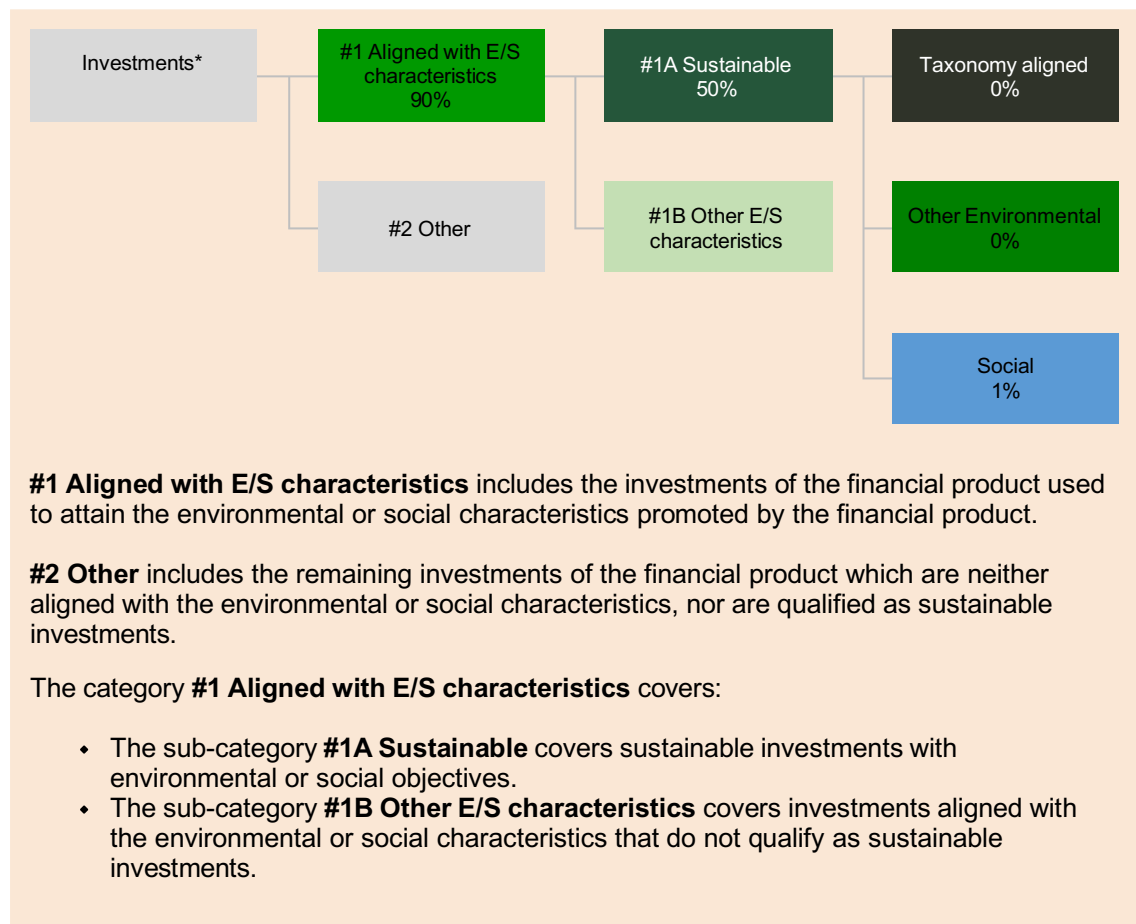
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

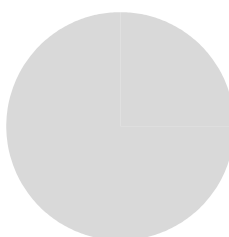
☒ No

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.

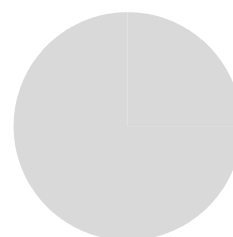
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



### **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 0%.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Flexible Opportunities Equity Fund

**Legal entity identifier:** 636700O0F8GAY5GFDM43

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



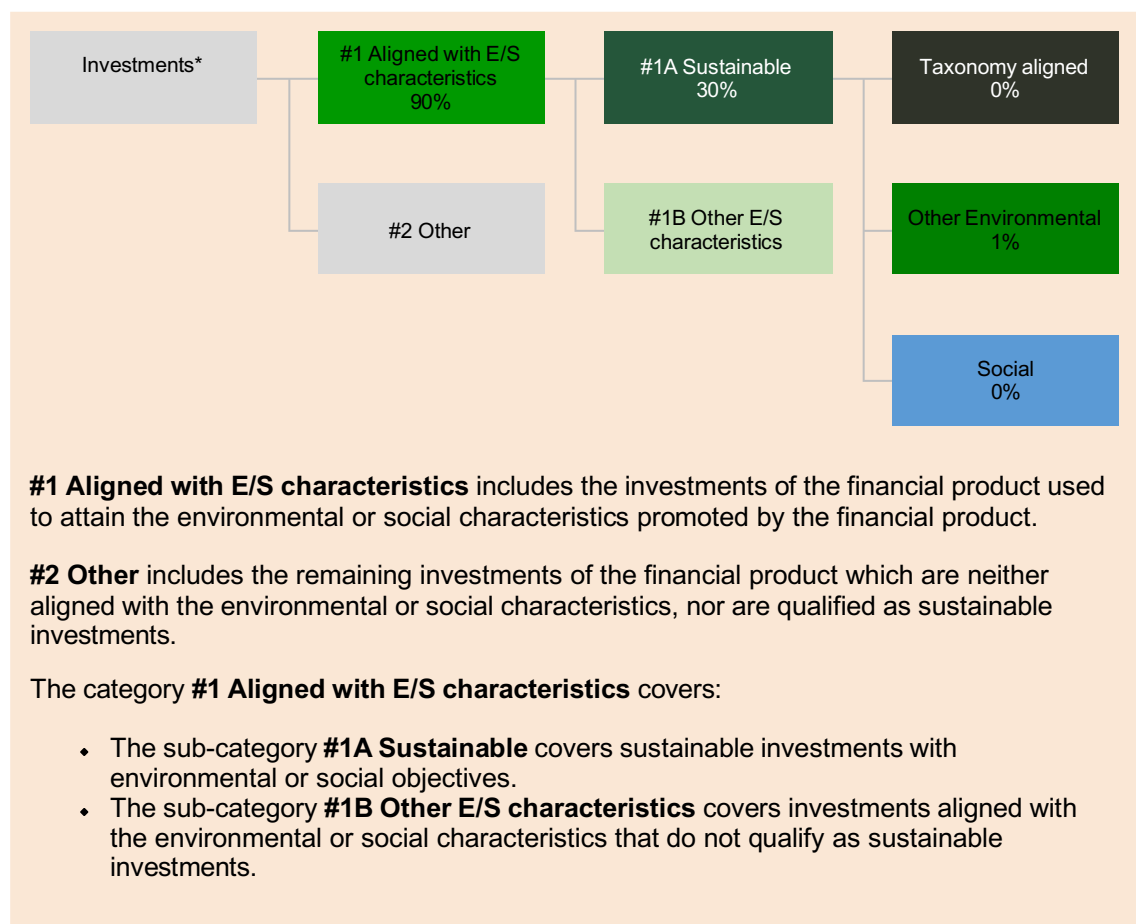
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

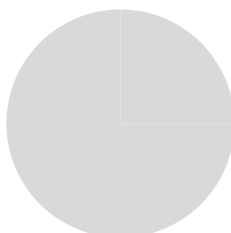
☒ No

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.

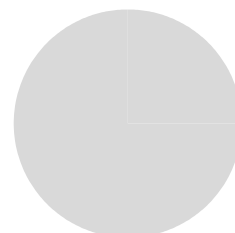
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**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 Impact Fund

**Legal entity identifier:** 549300M3BNRUZQFIEE11

## 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: 25%**
- ☒ 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
- ☒ It will make a minimum of **sustainable investments with a social objective: 25 %**

- ☐ 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
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The fund commits to investing at all times at least 85% in sustainable investments as displayed in the graph in the section "What is the asset allocation and the minimum share of sustainable investments?". The allocations set out above are the respective minimum proportions of the sustainable investments to be made with environmental and social objectives. The investment manager has some flexibility to allocate between investments with environmental and social objectives, and the sum of the minimum proportions of such investments do not equal the fund's total commitment of 85% sustainable investments.



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

## What is the sustainable investment objective of this financial product?

The sustainable investment objective of the fund is to support the 2030 Agenda for Sustainable Development adopted by the UN, by investing in companies that contribute to one or more of the objectives of the EU Taxonomy as described below or contribute to one or more of the UN Sustainable Development Goals (SDGs).

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 1 - No poverty
- Contribution to SDG 2 - Zero Hunger
- Contribution to SDG 3 - Good Health and Well-being
- Contribution to SDG 4 - Quality Education
- Contribution to SDG 5 - Gender Equality
- 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 10 - Reduced Inequality
- 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
- Contribution to SDG 16 - Peace, Justice and Strong Institutions
- Contribution to SDG 17 - Partnerships for the Goals
- % of total investments in EU taxonomy aligned activities
- % of total investments assessed as impact investments based on NAM's proprietary methodology

● ***How do sustainable investments not cause significant harm to any environmental or social 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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- ***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. A fundamental bottom-up research process identifies companies that derive significant future cashflows from their contribution to social or environmental solutions. The fund invests in companies that are part of a proprietary investment universe of environmental solution providers and companies that contribute to social solutions. Companies in the investment universe are materially involved in economic activities that are considered environmentally or socially sustainable.

The fund invests with the intention to generate positive, measurable outcomes on environmental and social dimensions alongside financial return. It seeks to allocate capital to companies supporting incremental improvement of social and environmental dimensions identified by the UN Sustainable Development Goals (SDGs) through the products and services offered and/or the conduct of their operations.

Minimum 80% of the fund's investments are made in impact investments based on NAM's proprietary methodology to measure positive impact of listed companies. It requires that evidence and data are available to ensure that the investments align with the impact objectives of the fund. The assessment uses research and company data sourced directly or via 3rd party data providers. Engagement with companies to incentivise improvements in their ESG practices and reduce adverse impacts on society and the environment is considered as part of the investor contribution to generate positive outcomes.

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

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

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?".

Minimum 80% of the fund's investments are made in impact investments based on NAM's proprietary methodology to measure positive impact of listed companies. The methodology is further detailed 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.

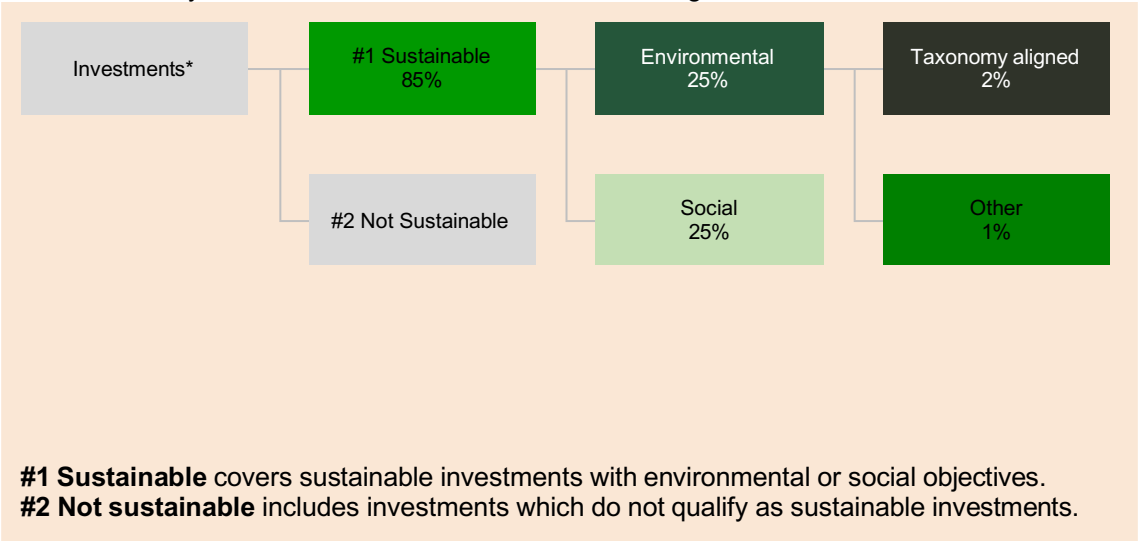
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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



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

**How does the use of derivatives attain the sustainable investment objective?**  
 Derivatives are not used to attain the sustainable investment objective.

Taxonomy-aligned activities are expressed as a share of:  
 - **turnover** reflecting the share of  
**Asset allocation** describes the share of investments in specific assets.  
 (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.



## 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.

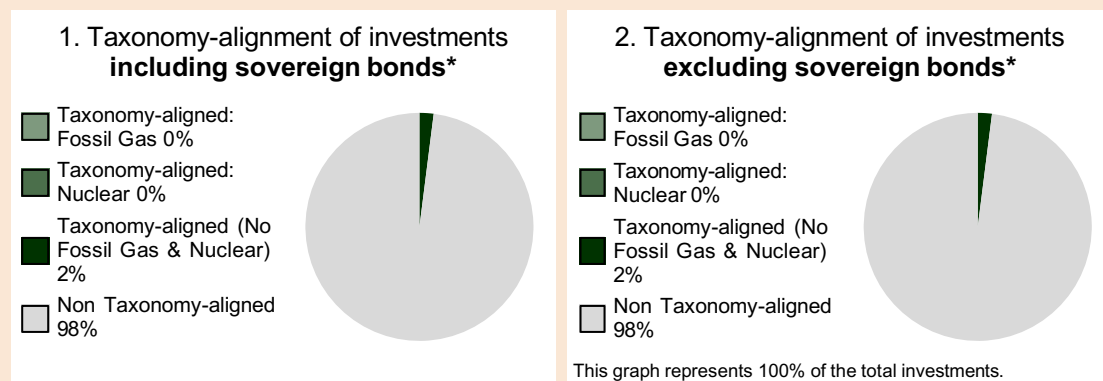
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.




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.



\* 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 is the minimum share of sustainable investments with a social objective?**

The minimum share of sustainable investments with a social objective is 25%.



### **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](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Listed infrastructure Fund

**Legal entity identifier:** 5493004U7E2YIFAGEE77

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **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?**

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?**

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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



● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

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



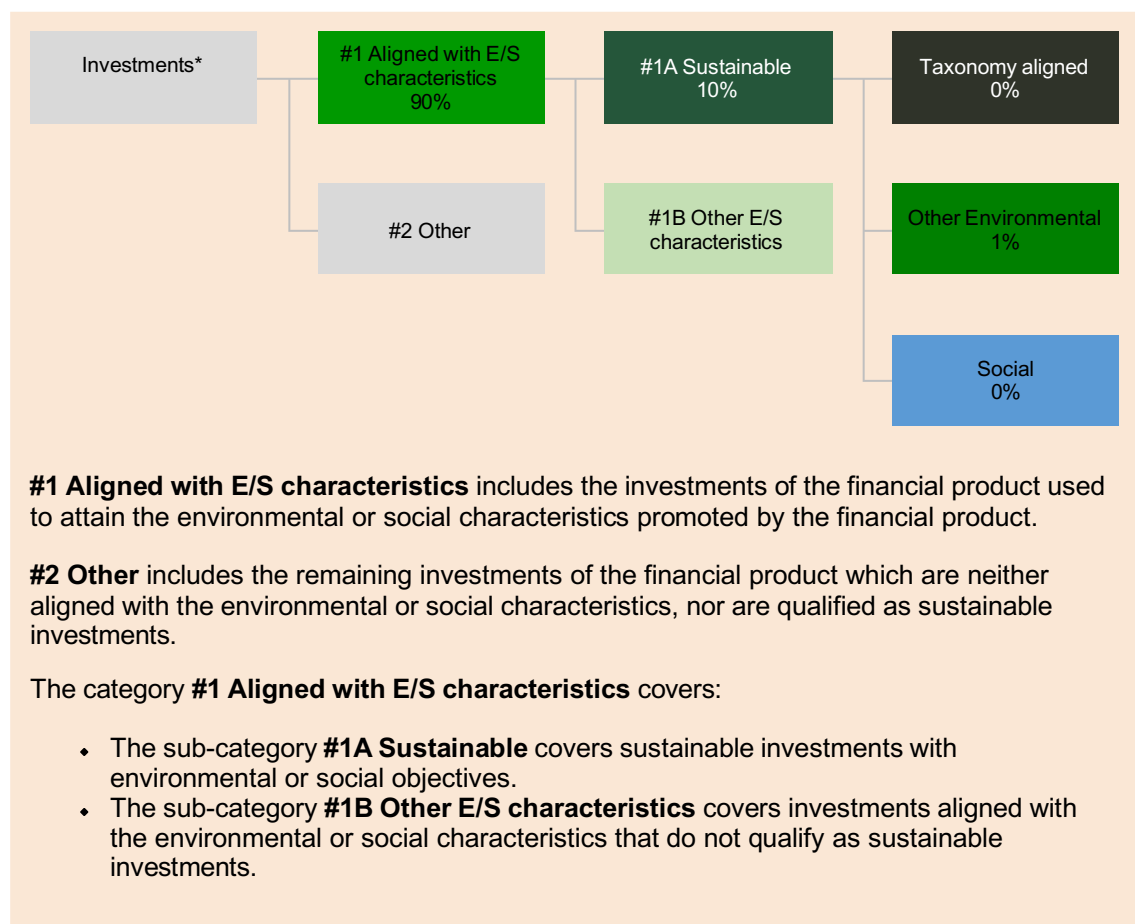
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

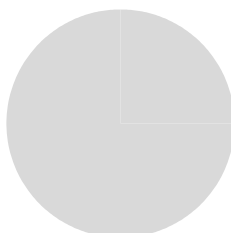
☒ No

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.

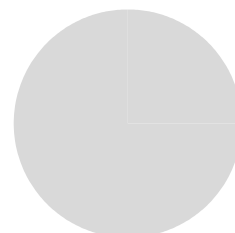
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Opportunity Fund

**Legal entity identifier:** 5493007ZLSPI26CQLO03

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 50% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 50% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



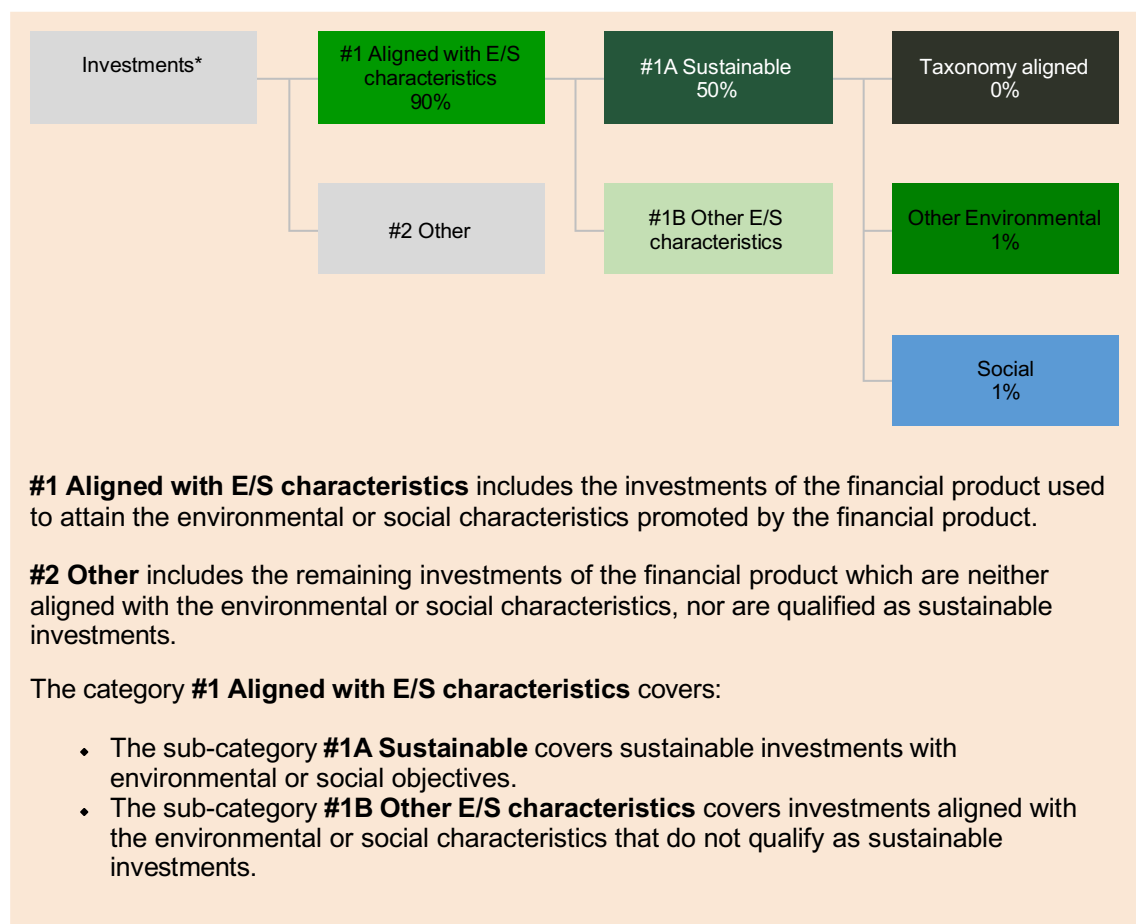
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

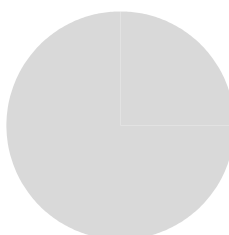
☒ No

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.

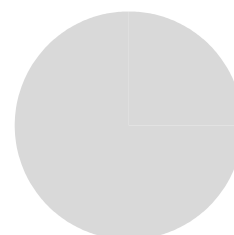
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.





are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Portfolio Fund

**Legal entity identifier:** 549300IV7X5KFCXHUU46

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **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?**

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.

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

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

**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.

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

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





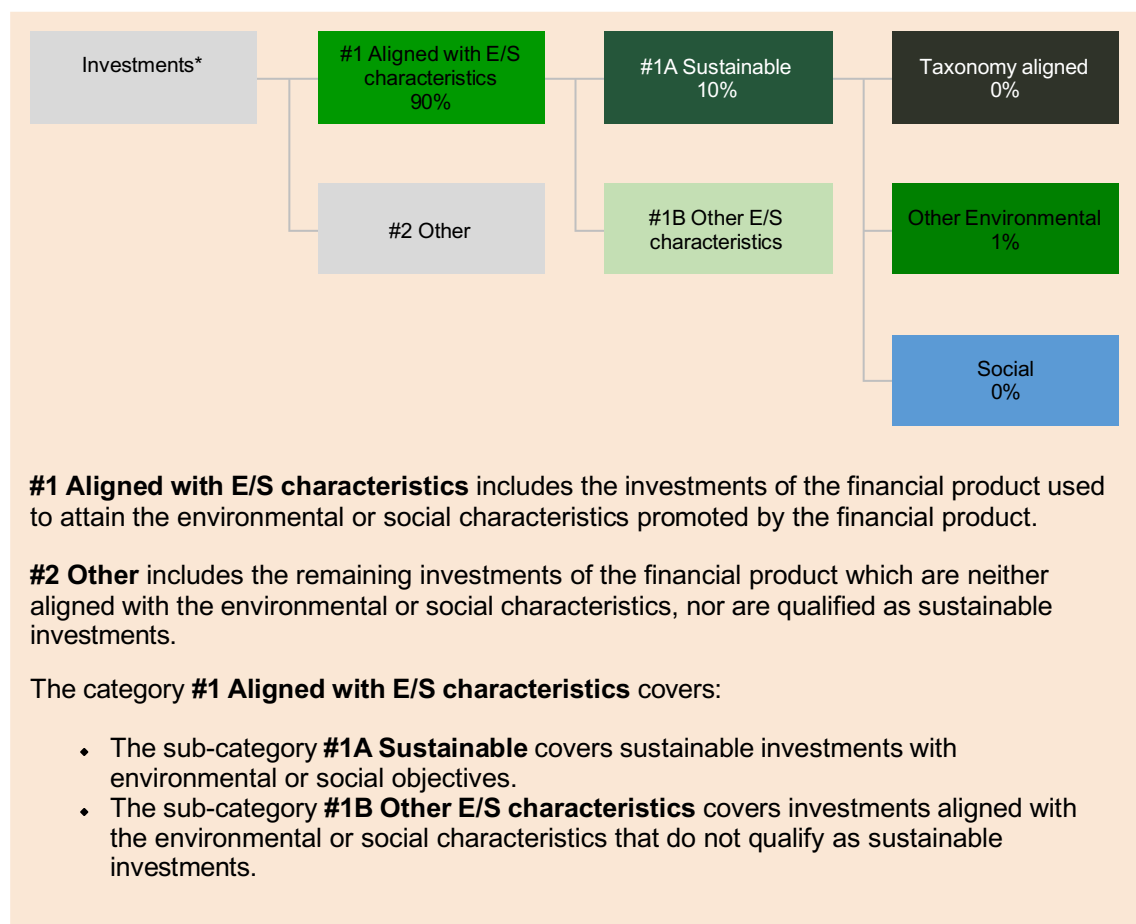
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

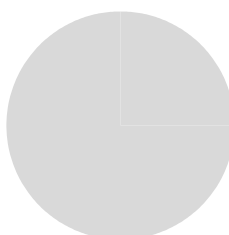
☒ No

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.

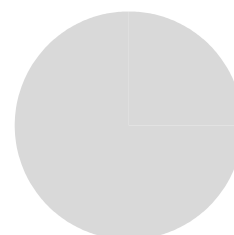
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Real Estate Fund

**Legal entity identifier:** 549300E0SPFUFDDUAIG67

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 30% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



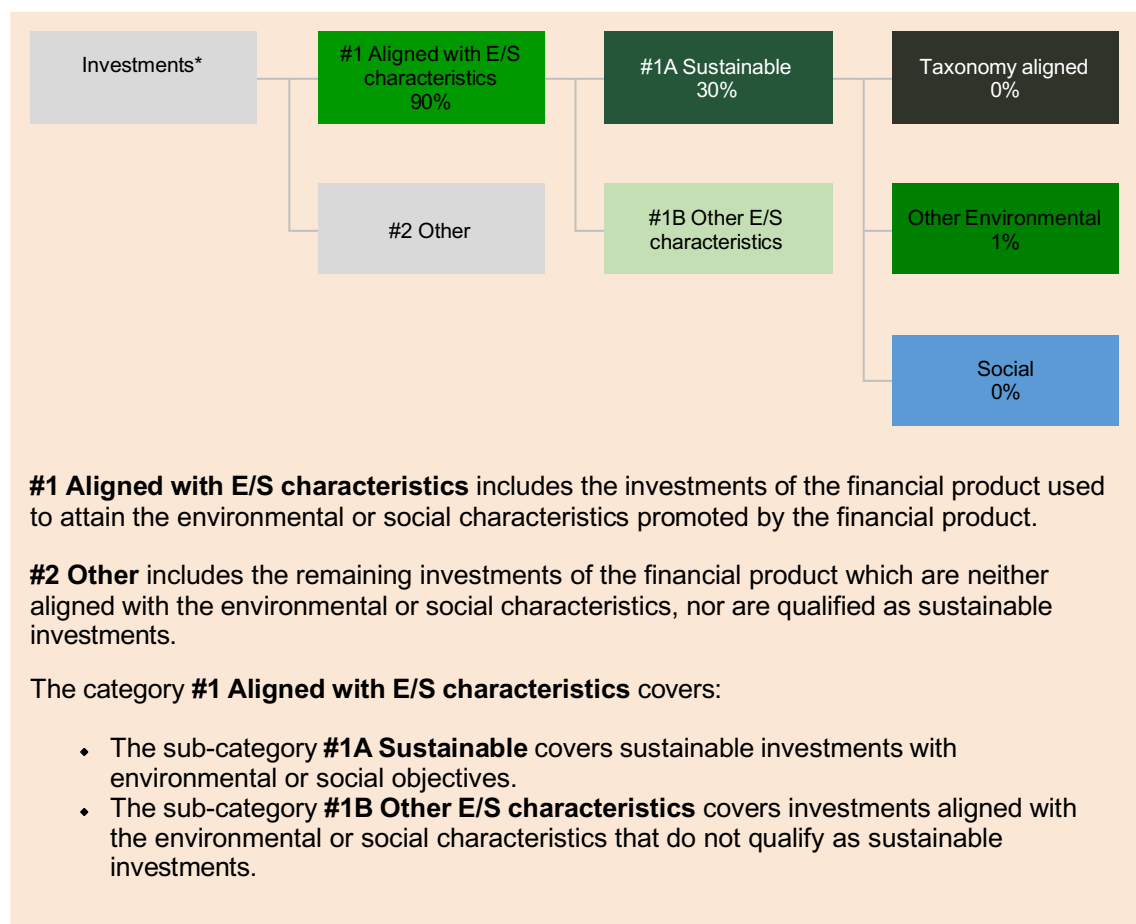
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

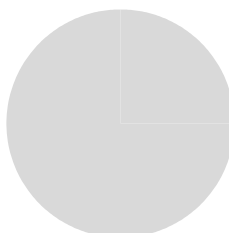
☒ No

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.

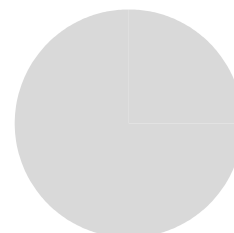
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Small Cap Fund

**Legal entity identifier:** 549300WUFX1G5UGCGP20

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

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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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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.

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

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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.

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**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.



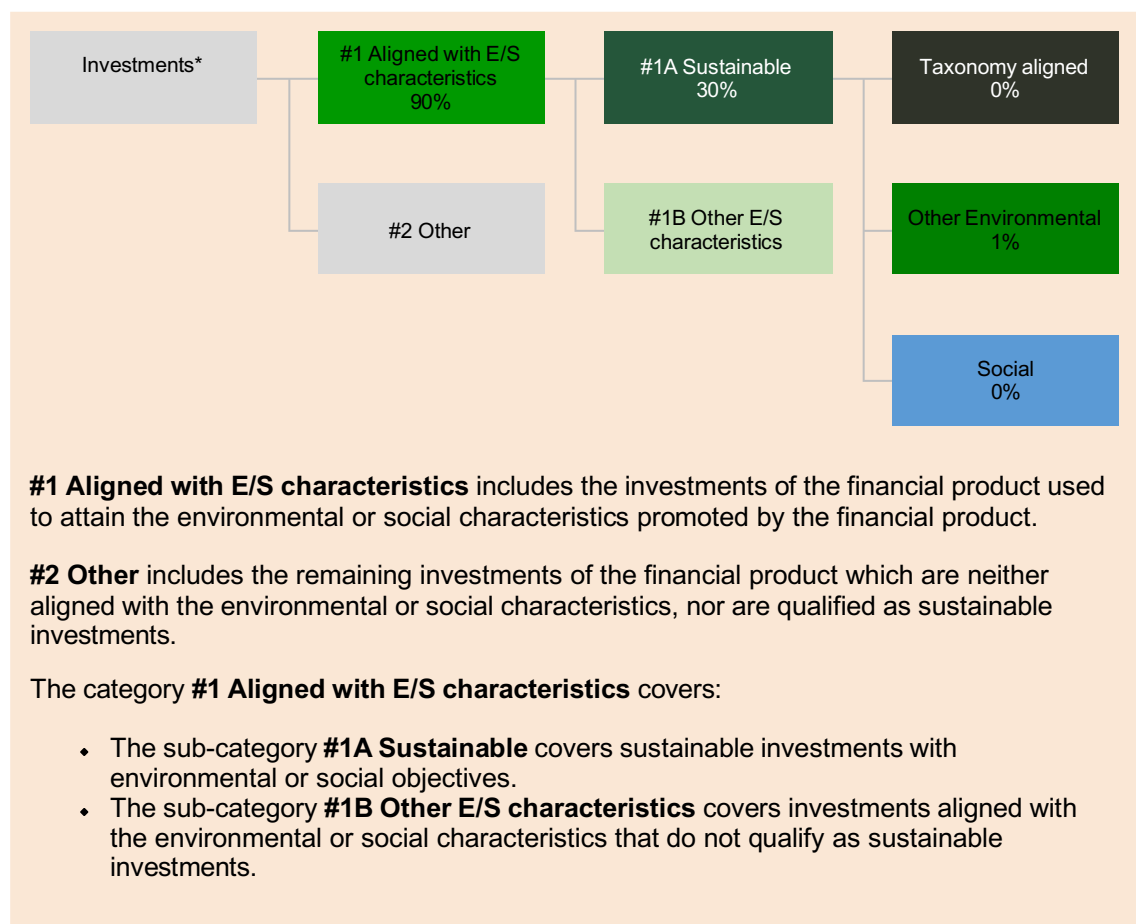
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**Asset allocation** describes the share of investments in specific assets.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

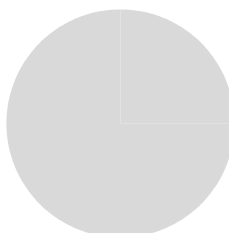
☒ No

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.

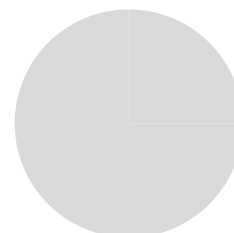
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**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 Social Empowerment Fund

**Legal entity identifier:** 549300DN1QTCPEQWW22

## 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**: \_\_%

☐ 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

☒ It will make a minimum of **sustainable investments with a social 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

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



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

### **What is the sustainable investment objective of this financial product?**

The sustainable investment objective of the fund is to support the 2030 Agenda for Sustainable Development adopted by the UN, with a focus on socio-economic challenges, by investing in companies that contribute to one or more of the following UN Sustainable Development Goals (SDGs):

SDG 1 - No Poverty  
SDG 2 - Zero Hunger  
SDG 3 - Good Health and Well-being  
SDG 4 - Quality Education  
SDG 5 - Gender Equality  
SDG 6 - Clean Water and Sanitation  
SDG 8 - Decent Work and Economic Growth  
SDG 9 - Industry, Innovation and Infrastructure  
SDG 10 - Reduced Inequality  
SDG 11 - Sustainable Cities and Communities  
SDG 12 - Responsible Consumption and Production  
SDG 16 - Peace and Justice Strong Institutions  
SDG 17 - Partnerships to achieve the Goal

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?".

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 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.

- Contribution to SDG 1 - No poverty
- Contribution to SDG 2 - Zero Hunger
- Contribution to SDG 3 - Good Health and Well-being
- Contribution to SDG 4 - Quality Education
- Contribution to SDG 5 - Gender Equality
- Contribution to SDG 6 - Clean Water and Sanitation
- Contribution to SDG 8 - Decent Work and Economic Growth
- Contribution to SDG 9 - Industry, Innovation and Infrastructure
- Contribution to SDG 10 - Reduced Inequality
- Contribution to SDG 11 - Sustainable Cities and Communities
- Contribution to SDG 12 - Responsible Consumption and Production
- Contribution to SDG 16 - Peace, Justice and Strong Institutions
- Contribution to SDG 17 - Partnerships for the Goals

### **How do sustainable investments not cause significant harm to any environmental or social 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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- ***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. A fundamental bottom-up research process identifies companies that derive significant future cashflows from their contribution to social solutions like vital needs, inclusion and empowerment. Investee companies are analysed and selected at the investment manager's discretion.

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.

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

● ***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?".

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.



**#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.

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

Derivatives are not used to attain the sustainable investment objective.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of

**Asset allocation** describes the share of investments in specific assets.

(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.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

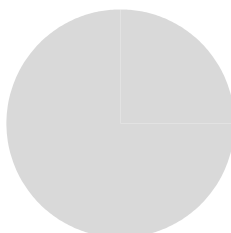
☒ No

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.

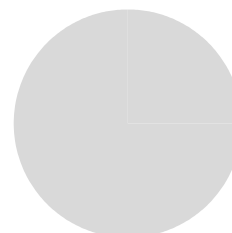
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



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 a social objective?**

The minimum share of sustainable investments with a social objective is 85%.



