

Statement on principal adverse impacts of investment decisions on sustainability factors

Nordea

30 June 2026

Financial market participant: Nordea Bank Abp (LEI: 529900ODI3047E2LIV03)

Sammanfattning

Nordea Bank Abp (LEI: 529900ODI3047E2LIV03) beaktar sina investeringsbesluts huvudsakliga negativa konsekvenser för hållbarhetsfaktorer. Föreliggande redogörelse är den konsoliderade redogörelsen för huvudsakliga negativa konsekvenser för hållbarhetsfaktorer för Nordea Bank Abp¹.

Denna förklaring gällande huvudsakliga negativa konsekvenser för hållbarhetsfaktorer omfattar referensperioden från den 1 januari till den 31 december 2025.

Vi beaktar huvudsakliga negativa konsekvenser som en del av våra due diligence-processer och rutiner för investeringar. Vi beaktar huvudsakliga negativa konsekvenser genom att mäta och övervaka de sammantagna negativa konsekvenserna för hållbarhetsfaktorer från våra investeringar. Vi beaktar 20 huvudsakliga negativa konsekvenser, varav 18 är obligatoriska och två är frivilliga indikatorer som definierats i EU:s förordning om hållbarhetsrelaterade upplysningar (SFDR)² utifrån datatillgänglighet och datakvalitet. I denna redogörelse ingår rapporterade huvudsakliga negativa konsekvenser från våra investeringar mätt med hjälp av dessa indikatorer, med undantag för de för vilka PAI-data för närvarande inte är tillgängliga. Då det fortfarande saknas obligatoriska datarapporteringskrav för investeringsobjekt står vi fortsatt inför vissa utmaningar med att identifiera alla investeringars huvudsakliga negativa konsekvenser.

De samlade värdena för huvudsakliga negativa konsekvenser som presenteras i denna redogörelse kommer från tillgångar under förvaltning för de produkter som förvaltas av Nordea Investment Management AB och representerar summan av de underliggande tillgångarna för dessa produkter.

¹ Denna redogörelse gäller från och med den 30 juni 2026. Den granskas och uppdateras minst en gång om året. I händelse av avvikande översättning ska den engelska versionen gälla.

² Europaparlamentets och rådets förordning (EU) 2019/2088 av den 27 november 2019 om hållbarhetsrelaterade upplysningar som ska lämnas inom den finansiella tjänstesektorn.

Följaktligen är de rapporterade värdena främst en följd av våra kunders investeringsmål och preferenser, vilket i sin tur påverkar deras val av produkter och därmed associerade portföljinnehav. Det är svårt att jämföra huvudsakliga negativa konsekvenser för våra investeringar med branschjämförelseindex eftersom våra portföljer är mycket diversifierade (tillgångsklasser, instrument, sektorexponeringar osv.). Dessutom är den årsbaserade jämförelse av värden för huvudsakliga negativa konsekvenser som presenteras i denna redogörelse också begränsad av förändringar i datatäckning under rapportperioden, i synnerhet vad gäller värden för huvudsakliga negativa konsekvenser med låg datatäckning. Därför kan även mindre förändringar i den absoluta datatäckningen (t.ex. från 3 % till 4 %) leda till betydande relativa förändringar i rapporterade värden.

Bland de indikatorer vi övervakar observerade vi utveckling som delvis drivs av förändringar i portföljsammansättningen samt tillgänglighet och kvalitet hos underliggande data. Vad gäller klimatrelaterade indikatorer fortsatte vårt arbete med engagemang och röstning att gynna målet i fråga om nettonollutsläpp av växthusgaser. Merparten av de största bidragen till portföljutsläppen var i linje med Parisavtalet eller föremål för aktivt engagemang vid årets slut. Beträffande indikatorer för biologisk mångfald, vatten och avfall, identifierade vi avvikelser genom vårt övervakningssystem och genomförde ytterligare analyser, och om relevant, engagemang. Vad gäller sociala och styrningsrelaterade indikatorer, övervakades de genom normbaserad screening och vi fortsatte att bedriva påverkansarbete mot företag som flaggats för potentiella brott mot internationella normer. Databegränsningar är fortfarande en utmaning för vissa indikatorer, särskilt de med låg täckning.

