

Nordea 1 - Global Climate and Environment Fund

LU0348927095

Issuer	Nordea Investment Funds S.A.
Fund provider	Nordea Investment Funds S.A.
Fund type/Asset class	Equity fund
Legal form	SICAV
Fund issue date	13/03/2008
Last Update	23.08.2024
Benchmark	MSCI World Index - Net Return
Tranche	Private Investors Institutional Investors foundations

Risk Indicator (PRIIP) 4 of 7	Licensed in D, A, CH, LU	Classification by SFDR Article 9	EU Taxonomy 2.0% aligned	% of Sustainable Investments according to SFDR 85%
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Principal Adverse Impacts



Sustainable Development Goals



NORMAL ALLOCATION

Equities	90 % to 100 %
Bonds	Excluded
Money market/Bank deposits	Excluded
Commodities	Excluded
Direct investments	Excluded
Derivatives	Excluded
Other	-

Sustainability approach

Principal Adverse Impacts	<ul style="list-style-type: none"> ✓ Greenhouse Gas Emissions ✓ Water ✓ Waste ✓ Biodiversity ✓ Energy Efficiency and Fossil Fuels ✓ Social and Employee Matters <p>This strategy considers all the 16 mandatory indicators applying to companies, excluding specific indicators for sovereigns/supranationals or for real estate issuers which are not applicable to this strategy. As a starting point, this strategy applies norm-based screening filters to identify companies that are allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption. These filters identify impact relating to some of the principal adverse impact indicators. To identify impact of our investment decisions across all the mandatory and the additional principal adverse impact indicators that we have chosen to consider, we have developed a proprietary PAI monitoring system (our PAI engine) to increase the scope of the indicators, subject to data availability. The PAI engine is based on data acquired from third-party providers and investee companies. By ranking the performance of companies across each indicator, we aim to identify each company's negative impact on climate and social issues as defined by the PAI metrics, both intrinsically and compared to its peers. We measure the overall exposure on entity level as well as the impact on product level. Companies identified by the PAI engine as outliers on specific indicators or that exhibit high adverse impact across several indicators, are analysed further by our Responsible Investment team and a recommendation for action is made to our Responsible Investment Committee (RIC). RIC is presented with an update on the identified company on a quarterly basis and may, based on this, decide on the appropriate action to be taken in each case (e.g. no action, engagement or exclusion). In deciding the appropriate action, the RIC considers, among other things, the severity and scope of individual adverse impacts, and the probability of occurrence and severity of adverse impacts, including their potentially irremediable characteristics. For further information, please refer to the fund's article 10 document: https://www.nordea.lu/documents/sustainability---related-disclosures/SRD_N1_GCLIMEF_eng_INT.pdf</p>
Further remarks on the consideration of SDGs	<p>When we assess whether a company or issuer is substantially engaged in sustainable economic activities, we look for activities aligned with the UN Sustainable Development Goals (SDGs). Our primary metric is activity based: here we estimate how much of the company's revenue comes from products and services with E/S benefits. We break down company revenues by activity, and we map the activities against the SDGs and Taxonomy. Our minimum revenue threshold here is 20%, to ensure we are able to capture different business models delivering social/environmental change. This allows us to capture businesses in transition and E/S benefits and solutions coming out of diversified businesses where products with sustainability features are an area of development and growth. The portfolio's net positive contribution to the UN SDGs is assessed by aggregating data from several external data providers. This raw data is the same used to assess if an issuer contributes to an environmental or social (E/S) objective, one of the criteria to be considered as a Sustainable Investment. For each issuer, our data providers evaluate the proportion of the company's turnover generated by economic activities that actively contribute to a sustainable objective. Each value in the graph represents the asset-weighted average contribution to a single SDG for the holdings in the portfolio.</p>
Rationale behind classification according to SFDR	<p>Article 9</p> <p>The fund is categorized as an Article 9 product based on Sustainable Finance Disclosure Regulation (SFDR). The fund has sustainable investment as its objective and has a minimum percentage of 85% of sustainable investments. These are screened to ensure that they do not significantly harm any social or environmental investment objectives. The asset allocation of the fund is presented in the form of a chart that holds a specification of the minimum percentage of environmental and/or social sustainable investments that the fund commits to invest into. Specific sustainability indicators are used to measure the attainment of the sustainable investment of the fund in accordance with the methodologies. The investment strategy uses binding elements, including: • Enhanced exclusion filters and other limits • Minimum proportion of investments aligned with the EU Taxonomy • Minimum proportion of sustainable investments • Paris Aligned Fossil Fuel Policy (PAFF) Sustainable Investments are one of the three methods offered by MiFID II for a fund to qualify as suitable for clients with sustainability preferences. A holding will be considered a Sustainable Investment if it meets three criteria: it must invest in an economic activity that contributes to an environmental or social objective, must not significantly harm any environmental or social objective (Do No Significant Harm) and must follow good governance practices. For more information, please refer to the fund's article 10 document here: https://www.nordea.lu/documents/sustainability---related-disclosures/SRD_N1_GCLIMEF_eng_INT.pdf?inline=true</p>
Engagement	<p>Yes, organized internally</p> <p>🔗 Link to engagement policy</p>
Voting	<p>Yes, organized internally</p> <p>🔗 Link to voting policy</p>
Best-in/of-Class	<p>No</p> <p>n/a</p>