### **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](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Stable Equity Fund

**Legal entity identifier:** 549300OYMIP4UL664L36

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



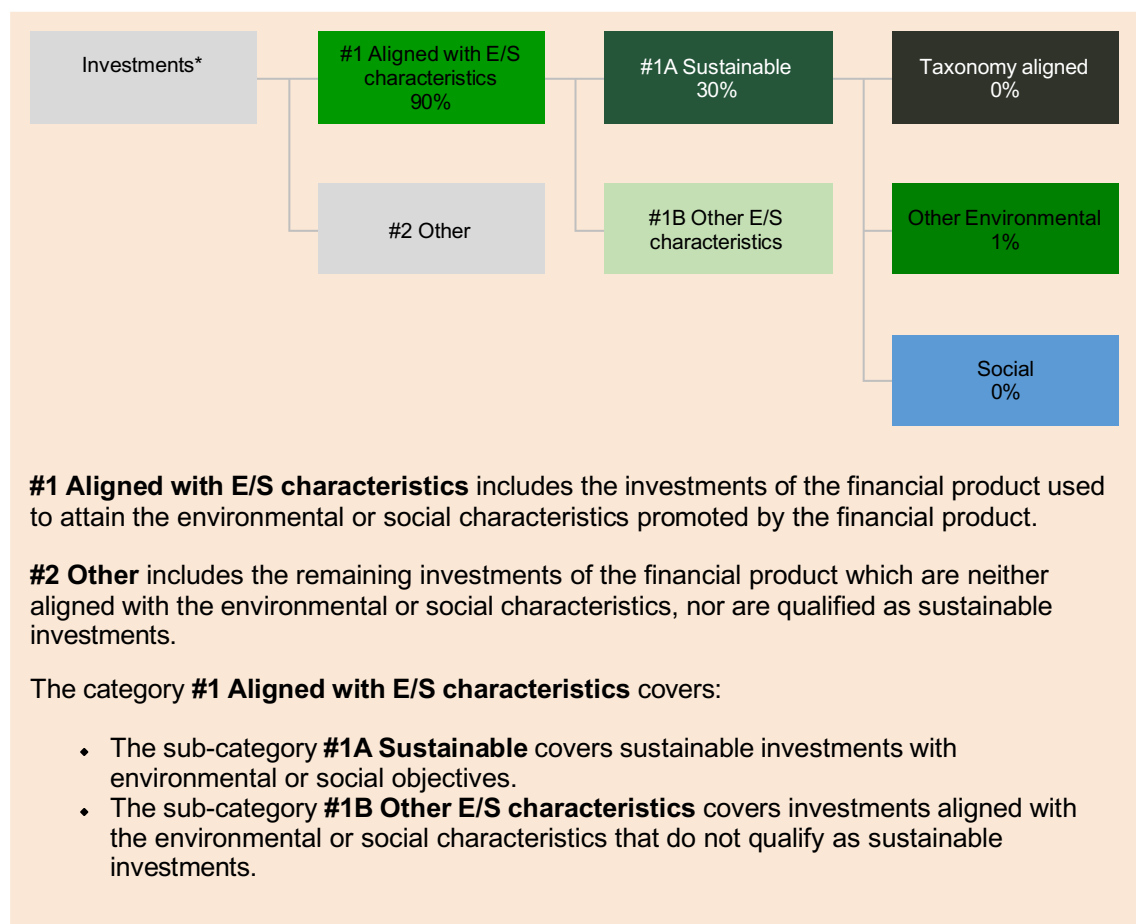
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

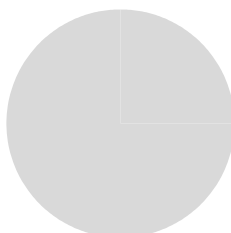
☒ No

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.

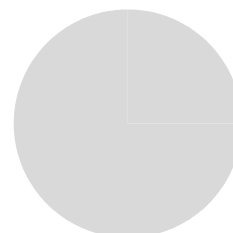
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Stable Equity Fund - Euro Hedged

**Legal entity identifier:** 549300IK30ET6JVM1T50

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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



governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



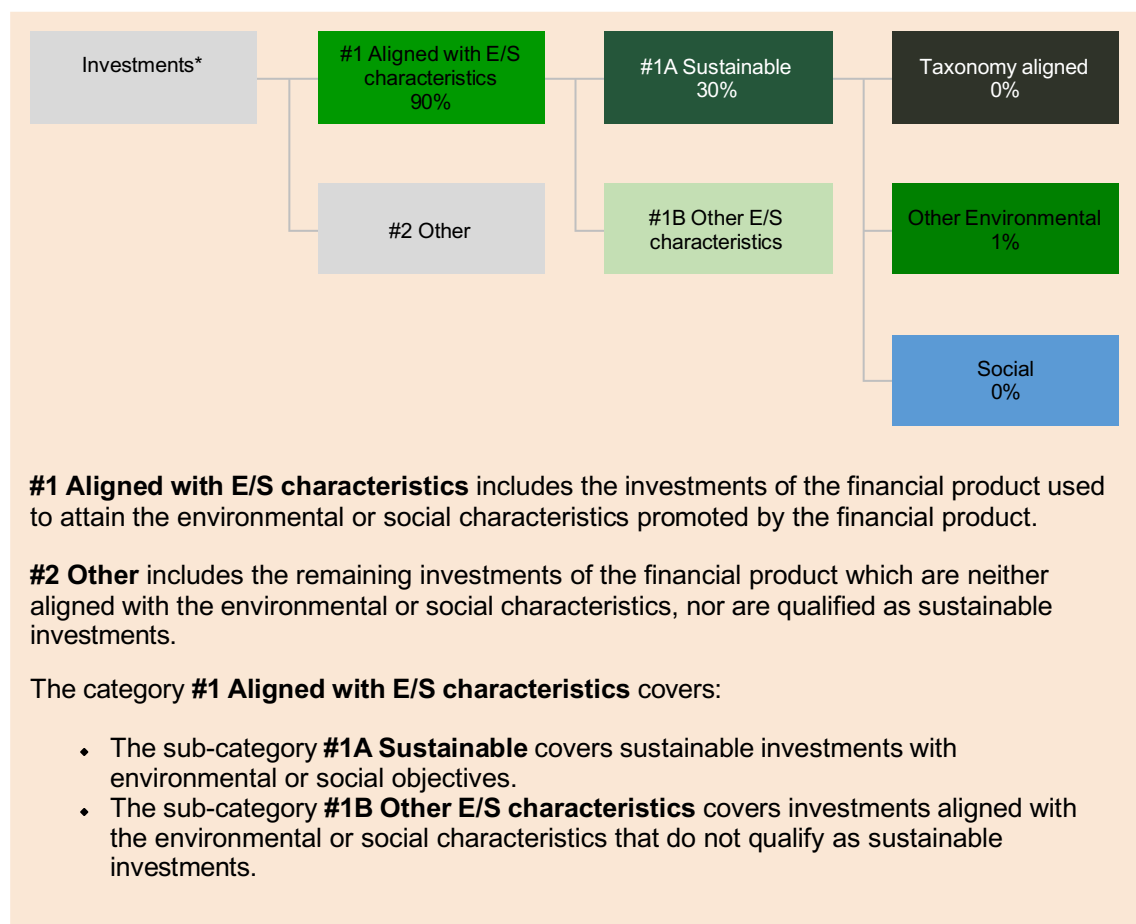
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

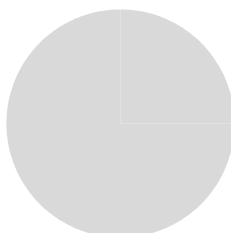
☒ No

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\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Stable Equity Plus Fund

**Legal entity identifier:** 254900PR07BM2S1GIY77

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
Yes	<input checked="" type="radio"/> No
<p>It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%</p> <p>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p>It will make a minimum of <b>sustainable investments with a social objective:</b> ____%</p>	<p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments</p> <p>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p>with a social objective</p> <p>It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.

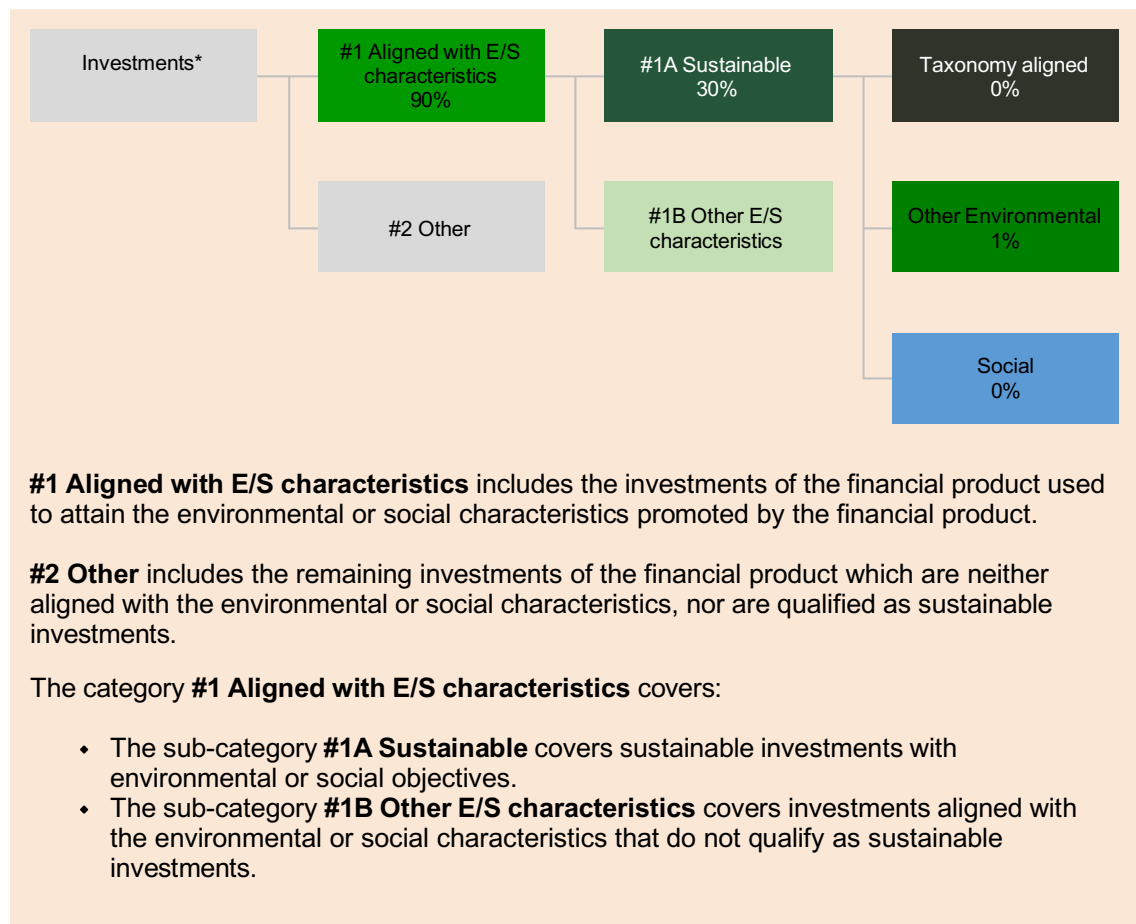
In addition to the norm-based screening described above, the fund applies a good governance test based on pre-set indicators for sound management structures, employee relations, remuneration of staff and tax compliance.





## What is the asset allocation planned for the financial product?

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

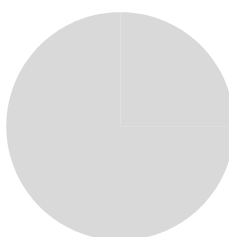
☒ No

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.

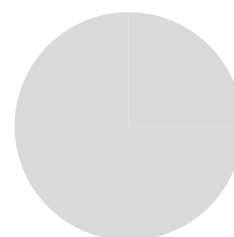
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Product name:** Nordea 1 - Global Sustainable Listed Real Assets Fund

**Legal entity identifier:** 5493004Z6MZQXNQSWI84

## 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**: 50%
  - ☒ 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☐ 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
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The fund commits to investing at all times at least 85% in sustainable investments with environmental or social objectives as displayed in the graph in the section "What is the asset allocation and the minimum share of sustainable investments?". It commits to investing minimum 50% in sustainable investments with environmental objectives, and, while it may hold sustainable investments with a social objective, it does not commitment to any minimum proportion of such investments.

**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.



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

## What is the sustainable investment objective of this financial product?

The sustainable investment objective of the fund is to support the 2030 Agenda for Sustainable Development adopted by the UN by investing in companies that are involved in economic activities that are aligned with the EU Taxonomy or contribute to one or more of the UN Sustainable Development Goals (SDGs).

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 EU 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, EU 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 3 - Good Health and Well-being
- Contribution to SDG 6 - Clean Water and Sanitation
- Contribution to SDG 7 - Affordable and Clean Energy
- Contribution to SDG 9 - Industry, Innovation and Infrastructure
- Contribution to SDG 11 - Sustainable Cities and Communities
- % 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 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?**

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- ***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 fund invests in companies that meet high standards of environmental or social responsibility. The framework constructed to establish the eligibility of companies for the investable universe involves a series of eligibility tests. Given the diversified nature of the Real Assets universe of companies, there is not a one-size-fits-all approach which can be applied. Therefore, the investment manager has constructed social and environmental tests, which can vary across sectors, to capture companies with the highest alignment with sustainable actions and standards set within their sectors.

The minimum proportion of sustainable investments in the fund is 85%. The fund may contain investments with both an environmental and a social objective. However, given the nature of the investment universe, the investments are in general somewhat tilted towards environmentally sustainable investments, and at least 50% of the fund's assets are invested in companies that are considered environmentally sustainable, while there is no commitment to any minimum proportion of socially sustainable investment.

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

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



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.

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.

● ***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 3% 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.



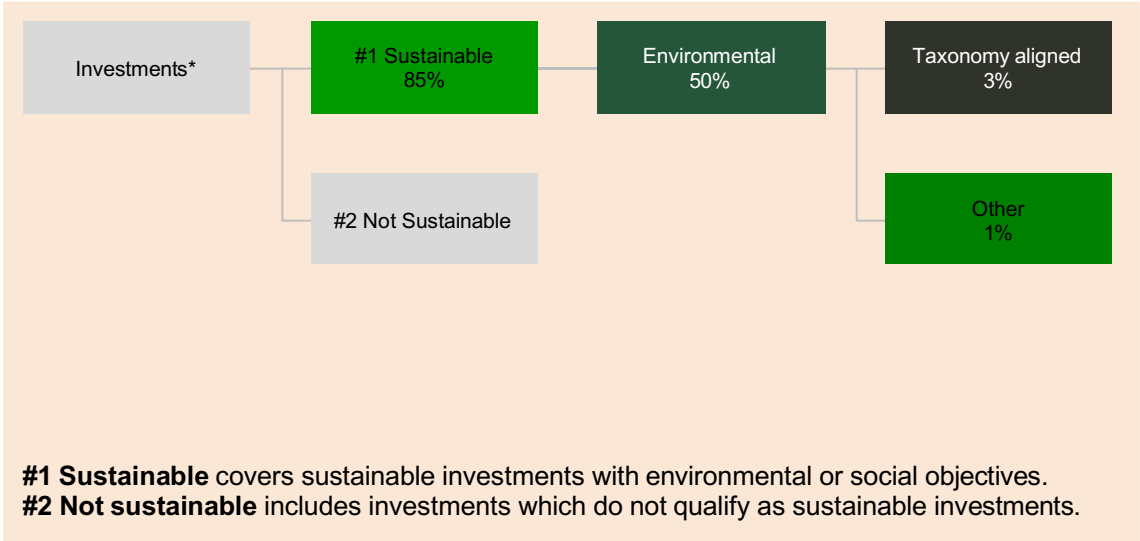
**What is the asset allocation and the minimum share of sustainable investments?**

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.

**Asset allocation** describes the share of investments in specific assets.

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.



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

● **How does the use of derivatives attain the sustainable investment objective?**  
 Derivatives are not used to attain the sustainable investment objective.



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

Based on currently available data, a minimum of 3% 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

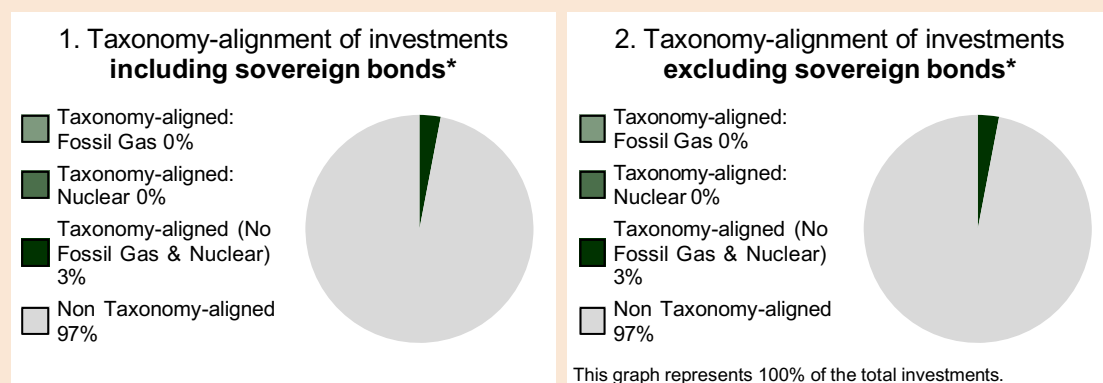
Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and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

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.

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.



\* 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](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Sustainable Stars Equity Fund

**Legal entity identifier:** 5493003YXBZ7881E6K64

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**Carbon footprint scope 1, 2 and 3 limit** The fund aims to promote environmental characteristics related to reduction of carbon emissions by seeking to maintain the fund's total carbon footprint at least 20% below the total carbon footprint of the reference benchmark. The carbon footprint is measured by the scope 1, 2 and 3 greenhouse gas emissions.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- Relative carbon footprint scope 1, 2 and 3
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. Carbon footprint is managed below the reference benchmark level. 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

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

The fund's carbon footprint, measured by the total scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be at least 20% lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1,2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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.

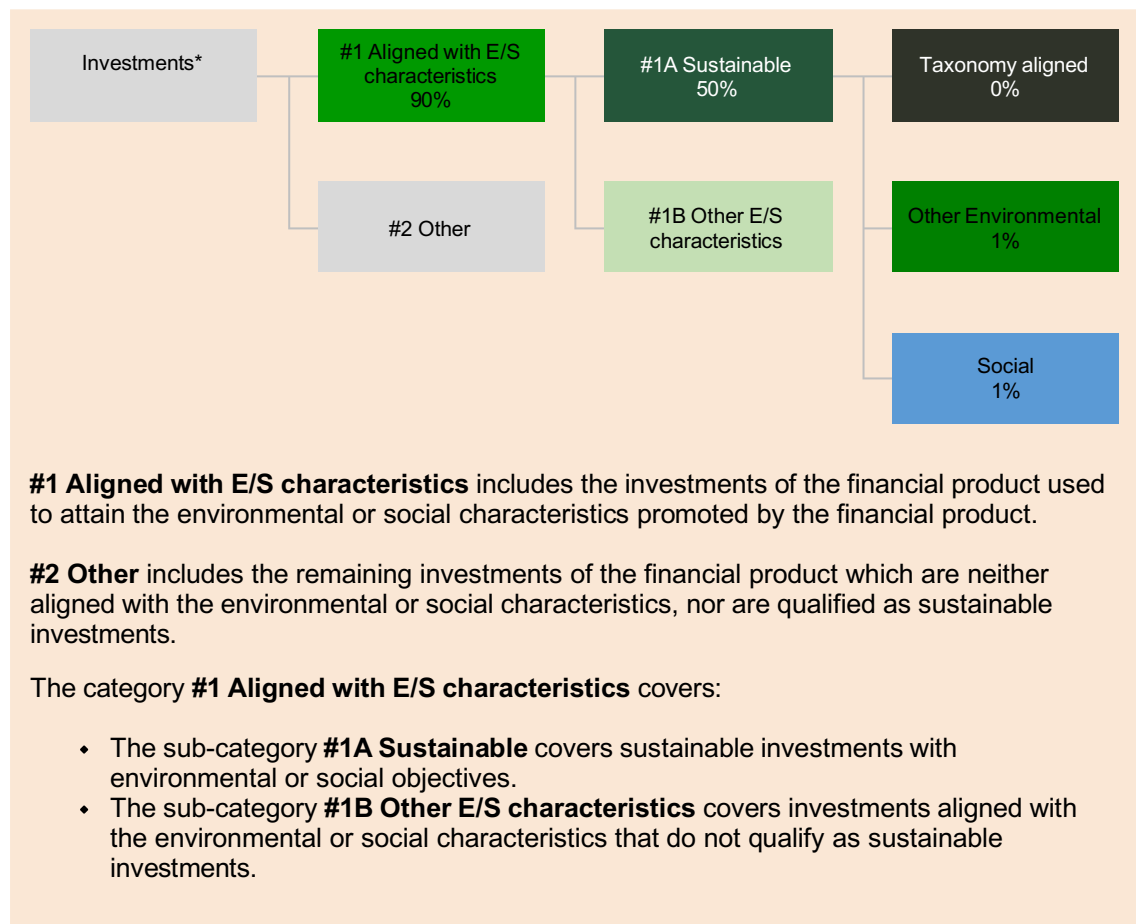
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

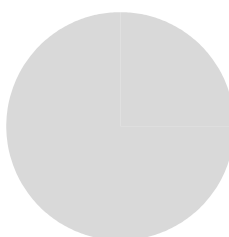
☒ No

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.

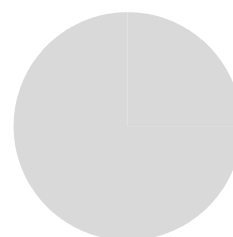
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Transition Equity Fund

**Legal entity identifier:** 636700T9MFJR0G5RGT83

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**Climate transition** The fund aims to promote environmental characteristics by investing in transition-ready companies, defined as companies that demonstrate emission performance in line with Paris pathways, have Paris-aligned greenhouse gas (GHG) reduction targets or a net zero by 2050 commitment. To a limited extent, the fund will also invest in companies that are not yet classified as transition-ready but show potential to become so. Active ownership strategies and engagement with such companies will be used to promote accelerated transition.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

## What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with CTB exclusions and other sector- and value based exclusions
- % of investments aligned with the climate transition strategy by being assessed as transition-ready or engaged to accelerate transition

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

The strategy focuses on investing in companies that are on a clear and measurable path to environmental transition by investing in transition-ready companies and, to a limited extent, using engagement to accelerate transition for companies not yet classified as transition-ready.

Every investment which operates in a high-impact sector, and at least 80% of the fund's investments, must fulfil at least one of the following criteria:

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

1. Exhibit emissions performance in line with Paris pathways
2. Have a Paris-aligned GHG reduction targets
3. Have a net zero by 2050 commitment

4. Be subject to active engagement to accelerate transition, within six months of investment

Criteria 1-3 are components in the Institutional Investors Group in Climate Change (IIGCC) Net Zero Investment Framework's Paris Alignment Maturity Scale. A company that meets criterion 1,2 or 3 are classified as transition-ready, in accordance with NAM's internal Transition framework.

To monitor progress, the strategy uses the Net Zero Investment Framework's Paris Alignment Maturity Scale, which categorizes companies from 'not aligning' to 'achieving net zero', thereby allowing a systematic evaluation of companies' transition.

A maximum of 20%-points out of the 80% threshold may consist of investee companies that are not assessed as transition-ready, but where NAM is undertaking active engagement with a view to influence the investee company to accelerate transition. Should the investee company not demonstrate transition-readiness within 36 months of making the initial investment, the investment will be divested in the best interest of the unitholders.

Investments are partly dedicated to sustainable investments. The strategy applies CTB 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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

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 Climate Transition Benchmark (CTB) exclusions (Article 12(1)(a) to (c) 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?".

At least 80% of the fund's investments are aligned with the E/S characteristics promoted by the fund by being on a path to transition. This 80% threshold is met through a two-pronged approach: First, a minimum of 60% of the fund's investments, including all Energy sector

holdings, must be in companies deemed "transition-ready" by NAM. These companies either 1) Exhibit emissions performance in line with Paris pathways, 2) Have a Paris-aligned GHG reduction targets or 3) Have a net zero by 2050 commitment. Second, up to 20% of

investments within this 80% threshold can be in companies that are actively engaged to improve their transition path, even if they don't yet fully meet the criteria. This approach ensures that over 80% of the fund's investments are consistently progressing towards transition, either by already meeting specific criteria or through active engagement to improve their climate-related practices.

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.

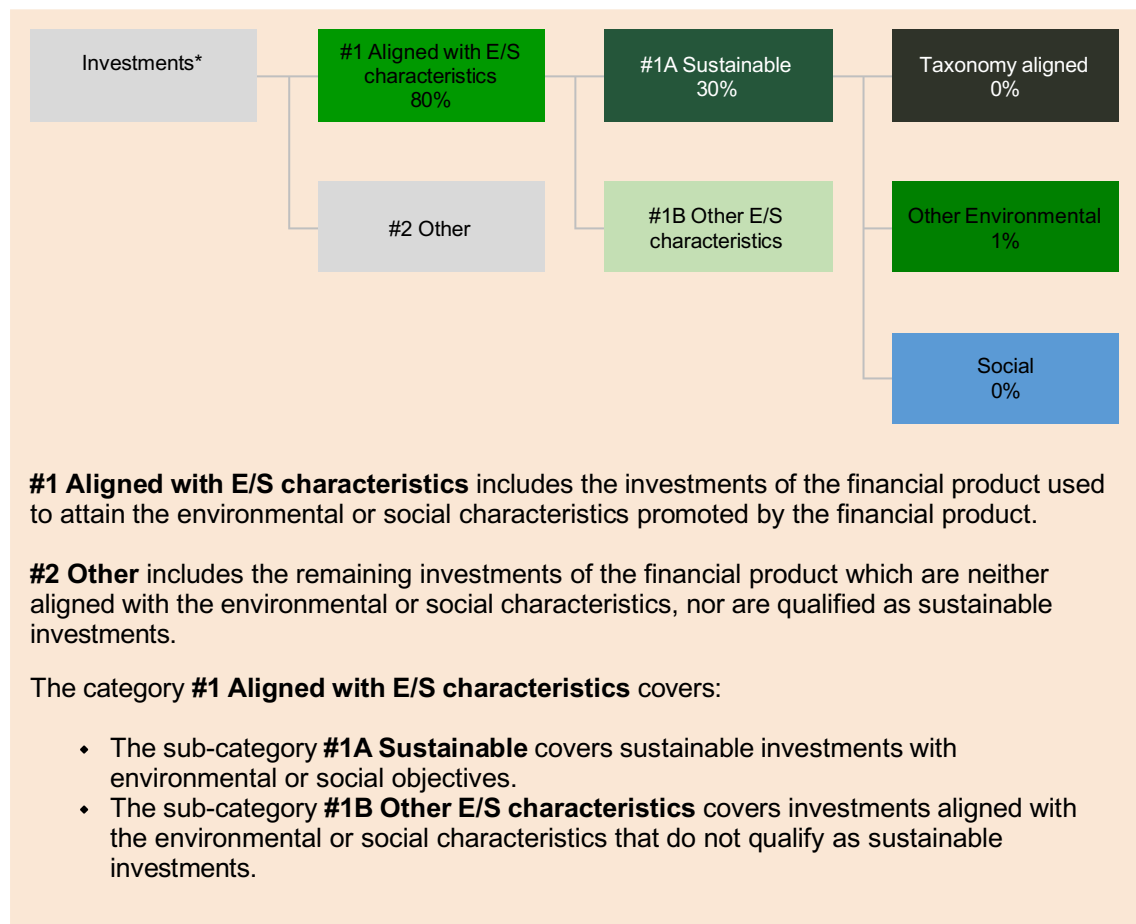
In addition to the norm-based screening described above, the fund applies a good governance test based on pre-set indicators for sound management structures, employee relations, remuneration of staff and tax compliance.





## What is the asset allocation planned for the financial product?

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

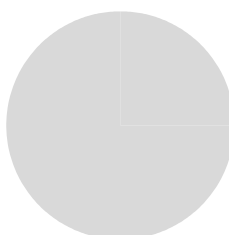
☒ No

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.

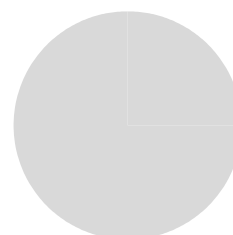
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable. Additionally, the fund may invest in companies that, while not currently meeting the requirements, may be potentially relevant for the transition framework, as well as investments made for portfolio diversification purposes. For such investments, the sector- and value-based exclusions serve as minimum environmental or social safeguards.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)

[Responsible Investment Policy](#)

[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 Transition Titans Fund

**Legal entity identifier:** 636700T9MFJR00O5RGT83

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 30% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Transition** The fund aims to promote environmental characteristics by investing in companies that demonstrate a transition towards environmentally sustainable business practices, with a particular focus on transition-ready companies, defined as companies that demonstrate emission performance in line with Paris pathways, have Paris-aligned greenhouse gas (GHG) reduction targets or a net zero by 2050 commitment. The fund will also invest in companies that do not yet demonstrate transition towards environmentally sustainable business practices, including Paris Agreement alignment, but show potential to improve. Active ownership and engagement are key components in seeking to influence companies' behaviour, and to initiate and accelerate the needed transition.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments aligned with the transition strategy by being assessed as transition-ready or engaged to accelerate transition
- % of investments, aligned with the E/S characteristics, that do not comply with CTB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

The strategy aims to accelerate the transition to lower GHG emissions by focusing on high-emitting sectors in developed markets. It targets companies demonstrating the most significant improvements in emissions reduction, considering Scope 1, 2, and 3 GHG emissions. The investment universe is centered around the Materials, Utilities, and Industrials sectors, weighted by market capitalization. After applying exclusion filters, the universe is further refined to identify the highest GHG emitters. The final selection process involves comprehensive fundamental research, incorporating climate-related metrics and assessing decarbonization pathways. This

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

analysis aims to identify companies with structural competitive advantages in decarbonization and evaluates the credibility of their emission reduction targets.

Where appropriate, the strategy employs active engagement to support companies in maximizing their transition potential, ultimately seeking to invest in those best positioned to lead in emissions reduction within their respective sectors.

Investments are partly dedicated to sustainable investments. The strategy applies CTB 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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

At least 80% of the fund's investments, including all investments in companies operating in high-impact sectors, must fulfil at least one of the following criteria: 1) Exhibit emissions performance in line with Paris pathways; 2) Have a Paris-aligned GHG reduction targets; 3) Have a net zero by 2050 commitment; or 4) Be subject to active engagement to accelerate transition, within six months of investment. The definition of a 'high impact sector' is based on IIGCC Net Zero Investment Framework guidance.

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 Climate Transition Benchmark (CTB) exclusions (Article 12(1)(a) to (c) 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.

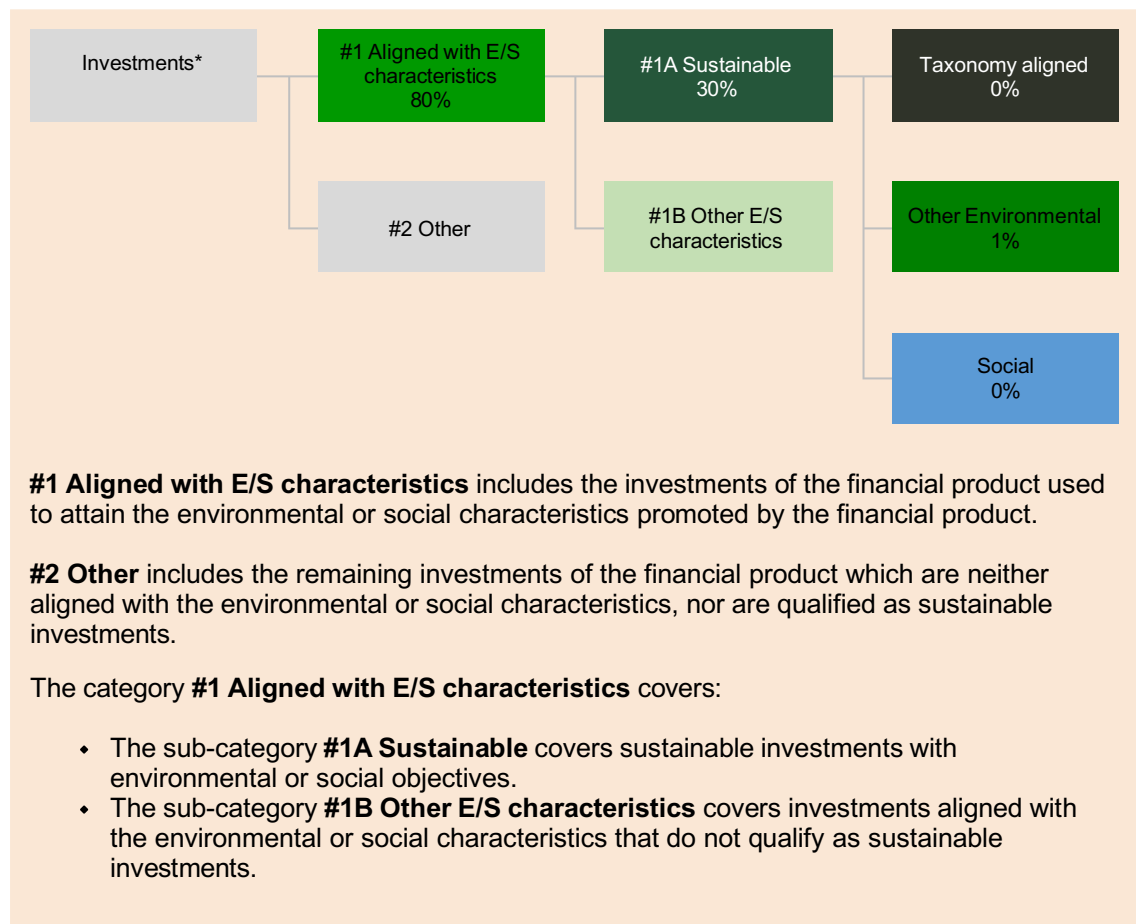
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

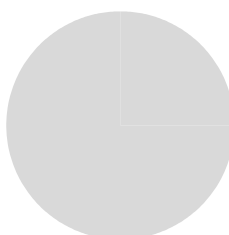
☒ No

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.

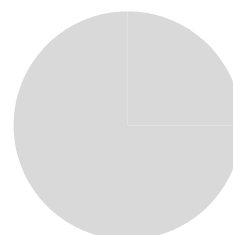
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable. Additionally, the fund may invest in companies that, while not currently meeting the requirements, may be potentially relevant for the transition framework, as well as investments made for portfolio diversification purposes. For such investments, the sector- and value-based exclusions serve as minimum environmental or social safeguards.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)

[Responsible Investment Policy](#)

[Exclusion list](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Indian Equity Fund

**Legal entity identifier:** 5493005S6B8E61ZP8H36

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

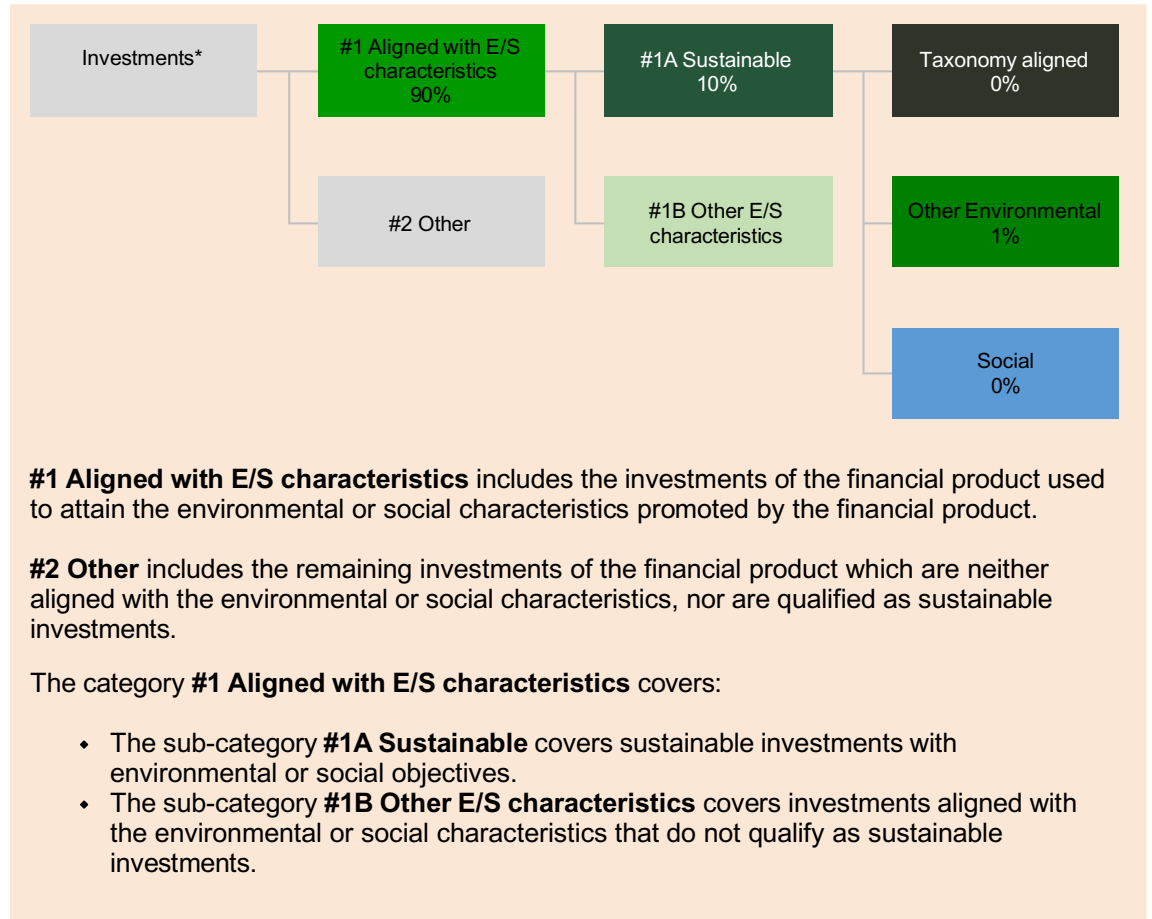
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.





