

# Impact report

Nordea 1 – Emerging Stars Equity Fund  
Q4 2020



\* investing for their own account – according to MiFID definition

For illustrative purposes only.

# The Sustainability footprint of 100,000 EUR invested in Nordea 1 – Emerging Stars Equity Fund

LU0602539602 (BP-USD) / LU0602539354 (BI-USD)

Fund Illustrative Benchmark: NASDAQ Emerging Large Mid Cap Index

### Water usage

51 Cubic Meters

Most of your savings are invested in companies that on average consume less water compared to their peers.

**12**

The equivalent of the water used from 12 households

1789 m<sup>3</sup> less than illustrative benchmark

### Waste generation

94 Kilograms

Most of your savings are invested in companies that on average produce less waste than their peers.

**162**

Equal to approx. 162 waste bags

1136 kg less than illustrative benchmark

### Social criteria

Companies that take good care of their employees' health and safety, as well as strengthen diversity and inclusion, are represented in your portfolio.

+	Health & Safety Pioneers	0.0%	0.0%
+	Diversity & inclusion pioneers	2.0%	1.6%

### CO<sub>2</sub>-emissions\*

2700 Kilograms

Most of your savings are invested in companies that on average emit less CO<sub>2</sub> compared to their peers.

**27**

The equivalent of annual CO<sub>2</sub> emissions from 27 cars

41.4 tonnes less than illustrative benchmark

\* Measured as CO<sub>2</sub> equivalent greenhouse gas emissions

### Underground oil, gas and coal reserves

0 Tonnes of CO<sub>2</sub>e

None of the companies in your portfolio own fossil fuel reserves, neither oil, coal or gas.

**1786**

Equal to 1786 Copenhagen-Bangkok flights

1278 tonnes less than illustrative benchmark

### Governance criteria

You avoid investing in companies with questionable practices and invest more in companies that stand out positively on business ethics than the benchmark.

-	Business ethics violation	0.0%	4.8%
+	Business ethics pioneers	1.4%	1.2%

This sustainability footprint overview is prepared by NASDAQ based on analysis of Nordea - 1 Emerging Stars Equity Fund's holdings as of 31/12/2020. The analysis is based the equity investments in the fund and the holdings are compared to the NASDAQ Emerging Large Mid Cap Index, a broad market index used as benchmark for illustrative purposes only and which does not correspond to the official benchmark of the fund. The calculations are based on an example investment of 100,000 EUR, of which ca. 98% is invested in equities. For illustration purposes only. This overview does not constitute investment advice. Please note that the value of investments can go up as well as down and you might not get back the amount originally invested.

## Understanding the metrics used

### Water usage

**Shows how much water the companies in the underlying funds directly use or purchase annually.**

This metric is calculated by relating the annual water use (in cubic meters) of the underlying companies to the weight of those companies (equity exposure) in the fund/portfolio and to the size of the invested amount. The comparison with household use is based on average European household water consumption data from Eurostat.

**Why do we measure the water usage footprint:** The fashion industry is the third largest annual user of water globally after oil and paper, responsible for more than 10% of the water used by all types of industry. Depending on materials and production processes, fashion companies can reduce their water footprint. (Source: Common Objective/WWF)

### Waste generation

**Shows how much waste the companies in the underlying funds produce annually, that is either incinerated or disposed to landfill.**

This metric is calculated by relating the annual waste generation (in tonnes) of the underlying companies to the weight of those companies (equity exposure) in the fund/portfolio as well as the size of the invested amount. The comparison with number of waste bags considers that an average waste bag has 7kg and is based on data sourced from EU and Plast.dk.

**Why do we measure the waste generation footprint:** With the current pace of plastic waste ending up in the oceans (equal to one garbage truck dumped in the oceans every minute), it's projected that by 2050, the total amount of plastic waste in the oceans will weigh more than all fish, and 99% of seabirds will have ingested plastics. Hence there is an urgent need to limit the waste. ( Source: WWF)

# Understanding the metrics used

## CO2e emissions

Shows annual greenhouse gas emissions produced directly by the companies in the underlying funds and from their consumption of energy (Scope 1+2).

This metric is calculated by relating the annual greenhouse gas emissions (in tonnes, translated into CO2 equivalents) of the underlying companies to the weight of those companies (equity exposure) in the fund/portfolio and to the size of the invested amount. The comparison with the car emissions is based on data from EEA/ICCT on average emissions for new cars sold in EU in 2016.

**Why do we measure the CO2e emissions footprint:** While it is good to turn lights off to save energy, 20 companies have alone contributed to 35% of all energy-related carbon dioxide and methane worldwide, totalling 480bn tonnes of carbon dioxide equivalents (GtCO2e) since 1965. (Source: The Guardian)

## What are Scope 1, 2 and 3 CO2 emissions:

Scope 1 are direct emissions from owned or controlled sources. Scope 2 are indirect emissions from the generation of purchased energy. Scope 3 are all indirect emissions that occur in the value chain of the reporting company, upstream and downstream. For instance, a car manufacturer: The car manufacturer emits CO2e when assembling cars (Scope 1). The manufacturer's suppliers emits CO2e to generate electricity for the manufacturer production of electricity (Scope 2). A rental car provider operates the cars and emits CO2e over the product's lifetime (Scope 3).

## Fossil reserves

Shows the future potential CO2e emissions if oil, gas & coal reserves owned by the companies in the underlying funds are extracted from the ground and burned.

This metric is calculated by relating the proven and probable resources of oil, gas and coal that the underlying companies have disclosed, to the weight of those companies (equity exposure) in the fund/portfolio and to the size of the invested amount. Please note that the calculation considers the lifetime CO2e emissions (in tonnes) associated with these reserves. The comparison with number of flights is based on calculations from ICAO.

**Why do we measure the fossil reserves footprint:** While the business of extracting oil, gas and coal from the ground emits large amounts of CO2, an even larger amount is emitted when the resources are used as fuel. Extraction companies can therefore potentially cause future emissions by extracting reserves.

## What are CO2 Equivalents (CO2e):

Different greenhouse gasses that contribute differently to global warming. According to the GHG Protocol, they are all converted into one measure, CO2 equivalents:

Greenhouse gas	CO2 equivalent
Carbon Dioxide	1
Methane	25
Sulphur Hexafluoride	22,8
Nitrus Oxide	298
Per Fluoro Carbons	7850
Hydro Fluoro Carbons	2400

## Understanding the metrics used

### **Business ethics violations**

Companies that have violated different ethical guidelines or norms. For example, companies involved in fraud or money laundering are flagged here.

### **Business ethics pioneers**

Companies flagged for a particularly strong preservation of ethical guidelines and/or norms.

### **Diversity and inclusion pioneers**

Companies acknowledged for their work, practices and efforts within diversity and inclusion – both in leadership and in the overall workforce.

### **Human and labor rights pioneers**

Companies acknowledged for their particular focus on the protection and support of human rights and labor rights.

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