Description of the principal adverse impacts on sustainability factors

The mandatory and voluntary principal adverse impact indicators required under the Commission Delegated Regulation 2022/1288 are presented in the tables below. We report on a total of 20 principal adverse impact indicators, of which 18 are mandatory and 2 are voluntary. For these indicators, we have included information describing the

actions that we have taken and actions that we plan to take/targets set to avoid or reduce the identified principal adverse impact. Our engagements are undertaken on the level of Nordea Asset Management (NAM), which includes Nordea Investment Management AB, Nordea Investment Funds S.A. and Nordea Funds Ltd. References in this statement to engagements carried out and number of issuers identified as outliers on indicators therefore relate to the combined portfolio holdings managed by these entities.

In calculating the principal adverse impact indicators, we primarily use data sourced from third-party providers. Where relevant, this information may be supplemented either by data obtained directly from investee companies or by internal research, for example where data from third-party providers is unavailable or where we disagree with the assessment from third-party providers.

For certain reported indicators, data coverage is low (often less than 10%), which in some cases reflects the eligibility criteria of the indicator rather than a lack of available data. At present, it is not feasible to meaningfully disclose the proportion of investments calculated using each data source, due to methodological constraints and data availability across indicators. We continue to assess data availability and quality with a view to enhancing transparency in future reporting, where feasible.

We have included the reported principal adverse impact of our investments, measured using these indicators, for the reference period from 1 January to 31 December 2025.³

Table 1

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2025 (year n)	Impact 2024 (year n -1)	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	840 511,45 tCO ₂ e Data coverage: 84,65%	970 158,86 tCO ₂ e Data coverage: 85,58%	GHG emissions are calculated as the Scope 1 ⁴ emissions in investee companies expressed in tons of carbon dioxide equivalent.	<u>Actions taken during the reference period:</u> Climate-related PAIs are not addressed individually, but are managed through three complementary mechanisms: (i) active ownership, where we encourage investee companies to accelerate decarbonisation through strategic engagement and voting; (ii) solution-focused investing, where we invest in climate solution providers and companies with credible transition plans; and (iii) portfolio reallocation, where we restrict investments in sectors with limited prospects in a decarbonised economy. By the end of 2025, we met our 2025 target to ensure 80% of the top 200 carbon footprint contributors in our investment portfolio were either assessed as Paris-aligned or subject to active engagement to encourage
		Scope 2 GHG emissions	235 513,71 tCO ₂ e Data coverage: 84,65%	244 963,05 tCO ₂ e Data coverage: 85,58%	GHG emissions are calculated as the Scope 2 ⁵ emissions in investee companies expressed in tons of carbon dioxide equivalent.	
		Scope 3 GHG emissions	7 488 309,70 tCO ₂ e Data coverage: 84,65%	7 291 350,44 tCO ₂ e Data coverage: 85,58%	GHG emissions are calculated as the Scope 3 ⁶ emissions in investee companies expressed in tons of carbon dioxide equivalent.	

³ The reported impact does not include impact of certain holdings for which data is not available and could not be obtained on a best effort basis or be estimated. The basis for our calculations of impact is the methodologies set out in the SFDR regulatory technical standards (Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 (the SFDR RTS)).

⁴ Scope 1 emissions are direct emissions generated from sources that are controlled by the investee company.

⁵ Scope 2 emissions are indirect emissions from purchased or acquired energy (including electricity, steam, heat and cooling) generated off-site and consumed by the investee company.

⁶ Scope 3 emissions are all indirect emissions that occur in the value chain of an investee company (including business travel, capital goods and processing of sold products).