ESG-Integration	<p>Yes</p> <p>The Nordea Global Climate and Environment Strategy aims to create positive environmental impact by investing in global equities that derive significant future cash flows from their exposure to the Climate and Environment megatrend. A company needs to have at least 20% revenue exposure to the Climate and Environment megatrend to be included in the universe. The threshold is set relatively low to be able to capture companies that are transforming their business into being more focused on Climate solutions, but most of the investments in the fund will typically have more than 50% revenue exposure to the Climate and Environment megatrend. Overall, the ESG analysis ensures that every company added to the portfolio has a good sustainability profile positively contributing to the fund's objective, while integrating ESG factors in the fundamental valuation. A company must be a Sustainable Investments 'pass', meaning that the company shall: a) Exhibit a minimum positive environmental contribution turnover of 20% that is linked to UN SDGs b) Meet minimum Good Governance criteria: a company needs to have sufficient processes in place related to the four good governance topics specified by the SFDR – 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. c) Do not significant harm (“DNSH”) the environmental (or social) objective: a company 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. If one of the three criteria is not met, the company cannot be considered a Sustainable Investment and thus cannot be invested. Consequently, all companies held in the portfolio should have a good sustainability profile, which are then assessed on the sustainability of their returns based upon ESG risks. The findings of the ESG analysis are fully incorporated into the strategic assessment as well as in its valuation, predominantly via how we fade returns (sustainability of returns) in our DCF model. As such, a company able to mitigate and address its main ESG issues will have a greater chance of generating higher profitability and higher returns, translating into a high fade rate (and vice versa). The fund strategy has three themes, and fifteen subthemes, created from qualitative research intended to identify global environmental challenges that the market economy can address. We address the drivers underlying the energy and environmental transition by investing in climate change mitigation and adaptation (Alternative Energy), biodiversity management and solutions based on nature (Environment Protection), and sustainable and responsible use of resources (Resource Efficiency). - Resource Efficiency: we identify companies whose products and services help optimising the existing resource base and improving resource use efficiency. We believe this area is the most economically sensible to achieve lower emissions and reduce energy consumption. It is often not the most visible area in the universe but one of the most diverse and interesting which spans from smart farming via advanced navigation systems to energy efficient cooking and process equipment, to energy efficient lighting and building material applications. - Environment Protection: we are incorporating companies with strong offerings to reduce, eliminate or avoid pollution and other forms of environmental degradation. This area is often driven by environmental regulation and risk management considerations, as well as consumers that demand more sustainable products and services. Preventing potential future costs of negative externalities is as important as dealing with existing issues of the past. - Alternative Energy: we capture companies that typically focus on innovations to generate cleaner energy supply. The world is still very much dependent on conventional energy sources and growth comes at the expense of negative externalities for the environment and societies. The global share of primary energy from renewable sources is still very low, but emission-free renewables like solar and wind have shown their economic feasibility and further improvements will lead to higher adoption. Our research leads us to believe that electricity will in the long run become the primary form of energy used for consumption and the age of oil and coal will come to an end. Our research leads us to believe that electricity will become the primary form of energy used for consumption and the age of oil and coal will end.</p>
Norm-based screening	<ul style="list-style-type: none"> ✓ UN Global Compact ✓ ILO core labour standards ✓ OECD Guidelines for Multinational Enterprises ✓ Implementation of TCFD <p>Other</p> <ul style="list-style-type: none"> • OECD Principles of Corporate Governance • Universal Declaration of Human Rights • UN Guiding Principles on Business and Human Rights • Children's Rights and Business Principles • Rio Declaration on Environment and Development • UN Convention on Corruption • Convention on Cluster Munitions
Themes	<ul style="list-style-type: none"> ✓ Climate change ✓ Agriculture and forestry ✓ Renewable Energies ✓ Biodiversity ✓ Water ✓ SDGs <p>NAM's ESG positions describe our expectations of the companies we invest in, beyond the international norms and conventions. For more information about the positions we take in our funds please refer to our RI Policy which can be found here: https://www.nordea.lu/documents/esg--ri-policy/ESG-RI-PL_eng_INT.pdf/</p>
Impact Investing	<ul style="list-style-type: none"> ✓ Environmental <p>When we invest with the intention of driving positive change for the people and the planet, we aim to invest with impact. In Nordea 1 – Global Climate and Environment Fund, we target companies providing market-based solutions to sustainability challenges identified within the UN Sustainable Development Goals framework. We expect that those businesses will deliver the kind of outcomes that the SDGs require, and that our stock selection will consequentially result in positive impact. The themes targeted by the Nordea 1 – Global Climate and Environment Fund are Resource Efficiency, Environmental Protection and Alternative Energy. Since we make these investments with an objective of environmental positive change, we also need to monitor the real-economy change delivered by our holdings. Here, we combine qualitative and quantitative information to assess the contribution each holding makes to the SDG for which it was selected. The metrics we use for the environmental and social outcomes are chosen on a holding-by-holding basis, reflecting the nature of the solution each company is offering. For more information please refer to our Fund Impact Report which can be found here: https://www.nordea.lu/documents/esg---impact-report/ESG-IR_GCLIMEF_eng_INT.pdf</p>
Further information on the sustainability approach	<p>🔗 Link to sustainability approach</p>

