

Sustainability-related disclosures

Nordea 1 - Global Impact Fund

Nordea
ASSET MANAGEMENT

27 February 2026

Transparency of the promotion of environmental or social characteristics and of sustainable investments

This document includes information relating to environmental and social characteristics of financial products and information relating to sustainable investments, in accordance with article 10 of the Sustainable Finance Disclosure Regulation (SFDR)¹.

Product name: Nordea 1 - Global Impact Fund

Legal entity identifier: 549300M3BNRUZQFIEE11

Summary

This fund has as its objective sustainable investment and will make a minimum percentage of sustainable investments. These are screened to ensure that they do not significantly harm any social or environmental investment objectives.

Investment Strategy

The investment strategy directs capital towards investments that are supporting the funds sustainable investment objective.

Proportion of Investments

The fund commits to investing at all times at least 85% in sustainable investments with environmental or social objective – of which 25% sustainable investments with an environmental objectives and 25% sustainable investments with a social objective.

Monitoring

Key sustainability indicators, measuring the attainment of the sustainable investment objective, are monitored on an ongoing basis.

Methodologies

Proprietary methodologies are used to ensure the attainment of the sustainable investment objective, including a three-step proprietary process is applied for identifying sustainable investments ensuring contribution to environmental or social objectives, adherence to good governance standards without significantly harming any environmental or social objectives.

Data Sources and Processing, Due diligence

We use multiple external providers (ISS, MSCI, Clarity AI, Upright). Data quality is continuously assessed and we strive to improve data accessibility and mitigate limitations. When selecting data vendors, thorough due diligence is performed.

Engagement Policies

Engagement is a key and distinctive part of the fund's investment approach and we engage proactively with companies on material ESG issues.

Designated reference benchmark

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

¹Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

Does this financial product have a sustainable investment objective?

☒ ☒ ☒ Yes

- ☒ 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%

☒ ☐ ☐ No

- ☐ 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. 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.

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

This fund has as its objective sustainable investment and commit to making a minimum percentage of sustainable investments, as illustrated above.

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

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

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

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

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

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

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

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

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

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

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

Sustainable investment objective of the 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.

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.

More information can be found below in the Investment Strategy and Methodologies sections.

Investment strategy

Description of the investment strategy used to attain the sustainable investment objective

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 Investment Policy.

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.

Exclusions

The fund's investment universe excludes companies significantly involved in specific activities. Exclusion thresholds vary based on revenues derived from these activities. Different thresholds apply for determining the level of involvement that will result in an exclusion of a company from the investment universe. This means that the fund may have exposure to excluded activities if the threshold is above zero %. The list shows an aggregation of exclusions that result from NAM's general RI Policy and the additional exclusions that are added to the specific investment strategy.

- Pornography
- Alcohol
- Conventional weapons
- Coal
- Gambling
- Gas
- Nuclear weapons
- Oil
- Arctic drilling and oil sand
- Palm oil
- Tobacco
- Controversial weapons

Description of the policy to assess good governance practices of the investee companies

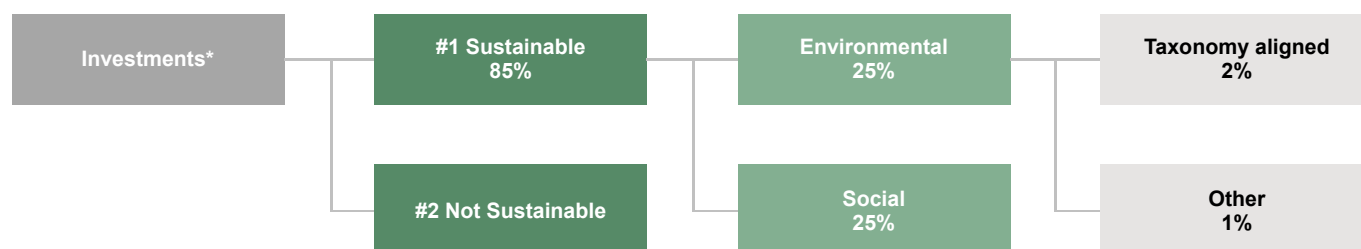
NAM's Responsible Investment Policy provides the basis for assessing investee companies' good governance practices. NAM's norm-based and controversies screening, which identify companies allegedly involved in breaches of international law and norms, also apply to this strategy. The screening process 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.