		Total GHG emissions scope	8 564 445,81 tCO ₂ e Data coverage: 84,65%	8 506 452,43 tCO ₂ e Data coverage: 85,58%	The reported impact for total GHG emissions include the Scope 1, 2 and 3 GHG emissions expressed in tons of carbon dioxide equivalent.	alignment, achieving a final figure of 93%. During 2025, we also continued collaboration with selected partners and clients to encourage investee companies to measure, disclose and mitigate their methane emissions, engaging with approximately 60 companies on methane reduction during 2025.
	2. Carbon footprint	Carbon footprint	256,97 tCO ₂ e/million EUR invested Data coverage: 84,65%	272,23 tCO ₂ e/million EUR invested Data coverage: 85,58%	Carbon footprint is calculated as the total GHG emissions expressed as a ratio for the value of all investments. The reported impact include Scope 1, 2 and 3 GHG emissions.	<u>Actions planned and targets set for the next reference period:</u> As a signatory to the Net Zero Asset Managers Initiative, we are committed to continue supporting the global goal of net zero greenhouse gas emissions and, in this context, continue to work towards our 2030 climate targets as described under indicators 3 and 6. We will continue to monitor Scope 1, 2 and 3 GHG emissions and the carbon footprint indicator, and to integrate these indicators into engagement prioritisation. We note that progress towards our 2030 targets is expected to contribute to a reduction in the GHG emission and carbon footprint indicators reported in this statement over the longer term, although year-on-year values may fluctuate due to factors such as changes in data coverage, market movements or shifts in the underlying asset mix.
	3. GHG intensity of investee companies	GHG intensity of investee companies	683,74 tCO ₂ e/million EUR of owned revenue ⁷ Data coverage: 84,91%	733,80 tCO ₂ e/million EUR of owned revenue ⁸ Data coverage: 86,14%	The reported impact for include Scope 1, 2 and 3 emissions.	<u>Actions taken during the reference period:</u> We have an organisational-wide target to achieve a 50% reduction in the weighted average carbon intensity (WACI) of our investments (Scope 1+2 tCO ₂ e/mEUR revenue) before the end of 2030 compared with 2019. Between 2019 and 2025, the WACI of NAM's listed equity and corporate bond portfolios decreased by 52%. This

⁷ GHG intensity including scope 1+2 GHG emissions: 70,04 tCO₂e/million EUR of owned revenue.

⁸ GHG intensity including scope 1+2 GHG emissions: 79,94 tCO₂e/million EUR of owned revenue.

						<p>reduction was partly driven by portfolio reallocation, including divestments from more emission-intensive companies and increased investments in lower-intensity alternatives. However, the main driver was a reduction in the carbon intensity of companies held in NAM's portfolios over the period, notably due to revenue growth without a corresponding increase in emissions, resulting in lower carbon intensity.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we intend to continue monitoring the WACI as part of our broader 2030 climate targets and to integrate it into engagement prioritisation where relevant.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	<p>3,68% investments in fossil fuels</p> <p>Data coverage: 83,12%</p>	<p>4,32% investments in fossil fuels</p> <p>Data coverage: 83,68%</p>	<p>Companies active in the fossil fuel sector means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels.</p>	<p><u>Actions taken during the reference period:</u> Investment products categorised as Article 8 or Article 9 under SFDR may be subject to our Fossil Fuel Policy, which prohibits investments in companies that generate more than 5% of revenues from fossil fuel extraction, production, distribution or power generation, unless they are assessed as transitioning in line with the climate objectives of the Paris Agreement. In addition, certain investment products apply Paris-aligned benchmark exclusions (PAB) that limit exposure to the fossil fuel sector. Application of these policies depends on the investment strategy and is described in the relevant pre-contractual disclosures.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we will continue to apply our Fossil Fuel Policy and Paris-aligned benchmark</p>