Research and Transparency

In-house sustainability analysis	Yes, Formed in 2009, Nordea's RI team is one of the largest and most experienced in EU in terms of pure ESG analysts. It is composed of 20 analysts, who work closely with their respective portfolio management teams in Copenhagen, Stockholm, Oslo and Singapore. The RI team often participates in client meetings and ESG conferences to share their latest insights and findings. It also leads ESG training (e.g. climate workshops) both internally and for clients.
Research partners	Yes While we place emphasis on our internal research capabilities, Nordea's in-house Responsible Investment team underpins our approach with externally sourced ESG research and ratings. Some of our most used partners include the following: MSCI ESG; RepRisk; TruValue Labs; Bloomberg; ISS Global; CDP; Upright; Clarity AI; Impact-cubed; Maplecroft; NGO's (WWF, Amnesty International, Transparency International, Greenpeace, SwedWatch, DanWatch).
Percentage of portfolio with sustainability analysis	100 %
Strategically important suppliers included	Yes
Sustainability advisory committee	Right of proposal and veto ESG Committee - NAM's ESG Committee serves as highest decision-making body of Responsible Investment within NAM. It aims ensure strong ESG governance. It has a mandate to drive NAM's responsible investment (RI) and climate commitments, including but not limited to approving and overseeing our RI Policy, as well as our climate and ESG methodologies and principles. The committee is composed of selected Senior Executive Managers (SEM) members, the head of Responsible Investments and is chaired by NAM's CEO.
Analysis of portfolio CO2	Yes, forward-looking indicator To calculate CO2 emissions of our portfolios we use our Climate Module, which is an add-in to the proprietary ESG data to include issuer-level Paris alignment metrics across the entire investment universe . Additionally, in 2023 we have developed our Forward Decarbonization tool which predicts a company's future scope 1-2 emissions and provides analysts and portfolio managers with a forward-looking view of the potential decarbonization trajectory of any company in the investment universe.
Sustainability reporting	Yes Please refer to the link in order to find more information on the fund's ESG Report: https://www.nordea.lu/documents/esg---report/ESG-R_GCLIMEF_eng_INT.pdf
At least monthly portfolio publication	Yes 🔗 Link to monthly portfolio publication
Certification/Label awarded by independent auditors	- Other Towards Sustainability - The fund has received recognition from the Belgian Central Labelling Agency in the form of Towards Sustainability label. The label aims to instil trust and reassure potential investors that the financial product is managed with sustainability in mind and is not exposed to very unsustainable practices, without requiring of investors to do a detailed analysis themselves.