Proportion of investments

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



#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.

Monitoring of sustainable investment objective

Description of how the sustainable investment objective and the sustainability indicators used to measure the attainment of the sustainable investment objective are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

The following sustainability indicators are used to measure the attainment of the sustainable investment objective of the fund:

- **Contribution to SDG 1 - No poverty:** SDG 1 is to eradicate extreme poverty for all people everywhere by 2030.
- **Contribution to SDG 2 - Zero Hunger:** SDG 2 is to end hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- **Contribution to SDG 3 - Good Health and Well-being:** SDG 3 is to ensure healthy lives and promote well-being for all at all ages.
- **Contribution to SDG 4 - Quality Education:** SDG 4 is to provide quality education for all and to create a peaceful and prosperous world.
- **Contribution to SDG 5 - Gender Equality:** Indicators for Gender Equality are used to measure whether a board include a strong presence of independent non-executive members and is diversified in terms of gender, experience, age and other factors.
- **Contribution to SDG 6 - Clean Water and Sanitation:** SDG 6 is to ensure availability and sustainable management of water and sanitation for all.
- **Contribution to SDG 7 - Affordable and Clean Energy:** SDG 7 is to ensure access to affordable, reliable, sustainable and modern energy for all.
- **Contribution to SDG 8 - Decent Work and Economic Growth:** SDG 8 is to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **Contribution to SDG 9 - Industry, Innovation and Infrastructure:** SDG 9 is to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
- **Contribution to SDG 10 - Reduced Inequality:** SDG 10 is to reduce inequalities and ensure no one is left behind.
- **Contribution to SDG 11 - Sustainable Cities and Communities:** SDG 11 is to make cities and human settlements inclusive, safe, resilient and sustainable.
- **Contribution to SDG 12 - Responsible Consumption and Production:** SDG 12 is to ensure sustainable consumption and production patterns.
- **Contribution to SDG 13 - Climate Action:** SDG 13 is to take urgent action to combat climate change and to limit warming to 1.5o Celsius above pre-industrial levels.
- **Contribution to SDG 14 - Life Below Water:** SDG 14 is about conserving and sustainably using the oceans, seas and marine resources.
- **Contribution to SDG 15 - Life on Land:** SDG 15 is to conserve life on land.
- **Contribution to SDG 16 - Peace, Justice and Strong Institutions:** SDG 16 is to promote peaceful and inclusive societies, providing access to justice for all and building effective, accountable and inclusive institutions at all levels.
- **Contribution to SDG 17 - Partnerships for the Goals:** SDG 17 is to revitalize the global partnership for sustainable development.
- **% of total investments in EU taxonomy aligned activities:** Taxonomy-alignment is calculated as the share of each company's turnover that derives from taxonomy-aligned activities weighted by the weight of the position divided by the total investments of the financial product.
- **% of total investments assessed as impact investments based on NAM's proprietary methodology :** measures the proportion of the fund's total investments that have been assessed as impact investments as defined by NAM's proprietary methodology to measure positive impact of listed companies

The binding restrictions are monitored in the limit system which is run internally by the Risk Management Limit Team (the "Limit Team"). When we decide to limit exposure to certain sectors or activities, we build those into our internal limit monitoring system that runs both pre- and daily post-trade screenings for the fund's investments. Pre-trade limits block the unfit investment opportunities from our portfolio management tool, and post-trade limits flag any exposure or activity that is not aligned with the fund's investment restrictions. In case an investment is no longer aligned with the fund's investment restrictions, relevant actions may be taken in the interest of investors, including divestment.

Methodologies

What are the methodologies used to measure the attainment of the sustainable investment objective and how are the sustainability indicators to measure the attainment of the sustainable investment objective used?

The methodologies that apply to measure the attainment of the sustainable investment objective of the fund, are set out here below.

Minimum proportion of sustainable investments

Sustainable investment is defined under the SFDR as 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. We take into consideration the regulatory framework for sustainable finance, as well as proprietary investment methodologies, to ensure that sustainable investments can be identified, invested in and measured. In order to select sustainable investments, we apply three tests. The investment should pass all three tests to qualify as a sustainable investment.