						exclusions across eligible investment products.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	<p>54,23% non-renewable energy consumption</p> <p>Data coverage: 74,97%</p> <p>59,25% non-renewable energy production</p> <p>Data coverage : 2,29%</p>	<p>59,70% non-renewable energy consumption</p> <p>Data coverage: 74,95%</p> <p>58,59% non-renewable energy production</p> <p>Data coverage : 2,26%</p>	<p>Renewable energy sources means renewable non-fossil sources such as wind, solar and geothermal energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.</p> <p>Non-renewable energy sources means energy sources other than those referred to above.</p>	<p><u>Actions taken during the reference period:</u></p> <p>The share of non-renewable energy consumption and production of investee companies is monitored through our internally developed monitoring system, subject to data availability. Given the material limitations in data coverage, particularly for non-renewable energy production, this indicator is considered as a supplementary signal rather than a primary basis for engagement action. It is assessed in conjunction with other climate-related PAI indicators: where an issuer demonstrates elevated adverse impact across multiple climate indicators, the non-renewable energy metric may contribute to the basis for further issuer-level analysis or engagement prioritisation.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we intend to continue monitoring this indicator through our internally developed monitoring system. This indicator will continue to be assessed as a supplementary input within our broader climate PAI analysis framework. Given the low data coverage, in particular for non-renewable energy production, and the absence of a standalone engagement trigger for this indicator, at present we do not consider it appropriate to set a specific reduction target.</p>

	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Sector A: 0,99 GWh/million EUR of revenue</p> <p>Sector B: 1,85 GWh/million EUR of revenue</p> <p>Sector C: 0,25 GWh/million EUR of revenue</p> <p>Sector D: 2,71 GWh/million EUR of revenue</p> <p>Sector E: 0,87 GWh/million EUR of revenue</p> <p>Sector F: 0,11 GWh/million EUR of revenue</p> <p>Sector G: 0,08 GWh/million EUR of revenue</p> <p>Sector H: 1,07 GWh/million EUR of revenue</p> <p>Sector L: 0,47 GWh/million EUR of revenue</p> <p>Data coverage: Sector A: 0,05% Sector B: 0,85% Sector C: 26,78% Sector D: 2,75% Sector E: 0,29% Sector F: 0,71%</p>	<p>Sector A: 0,55 GWh/million EUR of revenue</p> <p>Sector B: 1,49 GWh/million EUR of revenue</p> <p>Sector C: 0,26 GWh/million EUR of revenue</p> <p>Sector D: 3,00 GWh/million EUR of revenue</p> <p>Sector E: 0,98 GWh/million EUR of revenue</p> <p>Sector F: 0,09 GWh/million EUR of revenue</p> <p>Sector G: 0,10 GWh/million EUR of revenue</p> <p>Sector H: 0,93 GWh/million EUR of revenue</p> <p>Sector L: 0,33 GWh/million EUR of revenue</p> <p>Data coverage: Sector A: 0,08% Sector B: 1,04% Sector C: 23,83% Sector D: 1,95% Sector E: 0,39% Sector F: 0,97%</p>	<p>Energy consumption intensity means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company.</p> <p>Impact is reported for the below high impact climate sectors.</p> <p>Sector A: Agriculture, forestry and fishing Sector B: Mining and quarrying Sector C: Manufacturing Sector D: Electricity gas steam and air conditioning supply Sector E: Water supply sewerage waste management and remediation activities Sector F: Construction Sector G: Wholesale and retail trade repair of motor vehicles and motorcycles Sector H: Transportation and storage Sector L: Real estate activities</p> <p>GWh or gigawatt hours, is a unit of energy representing one billion (1 000 000 000) watt hours.</p>	<p><u>Actions taken during the reference period:</u></p> <p>Energy consumption intensity across high impact climate sectors is managed as part of our broader climate strategy. During 2025, we met our target to ensure 80% of the top 200 carbon footprint contributors in our investment portfolio were either assessed as Paris-aligned or subject to active engagement to encourage alignment, achieving a final figure of 93%. Many of these companies operate in the high impact climate sectors reported here.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>We have set a 2030 target to ensure that 100% of transition-critical investee companies are either assessed as Paris-aligned or are subject to active stewardship to improve alignment. We define transition-critical as our investments in listed equity and corporate bond holdings at a value exceeding EUR 25m in key transition sectors, including basic materials (cement, chemicals, mining, iron/steel, and paper); utilities (electricity, gas, and waste management); transportation (aviation, automobiles and shipping); energy (oil and gas); and technology (big tech, specifically AI and data centres). Additional companies may be included if deemed transition-critical based on individual assessment. Monitoring and reporting against this target will commence in the next reference period. Our stewardship approach encompasses unilateral and collaborative engagement, as well as strategic voting at shareholder meetings, to accelerate alignment where progress is insufficient.</p>
--	--	--	---	---	---	---