Environmental

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Fossil fuels (Coal, Oil and Gas)	Yes 5 % Turnover threshold
Nuclear power (operation and components)	No
Green genetic engineering	No
Chlorine and agrochemicals (biocides)	No
Other	NAM does not invest in companies deriving more than 5% of their revenues from thermal coal and excludes companies involved in the production of fossil fuels from oil sands (5% revenue threshold) or through arctic drilling. In addition, NAM excludes companies with substantial and sustained exposure to coal mining, with a 5% revenue threshold on thermal coal and a 30% revenue threshold on total coal (including metallurgical coal).

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Environmentally damaging behaviour	Yes
Damage to biodiversity	Yes
Other	Please see our guidelines for the fund ESG exclusions, on the ESG Report: https://www.nordea.lu/documents/esg---report/ESG-R_GCLIMEF_eng_INT.pdf

EXCLUSION CRITERIA – COUNTRIES

Non-ratification of the Paris Climate Agreement	N/A
Non-ratification of the Protocol on Biosafety	N/A
Non-ratification of the UN Biodiversity Convention	N/A
Nuclear power by proportion of gross energy production	N/A
Other	-

Social

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Weapons/Armaments	Yes 5 % Turnover threshold
Cluster bombs and anti-personnel mines	Yes
Weapons of mass destruction (ABC/CBRN)	Yes
Tobacco products	Yes 5 % Turnover threshold
Pornography	Yes
Spirits/Alcohol	Yes 5 % Turnover threshold
Gambling	Yes 5 % Turnover threshold
Other	n/a

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Labour rights (ILO core labour standards)	Yes
Exploitative child labour	Yes
Violation of human rights	Yes
Animal testing	No
Other	As stated in our RI Policy, all our funds (including those managed by external boutiques) are subject to a regular norms-based screening which identifies companies that are allegedly involved in breaches of, or controversies around, international law and norms on environmental protection, human rights, labour standards and anti-corruption. Examples of such norms and standards include the UN Global Compact and the OECD Guidelines for Multinationals

EXCLUSION CRITERIA – COUNTRIES

Labour rights	N/A
Violation of human rights	N/A
Military spending as a percentage of GDP	N/A
Death penalty, torture	N/A
Countries classified by Freedom House as not free	N/A
Violations of the Nuclear Non-Proliferation Treaty	N/A
Violations of other non-proliferation treaties	N/A
Other	-

Governance

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Corruption and bribery	Yes
Tax: planned avoidance & detected violations	Yes
Other	For corruption we expect companies to take a proactive approach towards corruption and responsible payments and ensure that adequate measures are implemented and transparency is being elevated. Regarding Tax, We expect our portfolio companies to have a tax policy that outlines the company's approach to taxation and how it aligns with the overall business strategy

EXCLUSION CRITERIA – COUNTRIES

Corruption	N/A
Other	-

Quelle: Unternehmensangaben. | Für die Angaben der Unternehmen kann keine Haftung übernommen werden. Die Angaben dienen nur zur Information und stellen keine Beratung oder Empfehlung dar. Bitte beachten Sie den Haftungsausschluss unter www.forum-ng.org/disclaimer. Das FNG-Nachhaltigkeitsprofil bietet nur einen ersten Überblick und ist kein Ersatz für eine eigenständige Analyse. Weiterführende Erläuterungen finden Sie unter www.forum-ng.org