## What is the asset allocation planned for the financial product?

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

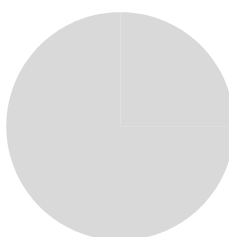
☒ No

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.

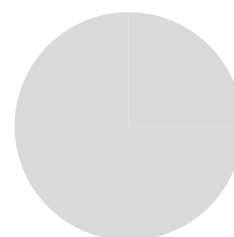
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)

[Responsible Investment Policy](#)

[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Latin American Equity Fund

**Legal entity identifier:** 549300QT5RZRZB2WNH22

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

● **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?**

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?**

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

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



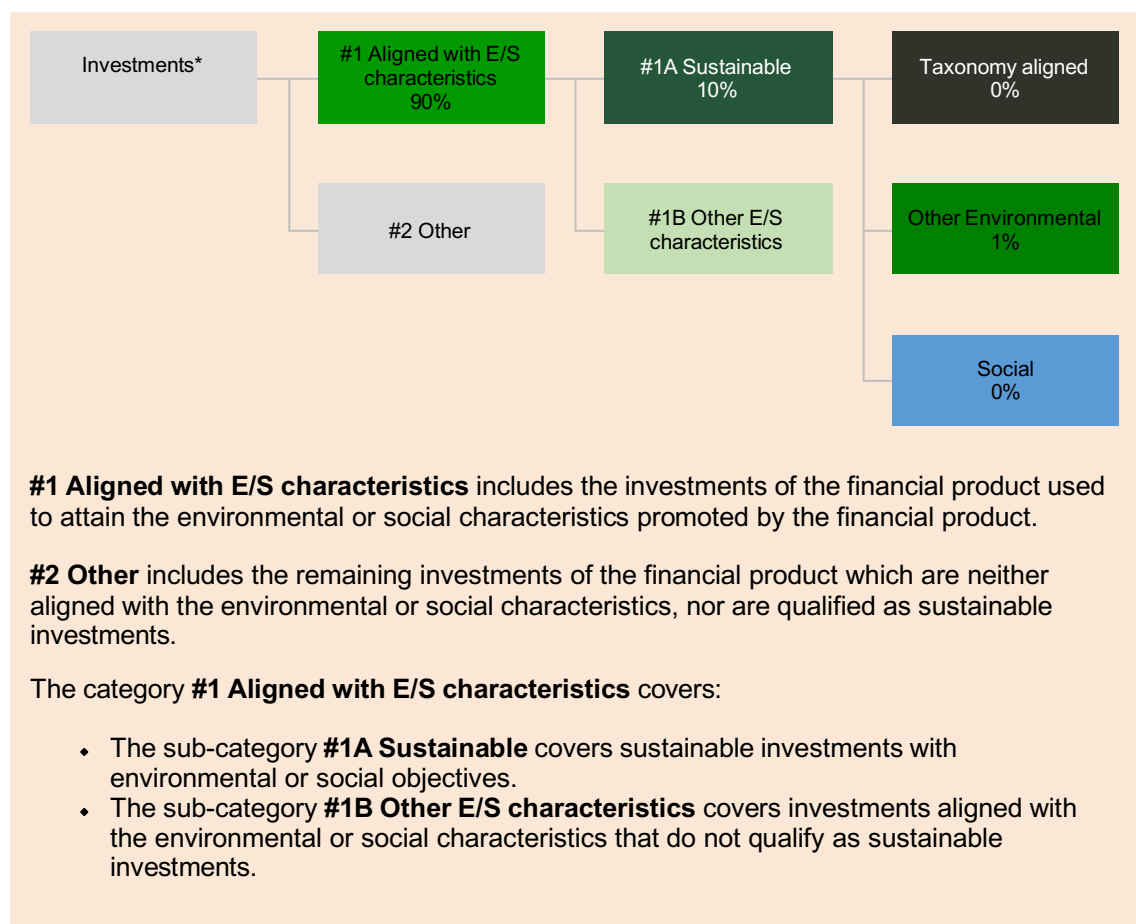
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

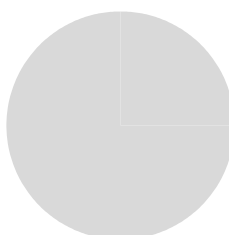
☒ No

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.

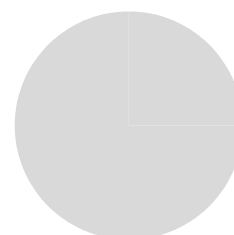
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Nordic Equity Fund

**Legal entity identifier:** 5493002P8HQC8H89KJ23

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.

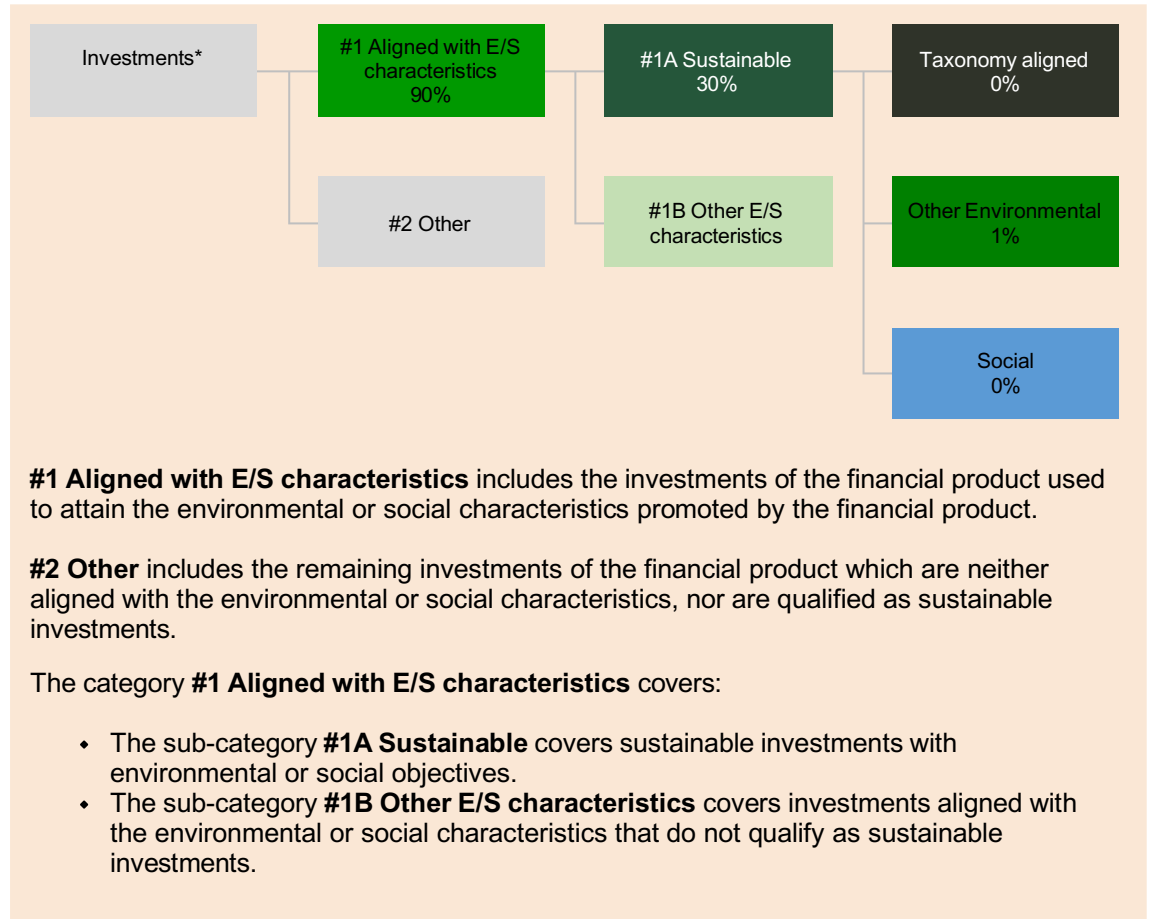
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

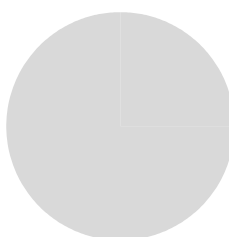
☒ No

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.

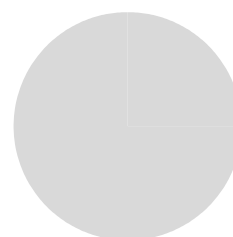
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Nordic Equity Small Cap Fund

**Legal entity identifier:** 549300037CR2WTAYCN25

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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



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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



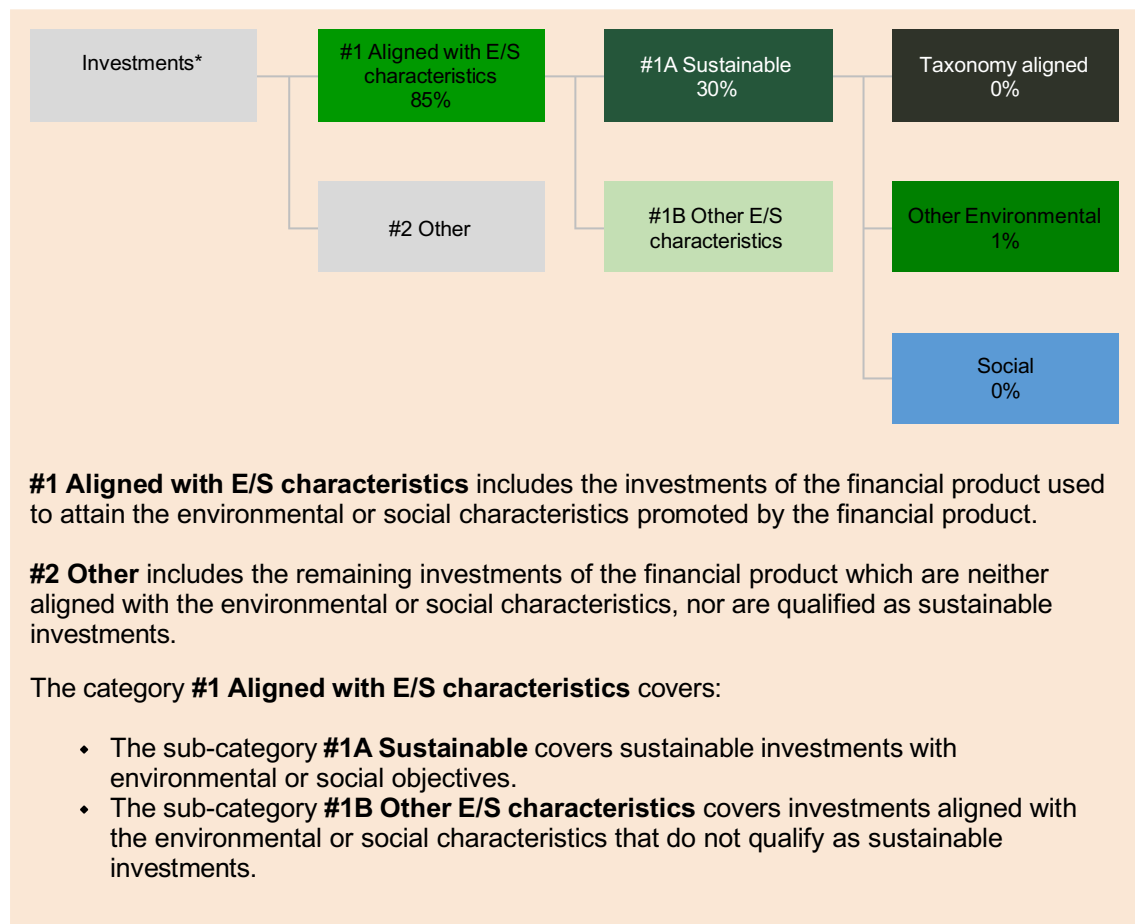
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

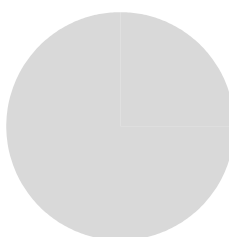
☒ No

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.

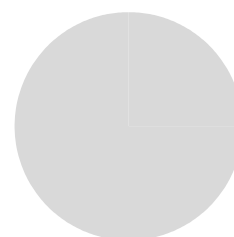
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Nordic Sustainable Stars Equity Fund

**Legal entity identifier:** 549300CJ9OIR50OH4506

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 50% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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?".

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

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.

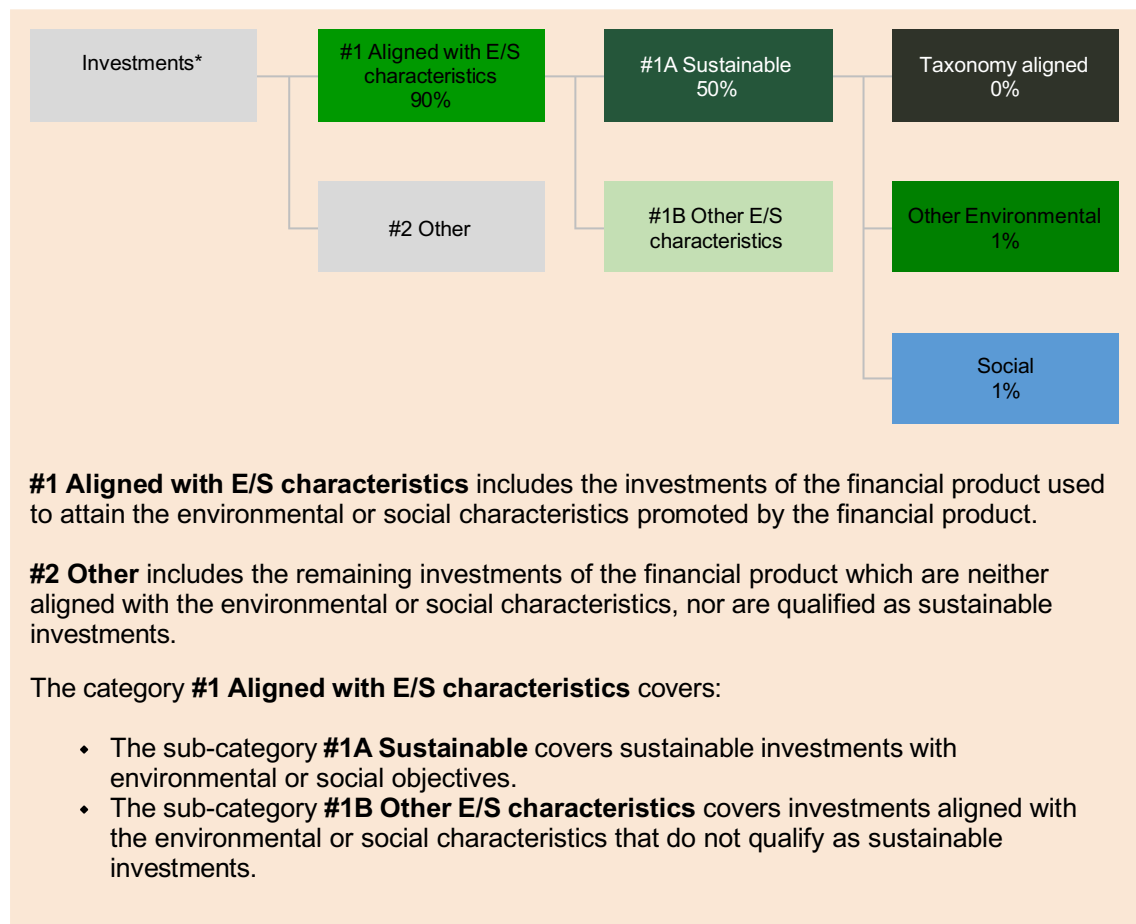
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

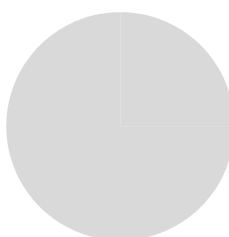
☒ No

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.

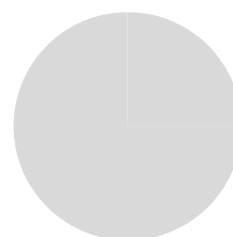
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - North American Sustainable Stars Equity Fund

**Legal entity identifier:** 5493000U6GOWJF5BJ788

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 50% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☒ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**Carbon footprint scope 1, 2 and 3 limit** The fund aims to promote environmental characteristics related to reduction of carbon emissions by seeking to maintain the fund's total carbon footprint at least 20% below the total carbon footprint of the reference benchmark. The carbon footprint is measured by the scope 1, 2 and 3 greenhouse gas emissions.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**Biodiversity impact** The fund aims to promote environmental characteristics by keeping the average biodiversity impact of the fund's investments, measured by PAI 1.7.1, below the average biodiversity impact of the benchmark.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- Relative carbon footprint scope 1, 2 and 3
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions
- Relative biodiversity impact

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

The fund's E/S characteristics comprise exclusions, ESG scoring restriction as well as relative outcome criteria. These measures, when applied in combination, are expected to result in a considerable reduction of at least 25% in the number of companies that are relevant for the investable universe.

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. Carbon footprint is managed below the reference

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

benchmark level. 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?". The biodiversity impact of the fund is lower than the benchmark.

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 each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The pillars in the ESG analysis are assigned standard weights based on the SASB materiality map, with a standard weight of 30% for the Business Model pillar. Analysts have the discretion to adjust pillar weights at the company level depending on the materiality impact, ensuring that the most relevant ESG factors for each company are appropriately weighted in the final ESG score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

The fund's carbon footprint, measured by the total scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be at least 20% lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1,2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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 biodiversity impact of the fund's investments, measured by PAI 1.7.1, must be lower than the biodiversity of the reference benchmark calculated on the same basis. PAI 1.7.1 measures biodiversity impact as activities negatively affecting biodiversity sensitive areas and it is expressed as the share of investments in companies with sites/operations located in or near to biodiversity-sensitive involved in activities that negatively affect those areas.

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.

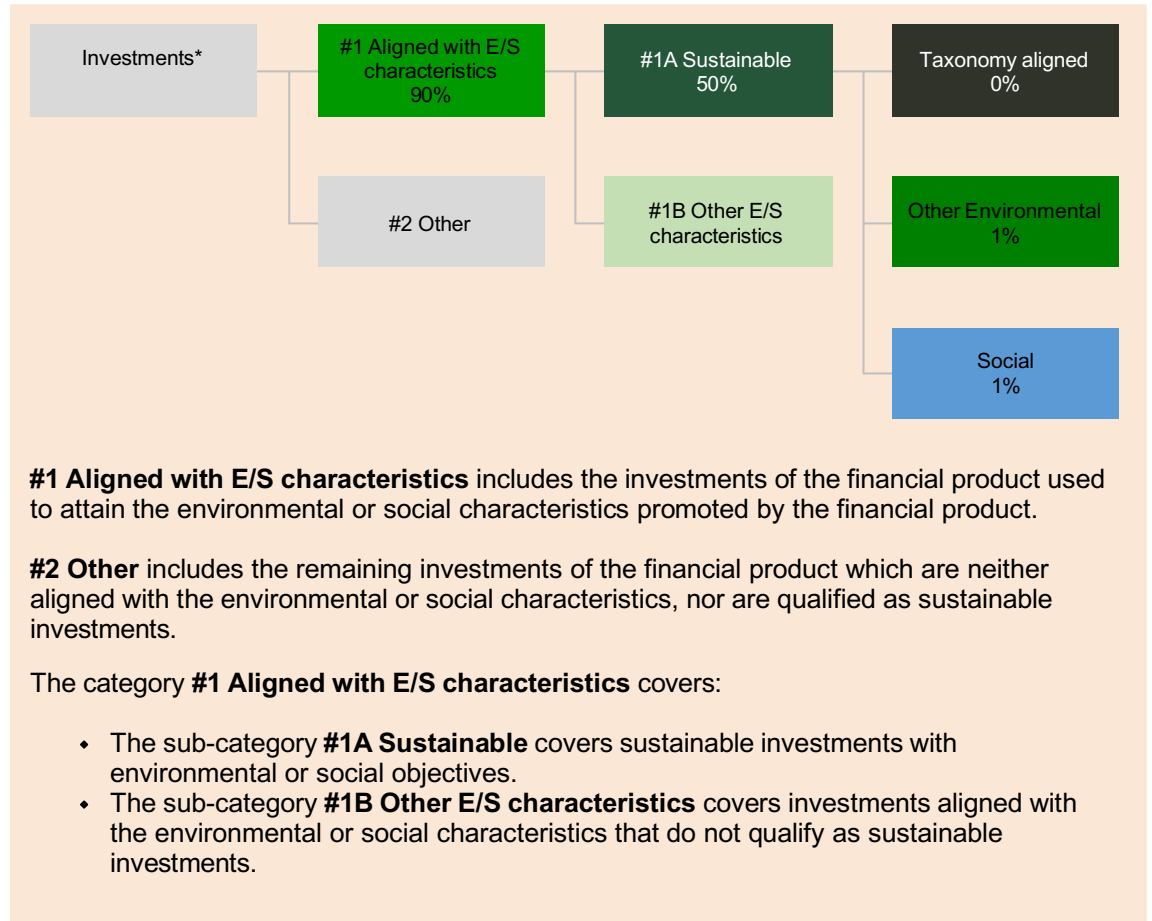
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

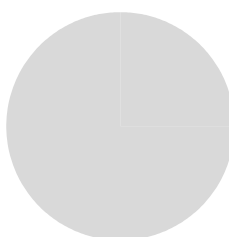
☒ No

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.

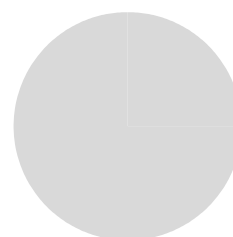
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Norwegian Equity Fund

**Legal entity identifier:** 549300WSP511P7B44508

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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

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



governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

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



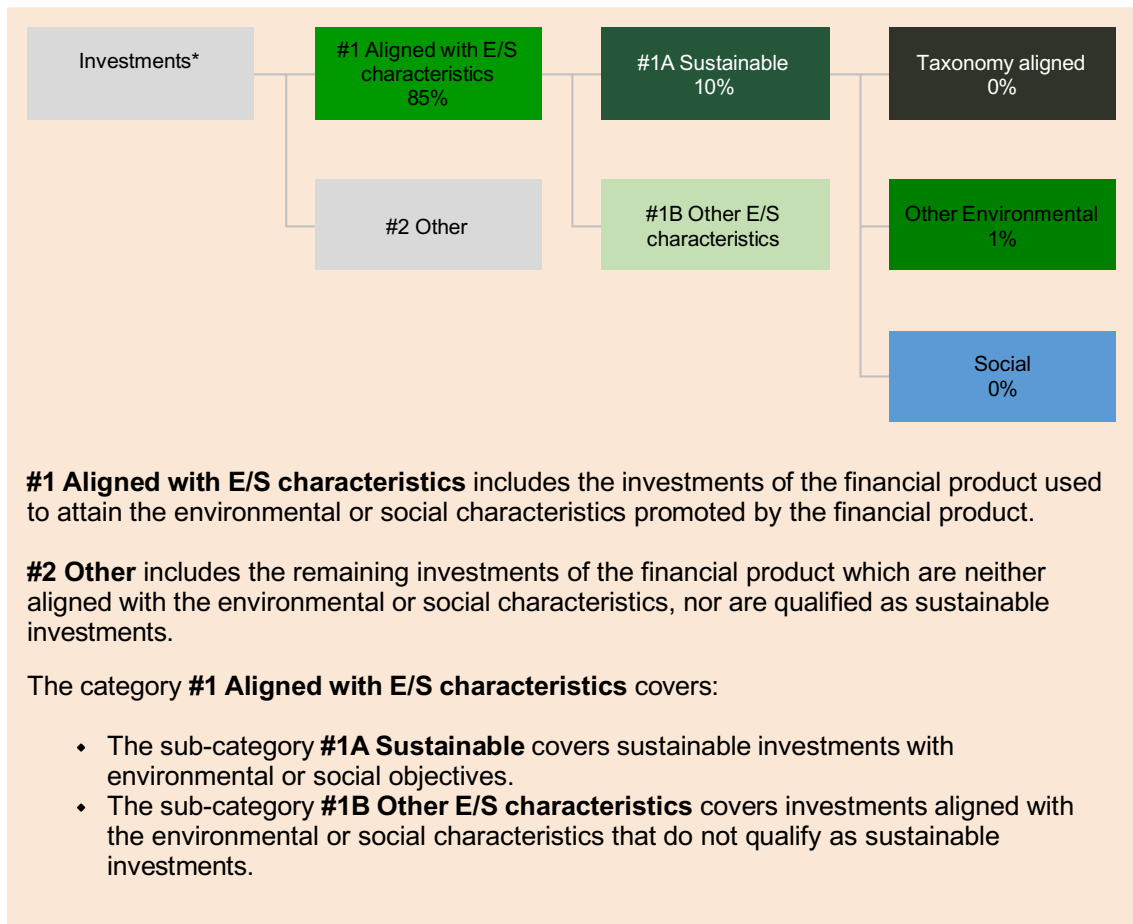
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

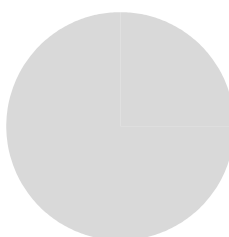
☒ No

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.

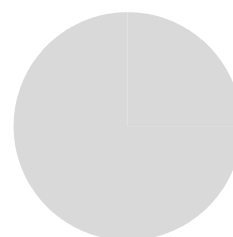
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Stable Emerging Markets Equity Fund

**Legal entity identifier:** 549300WZ0EJW0K2LBI46

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 30% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 30% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



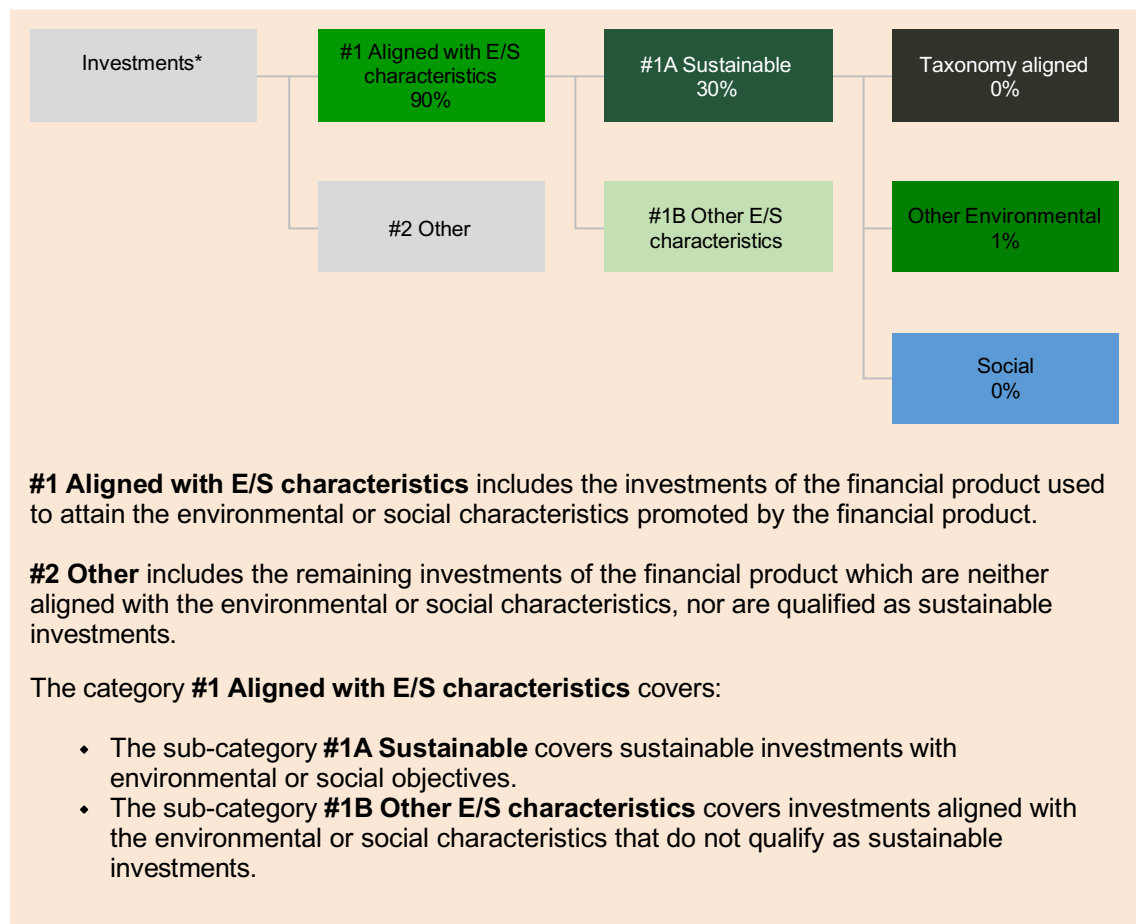
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

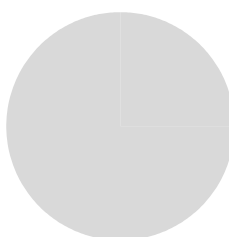
☒ No

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.

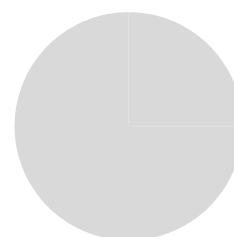
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Active Rates Opportunities Fund

**Legal entity identifier:** 549300WUBHZSQIK6U640

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 20% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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



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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.

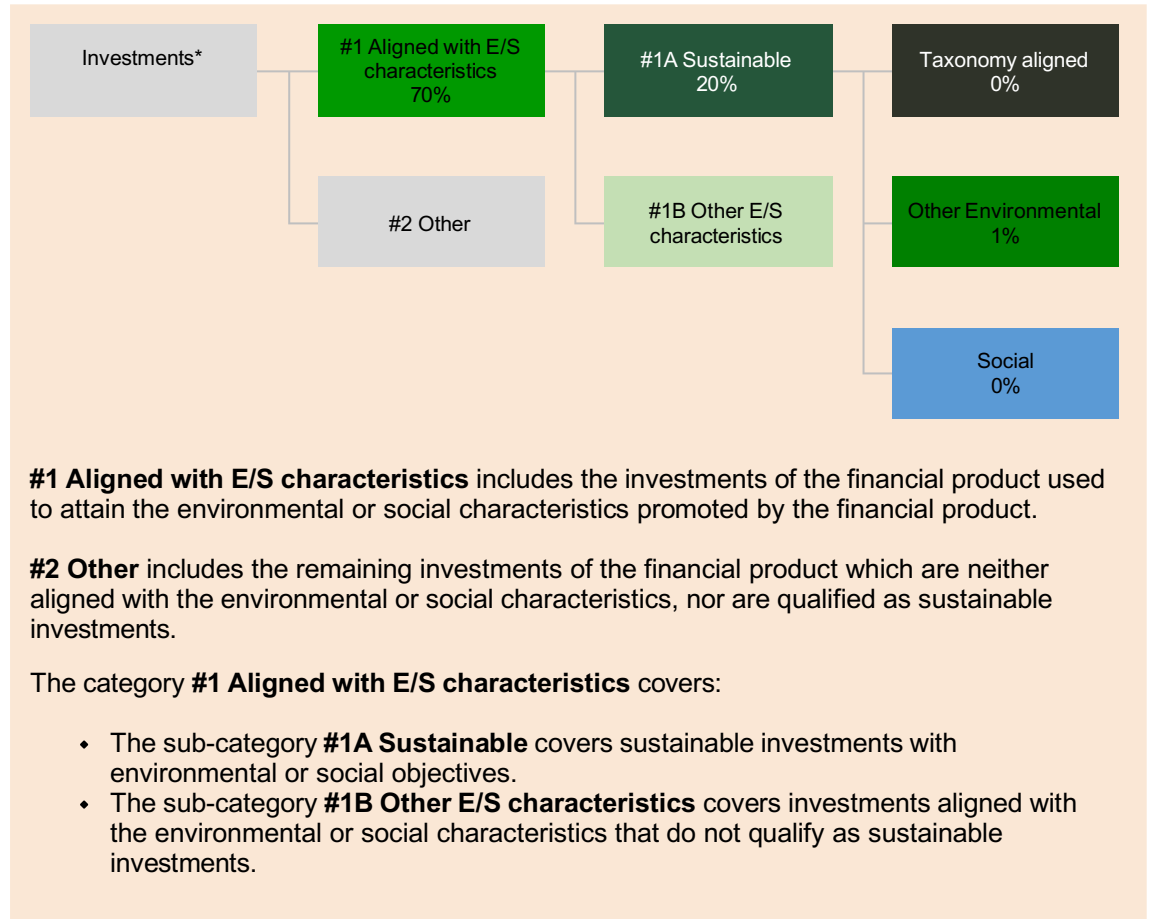
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

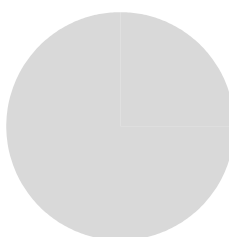
☒ No

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.

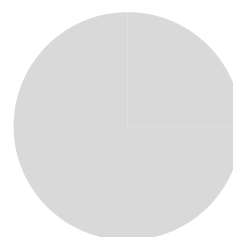
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Danish Covered Bond Fund

**Legal entity identifier:** 5493006ID4LFX21UEW81

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. 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?".

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

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.





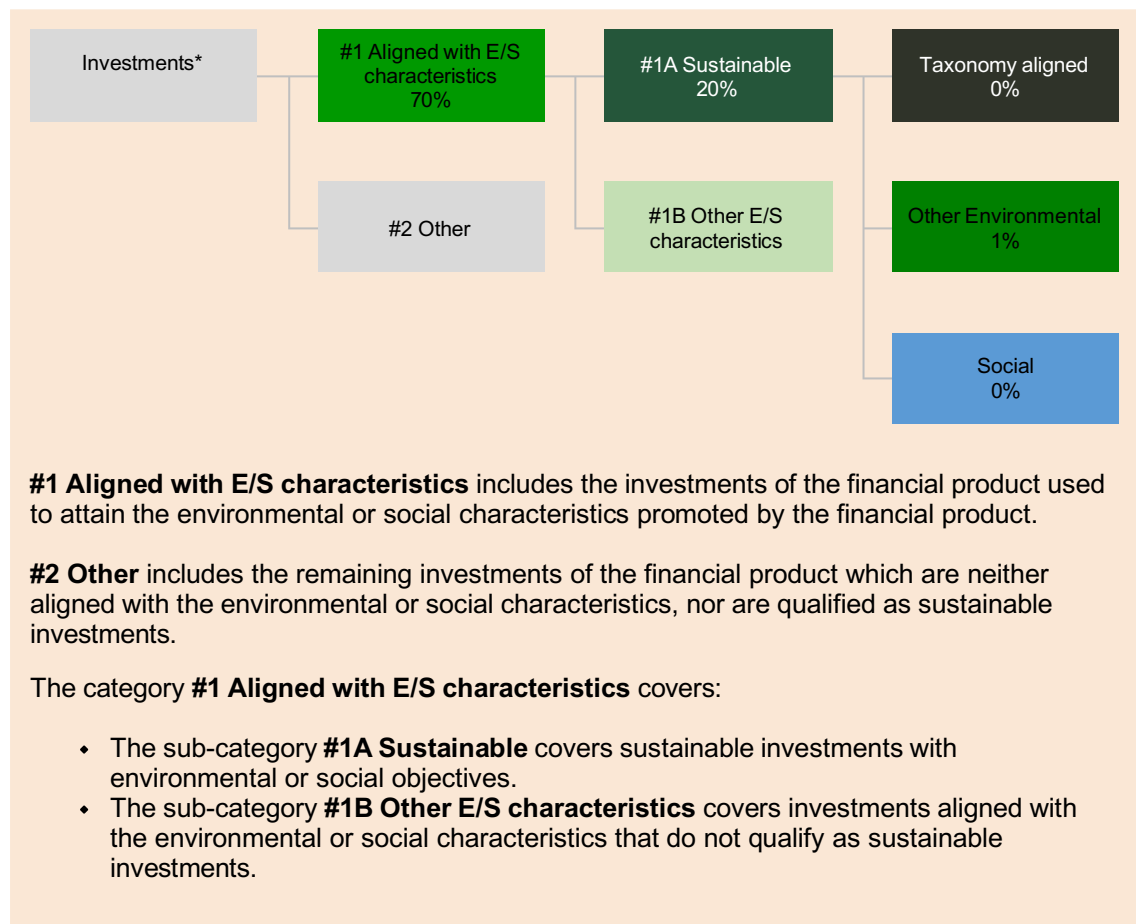
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

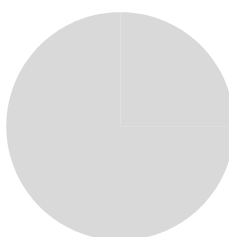
☒ No

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.