			Sector G: 4,54% Sector H: 1,28% Sector L: 1,75%	Sector G: 3,96% Sector H: 1,14% Sector L: 0,86%		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,86% with negative impact Data coverage: 83,22%	1,59% with negative impact Data coverage: 83,37%	Biodiversity-sensitive areas means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as certain other protected areas.	<p><u>Actions taken during the reference period:</u></p> <p>We are a member of the Finance for Biodiversity Pledge, a commitment of financial institutions to protect and restore biodiversity through finance activities and investments. We have committed to take potential negative effects on biodiversity into consideration. Where possible, we engage individually or collaboratively with companies deemed to be outliers on biodiversity. We are involved in several initiatives to protect biodiversity such as NA100.</p> <p>We consider the impact on biodiversity of our investment decisions using an internally developed monitoring system. Issuers identified as outliers on the biodiversity indicator or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below.</p> <p>During 2025 we identified 5 new outliers on this PAI (on parent company level). These outliers were assessed individually. No new standalone engagements were initiated based on this PAI indicator were deemed necessary at this stage.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we intend to continue monitoring outliers on this indicator through our internally developed monitoring system, and to engage with companies where this is</p>

						deemed appropriate based on our assessment. We will also continue our participation in relevant biodiversity-related initiatives, including the Finance for Biodiversity Pledge and Nature Action 100. Given the binary nature of this indicator and the indirect influence of investment decisions on investee companies' site-level operations, at present we do not consider it appropriate to set a specific target.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,03 tons/million EUR invested Data coverage: 3,75%	0,05 tons/million EUR invested Data coverage: 2,78%	Weighted average means a ratio of the weight of the investment in an investee company in relation to the enterprise value of the investee company.	<p><u>Actions taken during the reference period:</u></p> <p>We consider emissions to water generated by investee companies using an internally developed monitoring system.</p> <p>Issuers identified as outliers on the emissions to water indicator or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below. No new company was identified during 2025.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>Given the current low data coverage in respect of this indicator, the reported impact may not reflect emissions to water in the overall product portfolio and it is currently not deemed meaningful to set specific targets in</p>

						relation to the indicator. We may take part in different initiatives encouraging investee companies to increase disclosure on water-related indicators, where appropriate.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	59,82 tons/million EUR invested Data coverage: 82,63%	57,58 tons/million EUR invested Data coverage: 82,31%	Weighted average means a ratio of the weight of the investment in an investee company in relation to the enterprise value of the investee company. Due to improved coverage of issuers, and changes in the methodology of one of our data providers in relation to the classification of mining tailings and waste rock as hazardous, unless explicitly reported otherwise, a significant increase in the hazardous and radioactive waste indicator is observed.	<p><u>Actions taken during the reference period:</u></p> <p>We consider the hazardous waste and radioactive waste ratio generated by investee companies using an internally developed monitoring system. Issuers identified as outliers on the indicator or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below.</p> <p>During 2025, three investee companies were identified as outliers on this indicator. Following further analysis, the elevated values were attributable to a methodological change introduced by one of our data providers, under which mining tailings and waste rock are now classified as hazardous waste unless explicitly reported otherwise, combined with improved issuer coverage. As the increase reflects a data and classification change, no further action was considered necessary.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we intend to continue monitoring this indicator through our internally developed monitoring system and to assess outliers on an individual basis, initiating</p>

						<p>engagement where deemed appropriate.</p> <p>We will also continue to monitor developments in data provider methodology to assess whether observed values reflect changes in investee company conduct or data and classification changes. Given the current methodological limitations affecting this indicator, at present, we do not consider it appropriate to set a specific target.</p>
--	--	--	--	--	--	--