Step 1: Good governance test – investee companies are screened on topics related to sound management structures, employee relations, remuneration of staff and tax compliance, and must not be subject to significant controversies related to any of these topics

Step 2: Do no significant harm test – a company or an issuer cannot perform negatively on selected principal adverse impact ("PAI") indicators. 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. The thresholds defining negative outliers and poor performance vary for each PAI indicator. For use-of-proceeds instruments, such as green or social bonds, the specific purpose of the issuance may be considered to pass the do no significant harm test if mitigating the issuers adverse impact.

Step 3: Environmental or Social Contribution – NAM's proprietary process 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. Bonds that are issued under ICMA or equivalent frameworks (labelled bonds) are considered sustainable if their adherence under the relevant standard has been verified by an approved external auditor.

For any proportion of the fund that may be invested in **labelled bonds**, supplementary information to "Step 3" above is provided in this section. For certain types of labelled bonds with specific ESG features, the assessment of environmental and social contribution may deviate from traditional bonds or additional metrics may be considered. Labelled bonds include use-of-proceed bonds like green bonds, social bonds and sustainability bonds (combining social and green) as well as sustainability-linked bonds. Use-of-proceed bonds are issued to provide financing for new and existing projects or economic activities with environmental and/or social contribution. Sustainability-linked bonds proceeds are used to finance general corporate purposes in the same way as traditional corporate bonds, however, financing conditions are linked to explicit sustainability or ESG objectives that the issuer has committed to achieving. These objectives are measured through the issuer's predefined key performance indicators that monitor the development in the specific sustainability performance targets. The approach to determining whether use-of-proceeds bonds can be classified as sustainable investments as per SFDR article 2(17), focuses on the issuer's green or social bonds framework. Issuers of use-of-proceeds bonds use a predefined and documented framework that is set up by the issuing entity to describe the project categories that are eligible for financing under the framework. NAM conducts an assessment of the issuers' frameworks to determine if the projects can be classified as sustainable investments i.e. 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 one or more of the 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. As an extra precaution, it is also a requirement that adherence to such standard is confirmed by a Second Party Opinion (SPO) from a recognized external auditor. When investing in sustainability-linked bonds, the strength of the sustainability linked KPIs is assessed, as well as the related sustainability performance targets and their financial incentives. Issuers of sustainability-linked 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.

For any proportion of the portfolio that may be invested in **covered bonds**, the process described in “Step 3” above is replaced by a methodology that is tailored to covered bonds. Classification of covered bonds as sustainable investments, requires a methodology that captures the specific characteristics of these instruments which are issued on the basis of an underlying pool of real estate assets. NAM has developed a methodology that is applicable to covered bonds based on residential housing and commercial real estate assets. We take outset in the EU Taxonomy’s climate change mitigation objective which, for this purpose, translates into green- house gas emission from the energy use in housing. Due to widely lagging data from covered bonds issuers, GHG emissions must be estimated. As a measure of green-house gas emission (GHG emission) per m2 of housing space, we use the standard provided by Partnership for Carbon Accounting Financials (PCAF) and estimated data from the International Energy Agency on average energy use and mix in residential buildings which is available for each country. To determine whether a certain level of GHG emission is to be considered sustainable, it is measured against the targeted GHG emission reduction per m2 that is needed to reach the Paris Agreement of a 91% reduction in GHG emission in 2050 from a 2019 baseline, as defined by the Carbon Risk Real Estate Monitor (CRREM). The model estimates the degree of alignment of the underlying pool of real estate with the targeted greenhouse gas emission level, and the proportion that is aligned is counted as sustainable investment. The sustainability level is adjusted with any labelled covered bonds that may have been issued on the same underlying asset pool. As data is currently mostly available on country level, the sustainable proportion is based on country average GHG emission numbers, assuming that the real estate pools underlying the covered bonds are sufficiently diversified to represent GHG emission levels close to the country average. When the issuers report data on GHG emissions or energy use this data will be prioritized.

Sustainable investments with an environmental objective aligned with the EU Taxonomy

In line with the EU Taxonomy, the investment teams assess whether companies have a percentage of revenues exposed or potentially exposed to economic activities that substantially contribute to the objectives under the EU Taxonomy, while not significantly harming any other objectives outlined in the same regulation and meeting minimum social safeguards.

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 providers' results may not be fully aligned as long as publicly reported company data is still lacking and assessments rely largely on equivalent data.

The EU Taxonomy defines 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

Given that the EU Taxonomy does not aim at addressing the entirety of sustainable activities, our funds may make environmentally-sustainable investments that do not qualify as environmentally-sustainable under the EU Taxonomy.