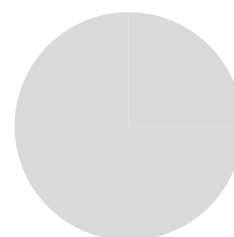
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Emerging Market Bond Fund

**Legal entity identifier:** 549300ZOTEQXB2HLTF71

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

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



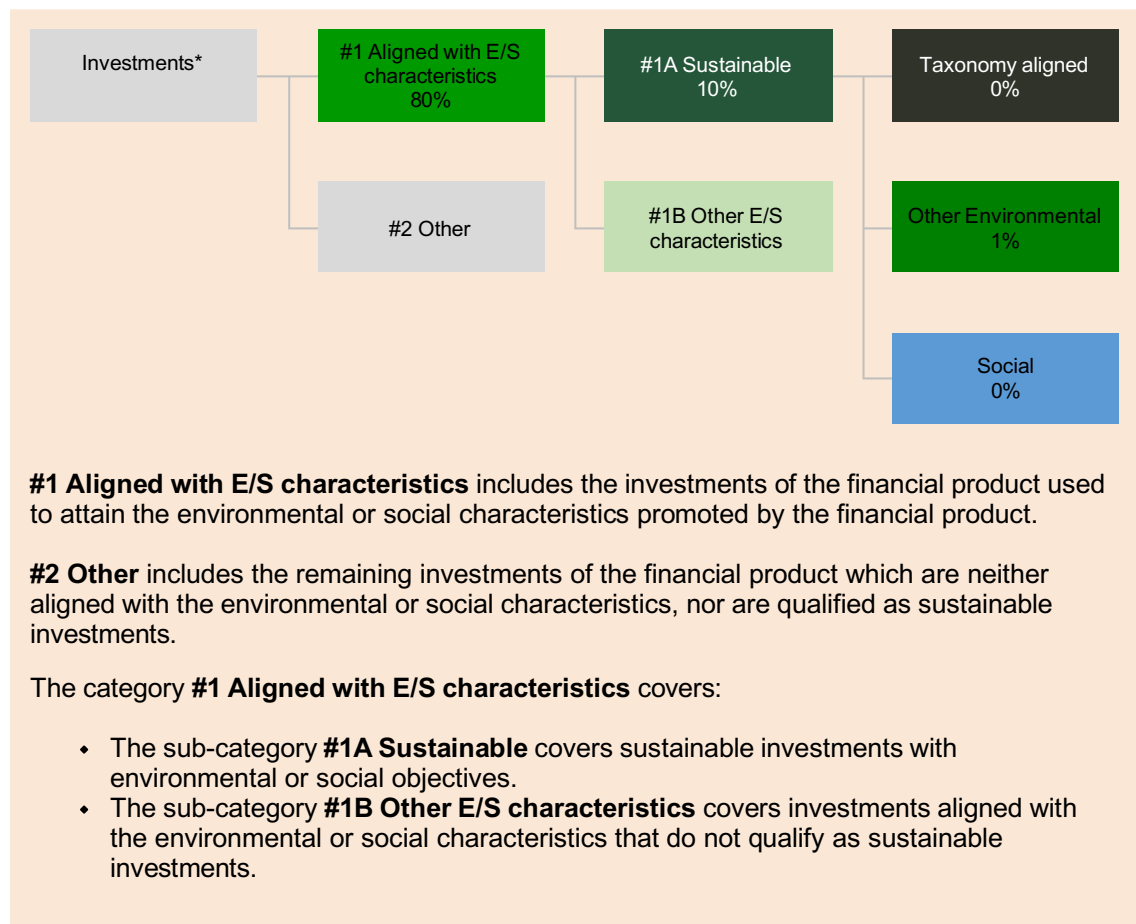
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

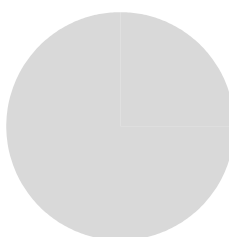
☒ No

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.

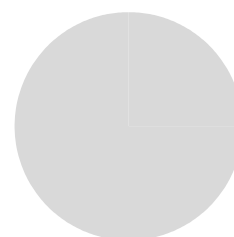
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)

[Responsible Investment Policy](#)

[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Emerging Market Corporate Bond Fund

**Legal entity identifier:** 549300BQHP8OOJBRDB80

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

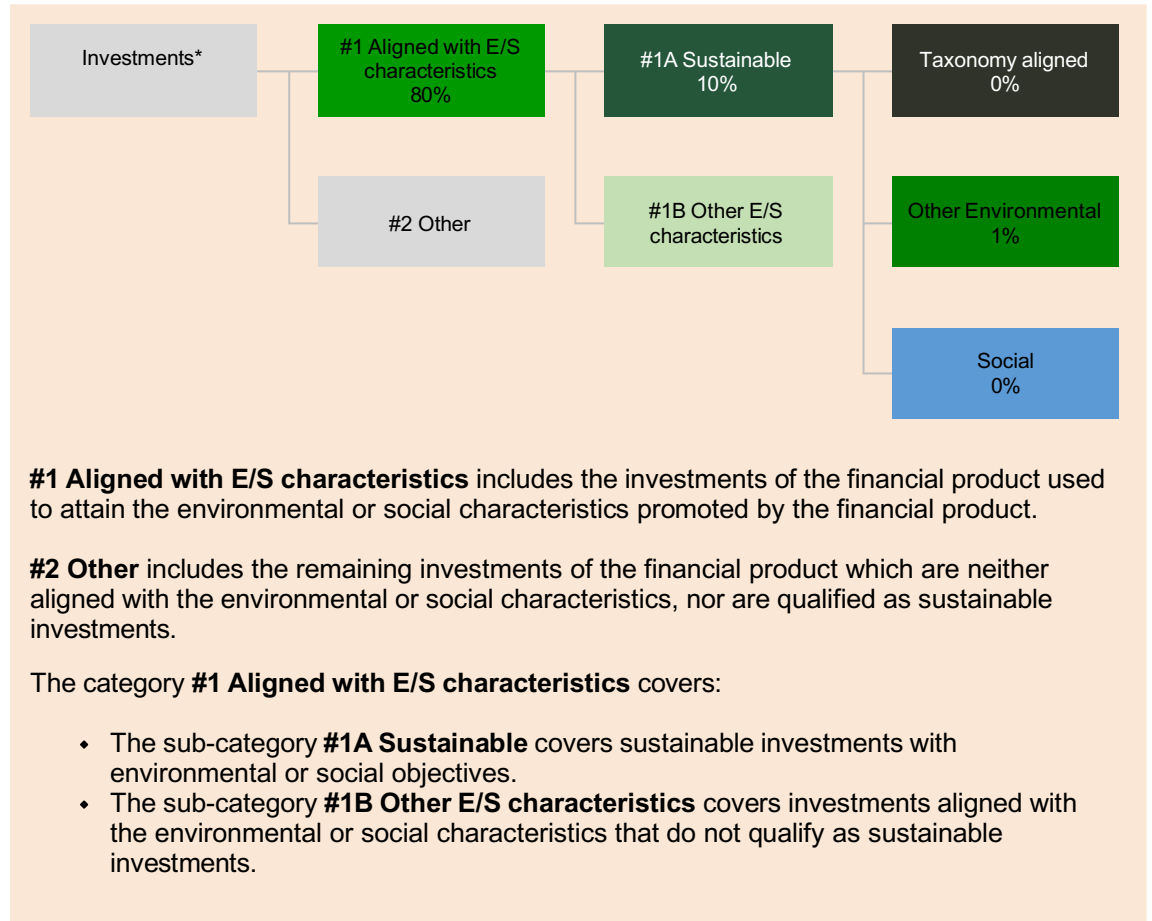
In addition to the norm-based screening described above, the fund applies a good governance test based on pre-set indicators for sound management structures, employee relations, remuneration of staff and tax compliance.

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



## What is the asset allocation planned for the financial product?

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.

**Asset allocation** describes the share of investments in specific assets.

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.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

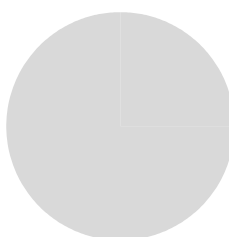
☒ No

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.

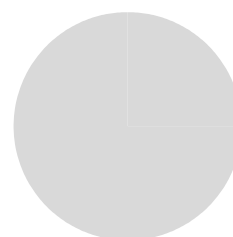
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability-related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Emerging Market Select Bond Fund

**Legal entity identifier:** 549300F6FENFDTOKP77

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large. The fund may not invest in securities issued by Sovereign entities that are classified as 'Not Free' by Freedom House.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions or Freedom House criteria

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy. The strategy applies 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?".

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



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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

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 where engagement is deemed not to be possible or effective. 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. Sovereign issuers that are categorised as 'Not Free' by Freedom House are also excluded. 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. 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.

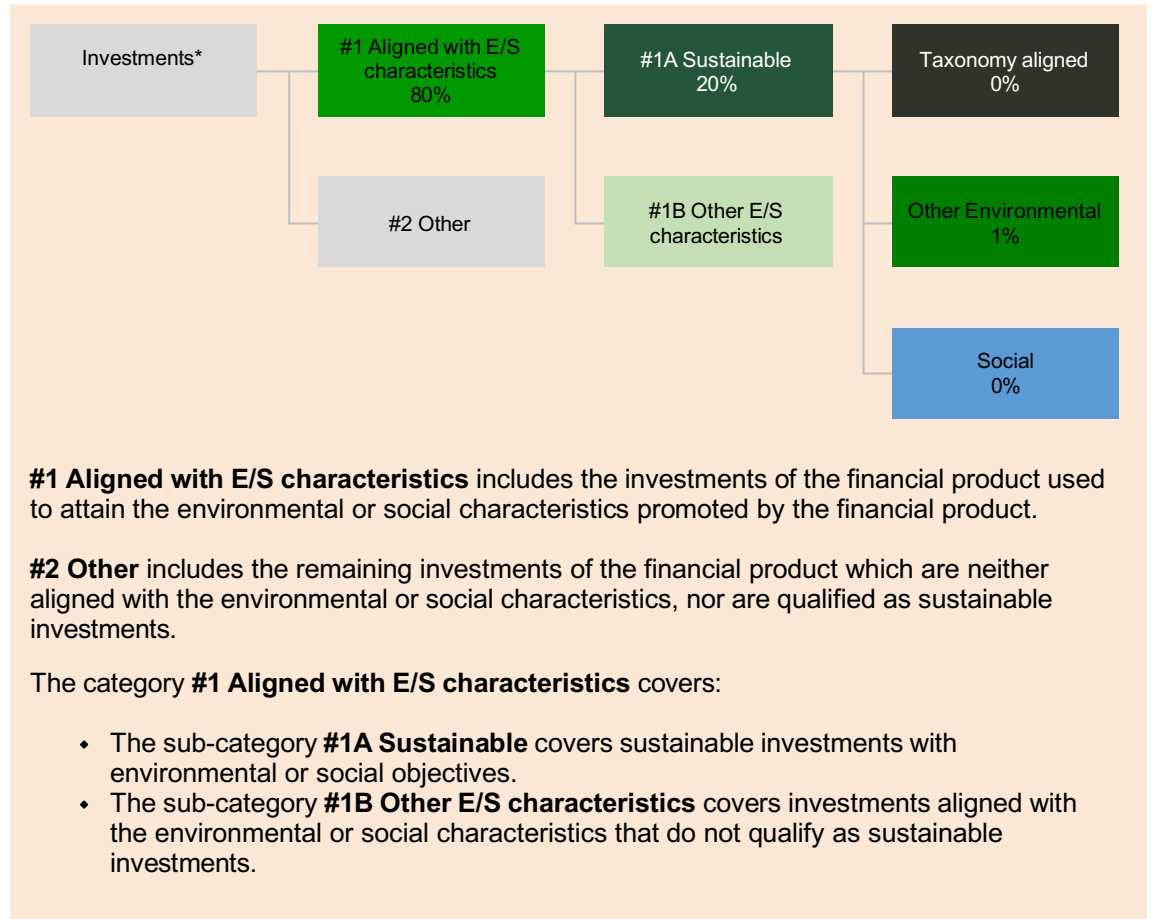
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

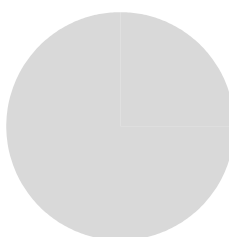
☒ No

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.

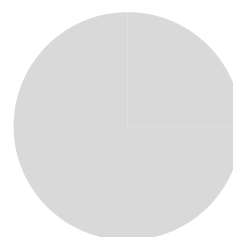
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Emerging Market Select Local Bond Fund

**Legal entity identifier:** 5493009USMG0OQQ0TE12

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.





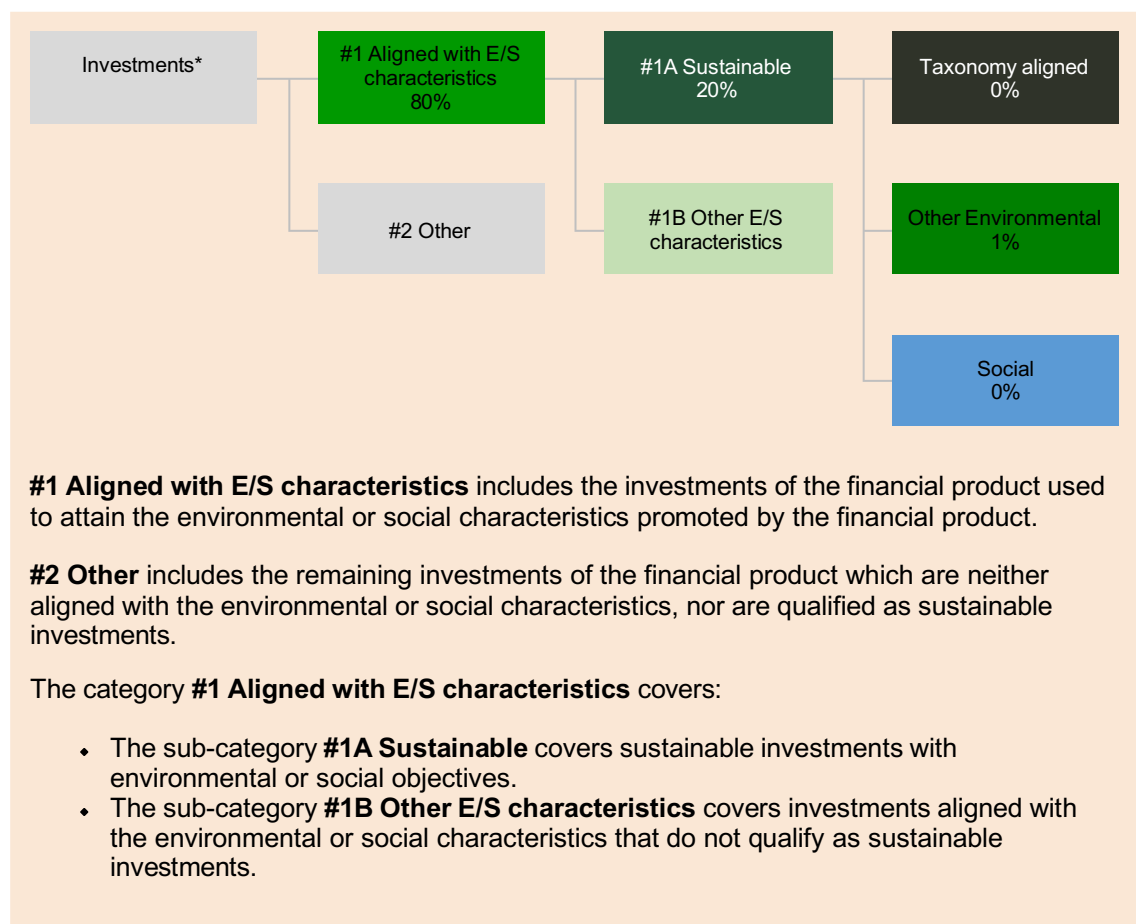
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

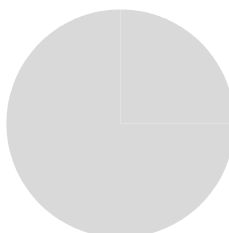
☒ No

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.

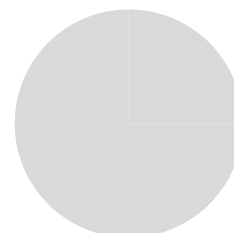
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - EUR Corporate Bond Fund 1-3 Years

**Legal entity identifier:** 549300RUTOHWG1QJNA59

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 20% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

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*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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.

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

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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.

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**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.



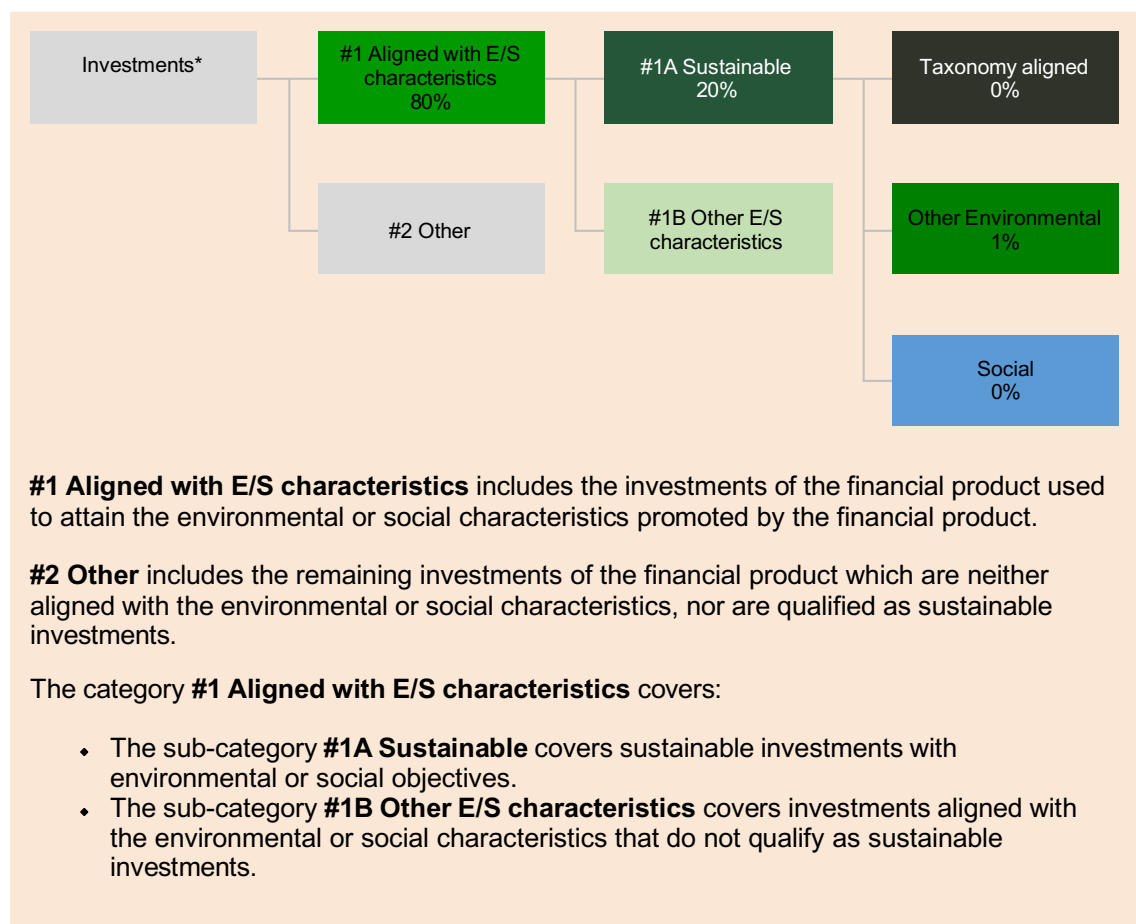
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**Asset allocation** describes the share of investments in specific assets.

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.



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

### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

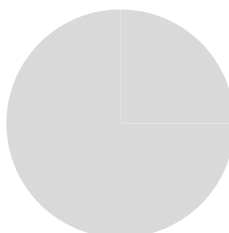
☒ No

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.

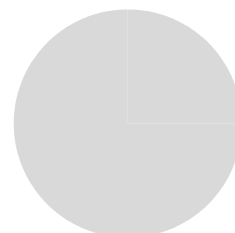
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Corporate Bond Fund

**Legal entity identifier:** 549300C320J1NRW8KC43

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



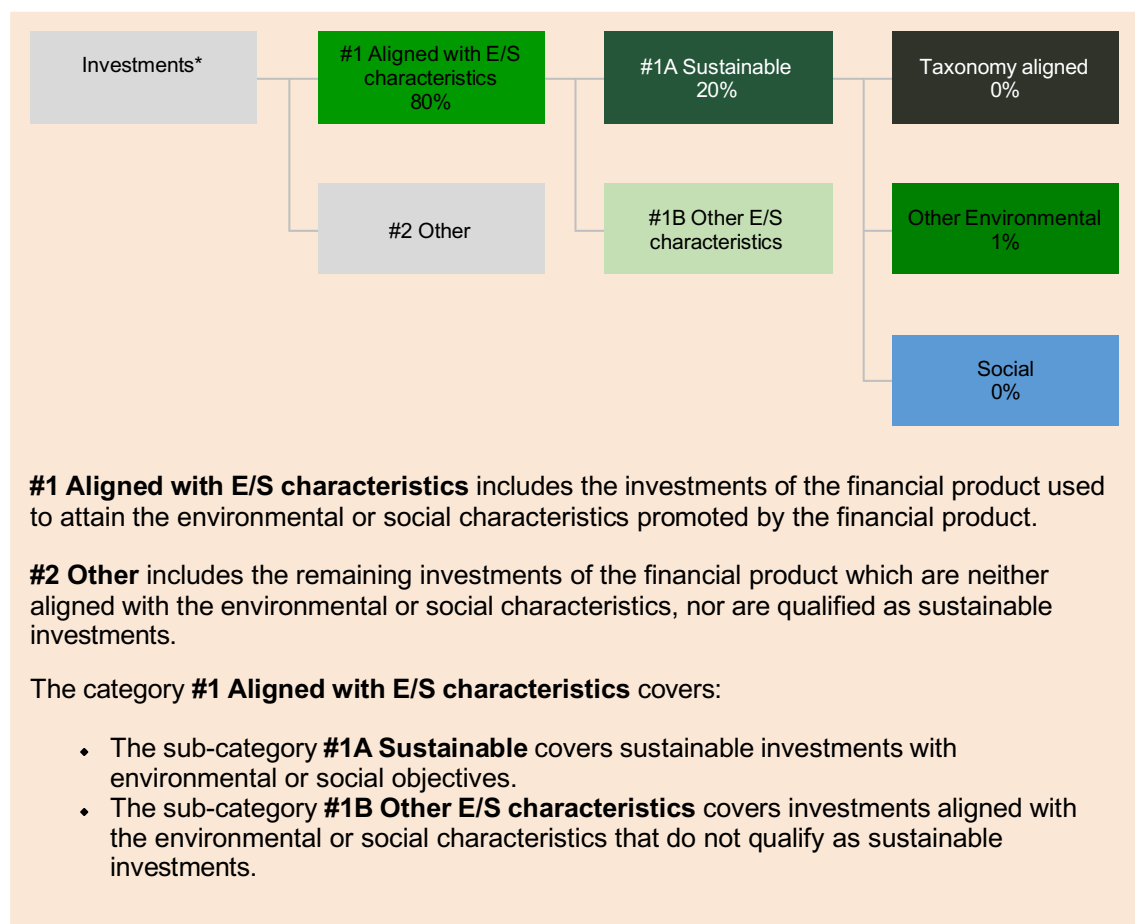
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

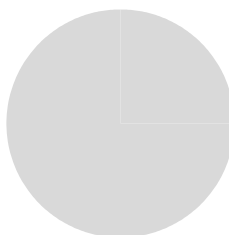
☒ No

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.

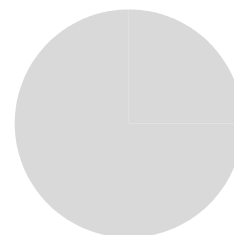
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**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 - European Corporate Sustainable Labelled Bond Fund

**Legal entity identifier:** 254900W6MHQWP7FJRF82

## 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**: 35%

☐ 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☐ 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

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The fund commits to investing at all times at least 85% in sustainable investments with environmental or social objectives as displayed in the graph in the section "What is the asset allocation and the minimum share of sustainable investments?". It commits to investing minimum 35% in sustainable investments with environmental objectives, and, while it may hold sustainable investments with a social objective, it does not commit to any minimum proportion of such investments.



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

### **What is the sustainable investment objective of this financial product?**

The sustainable investment objective of the fund is to invest in bonds that are issued to finance economic activities with environmental and/or social contribution and bonds that are linked to key performance indicators that incentivise the issuer to improve environmental or social practices. The fund may also invest in other investment grade corporate bonds issued by companies whose economic activities partly contribute to a sustainable investment objective and do not significantly harm other social or environmental objectives while 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 indicators listed below, which are calculated as the proportion of the fund's total investments that is invested in sustainable bonds and labelled bonds respectively.

Sustainable investments and labelled bonds are further explained in the relevant sections below.

- % of sustainable investments
- % of total investments in labelled bonds

#### ● ***How do sustainable investments not cause significant harm to any environmental or social 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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- ***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 strategy invests in EUR-denominated investment grade labelled bonds and non-labelled corporate bonds.

Labelled bonds include use-of-proceed bonds like green bonds, social bonds and sustainability bond as well as sustainability-linked bonds. Other types of use-of-proceeds bonds may be relevant and eligible as the market develops. Use-of-proceed bonds are issued to provide financing for new and existing projects or economic activities with environmental and/or social contribution, whereas the proceeds from sustainability-linked bonds finance general corporate purposes where financing conditions are linked to explicit sustainability or ESG objectives that the issuer has committed to achieving. These objectives are measured through predefined key performance indicators that monitor the development in the specific sustainability performance targets. The fund may also invest in non-labelled corporate bonds where the issuers are involved in activities that contribute to an environmental or social objective.

Investments are classified as sustainable as of SFDR article 2 (17) using NAM's proprietary methodology to ensure that the issuer's economic activities or the activities financed by the bond issuance contribute to an environmental or social objective and does not significantly harm any other sustainable objective while following good governance. The analysis may vary between different types of assets to ensure that the most relevant criteria are used to determine the contribution of each investment to environmental or social objectives.

The eligibility of use-of-proceeds bonds is based on a review of the issuer's green or social bonds framework to ensure that proceeds are allocated to the financing of activities that contribute to a sustainable investment objective as defined in the EU Taxonomy or by contribution to UN SDGs. It is also ensured that eligible bonds adhere to a recognized market standard on use-of-proceeds, process, reporting and transparency such as EU Green Bond

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

Standard or ICMA- or similar standards that are approved by NAM, and that this is documented by a Second Party Opinion (SPO) from a recognized external auditor.

When investing in sustainability-linked bonds, the analysis focuses on the strength of the sustainability linked KPIs and the related sustainability performance targets and their financial incentives. Issuers of sustainability-linked bonds as well as non-labelled corporate bonds are classified as sustainable 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, with a 20% threshold. Contribution may be measured on the proportion of revenue that can be linked to the above objectives. For sectors where capital expenditure or operating expenses or other relevant activity measures are more relevant, these will be used. 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.

● **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 process that applies 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, with a 20% threshold. Contribution may be measured on the proportion of revenue that can be linked to the above objectives. For sectors where capital expenditure or operating expenses or other relevant activity measures are more relevant, these will be used. Labelled bonds are classified as sustainable if they are issued under a recognized standard like for example ICMA Principles, Climate Bonds Initiative, EU Green Bond Standard etc., have an SPO. 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 sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"

Minimum 67% of the fund is invested in bonds that are labelled as green, social, sustainability or sustainability-linked or similar and adhere to a recognized market standard for such bonds and are issued under a framework, set up by the issuer, that has been approved by NAM.

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.

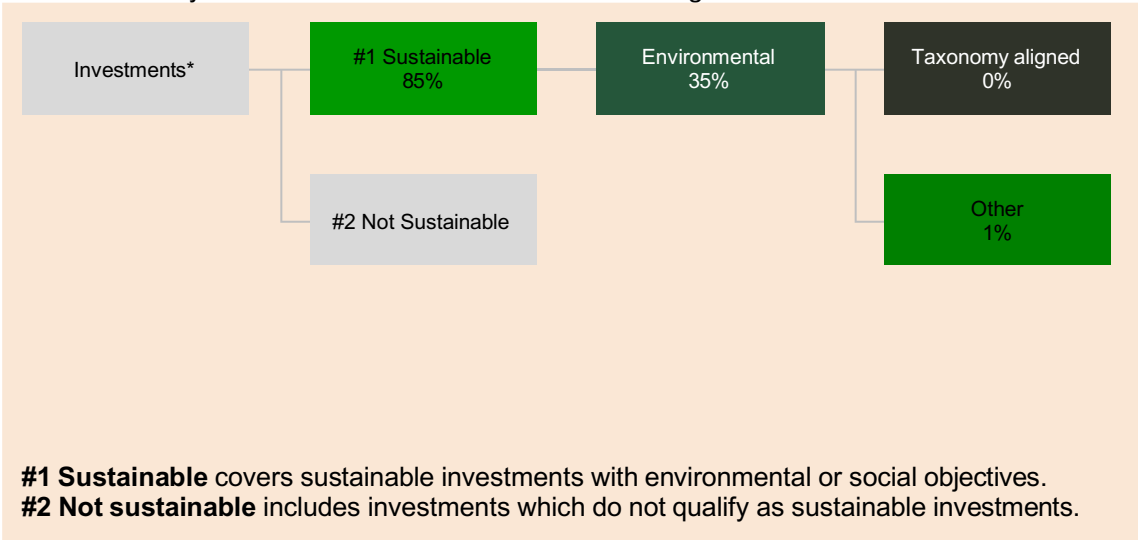
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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



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

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

Derivatives are not used to attain the sustainable investment objective.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Asset allocation** describes the share of investments in specific assets.

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

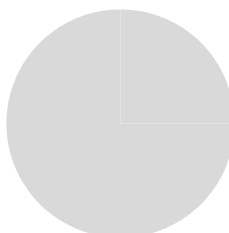
☒ No

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.

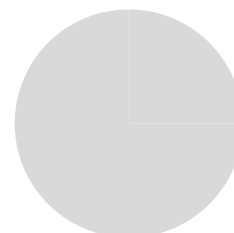
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



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, interest rate, currency and credit risk management, 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](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Corporate Sustainable Stars Bond Fund

**Legal entity identifier:** 5493004J0DU336JUI826

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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?".

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.



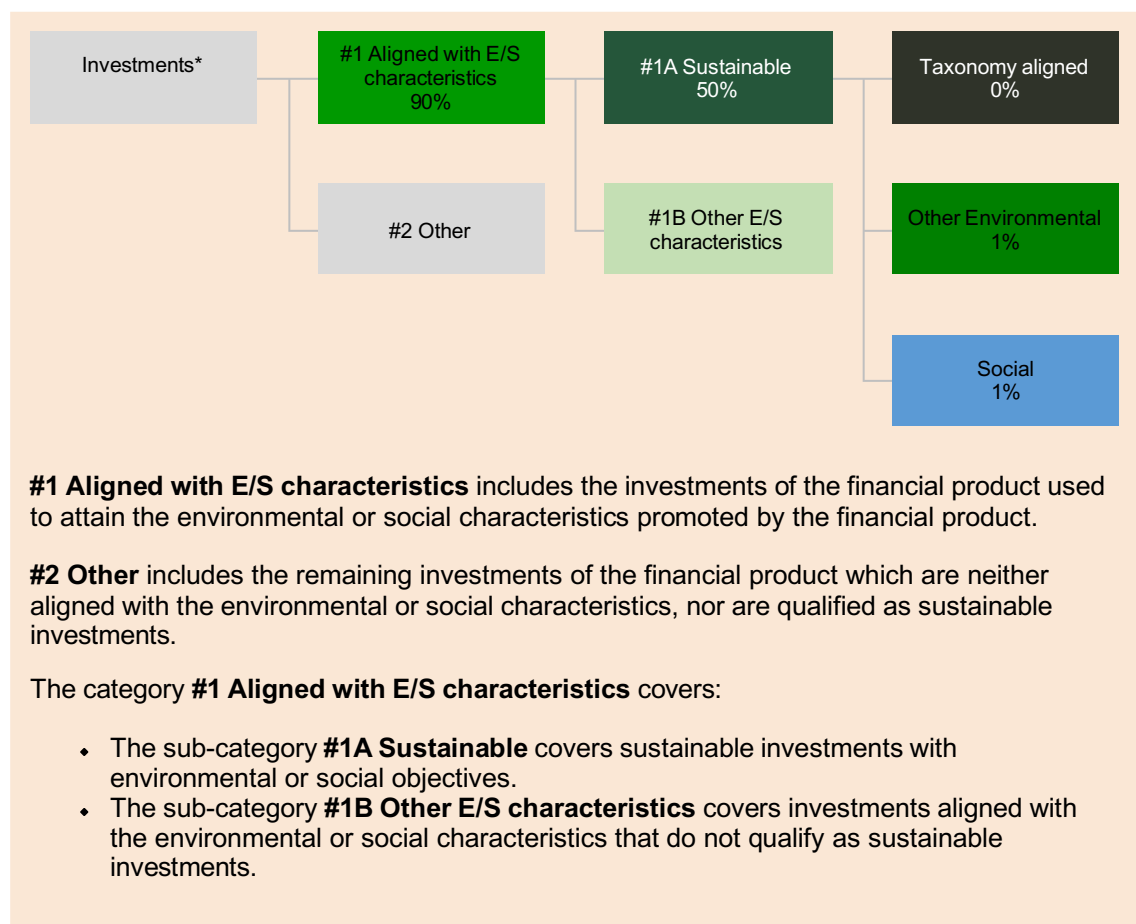
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

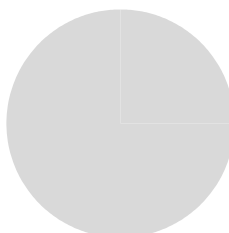
☒ No

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.

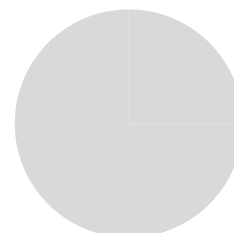
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Covered Bond Fund

**Legal entity identifier:** 549300ODKXRG76EIFH77

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. 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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

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.



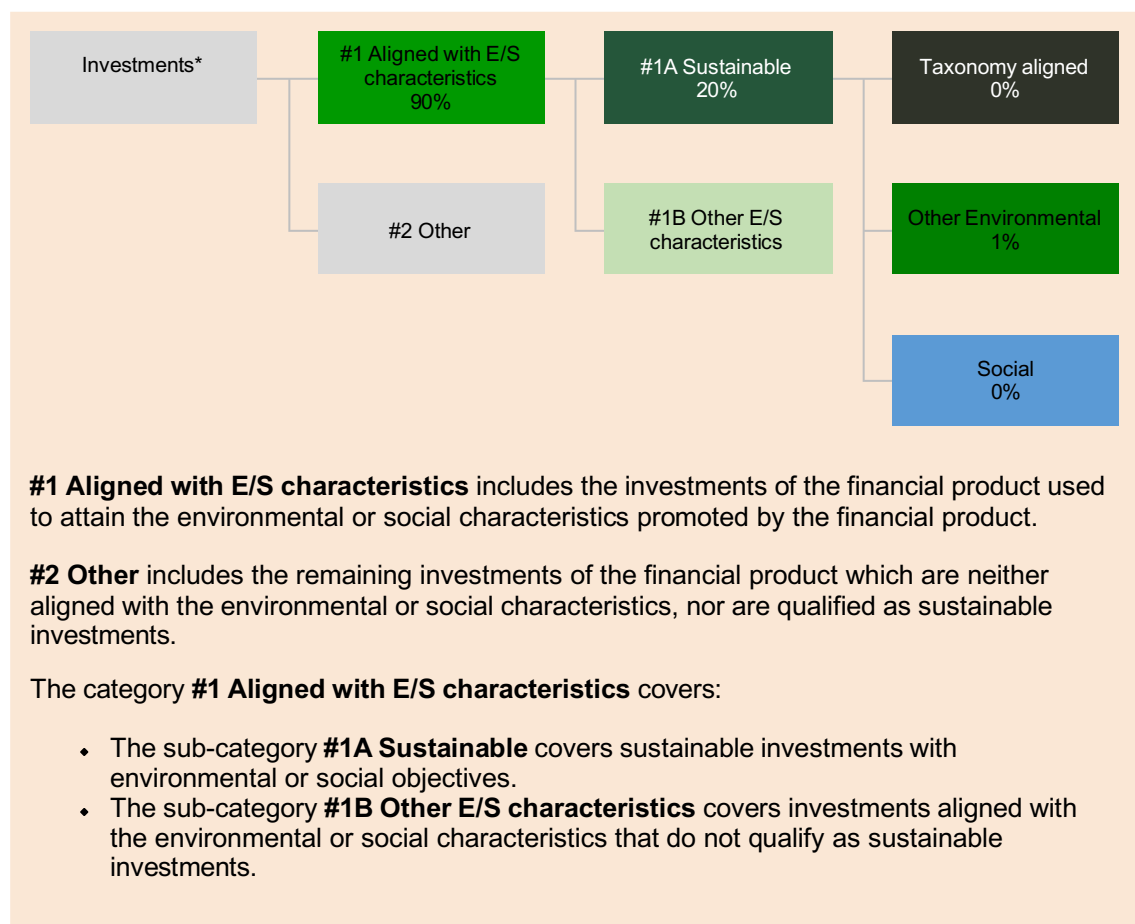
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

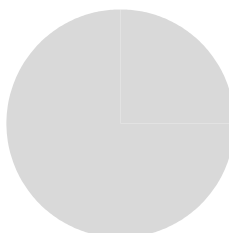
☒ No

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.

