

**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 - Global Social Empowerment Fund

**Legal entity identifier:** 549300DN1QTCPESQWW22

## 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**



## 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?**

#### **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.

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, 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?***

Alignment of the 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 using the Violations of the UNGC and OECD principles indicator.



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

- No
- Yes, NAM's proprietary quantitative PAI tool assesses the impact of NAM's investment universe (direct investments mainly) across multiple PAI indicators. Investment teams have access to both absolute PAI metrics and normalised scale values, allowing them to identify outliers and adjust their view of investee companies and issuers accordingly. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving 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.

The strategy applies sector and value-based exclusions and it 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.

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

**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?".

Sector- or value-based exclusions prevent investments in companies that are involved in serious breaches of 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 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 additional 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?***

Good governance practices of investee companies are addressed in various layers of the security selection process of direct investments. Companies are screened for good governance by assessing, among other elements, their employee relations, pay practices, management structures and tax compliance.





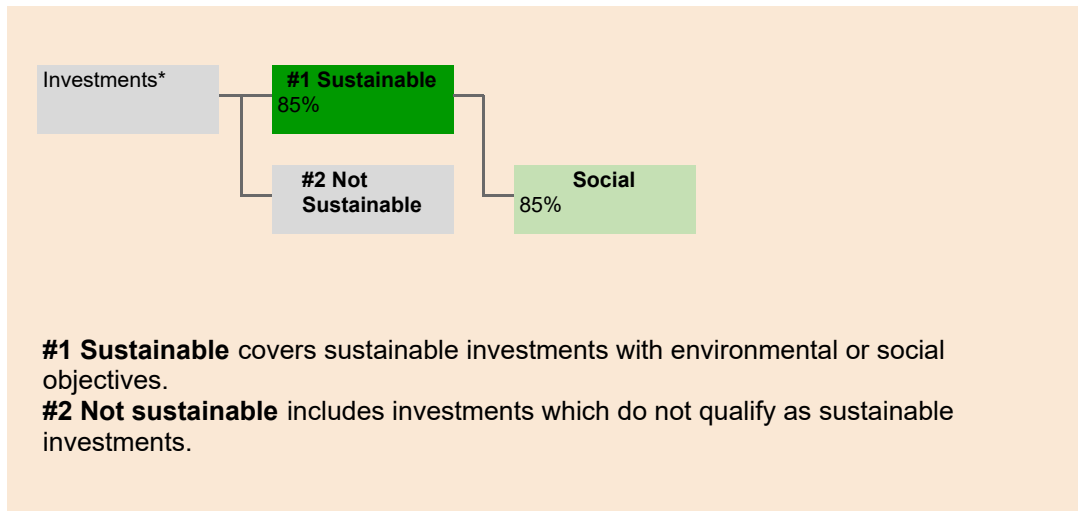
## What is the asset allocation and the minimum share of sustainable investments?

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.



## 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%. 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. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy-alignment will develop as the EU framework evolves and data is made available by companies.

### ● 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

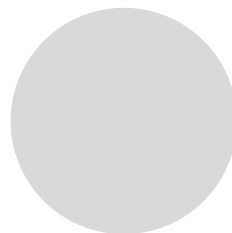
No

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.

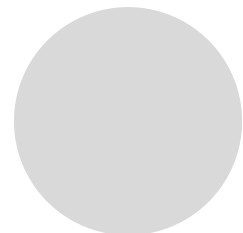
1. Taxonomy-alignment of investments including sovereign bonds\*

<input type="checkbox"/>	Taxonomy-aligned: Fossil Gas 0%
<input type="checkbox"/>	Taxonomy-aligned: Nuclear 0%
<input type="checkbox"/>	Taxonomy-aligned (No Fossil Gas & Nuclear) 0%
<input type="checkbox"/>	Non Taxonomy-aligned 100%



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

<input type="checkbox"/>	Taxonomy-aligned: Fossil Gas 0%
<input type="checkbox"/>	Taxonomy-aligned: Nuclear 0%
<input type="checkbox"/>	Taxonomy-aligned (No Fossil Gas & Nuclear) 0%
<input type="checkbox"/>	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 investment, to exclude companies and issuers subject to international sanctions, as well as entities that are involved in serious breaches of international norms, where engagement is deemed not to be possible or effective.



### **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](#)  
[Paris-Aligned Fossil Fuel Policy](#)