Paris-Aligned Fossil Fuel Policy

NAM's Paris-Aligned Fossil Fuel Policy (“**PAFF**”), has been developed with the Paris agreement in mind. The Paris agreement is a legally binding international treaty on climate change. Its goal is to limit global warming, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. The NAM PAFF Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services, which are implemented and monitored as specific exclusions in our limit system. However, investments may be allowed in companies that help accelerate the transition to clean energy and phase out of fossil fuel. The NAM PAFF policy can be found [here](#).

Sector- and value-based exclusions

Exclusions aim at limiting the investment exposure to certain sectors or activities that may be considered to be damaging for the environment and/or the society at large, including those referred to in the Paris-aligned

Benchmark (PAB) exclusions. Sector screenings assess a company's involvement in a specific activity measured by the revenue derived from this activity. Sector exclusions are the result of screenings based on the data and methodology of our selected data vendors.

Impact investing

NAM's impact investing approach aim at supporting business models addressing sustainability challenges identified in the UN Sustainable Development Goals. We focus on areas where private-sector, for-profit companies can balance economic, environmental and social considerations. The identified sustainability challenges have been clustered into three themes, each underlined by a set of impact objectives, which guide our investment strategy and, to a lesser extent, our engagement activities:

1. Resilient Economy: we invest in companies developing responsible consumption and efficient production patterns integrating sustainability with the intent to prepare for unexpected shocks that may destabilize cities, supply chains, or natural resources.
2. Livable Planet: we invest in companies reducing emissions into the atmosphere or reversing the trend of the depletion of natural capital with the intent to maintain our planet's ability to provide an accommodating environment for humanity.
3. Strong Communities: we invest in companies providing access to basic goods and services essential to improve individuals' life quality or creating opportunities for economic inclusion with the intent to create a more equitable society.

To contribute to the above impact objectives, we assess the environmental and social performance of each company across three pillars:

Footprint: positive outcomes from the conduct of operations (i.e., minimal negative effects).

Handprint: positive outcomes tied to the business model (i.e., benefits of products and services).

SDG Model: exposure to the UN SDGs (i.e., alignment in terms of revenue and operating context).

Engagement activities support the ambition to reduce negative effects on society or the environment in underlying companies' impact. We seek to engage with companies performing below (sector) average on a material ESG issue to mitigate risks and create positive change. Our engagement goals are focused on material ESG topics and aim at aligning our holdings' operations with our impact objectives.

Data sources and processing

a) What are the data sources used to attain the sustainable investment objective of the financial product?

We use a range of different internal and external data sources and data providers (including ISS, MSCI, Clarity AI and Upright) to ensure that the fund is invested in accordance with the sustainable investment objective of the fund. Data received from external providers may be complemented by internal research and analysis provided by our Investment Teams and the Responsible Investment team.

b) What are the measures taken to ensure data quality?

We apply various measures to control the quality of the external and internal data sets used. This may include internal control measures commonly used in computer programming such as:

- Quality assurance test whereby controls are made to check that the external data values are in the expected range and behave as intended
- Unit testing whereby individual data and functions created to generate insights or transform said data are tested to determine if they are fit for use and produce the expected output
- Four-eyes review of any code changes by our specialists
- Segregation of duties whereby there is a separation of responsibilities of key processes between more than one person, based on their area of expertise
- Segregation of IT environments that protects the integrity and availability of the environment producing the data and allows for testing of new data in terms of quality and robustness before it is used in a production environment
- Sanity test whereby the functionality and output of the system is tested to ensure that it works as expected
- Review of the data and insights generated by said data by our analysts/specialists

Furthermore, to the extent possible, data reported by companies, regulatory authorities and/or non-governmental organisations are prioritised over data from data providers' estimation models. This is done in order to minimize the reliance on third party estimation efforts which in turns improves the overall quality of the data we use as input in our investment processes.

The external data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

c) How is data processed?

As described above, the data used partly derives from external data providers that provide raw data on issuer level. We seek to obtain as much and the most granular company data possible.

The external data received is enriched with additional external data sets, it may be complemented by in-house ESG analysis of the data, and company identifiers (ISIN) are matched with the incoming raw data to companies that we can potentially invest into as well as current investee companies.

d) What proportion of data is estimated?