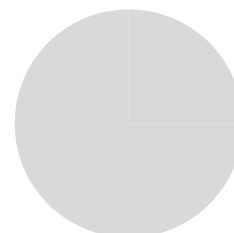
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Cross Credit Fund

**Legal entity identifier:** 549300HQ4F0MHYF7TI45

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 20% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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



governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



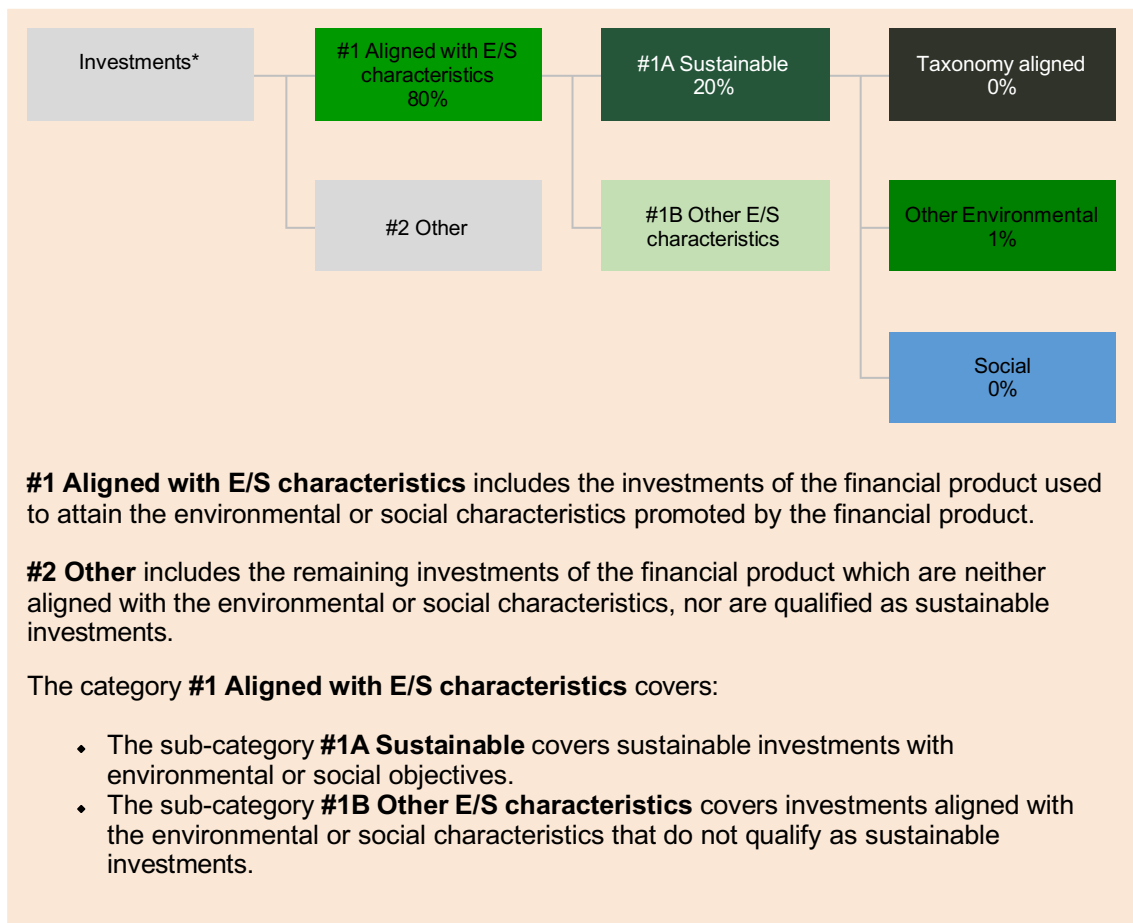
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

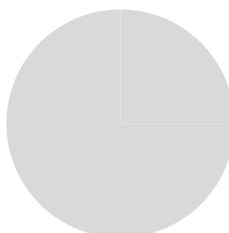
☒ No

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.

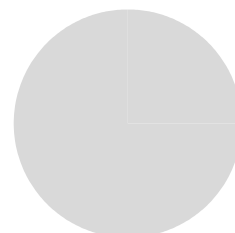
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Financial Debt Fund

**Legal entity identifier:** 5493001SUQRY2LG8S445

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.





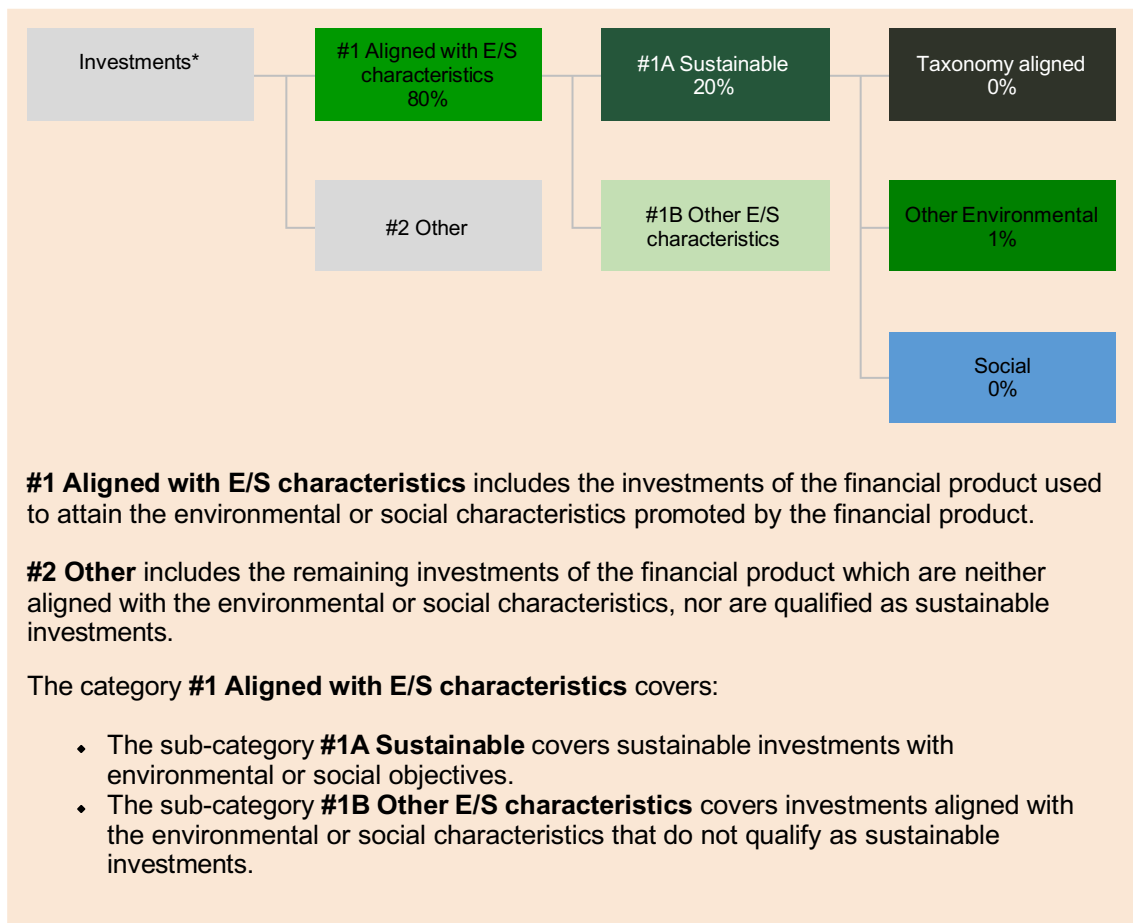
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

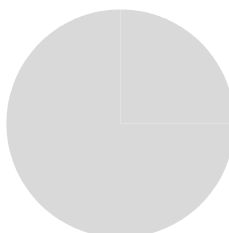
☒ No

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.

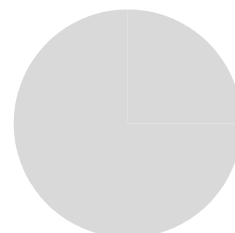
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European High Yield Bond Fund

**Legal entity identifier:** 549300XXBGPCW0NFP308

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



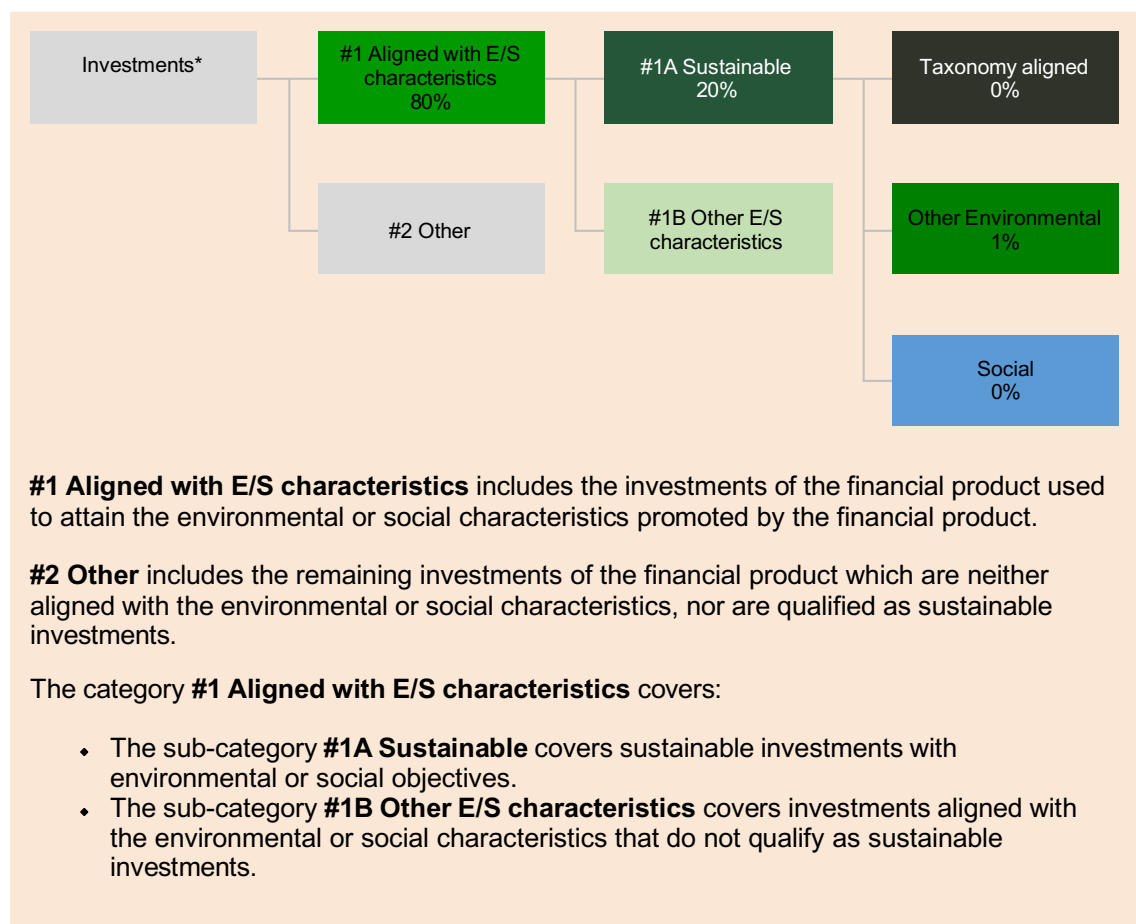
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

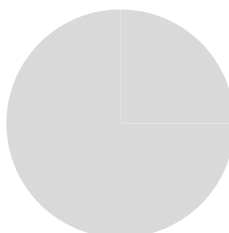
☒ No

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.

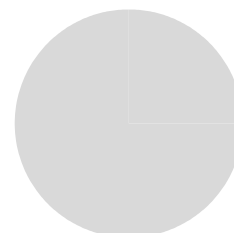
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European High Yield Credit Fund

**Legal entity identifier:** 549300XRUCQ32ZN5RZ02

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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**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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

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The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

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*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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.

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### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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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?".

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.



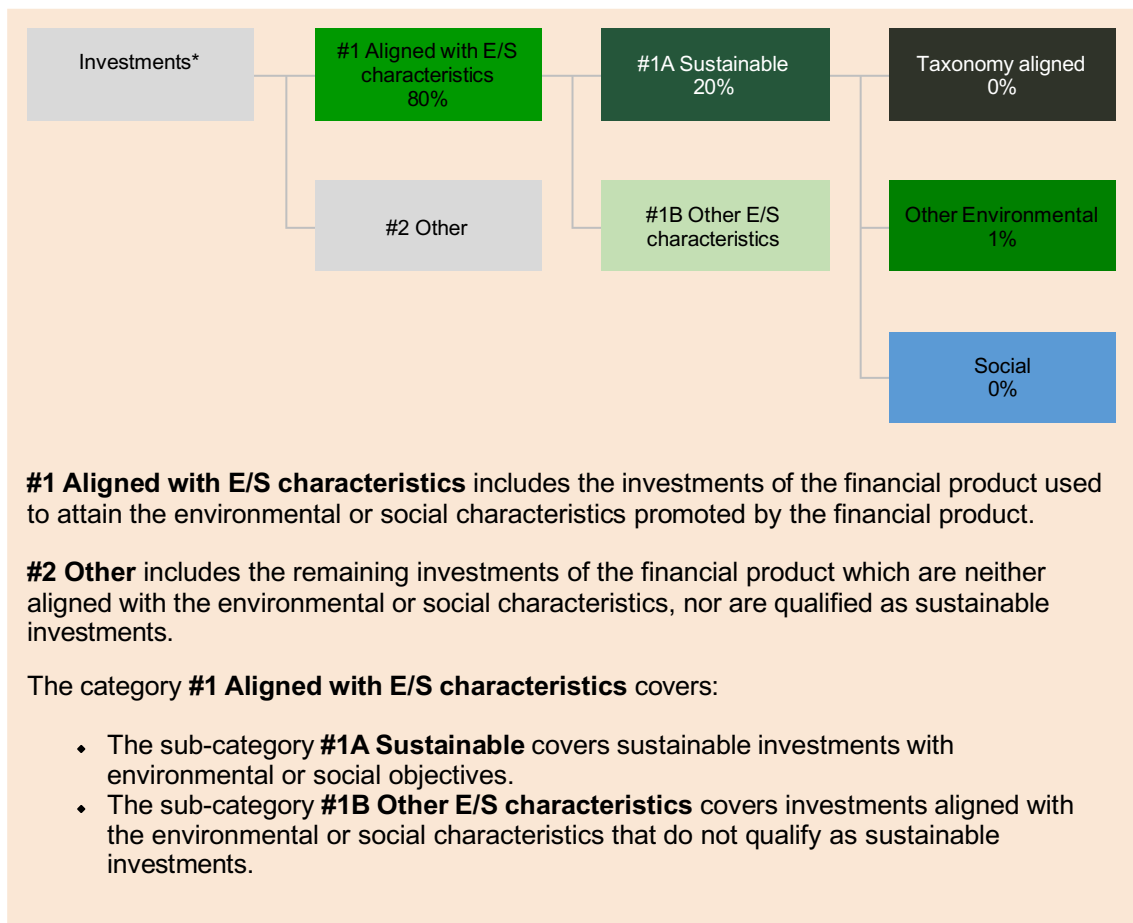
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

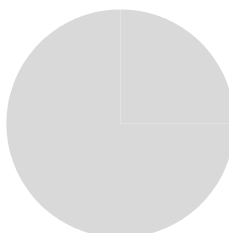
☒ No

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.

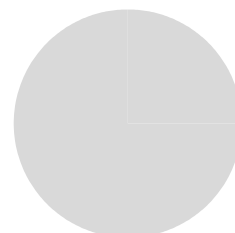
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European High Yield Opportunities Fund

**Legal entity identifier:** 549300XZGMRU5J181885

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



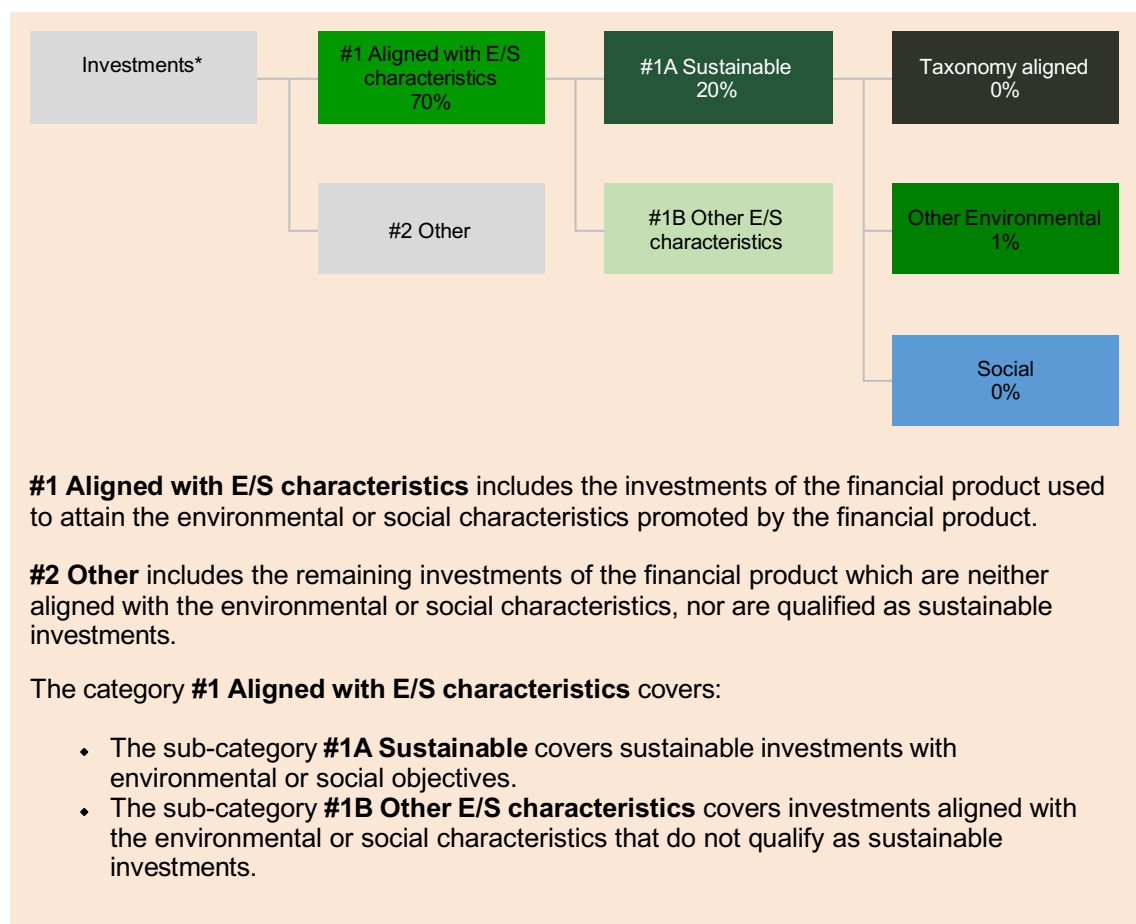
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

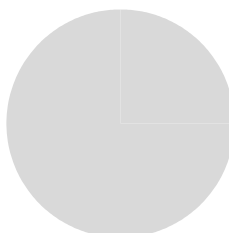
☒ No

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.

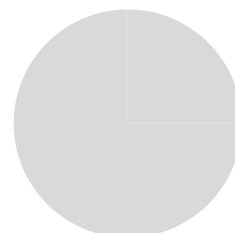
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.





are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

## 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 - European High Yield Sustainable Climate Bond Fund

**Legal entity identifier:** 254900OAIQ1S55VWH44

## 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**: 50%
  - ☐ 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☐ 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
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The fund commits to investing at all times at least 85% in sustainable investments with environmental or social objectives as displayed in the graph in the section "What is the asset allocation and the minimum share of sustainable investments?". It commits to investing minimum 50% in sustainable investments with environmental objectives, and, while it may hold sustainable investments with a social objective, it does not commit to any minimum proportion of such investments.



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

### **What is the sustainable investment objective of this financial product?**

The sustainable investment objective of the fund is to contribute to the net zero transition by investing in a portfolio aiming for a reduction in its average greenhouse gas emissions by 2050 in line with or better than the goals of the Paris Agreement to keep the maximum global temperature rise well below 2 degrees Celsius. This is achieved by ensuring that the portfolio's average annual carbon footprint scope 1, 2 and 3 is consistently equal to or lower than that of the ICE European Currency High Yield Paris-Aligned Index.

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 following indicators:

- % of sustainable investments
- Relative average annual carbon footprint scope 1, 2 and 3

#### ● ***How do sustainable investments not cause significant harm to any environmental or social 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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- ***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 fund's investment universe takes outset in the European high yield market. The investment universe is screened to exclude companies that do not comply with the binding elements that are listed below and further described in the section "What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?". Furthermore, issuers not classified as sustainable investments as per SFDR 2 (17) are excluded from the investable universe. The portfolio is hereafter optimised based on, among others, minimum proportion of sustainable investments and carbon footprint criteria.

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?". Average annual carbon footprint is managed at or below the level of an EU Paris-aligned benchmark.

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

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

● **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?".

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 fund's average annual carbon footprint, measured by the calendar year average scope 1, 2 and 3 greenhouse gas emissions of the underlying investments, must be equal to or lower than the carbon footprint of the benchmark calculated on the same basis. Details on the fund's benchmark can be found in the specific fund section the prospectus. The carbon footprint is calculated as total greenhouse gas emissions (scope 1, 2 and 3) for a portfolio, normalised by investee companies' enterprise value, measured in tons CO<sub>2</sub>e / M€ invested. The carbon footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the fund's investments.

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.

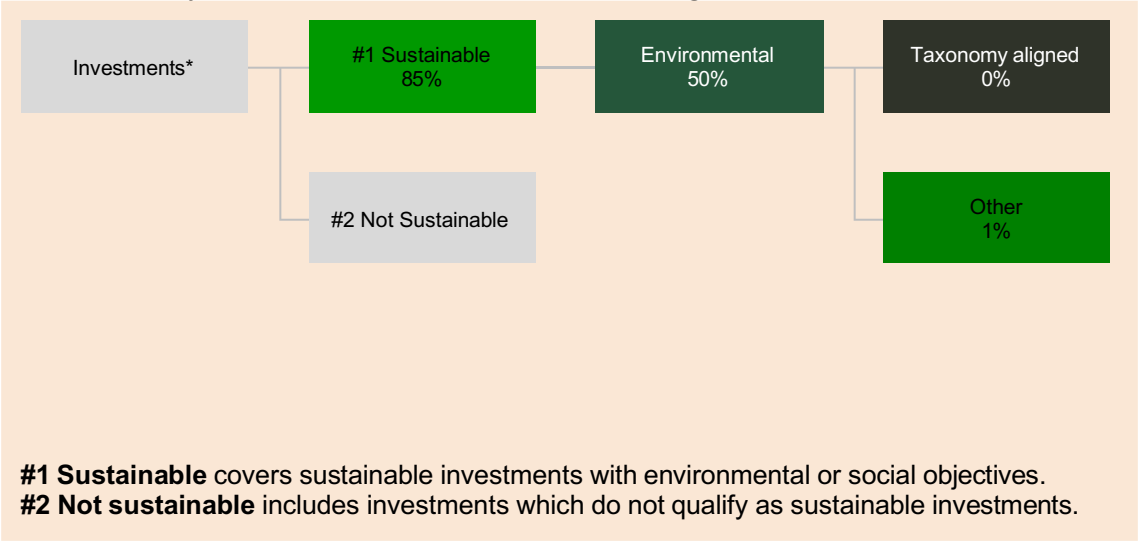
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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



Taxonomy-aligned activities are expressed as a share of:  
 - **turnover** reflecting the share of  
**Asset allocation** describes the share of investments in specific assets.  
 (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.

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

● **How does the use of derivatives attain the sustainable investment objective?**  
 Derivatives are not used to attain the sustainable investment objective.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

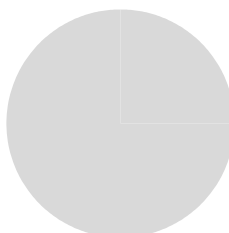
☒ No

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.

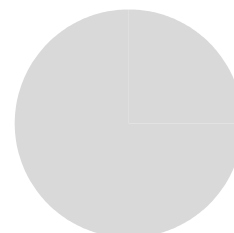
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



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, interest rate, currency and credit risk management, 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](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European High Yield Sustainable Stars Bond Fund

**Legal entity identifier:** 549300ISX6Y6CZ3YHN56

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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?".

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



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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.



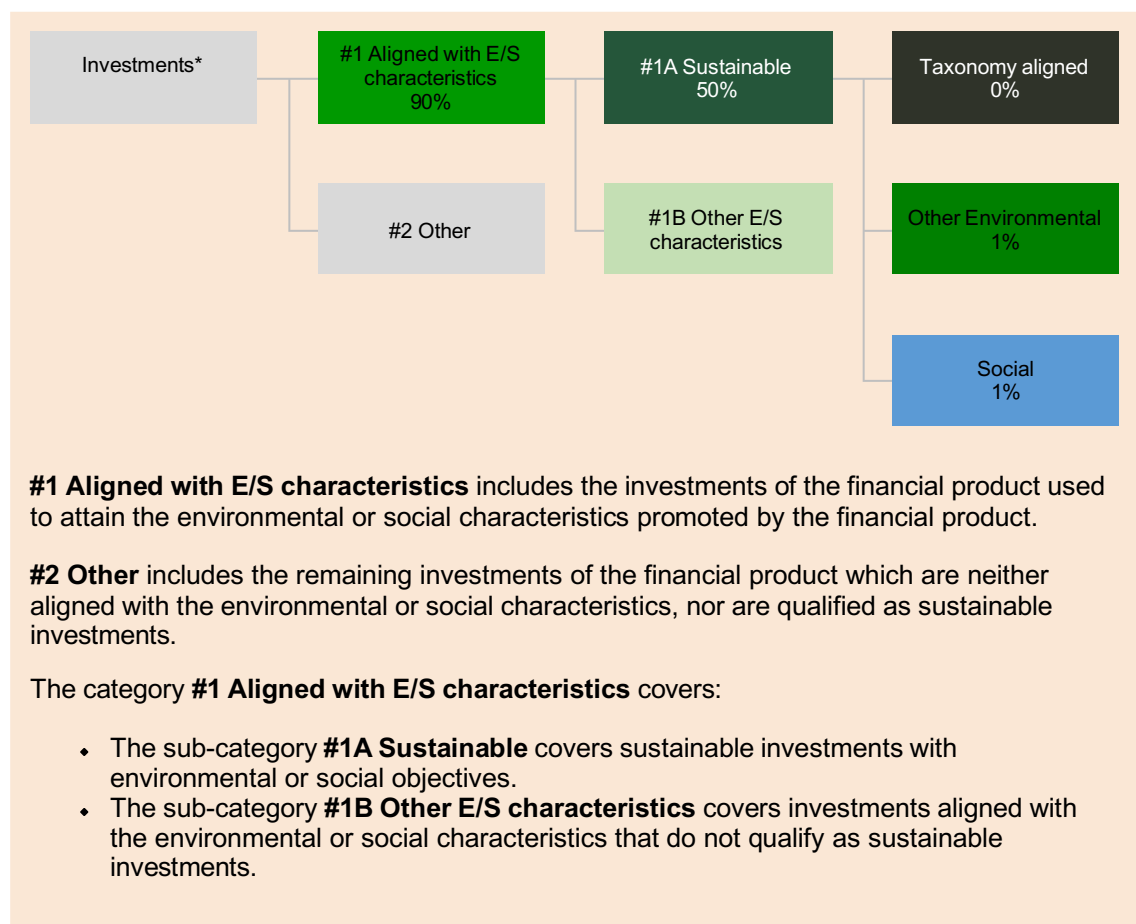
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

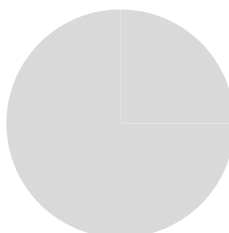
☒ No

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.

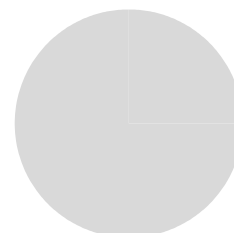
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - European Short-Term Corporate Bond Fund

**Legal entity identifier:** 636700ZNANT6X6WOTR54

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



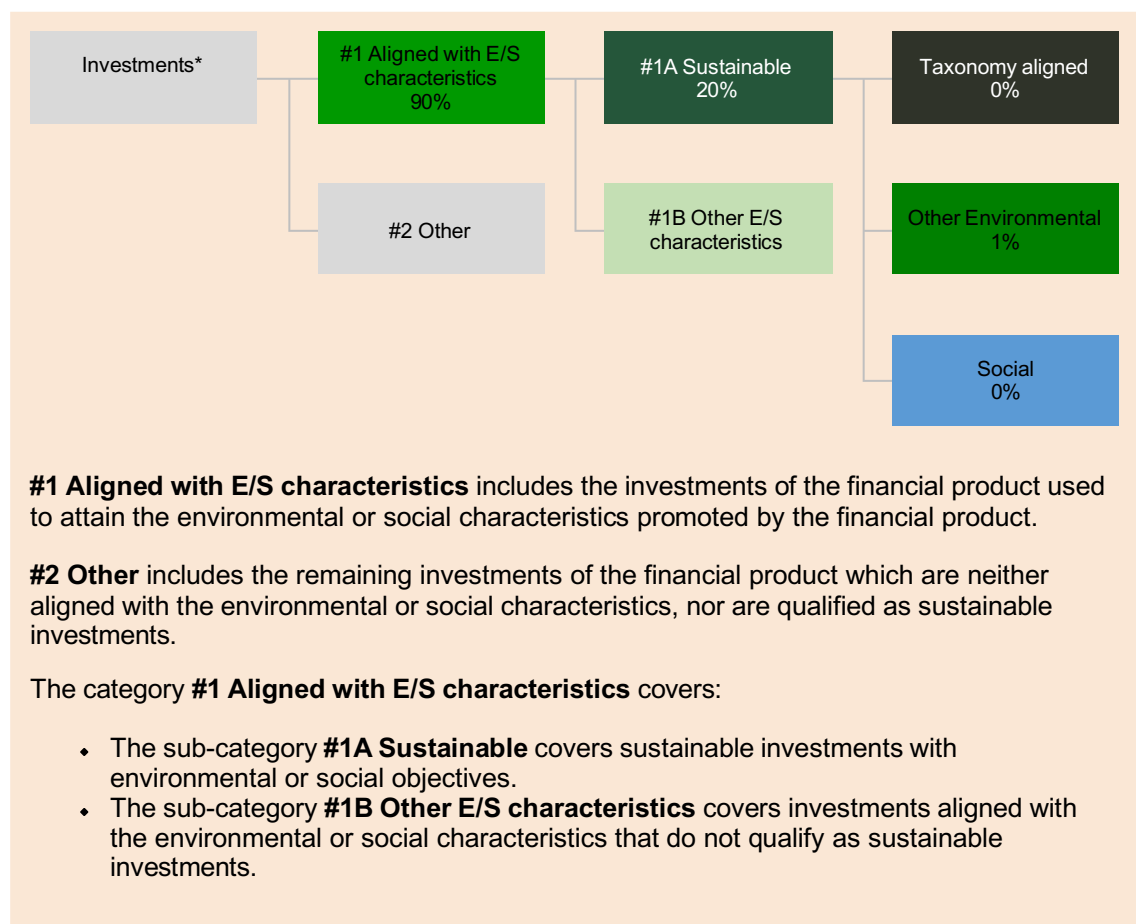
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

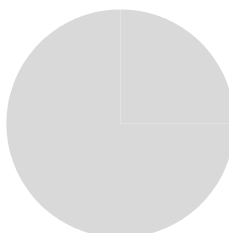
☒ No

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.

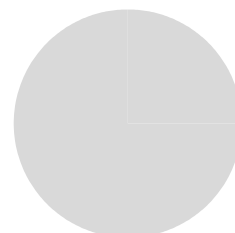
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**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 - European Sustainable Labelled Bond Fund

**Legal entity identifier:** 254900F5IZ8SIXFG9F27

## 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**: 50%
  - ☐ 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☐ 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
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The fund commits to investing at all times at least 85% in sustainable investments with environmental or social objectives as displayed in the graph in the section "What is the asset allocation and the minimum share of sustainable investments?". It commits to investing minimum 50% in sustainable investments with environmental objectives, and, while it may hold sustainable investments with a social objective, it does not commit to any minimum proportion of such investments.



## What is the sustainable investment objective of this financial product?

The sustainable investment objective of the fund is to invest in bonds that are issued to finance economic activities with environmental and/or social contribution.

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 indicators listed below, which are calculated as the proportion of the fund's total investments that is invested in sustainable bonds and labelled bonds respectively.

Sustainable investments and labelled bonds are further explained in the relevant sections below.

- % of sustainable investments
- % of total investments in labelled bonds

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

As part of the process to identify sustainable investments, issuers 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 issuers that do not pass the thresholds.

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

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently, the screening on Sovereign issuers uses the indicators listed below.

- Greenhouse Gas intensity of investee countries
- Investee countries subject to social violation
- Non-cooperative tax jurisdictions

Issuers that do not pass the thresholds that are defined by the investment manager, will be considered doing significant harm. However, in certain cases where an issuer does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such entity may be considered sustainable if the proceeds from the issuance of the securities are dedicated to the funding of activities that mitigate the reasons for the issuer doing significant harm. For example, a Sovereign issuer failing the DNSH test on Greenhouse gas intensity may issue green bonds to support clean energy projects e.g. reducing emissions from electricity generation or to fund transition commitments e.g. transport infrastructure to support net-zero transition.

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

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

**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 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 strategy invests in labelled bonds issued by sovereigns, local authorities, agencies and supranational entities as well as labelled covered bonds.

Labelled bonds include use-of-proceed bonds like green bonds, social bonds and sustainability bonds. Other types of use-of-proceeds bonds may be relevant and eligible as the market develops. Use-of-proceed bonds are issued to provide financing for new and existing projects or economic activities with environmental and/or social contribution.

Investments are classified as sustainable as of SFDR article 2 (17) using NAM's proprietary methodology to ensure that the issuer's economic activities or the activities financed by the bond issuance contribute to an environmental or social objective and does not significantly harm any other sustainable objective while following good governance. The analysis may vary between different types of assets to ensure that the most relevant criteria are used to determine the contribution of each investment to environmental or social objectives.

The eligibility of use-of-proceeds bonds is based on a review of the issuer's green or social bonds framework to ensure that proceeds are allocated to the financing of activities that contribute to a sustainable investment objective as defined in the EU Taxonomy or by contribution to UN SDGs. It is also ensured that eligible bonds adhere to a recognized market standard on use-of-proceeds, process, reporting and transparency such as EU Green Bond Standard or ICMA- or similar standards that are approved by NAM, and that this is documented by a Second Party Opinion (SPO) from a recognized external auditor.

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

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



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.

● ***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 67% of the fund is invested in bonds that are labelled as green, social, sustainability or sustainability-linked or similar and adhere to a recognized market standard for such bonds and are issued under a framework, set up by the issuer, that has been approved by NAM.