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	<p>0,25% involved in violations</p> <p>Data coverage: 83,96%</p>	<p>1,41% involved in violations</p> <p>Data coverage: 85,58%</p>	Information on investee companies involved in violations of the UNGC principles or OECD Guidelines are based on our norms-based screening.	<p><u>Actions taken during the reference period:</u></p> <p>We adhere to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, and our aim is that the investee companies that we invest into comply with these norms.</p> <p>Our investments are subject to norm-based screening, which identifies investee companies that have been involved in violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises. If a company is identified in this screening process, an internal assessment of the company is initiated and potential actions considered, as further described below.</p> <p>During 2025, 11 issuers were flagged for allegations of violating international norms. In depth engagement processes were conducted with 5 of the issuers. NAM co-filed shareholder</p>

						<p>resolutions for two of the issuers' 2025 AGM.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we continue applying norms-based screening on an ongoing basis and to conduct internal assessments of newly flagged issuers. Where deemed appropriate following individual assessment, we will initiate engagement and, where relevant, consider further escalation steps as described in the process section below. Exclusion may be considered as a measure of last resort where engagement is not successful.</p>
	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>	<p>0,13% without policies</p> <p>Data coverage: 83,71%</p>	<p>0,14% without policies</p> <p>Data coverage: 84,95%</p>		<p><u>Actions taken during the reference period:</u> We adhere to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, and our aim is that the investee companies that we invest into comply with these norms.</p> <p>To assess compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, we monitor the share of investments in investee companies without processes and compliance mechanisms. This is done for all managed assets on an ongoing basis using an internally developed monitoring system.</p> <p>Issuers identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below.</p> <p>During 2025, 50 issuers were flagged as outliers on this indicator. All these issuers were assessed,</p>

						<p>however, further engagement was not deemed necessary.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we continue monitoring this indicator through our internally developed monitoring system and to assess newly flagged issuers individually. Where deemed appropriate, engagement will be initiated.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	<p>13,48% pay gap</p> <p>Data coverage: 52,08%</p>	<p>12,81% pay gap</p> <p>Data coverage: 49,70%</p>	<p>Unadjusted gender pay gap means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.</p>	<p><u>Actions taken during the reference period:</u></p> <p>We consider the average unadjusted gender pay gap of investee companies, subject to data quality and availability, using an internally developed monitoring system. Issuers identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below.</p> <p>During 2025, no issuers were flagged as outliers on this indicator.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we intend to continue monitoring this indicator through our internally developed monitoring system. This indicator will continue to be assessed as a supplementary input within our broader social PAI analysis framework, and will be primarily considered where issuers exhibit elevated adverse impact across several indicators. Given current data coverage limitations, at present, we do not consider it appropriate to set a specific target for this indicator.</p>

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36,37% female directors/ total directors Data coverage: 82,53%	36,41% female directors/ total directors Data coverage: 82,38%		<p><u>Actions taken during the reference period:</u></p> <p>We consider the average ratio of female to male board members, expressed as a percentage of all board members in investee companies, subject to data quality and availability, using an internally developed monitoring system. Issuers identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below. We aim for a 40/60 split when it comes to gender representation and actively participate in owner-led nomination committees and use our voting rights to progress towards this.</p> <p>During 2025, we initiated an engagement addressing board gender diversity in 59 issuers, which had no female board members. Engagement was initiated with 52 of the issuers.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we continue monitoring board gender diversity across our investments and to engage with issuers where deemed appropriate, with a view to supporting a more balanced gender representation at board level. We will also continue to exercise our voting rights and, where relevant, participate in owner-led nomination committees in support of this objective.</p>
--	----------------------------	---	---	---	--	---