ESG data reported by investee companies is used where available. Although we prioritise reported data over estimated data, we do rely to some extent on estimations and on estimated data provided by external data providers, where reported data is not available or of adequate quality. Some data providers do not differentiate between estimated and reported data, making it challenging to precisely calculate the proportion of data that is estimated. We expect the proportion of estimated data to decrease over time. The proportion of estimated data used at a given point in time is not currently tracked per fund.

Limitations to methodologies and data

a) Are there any limitations to the methodologies and data sources used?

The fact that some proportion of the data received from external data providers may be estimated data, may be seen as a limitation to the methodologies and data sources.

Information is mainly based on historical data and may not reflect the future ESG performance or risks of the investments.

b) How do those limitations not affect the attainment of the sustainable investment objective of the financial product?

To mitigate the limitations to data sources, we have ensured to have solid due diligence measures in place in relation to external data providers. Manual verification processes is another mitigating factor.

We evaluate the quality of internal and external data on an ongoing basis, and continuously assess if new data providers can improve the analysis and models. We have also implemented a Supplier Code of Conduct for data providers to follow. Prior to a data provider being chosen as a supplier, extensive market research is conducted, and the potential data providers are assessed on issues such as: data quality, coverage, security, methodology, price, reliability and conflict of interest.

Due diligence

Description of the due diligence carried out on the underlying assets of the fund, including the internal and external controls on that due diligence.

NAM conducts due diligence reviews of all internal and external data on an ongoing basis, and continuously assesses if new data providers can improve the analysis and models. As set out above, we have also implemented a Supplier Code of Conduct for data providers to follow. Prior to a data provider being chosen as a supplier, extensive market research is conducted, and the potential data providers are assessed on issues such as data quality, coverage, security, methodology, price, reliability and conflict of interest.

When it comes to calculation of any potential alignment with the EU Taxonomy, we strive to source data directly from companies, but as self-reported data remains scarce, this may be supplemented with data sourced from third party providers. ESG data in general is continually maturing and the data coverage is improving. NAM is constantly searching the market for the data which adheres to EU regulation requirements and can be used to provide our clients with necessary reports on the products' ESG profiles.

Engagement policies

Description of the engagement policies implemented where engagement is part of the sustainable investment objective, including any management procedures applicable to sustainability-related controversies in investee companies.

Engagement is a key and distinctive part of the fund's investment approach. Portfolio managers and the Responsible Investment team engage proactively with companies invested in the fund when we see material ESG risks that may not be adequately managed or opportunities that may not be fully capitalized on. We also engage and vote in the investee companies to advance certain themes related to the long-term systemic risks and UN SDG's, e.g. human rights and climate change.

We implement comprehensive management procedures for handling severe sustainability-related controversies in investee companies through a structured approach at NAM level. Our norm-based and PAI screening attempts to identify companies that are allegedly involved in breaches of international law and norms covering environmental protection, human rights, labour standards and anti-corruption or outliers on PAI indicators. The Responsible Investment team conducts internal assessments based on factors including severity, magnitude of impact, degree of company involvement and culpability, presenting recommendations to the NAM Responsible Investment Committee (RIC), chaired by NAM senior management, which serves as the primary decision-making body for engagements (and exclusions) at NAM level.

For more information on the voting and engagement approach see [NIFSA Corporate Governance Principles](#) and [Responsible Investment Policy](#).

Designated reference benchmark

Description of how an index designated as reference benchmark is aligned with the sustainable investment objective of the financial product.

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

Appendix

UN sustainability Goals

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.



Amendments

Date	Version	Amendment
2022-12-31	1	First version of fund specific SFDR Article 10 Statement aligned with the SFDR Regulatory Technical Standards
2023-04-04	2	Erased reference to exclusion for nuclear energy since this screening does not apply to the fund
2023-08-31	3	Additional details are provided to align with the updated prospectus
2024-04-03	4	Additional details are provided to align with the updated prospectus, other minor updates
2024-08-19	5	Additional details are provided to align with the updated prospectus, other minor updates
2025-04-08	6	Additional details are provided to align with the updated prospectus, other minor updates
2025-07-04	7	Additional details are provided to align with the updated prospectus
2025-10-16	8	Additional details are provided to align with the updated prospectus, other minor updates
2026-01-20	9	Enhancement of summary section.
2026-02-27	10	Additional details are provided to align with the updated prospectus