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.

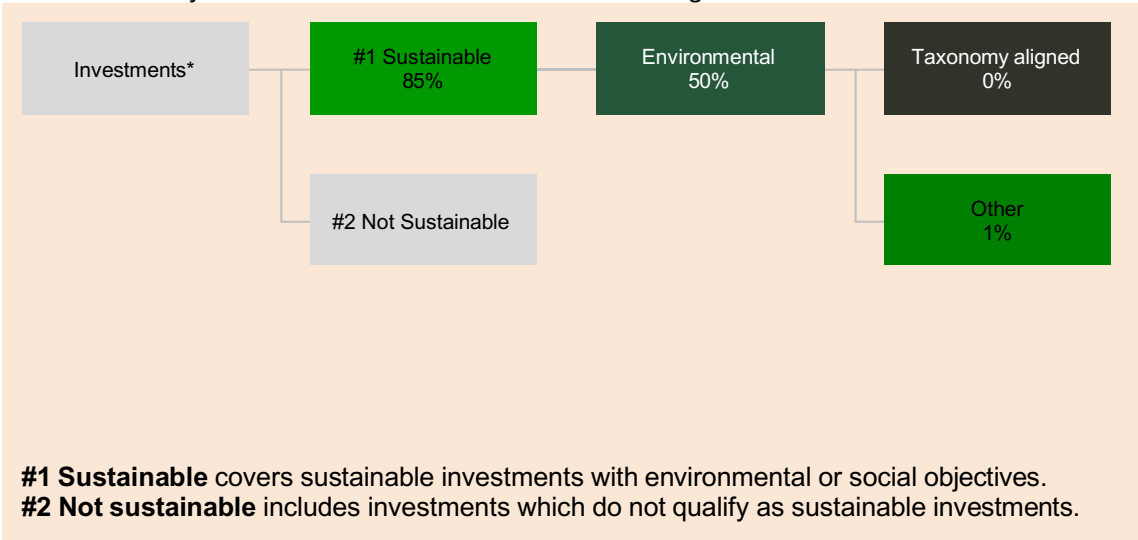
If a company is identified in this screening process, an internal assessment of the company and the incident is initiated and NAM's Responsible Investments Committee (RIC) decides whether to exclude the company in accordance with NAM's Responsible Investment Policy. Any governance related breaches identified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



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

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

Derivatives are not used to attain the sustainable investment objective.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Asset allocation** describes the share of investments in specific assets.

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

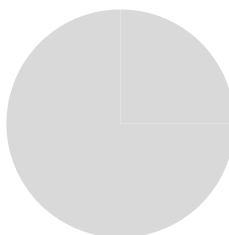
☒ No

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.

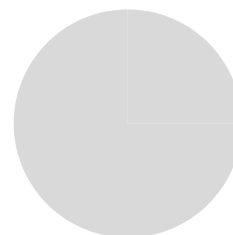
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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.

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.



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, interest rate, currency and credit risk management, 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](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Fixed Maturity Bond 2027 Fund

**Legal entity identifier:** 254900DCBC4NLRDQVS83

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



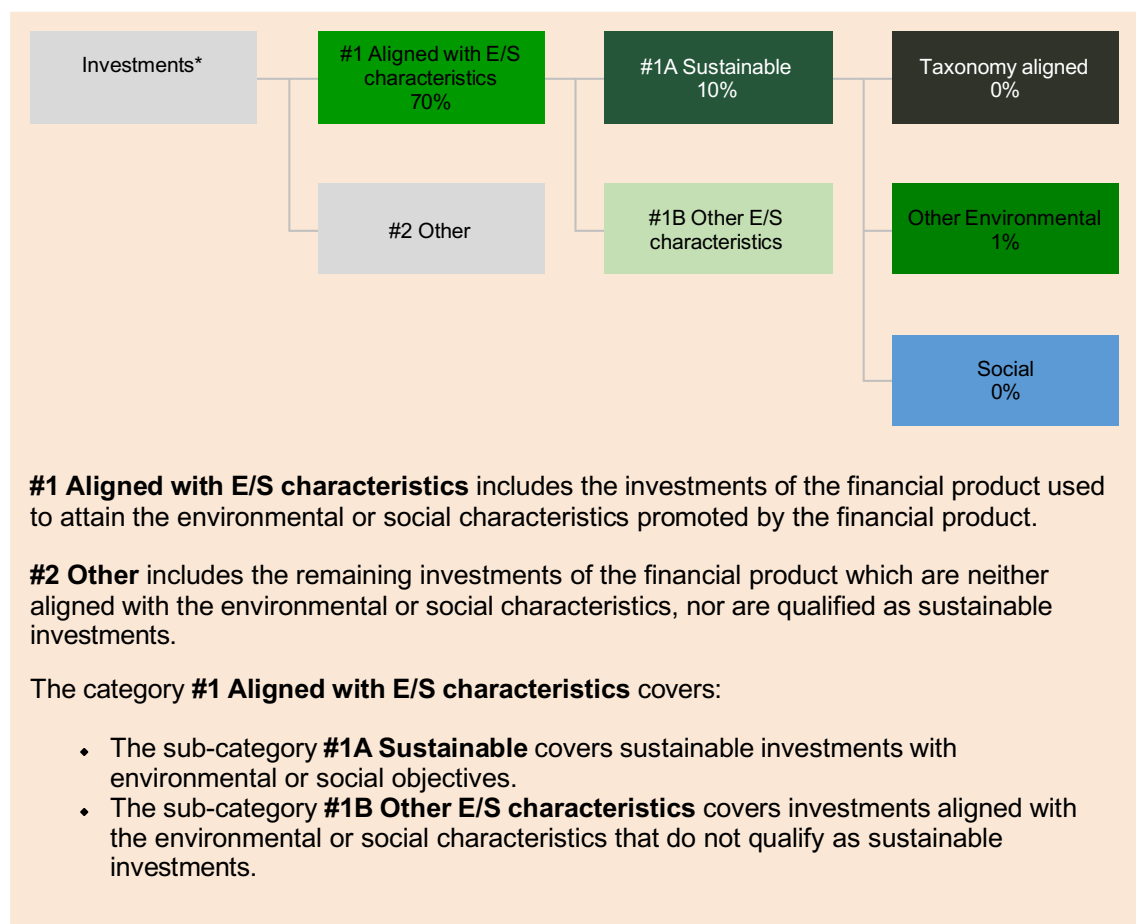
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

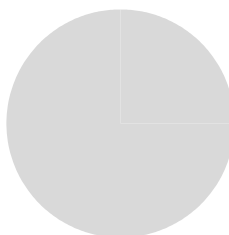
☒ No

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.

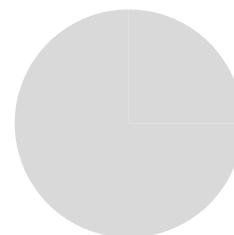
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Fixed Maturity Bond 2028 Fund

**Legal entity identifier:** 2549000RGU6ZEOD8B712

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



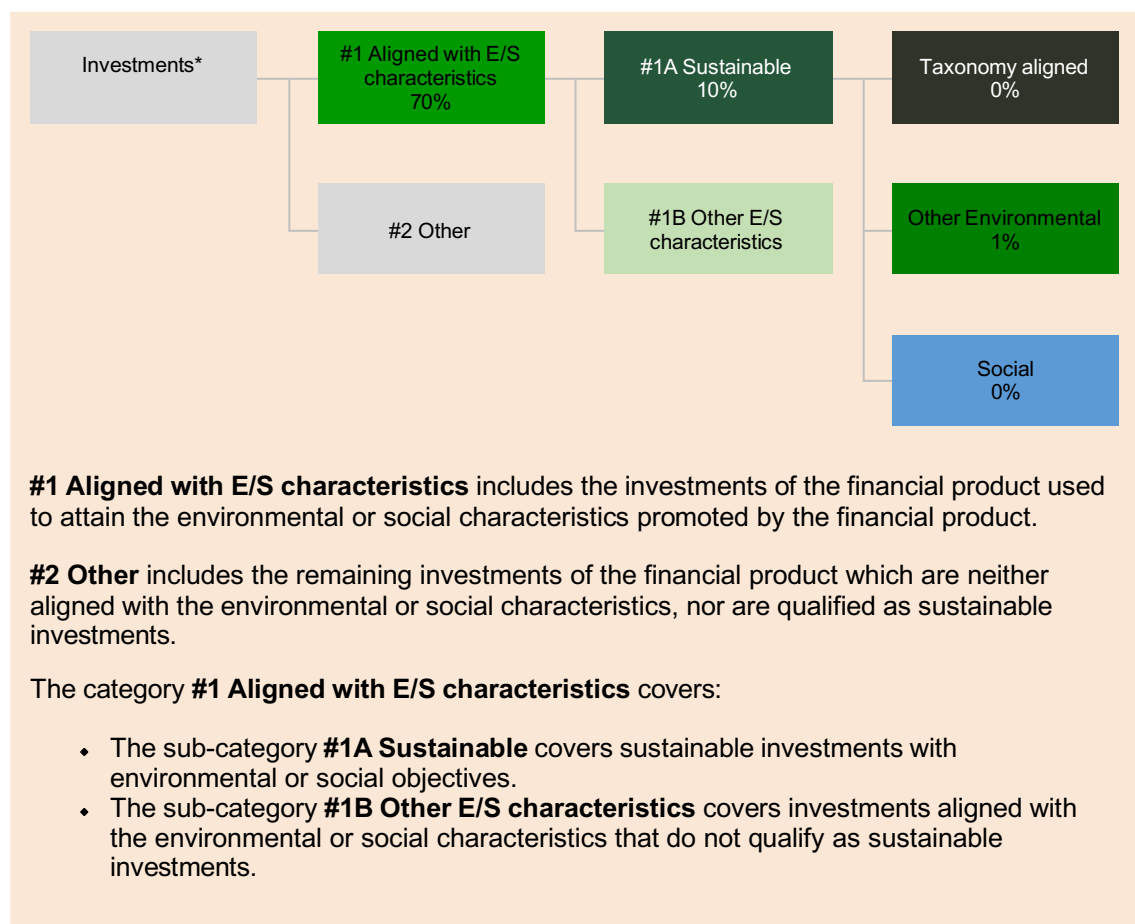
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

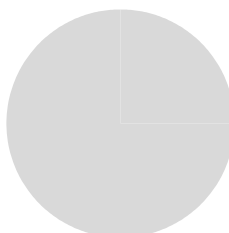
☒ No

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.

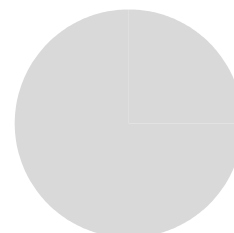
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability-related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Fixed Maturity Bond III Fund

**Legal entity identifier:** X701PFL1WE6367001Z53

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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



● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



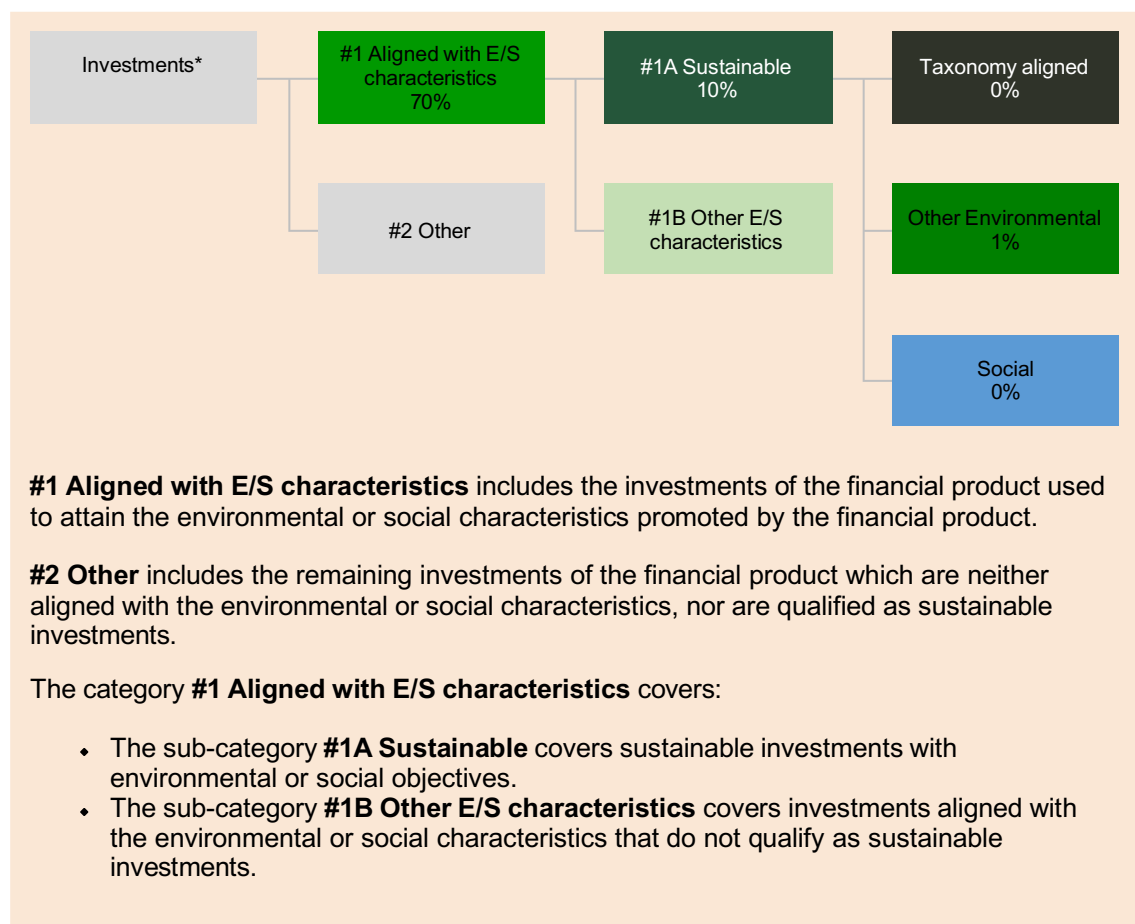
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

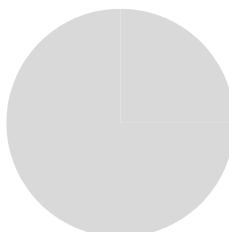
☒ No

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.

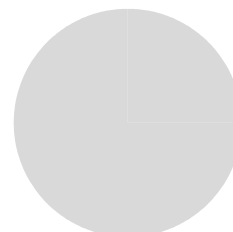
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☐ Taxonomy-aligned: Fossil Gas 0%  
☐ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☐ Taxonomy-aligned: Fossil Gas 0%  
☐ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Fixed Maturity Bond V Fund

**Legal entity identifier:** 63670057U3SLOIU9W90

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data



providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



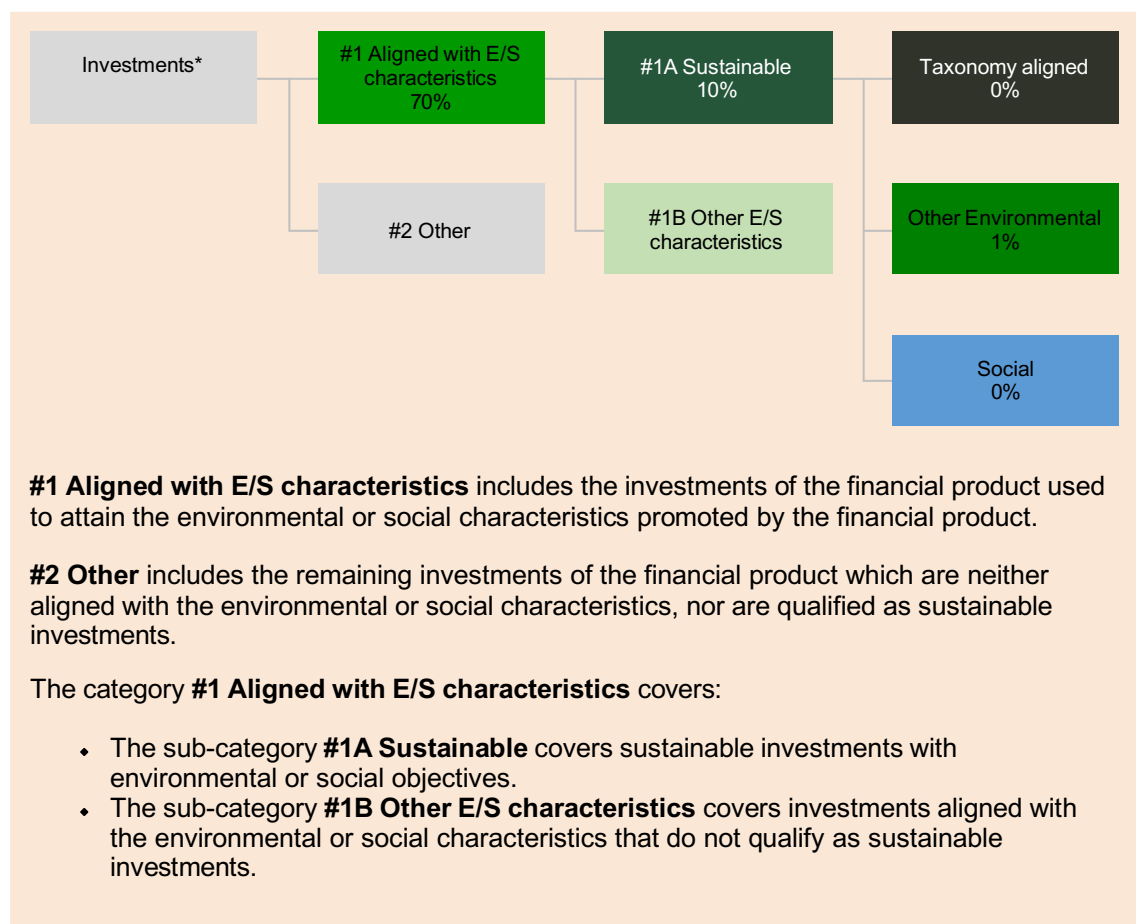
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

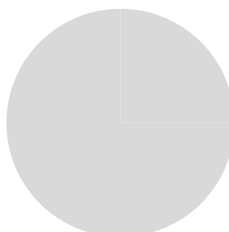
☒ No

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.

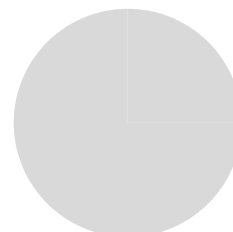
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☐ Taxonomy-aligned: Fossil Gas 0%  
☐ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☐ Taxonomy-aligned: Fossil Gas 0%  
☐ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

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[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Fixed Maturity Bond VI Fund

**Legal entity identifier:** 636700JAI02EQOKLE631

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● ***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.

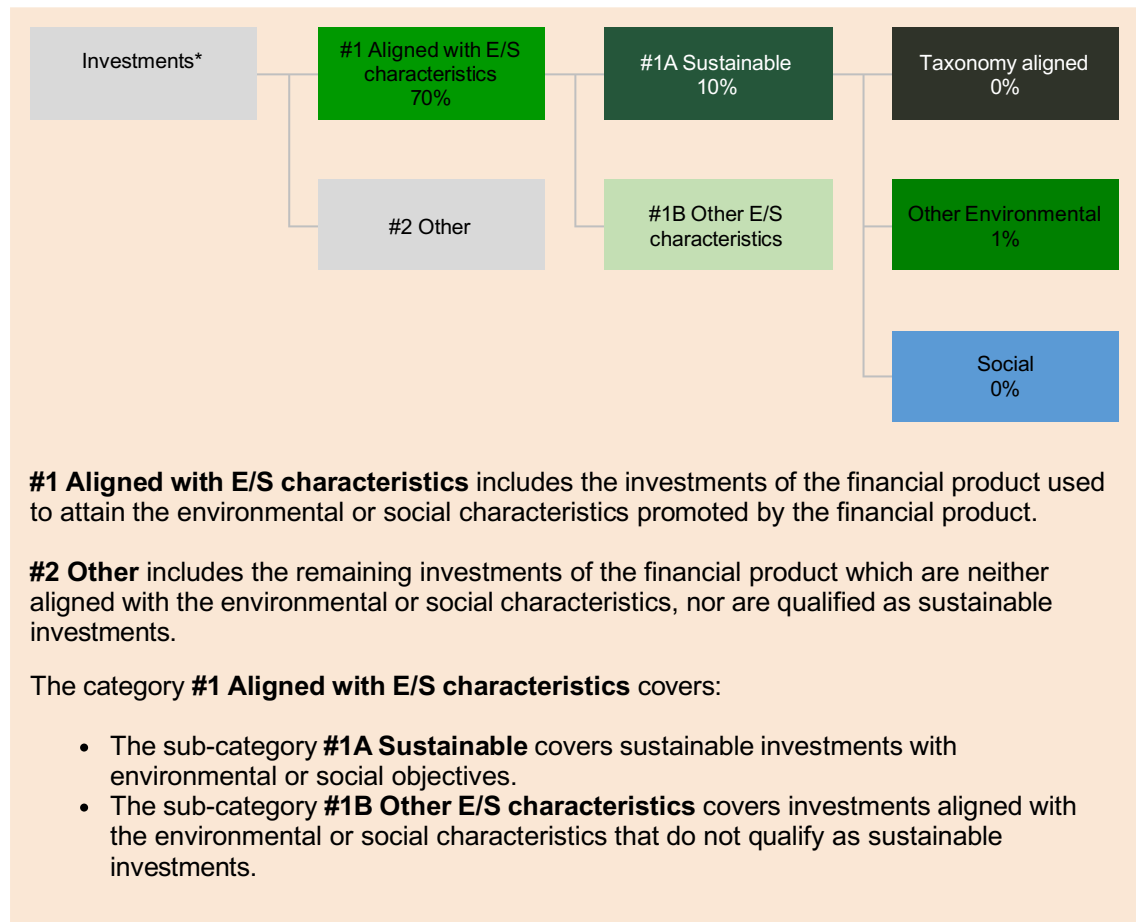
In addition to the norm-based screening described above, the fund applies a good governance test based on pre-set indicators for sound management structures, employee relations, remuneration of staff and tax compliance.

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



## What is the asset allocation planned for the financial product?

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.



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

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

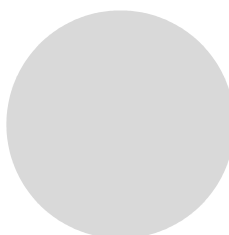
☒ No

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.

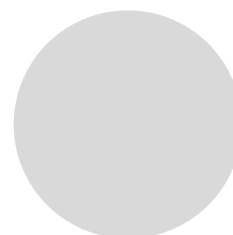
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy- alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](http://nordea.lu)

Additional information as referenced in the above sections is available here: [Sustainability-related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 High Yield Bond Fund

**Legal entity identifier:** 549300KHC2M3J5ELVG96

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **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?**

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?**

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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



● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



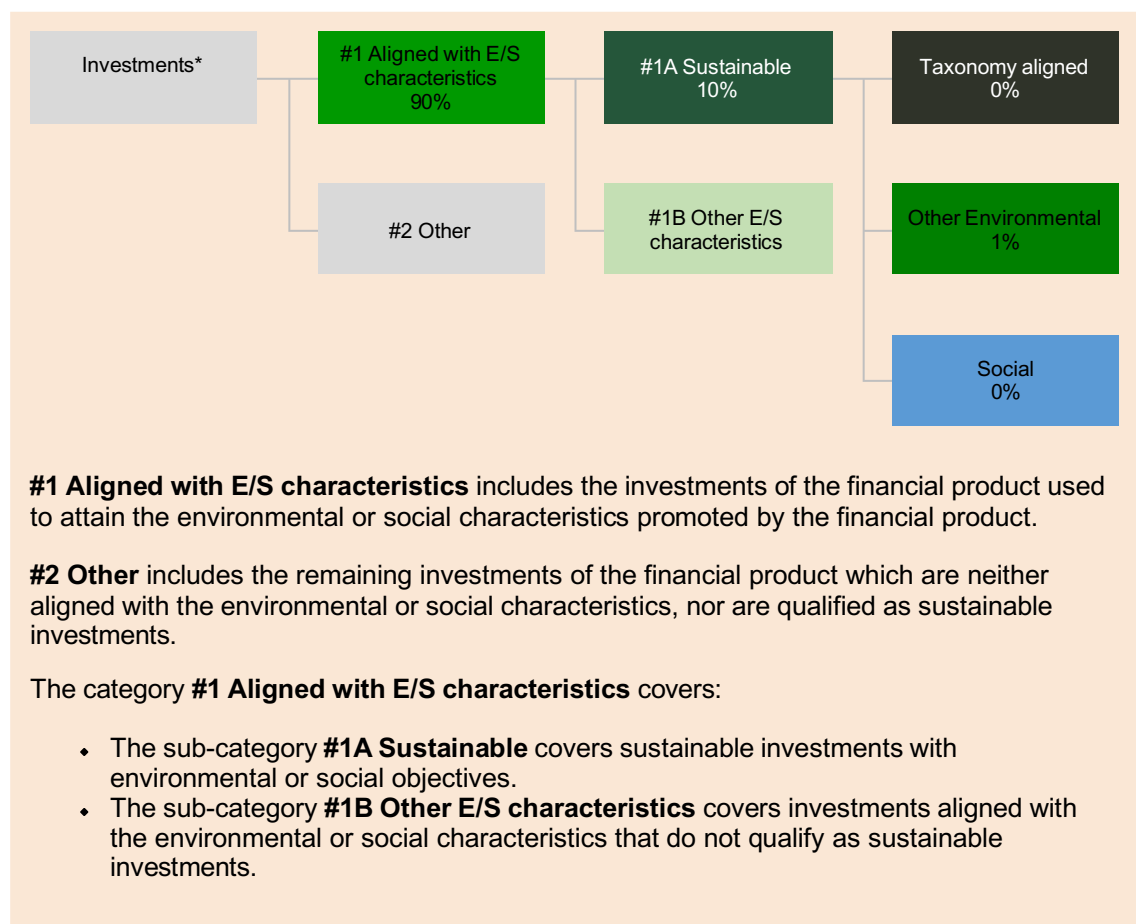
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

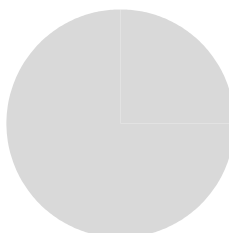
☒ No

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.

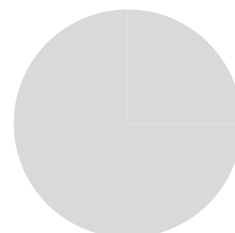
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://www.nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability-related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 High Yield Sustainable Stars Bond Fund

**Legal entity identifier:** 549300OPDNM74OPAYV80

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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?".

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

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.



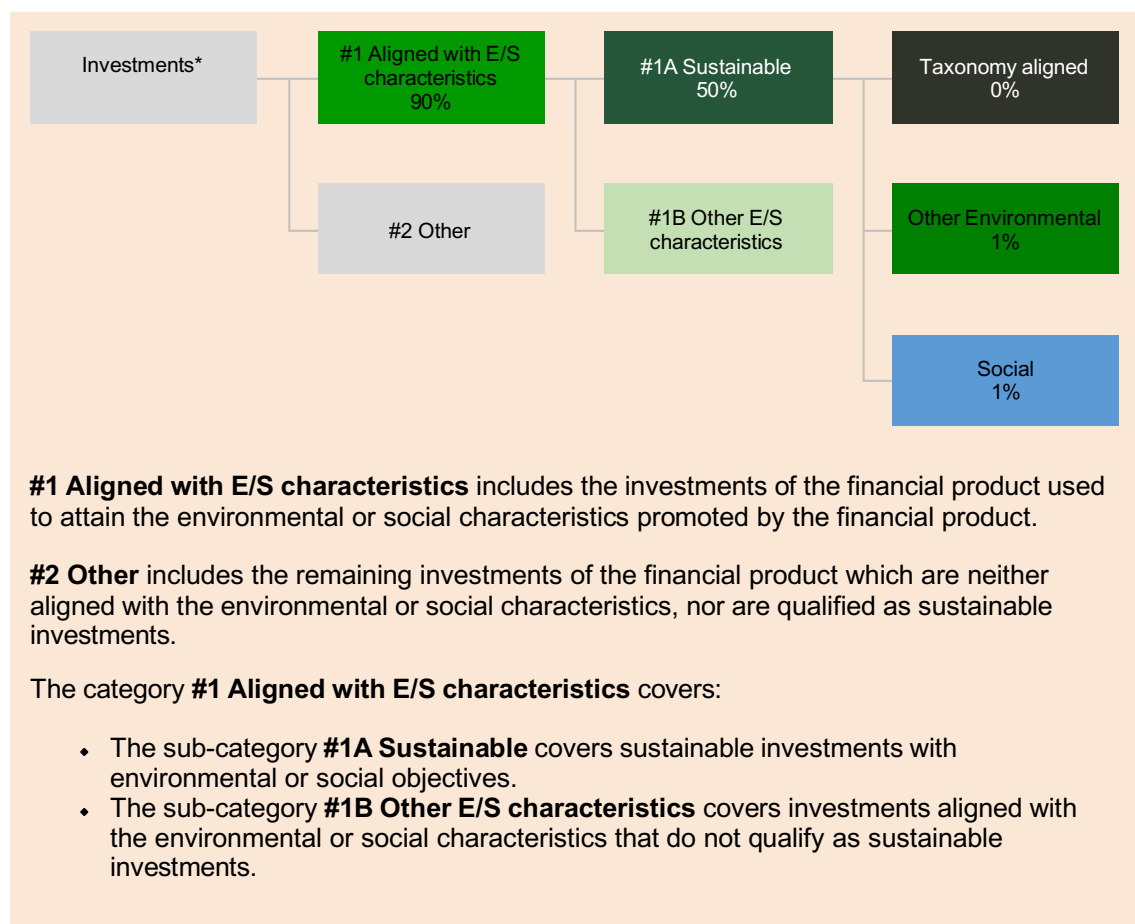
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

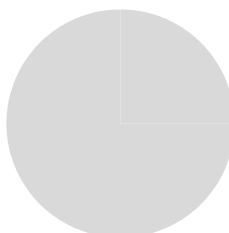
☒ No

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.

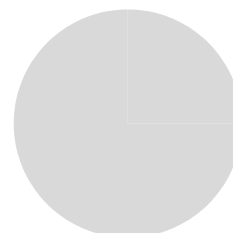
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - International High Yield Opportunities Fund

**Legal entity identifier:** 549300F3Z82MZ87LP063

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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



● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



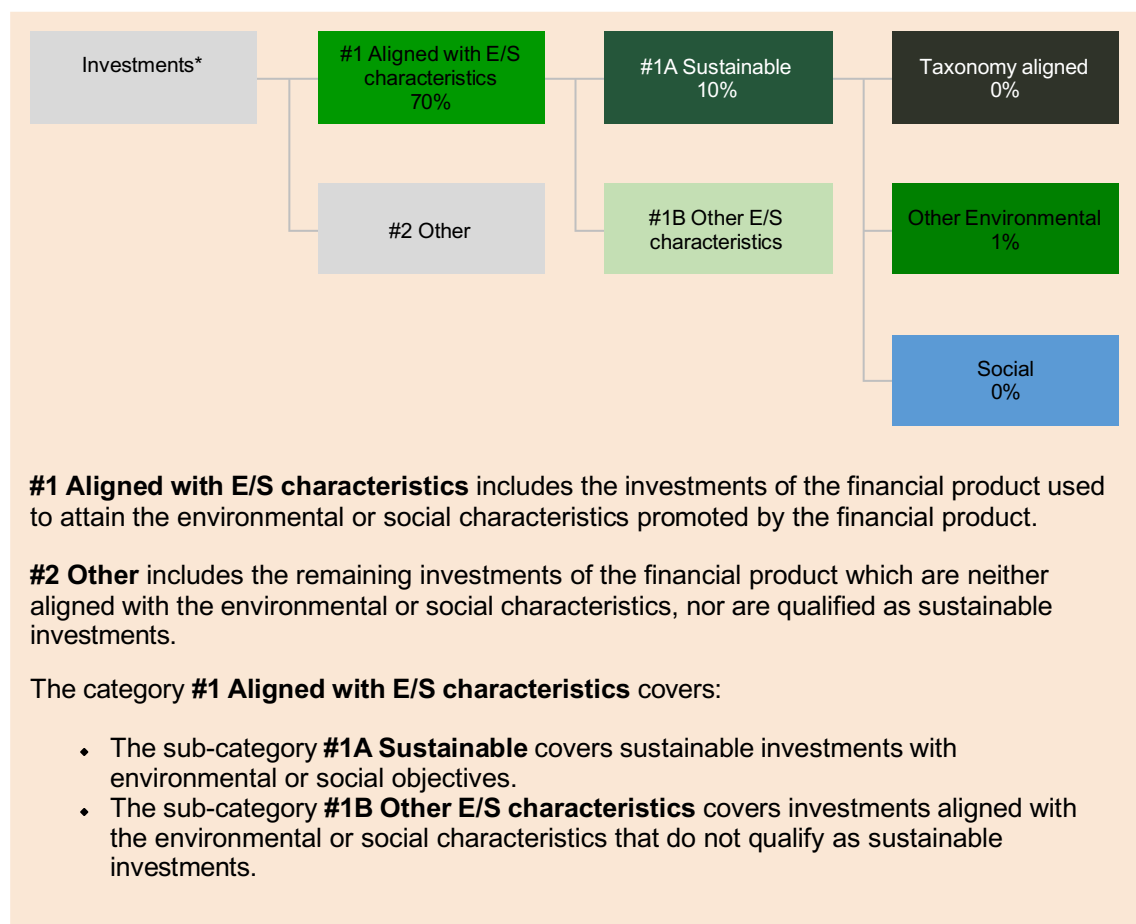
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

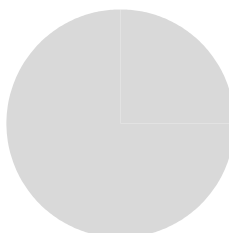
☒ No

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.

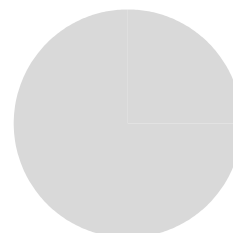
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**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.

**Legal entity identifier:** 549300T4YU2MVOMP8L55

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. 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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

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.



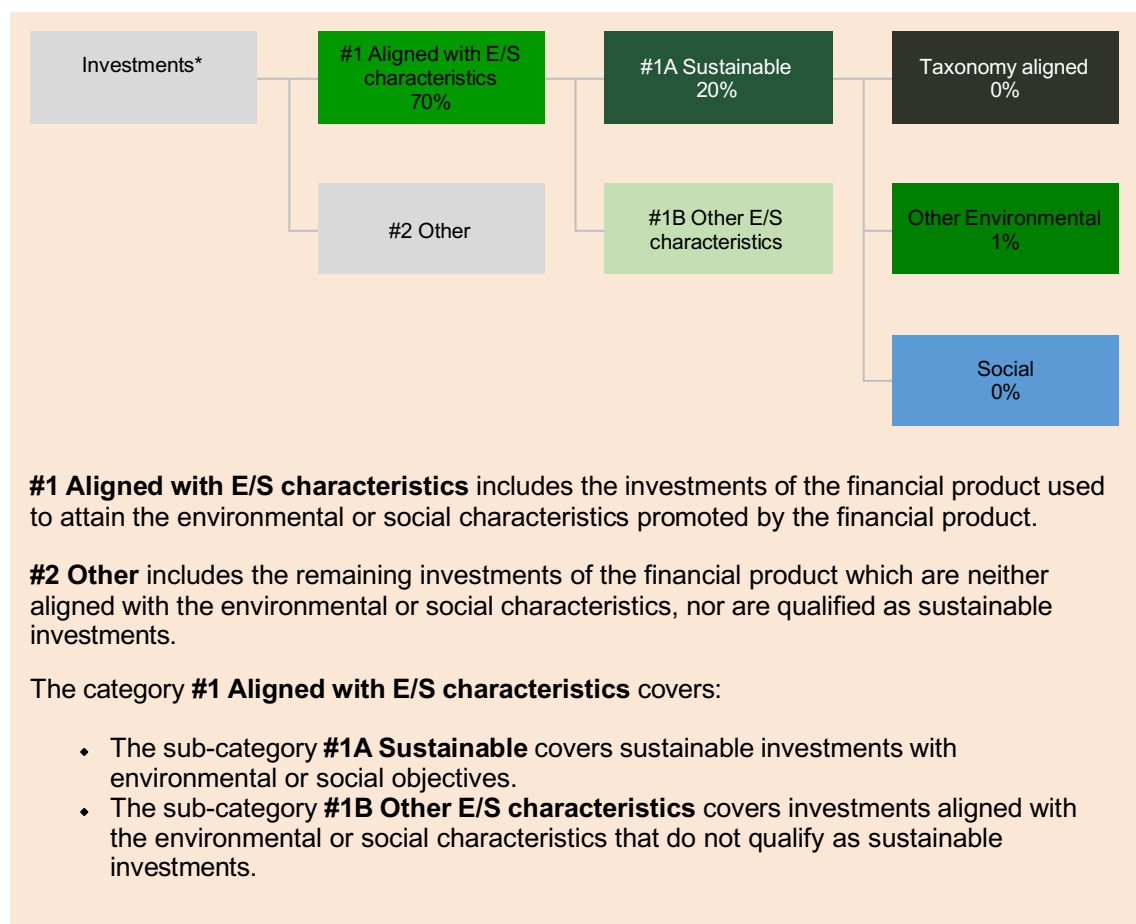
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

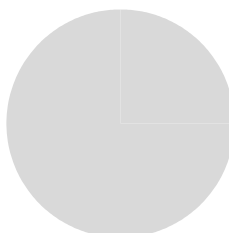
☒ No

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.

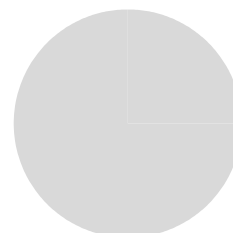
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.





are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Low Duration US High Yield Bond Fund

**Legal entity identifier:** 5493007JB6L1DCBXJN89

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.



● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



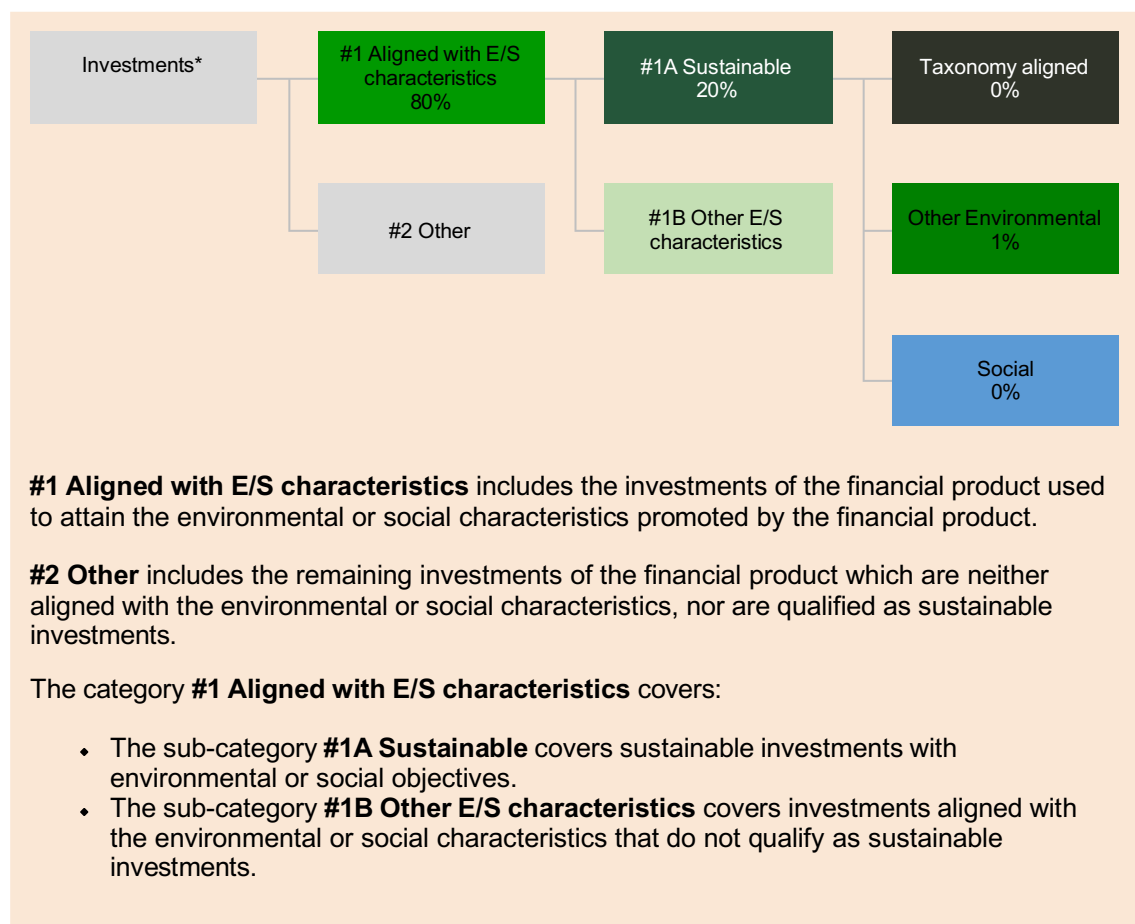
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

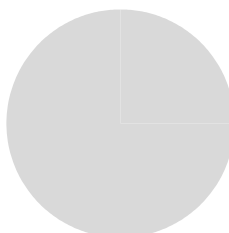
☒ No

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.

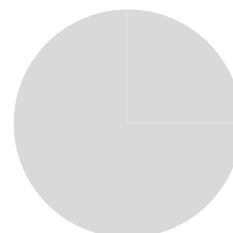
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Multi Credit Fund of Funds

**Legal entity identifier:** 549300FSVWL0VAR25025

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



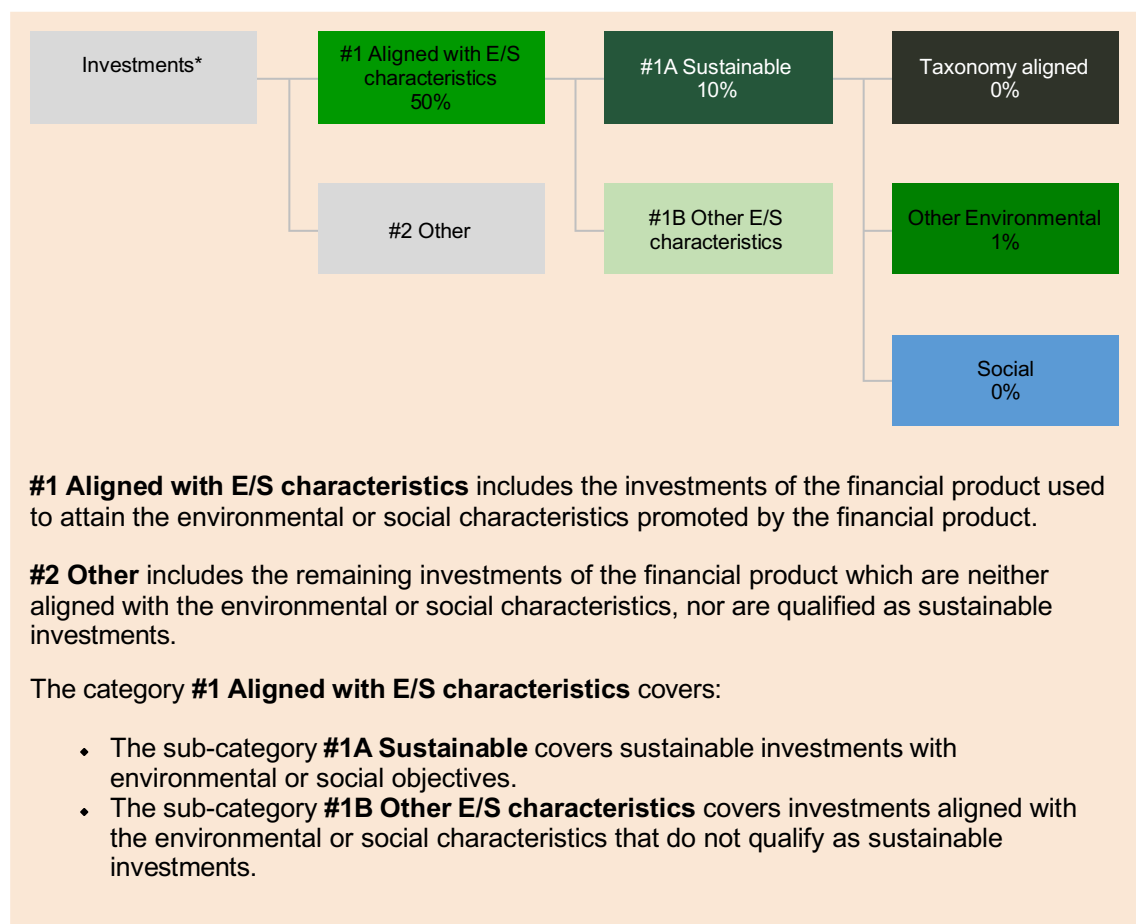
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

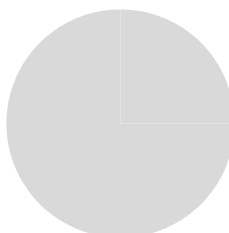
☒ No

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.

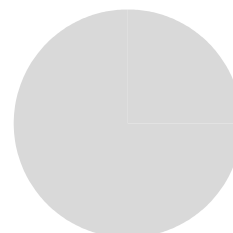
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the specific fund section in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable for these investments. The fund may also include exposure to portfolios that as a minimum apply good governance screenings as ESG safeguards and where part of the holdings may not be aligned with the E/S characteristics of the fund



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](http://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - North American High Yield Bond Fund

**Legal entity identifier:** 549300O08WVW4K25QN35

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



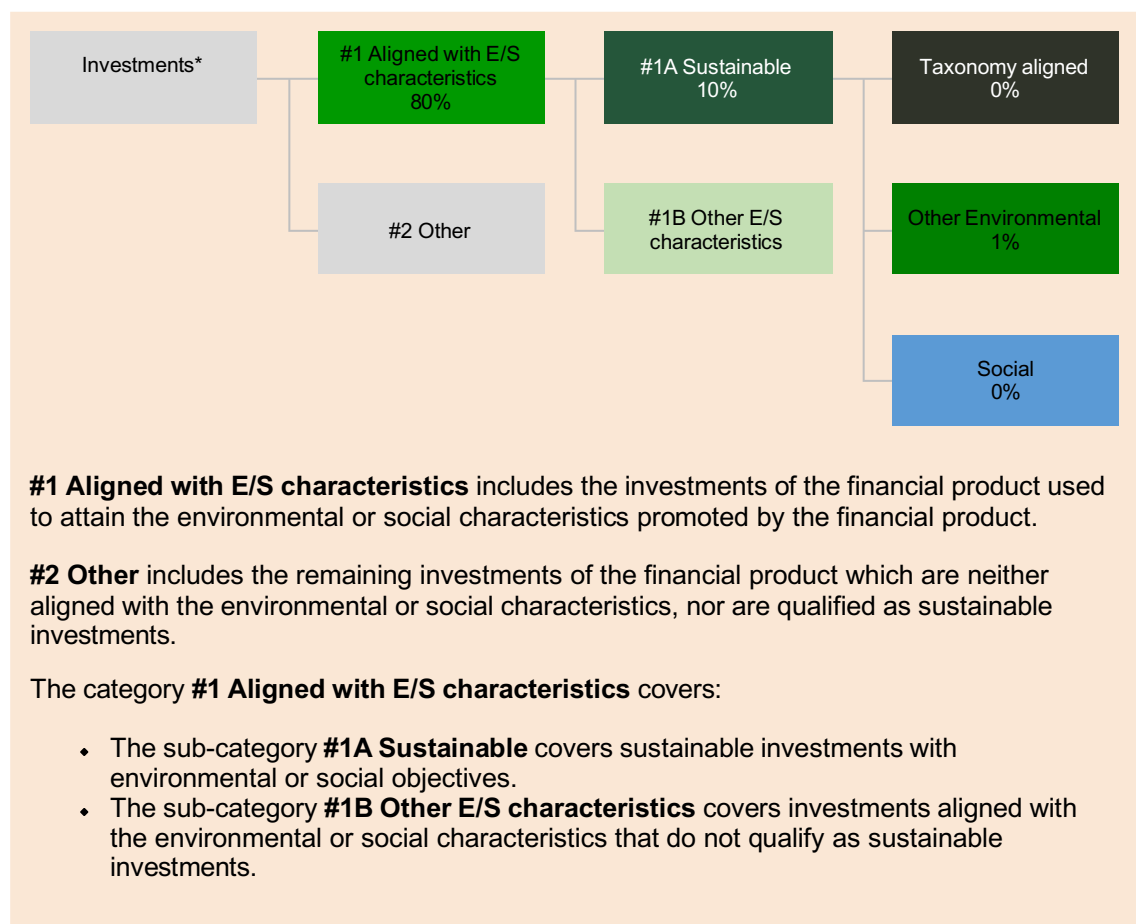
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.





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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

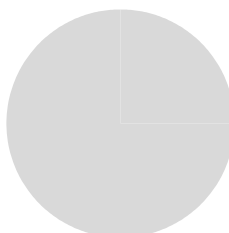
☒ No

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.

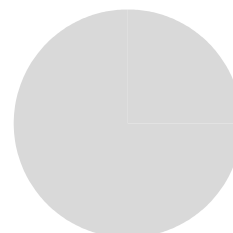
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Norwegian Bond Fund

**Legal entity identifier:** 549300GKKTBJNZU7BJ86

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 20% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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



governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



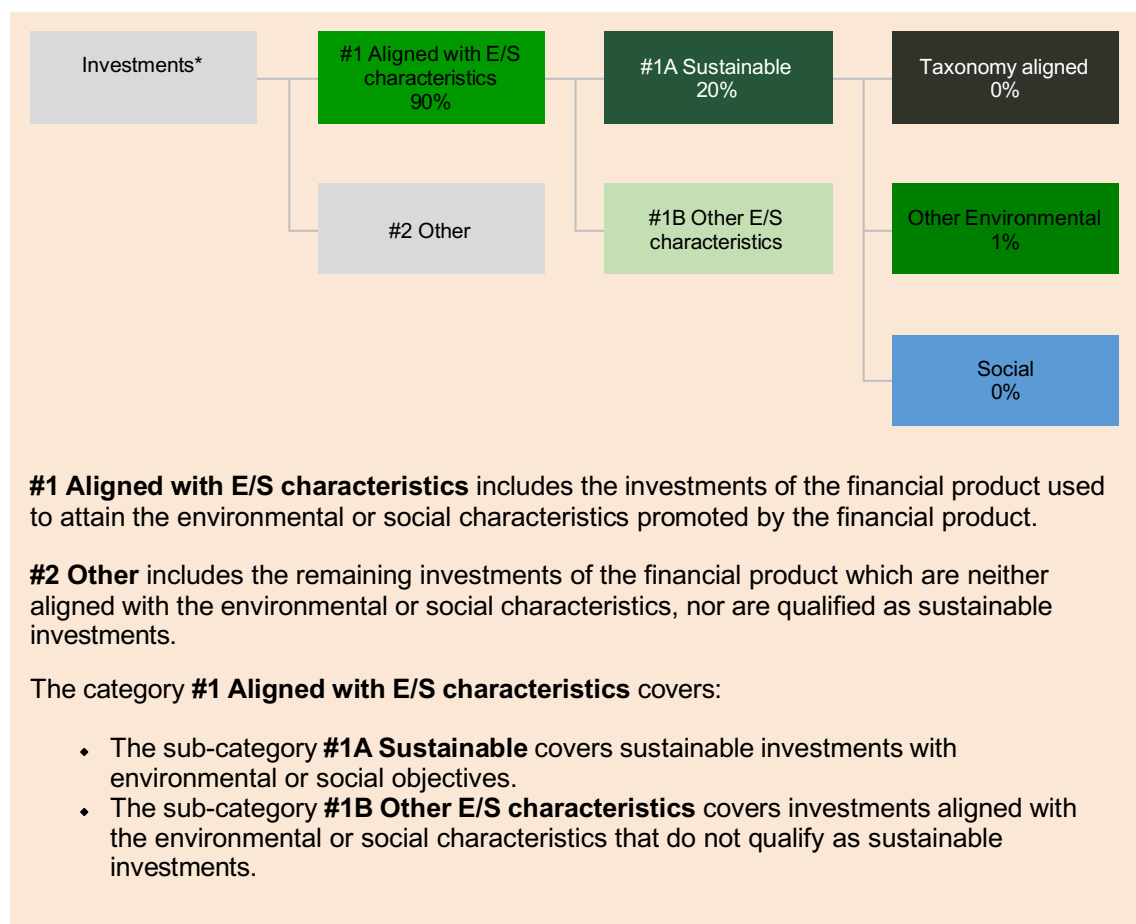
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

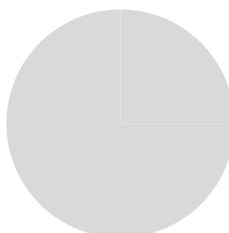
☒ No

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.

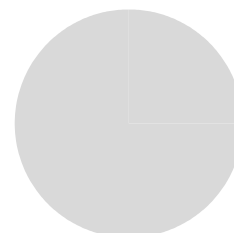
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Norwegian Short-Term Bond Fund

**Legal entity identifier:** 5493005DOEAQ8S1TVI86

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

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- **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.

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*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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.

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

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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.

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

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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.

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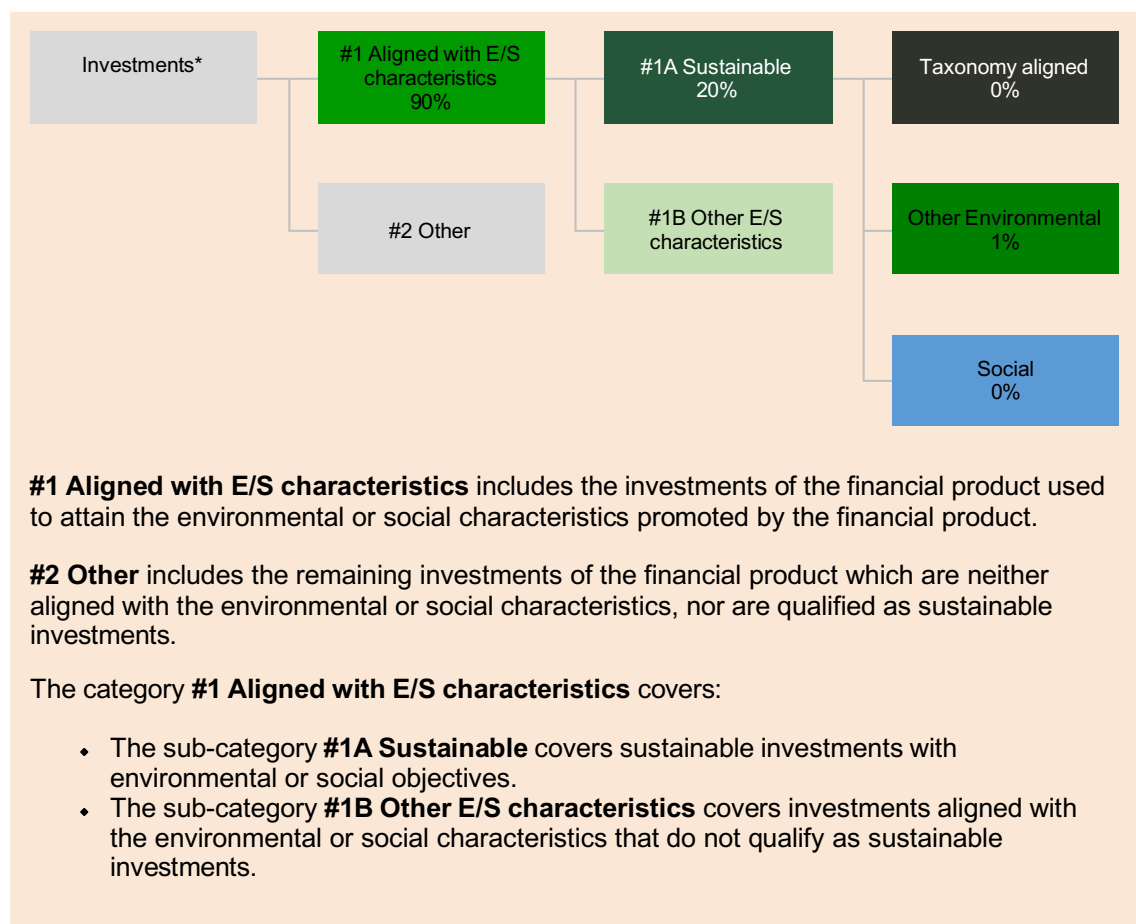
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**Asset allocation** describes the share of investments in specific assets.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

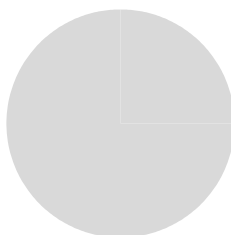
☒ No

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.

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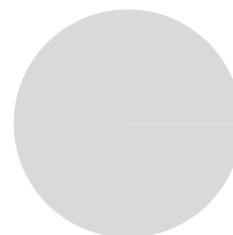
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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

☒ Taxonomy-aligned:  
Fossil Gas 0%  
☒ Taxonomy-aligned:  
Nuclear 0%  
☒ Taxonomy-aligned (No  
Fossil Gas & Nuclear)  
0%  
☐ Non Taxonomy-aligned  
100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Swedish Bond Fund

**Legal entity identifier:** 549300UUOKOX2ZFY6A72

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.



- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



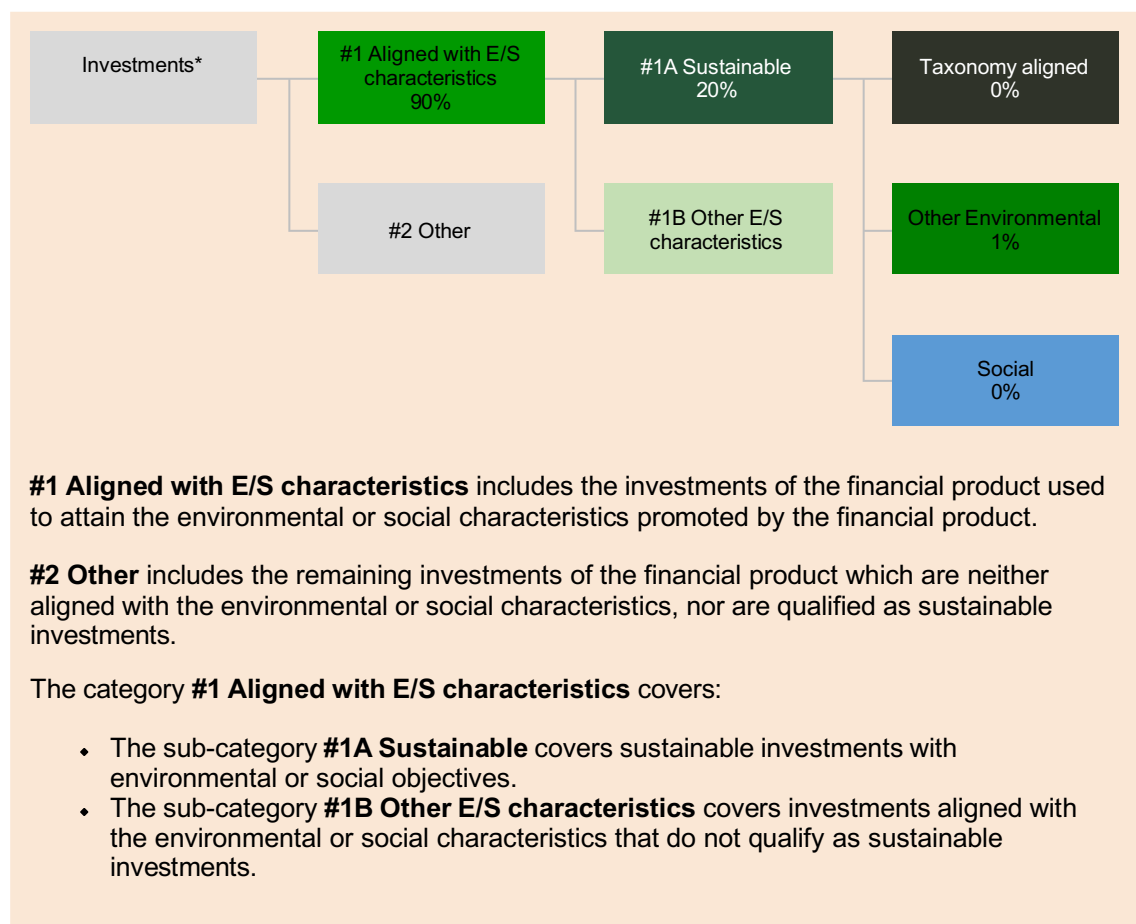
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

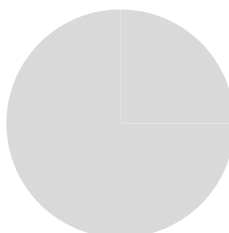
☒ No

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.

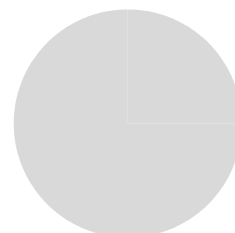
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Swedish Short-Term Bond Fund

**Legal entity identifier:** 549300EYJ804J45M4O43

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



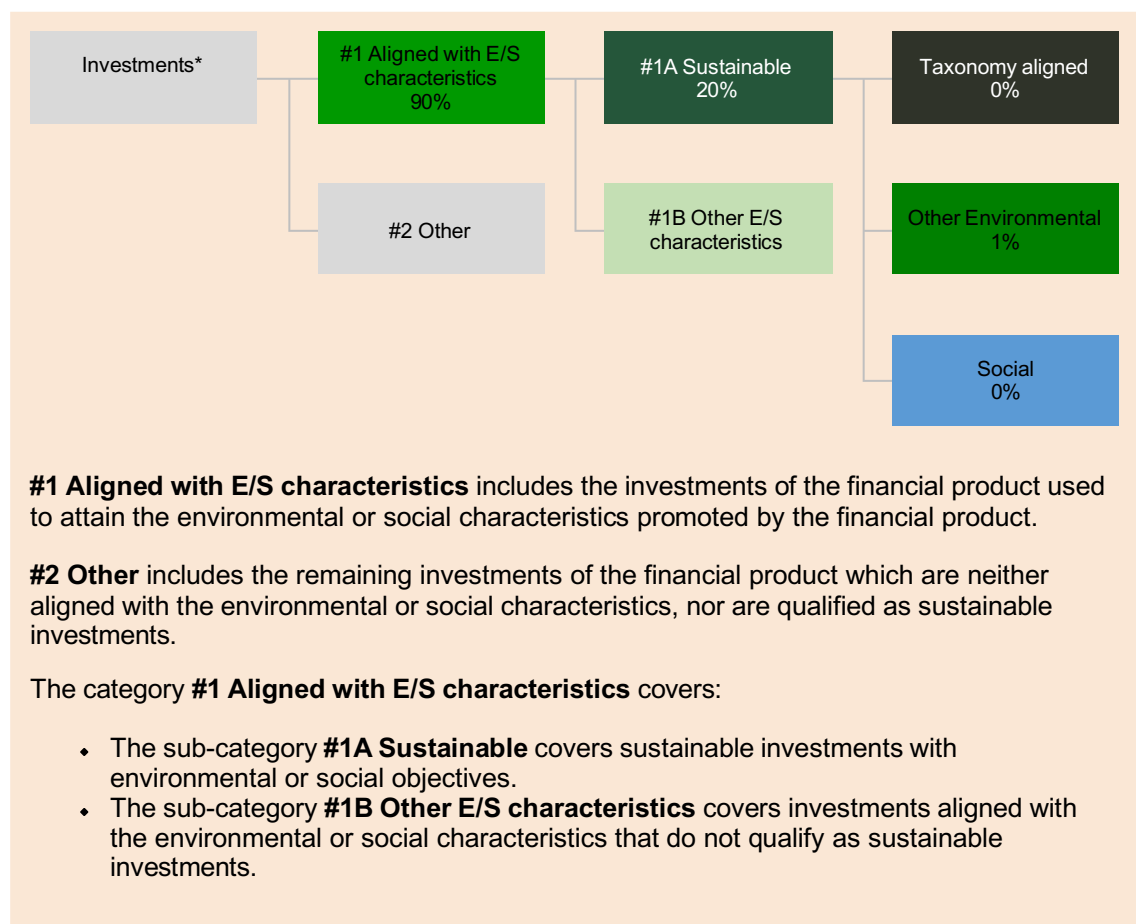
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

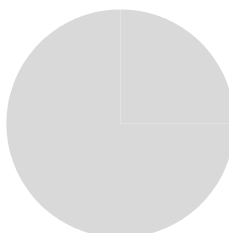
☒ No

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.

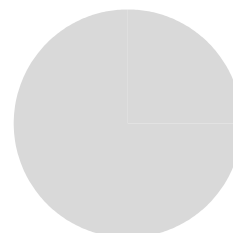
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - US Corporate Bond Fund

**Legal entity identifier:** 549300O0DPKZ5NNFM175

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data



providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



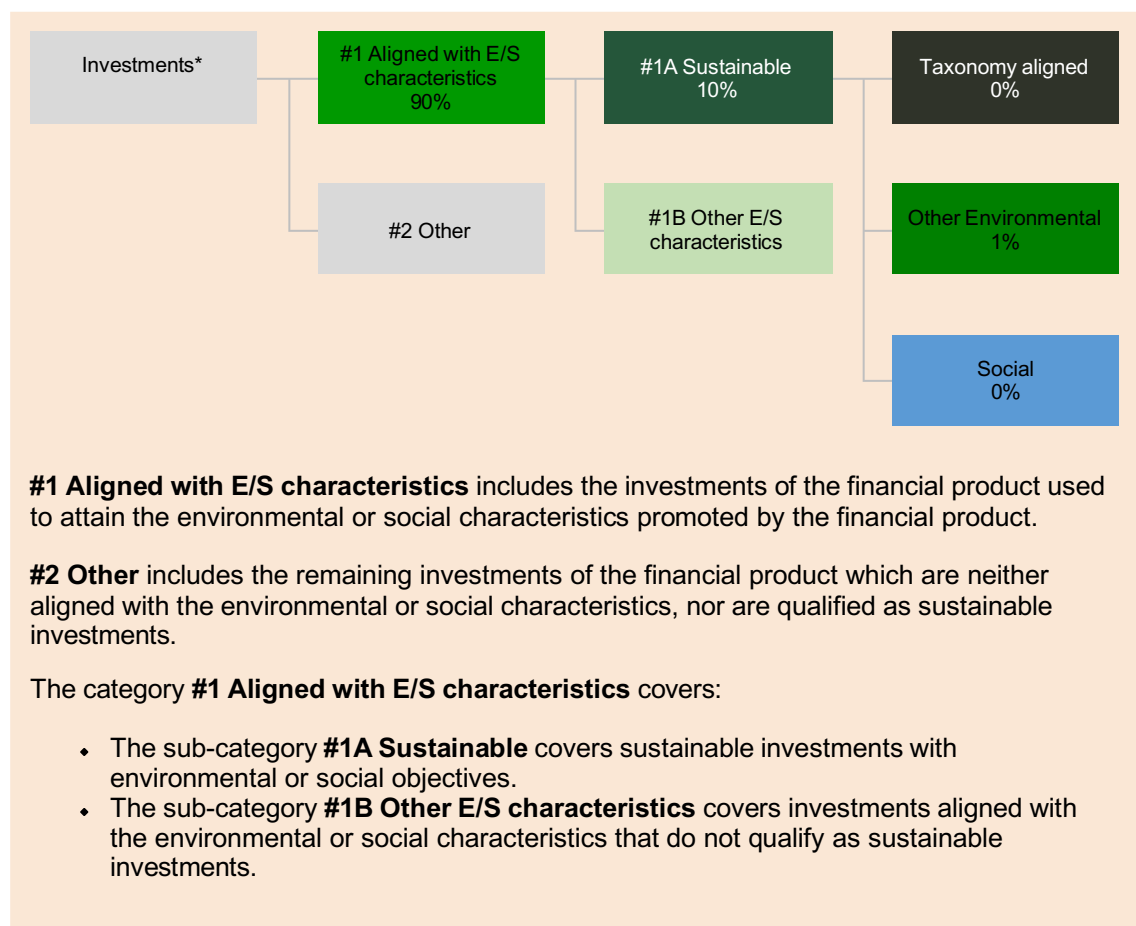
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

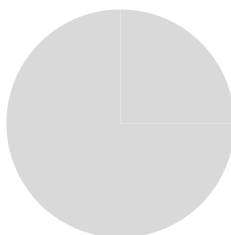
☒ No

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.

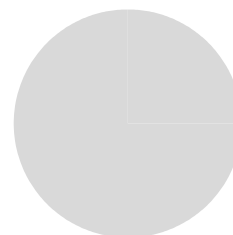
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - US Corporate Sustainable Stars Bond Fund

**Legal entity identifier:** 549300V3BOFEO3N8NJ79

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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?".

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.



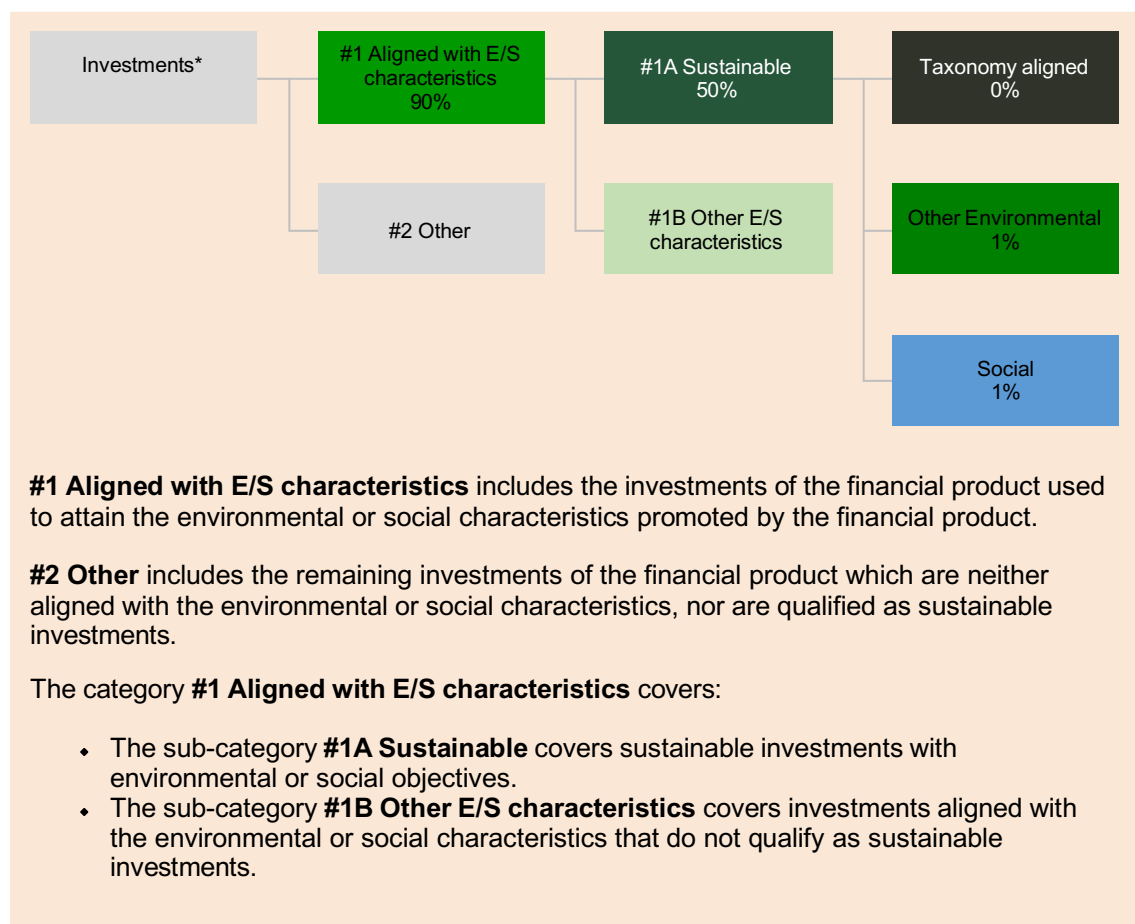
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

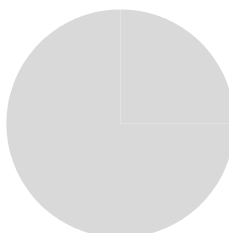
☒ No

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.

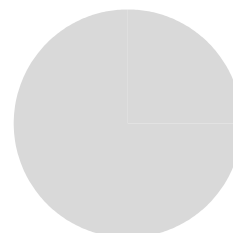
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - US High Yield Bond Fund

**Legal entity identifier:** 549300LGWN67EY1CKC88

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **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?**

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?**

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data



providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



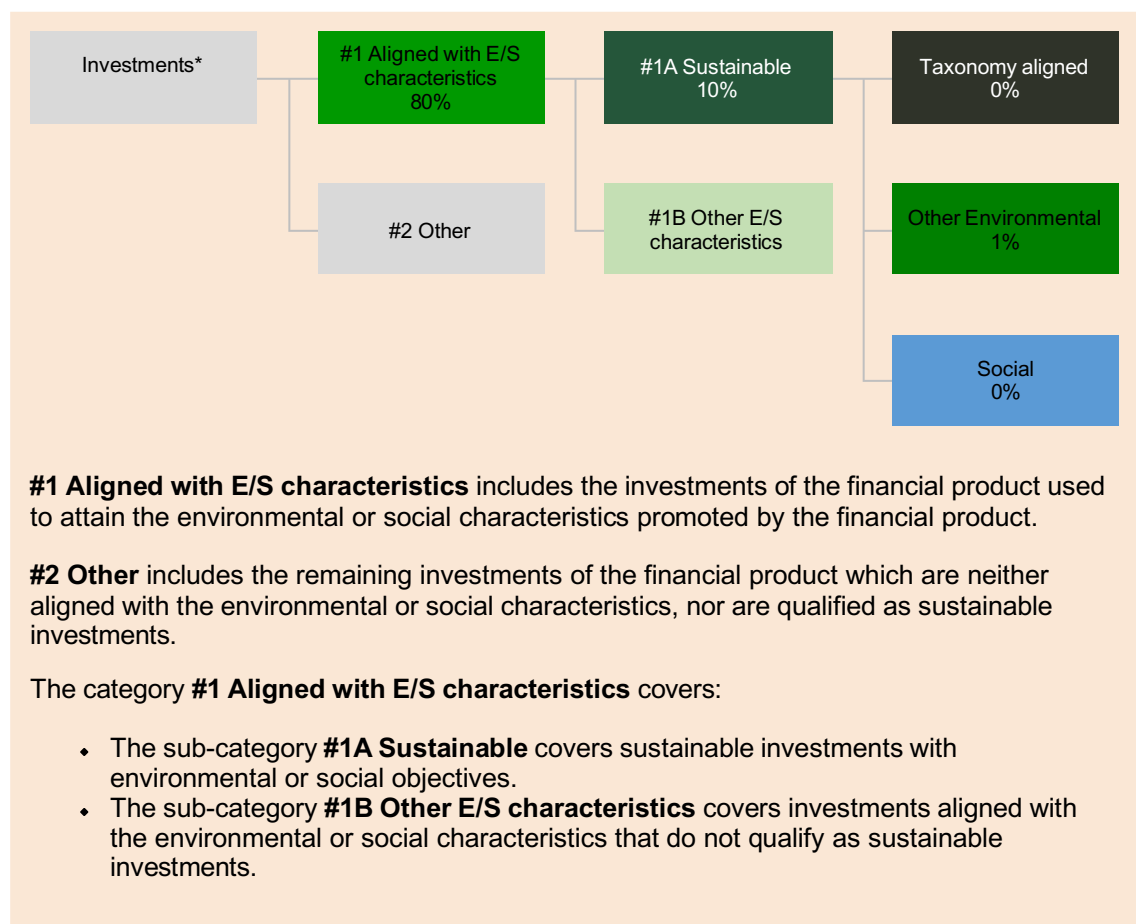
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

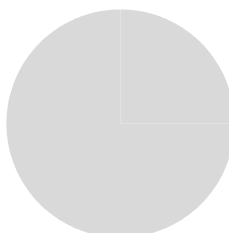
☒ No

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.

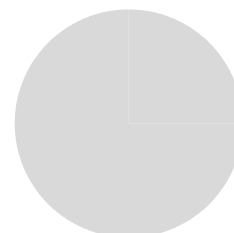
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - US High Yield Sustainable Stars Bond Fund

**Legal entity identifier:** 549300PBIZ5BVS2L4E68

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 50% of sustainable investments

☐ with an environmental objective in economic activities that 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

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**ESG scoring** The fund aims to promote environmental and social characteristics by investing in companies or issuers that meet or exceed minimum ESG criteria as determined by ESG scores. Potential investee companies and issuers are analysed and scored by NAM through internal assessment or by reputable external provider. Only securities issued by entities that achieve the minimum required ESG score qualify for inclusion in the fund's investment universe.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of Investments, aligned with the E/S characteristics, with an ESG score that do not meet the minimum threshold
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy
- % of investments, aligned with the E/S characteristics, that do not comply with PAB exclusions and other sector- and value based exclusions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. ESG scores are taken into consideration as part of the security selection. 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?".

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

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

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 50% 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?".

Direct investments made by the fund must meet a minimum ESG score standard. The materiality and relevance of ESG factors vary between sectors and asset classes, and scoring methods are adapted to capture the most relevant ESG factors depending on the nature of the investments. The ESG score set by NAM uses the Sustainability Accounting Standards Board (SASB) materiality map to identify relevant ESG factors. ESG factors may include various indicators related to environmental- or social-impact, business model and governance. ESG factors can have a positive or negative impact on the analysis, depending on the product/services and how the company conducts its business. Social factors may include considerations related to indigenous people, human rights and labour rights and environmental factors may include carbon emission, science-based targets or impact of policy measures. Quantitative input based on data from multiple sources, is analysed and translated into a score of A, B or C (or equivalent if using external ESG ratings) with A being the highest score. The scores are a measure of companies' exposure to certain ESG factors and their ability to manage such exposure. Supplementary manual assessments are made by analysts where data is insufficient. Numerical ratings for certain assets may be provided by external data vendors and validated by NAM. The fund only invests in companies and issuers with ESG scores in the A and B range, or equivalent if using external ESG ratings, while investments with C scores are excluded. The fund may invest based on a preliminary internal assessment of the ESG profile until a formal score is assigned.

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.



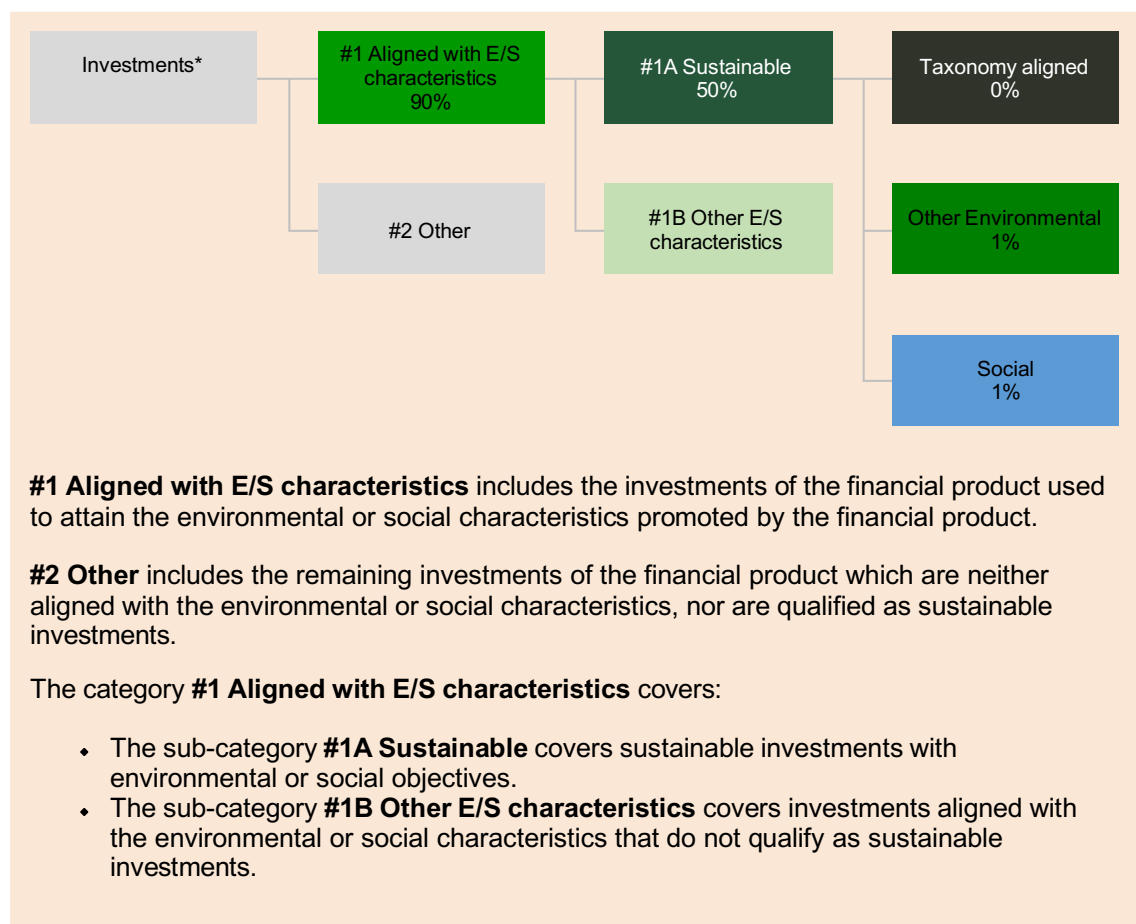
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

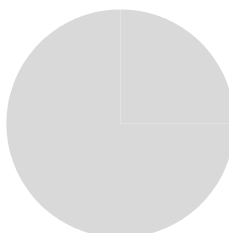
☒ No

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.

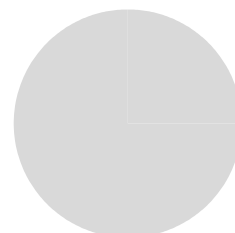
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 1%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - US Total Return Bond Fund

**Legal entity identifier:** 549300MO84XW9D10JW85

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☐ 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
  - ☐ with an environmental objective in economic activities that 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
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**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.



## 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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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



Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



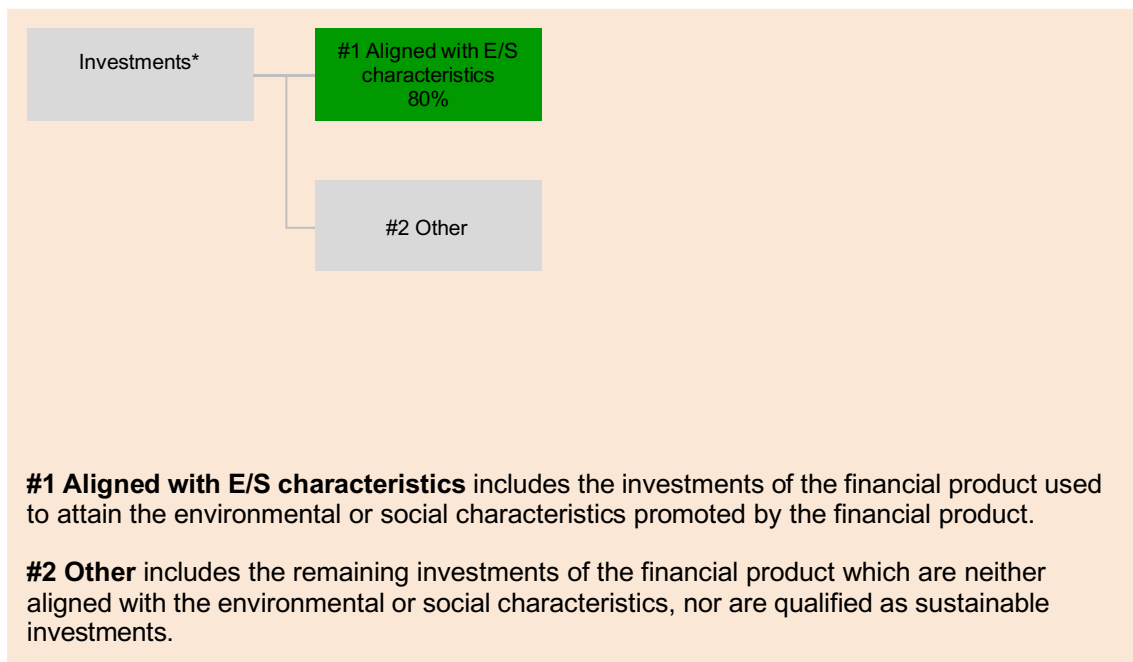
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

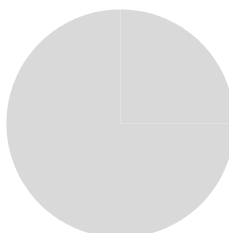
☒ No

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.

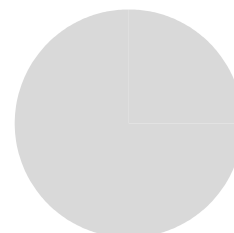
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



## **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Diversified Growth Fund

**Legal entity identifier:** 254900R2RQMO7GAKRZ33

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data



providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



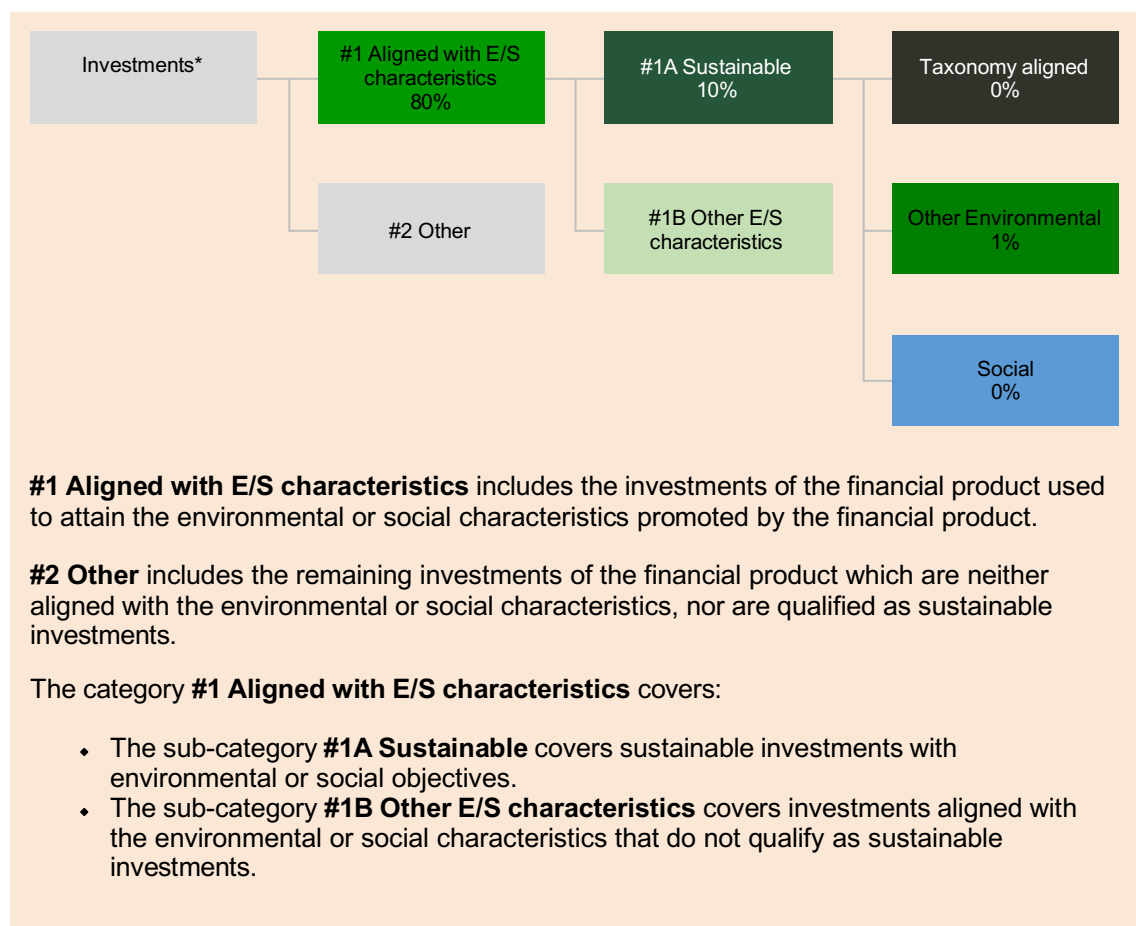
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

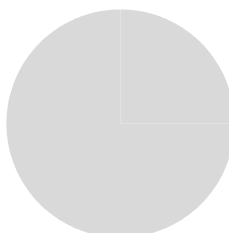
☒ No

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.

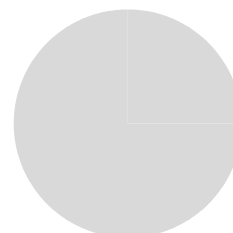
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. The fund may hold market exposure through index derivatives that are not aligned with the E/S characteristics. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](http://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - GBP Diversified Return Fund

**Legal entity identifier:** 549300ZBFDBDY4UFU888

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



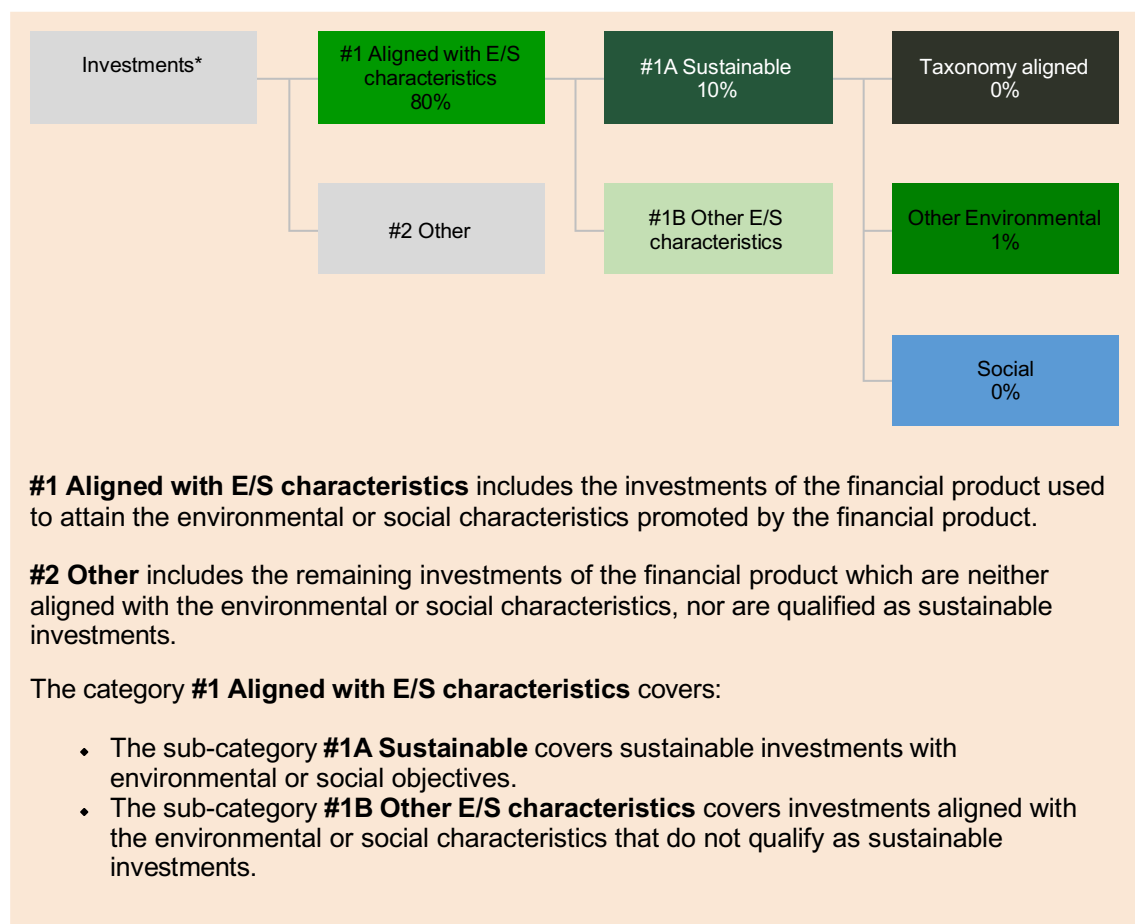
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

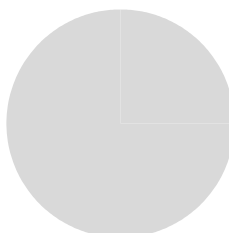
☒ No

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.

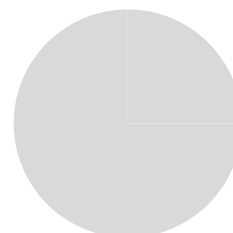
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.





are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:

[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Smart Step Fund

**Legal entity identifier:** 636700YO99K5WXMK3837

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 20% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.



● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 20% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



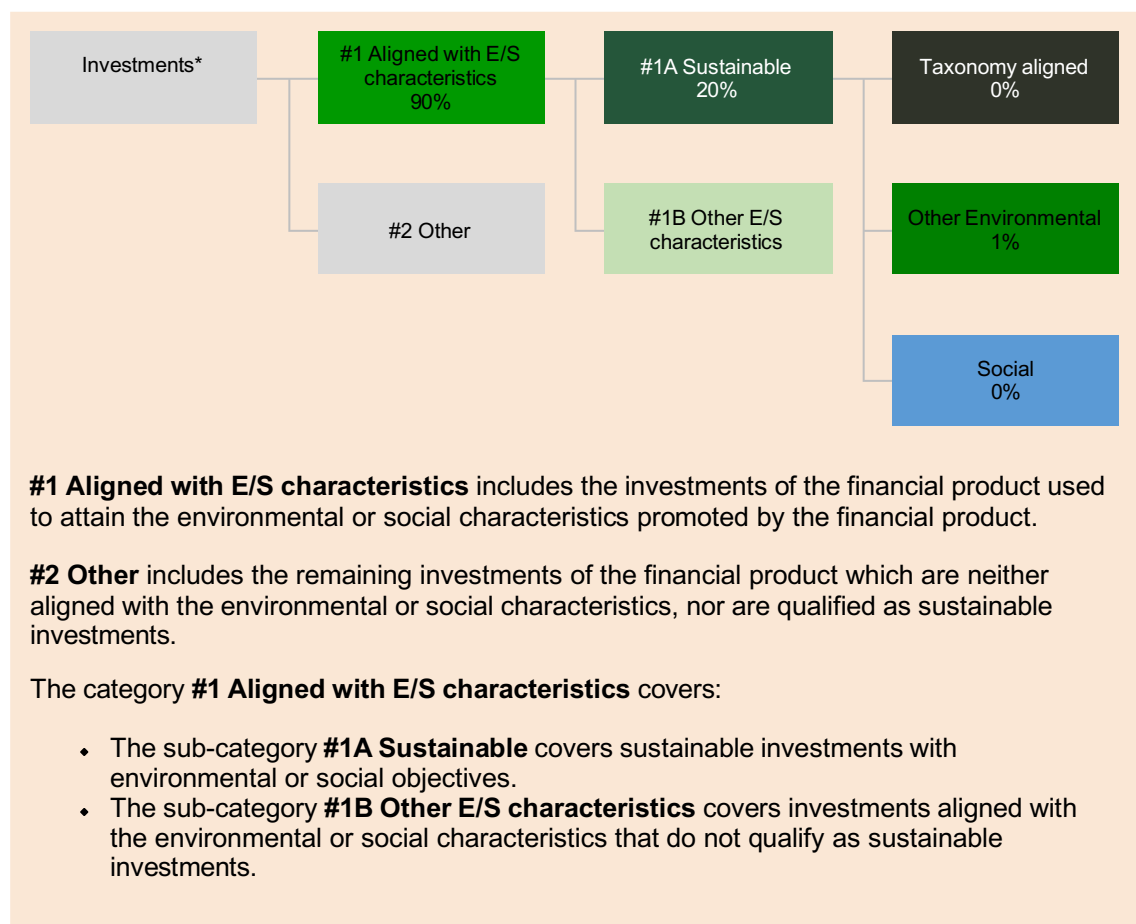
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

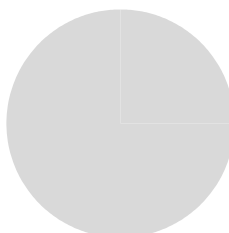
☒ No

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.

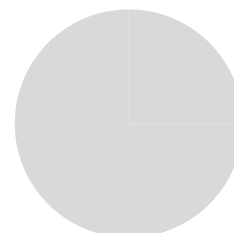
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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 0%.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Stable Return Fund

**Legal entity identifier:** 549300J9YLZQT0W3Z531

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☒ 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 10% of sustainable investments

☐ with an environmental objective in economic activities that 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

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section “What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data

providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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.

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

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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.

● **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.

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



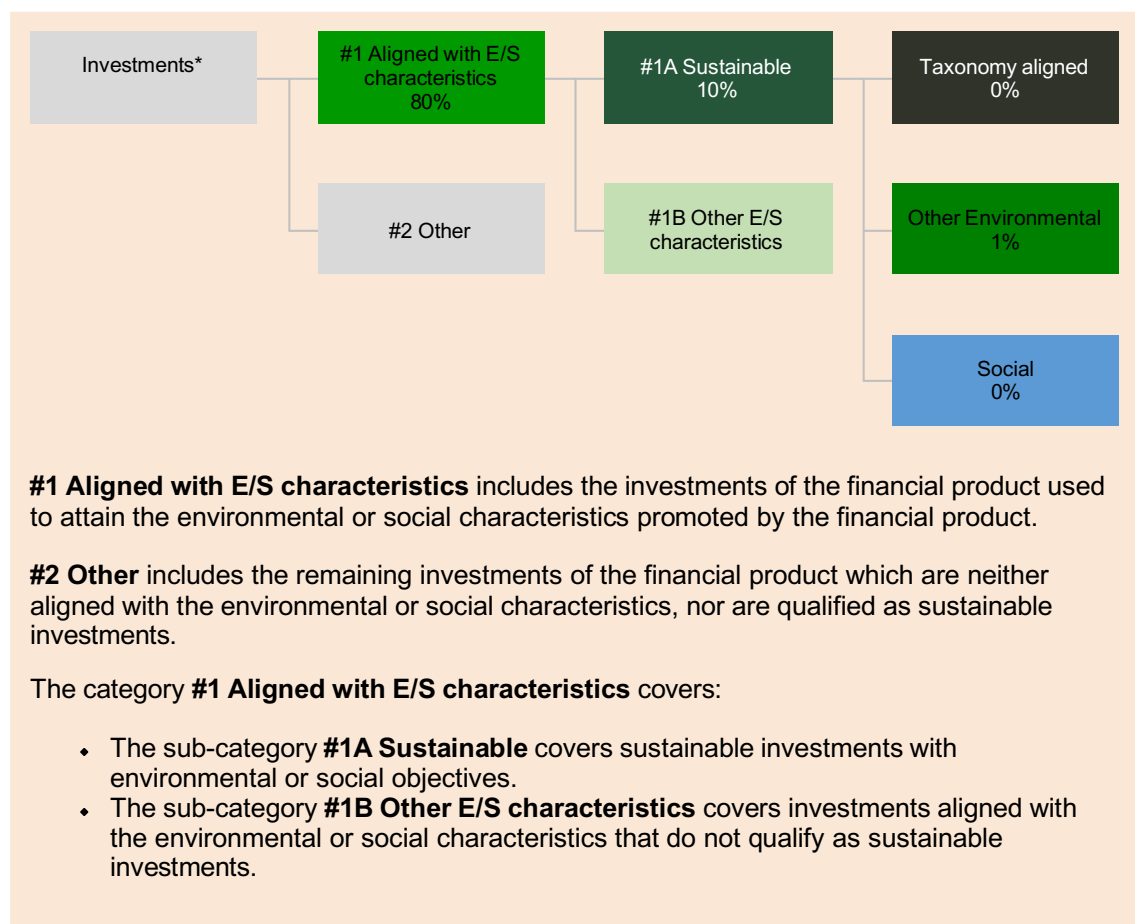
## What is the asset allocation planned for the financial product?

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.

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.



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

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

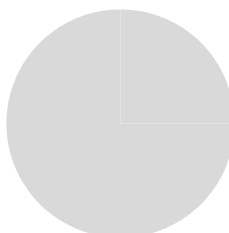
☒ No

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.

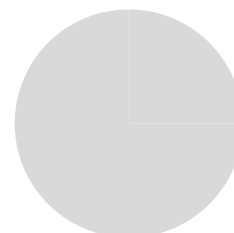
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '#1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



**What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the “Fund Descriptions” in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://nordea.lu)

Additional information as referenced in the above sections is available here:  
[Sustainability -related information](#)  
[Responsible Investment Policy](#)  
[Exclusion list](#)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**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 - Dynamic Rates Opportunities Fund

**Legal entity identifier:** 5493000FS39CKTHC1D15

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- ☒ 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 10% of sustainable investments
- ☐ with an environmental objective in economic activities that 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
- ☐ with a social objective
- ☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the fund is the direction of capital towards companies and issuers that adhere to certain ESG standards as described below, while following good governance practices and complying with international norms on environmental protection, human rights, labour standards and anti-corruption.

**Minimum proportion of sustainable investments** The fund invests a minimum proportion of its assets in sustainable investments, across environmental and social objectives. We define sustainable investments as investments in companies and issuers that are involved in activities contributing to an environmental or social objective as outlined in UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives and following good governance practices.

**Sector- and value-based exclusions** The fund aims to promote environmental and social characteristics by avoiding investments in companies that we find are violating global environmental and social norms. The fund also applies specific exclusion criteria on companies involved in business activities deemed to be materially harmful to environment and society at large.

**NAM's Paris-Aligned Fossil Fuel Policy** The fund aims to promote environmental characteristics by investing in companies that do not have significant exposure to fossil fuels or that have a credible transition strategy.

The exact methods and criteria used to select investments based on these characteristics are detailed in the section "What are binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"

There is no reference benchmark designated for the purpose of attaining the E/S characteristics of the fund.

### ● What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- % of sustainable investments
- % of investments, aligned with the E/S characteristics, that do not comply with sector- and value based exclusions
- % of investments, aligned with the E/S characteristics, that do not comply with NAM's Paris-Aligned Fossil Fuel Policy

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objective of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies where a minimum of 20% of their activity can be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs. For certain asset types like covered bonds and use-of-proceeds securities, other measures are relevant. The definition of sustainable investments is further detailed in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

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.

● ***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?***

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?***

The DNSH test, as part of the methodology to identify sustainable investments, identifies negative outliers and poor performance related to PAI indicators. The investment manager will consider the PAI indicators that are listed in the regulatory technical standards Table 1, annex 1 of the Sustainable Finance Disclosure Regulation. Currently data is mainly available for the use of the indicators listed below. As data quality and availability evolves, additional indicators will be included.

Climate and other environment related indicators:

- Greenhouse Gas emissions
- Biodiversity impact
- Emissions to water
- Hazardous waste

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:

- Violations of the UNGC and OECD principles
- Board gender diversity
- Exposure to controversial weapons
- Severe human rights issues and incidents

Companies that do not pass the thresholds that are defined by the investment manager, will not qualify as a sustainable investment. This includes companies that are involved in severe human rights incidents, severe controversies related to biodiversity or violations of the UNGC and OECD principles. In certain cases where a company does not pass the test on one or more of the above PAI indicators, use-of-proceeds securities issued by such company may be considered sustainable if the proceeds from the issuance of the securities is dedicated to the funding of activities that mitigate the reasons for the company not passing the test.

Companies also fail the DNSH test if they are among the worst performers on emissions to water, hazardous waste or Greenhouse Gas emissions. In addition, companies that derive more than 0% of revenue from unconventional fossil fuel fail the DNSH test, and companies that derive more than 5% from conventional fossil fuel or more than 50% from services specific to the fossil fuel industry will only pass the DNSH test if they are below the climate related exclusions criteria of the EU Paris Aligned Benchmark with revenue thresholds of 1% for coal, 10% for oil, 50% for natural gas and 50% for fossil fuel based electricity generation, and have a climate transition plan. Our Paris Aligned Fossil Fuel Policy describes the criteria used to identify companies with credible transition plans. It can be found via the link provided below in the section "Where can I find more product specific information online?".

Additional exclusions to further limit negative externalities are applied to the investment universe of the fund, to avoid investment in companies that are involved in thermal coal or production of fossil fuels from oil sands and arctic drilling, as well as controversial weapons, tobacco and pornography.

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?"

The data on PAI indicators needed for the DNSH test is sourced from third party data providers.

- **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.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **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 E/S characteristics that are promoted by the fund, are integrated in the investment process on a binding basis as described in the section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

Investments are partly dedicated to sustainable investments. The strategy applies 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?". Exposure to companies involved in fossil fuel related activities is restricted through NAM's Paris aligned Fossil Fuel Policy.

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

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

governance practices.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Minimum 10% 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?".

Sector- or value-based exclusions prevent investments in companies and issuers that are breaching international norms where engagement is deemed not to be possible or effective. 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. 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 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?".

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.



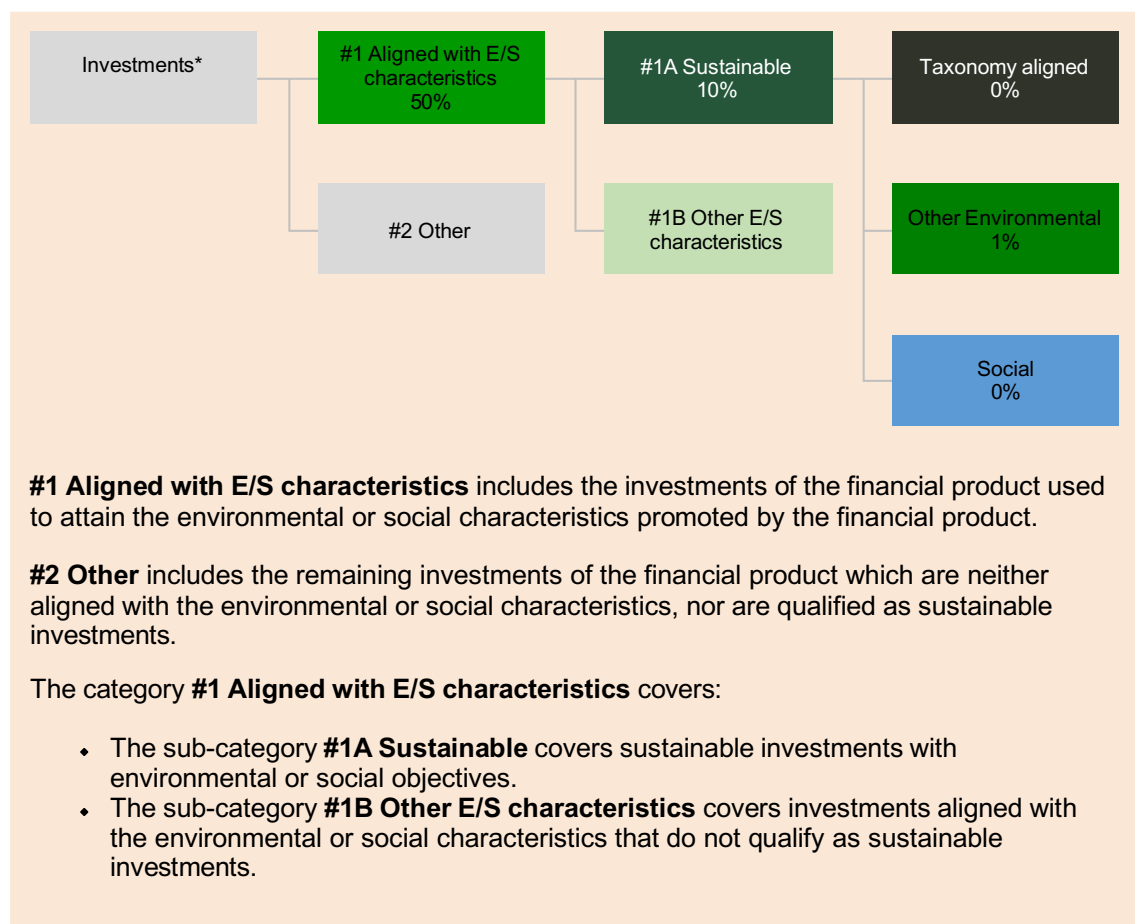
## What is the asset allocation planned for the financial product?

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.

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.



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

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the fund.



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

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments, but there is no commitment to hold in a minimum proportion of such investments in the fund.

### 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

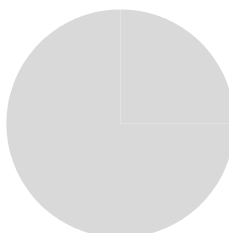
☒ No

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.

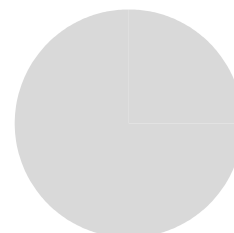
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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

☒ Taxonomy-aligned: Fossil Gas 0%  
☒ Taxonomy-aligned: Nuclear 0%  
☒ Taxonomy-aligned (No Fossil Gas & Nuclear) 0%  
☐ Non Taxonomy-aligned 100%



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.

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.



are 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%. The fund commits to a minimum proportion of sustainable investment with an environmental objective aligned with the SFDR and as displayed in '1A Sustainable' in the graph in the section "What is the asset allocation planned for the financial product?". These investments could be aligned with the EU Taxonomy. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund.



### **What is the minimum share of socially sustainable investments?**

The minimum share of sustainable investments with a social objective is 0%.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the "Fund Descriptions" in the prospectus. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [nordea.lu](https://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](#)