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00% involvement Data coverage: 83,26%	0,00% involvement Data coverage: 84,82%		<p><u>Actions taken during the reference period:</u></p> <p>Our Nordea-branded investment strategies do not invest in companies that are involved in the production or development of cluster munitions, anti-personnel mines, biological weapons, chemical weapons, weapons with non-detectable fragments, incendiary and blinding laser weapons or depleted uranium munitions.</p> <p>Our holdings are screened on an ongoing basis for exposure to controversial weapons. If such holding is detected, we conduct further analysis which is presented to the Responsible Investment Committee who decides how to proceed and any actions to take (e.g. engagement or exclusion).</p> <p>At the end of 2025, NAM had excluded a total of 99 issuers due to their involvement with controversial weapons, nine of which were added to the exclusion list during 2025.</p> <p><u>Actions planned and targets set for the next reference period:</u></p> <p>In the next reference period, we intend to continue applying our controversial weapons exclusions across Nordea-branded investment strategies and to maintain ongoing screening of our holdings. The exclusion list will continue to be updated as appropriate following review by the Responsible Investment Committee.</p>
--	--	--	--	--	--	---

Indicators applicable to investments in sovereigns and supnationals

Adverse sustainability indicator		Metric	Impact 2025 (year n)	Impact 2024 (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	247,93 tCO2e/million EUR of owned GDP Data coverage: 6,80%	328,40 tCO2e/million EUR of owned GDP Data coverage: 6,70%	The GHG intensity of investee countries is expressed in tons of carbon dioxide equivalent.	<p><u>Actions taken during the reference period:</u> As a signatory to the Net Zero Asset Managers Initiative, we are committed to continue supporting the global goal of net zero greenhouse gas emissions and, in this context, continue to work towards our 2030 climate targets as described under indicators 3 and 6 in Table 1. NAM engages with regulators and policymakers as a core element of its systemic stewardship approach, including through consultation responses, technical submissions, participation in policy roundtables and direct engagement with supervisory bodies.</p> <p>During 2025, NAM participated in an IIGCC-led delegation to Brussels for meetings with the European Commission's DG CLIMA and DG FISMA, with discussions focused on investor support for the EU's post-2030 climate framework (including an EU-wide 2040 greenhouse gas reduction target), the promotion of high-quality sustainability data, and the timely and full implementation of the EU Methane Regulation.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we intend to continue our participation in</p>

						systemic stewardship initiatives and to continue engaging with regulators and policymakers on sovereign climate-related matters where deemed appropriate. Given current data coverage limitations, at present, we do not consider it meaningful to set a specific target for this indicator.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	<p>Absolute number: 2 investee countries subject to violations</p> <p>Relative number: 0,01% investee countries subject to violations</p> <p>Data coverage: 6,72%</p>	<p>Absolute number: 0 investee countries subject to violations</p> <p>Relative number: 0,00% investee countries subject to violations</p> <p>Data coverage: 6,68%</p>		<p><u>Actions taken during the reference period:</u> We adhere to investment restrictions applicable further to sanctions imposed by the EU, UN and US.</p> <p>During 2025, two issuers were flagged as outliers on this indicator but; following further analysis, these flags were determined to be attributable to incorrect underlying data.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we continue applying sanctions-based investment restrictions. Given current data coverage limitations, at present, we do not consider it meaningful to set a specific target for this indicator.</p>

Indicators applicable to investments in real estate assets

Adverse sustainability indicator	Metric	Impact 2025 (year n)	Impact 2024 (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
----------------------------------	--------	----------------------	------------------------	-------------	--

Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	Not applicable as we do not directly invest in real estate.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	Not applicable as we do not directly invest in real estate.

Other indicators for principal adverse impacts on sustainability factors

In addition to the indicators set out above, we consider the two additional indicators included in the tables here below, subject to data availability and quality.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact 2025 (year n)	Impact 2024 (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies					
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					

Water, waste and material emissions	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	0,00% exposure to areas of high water stress Data coverage: 61,51%	0,00% exposure to areas of high water stress Data coverage: 62,89%	Areas of high water stress means regions where the percentage of total water withdrawn is high (40-80 %) or extremely high (greater than 80 %) in the World Resources Institute's (WRI) Water Risk Atlas tool 'Aqueduct'.	<p><u>Actions taken during the reference period:</u> We consider the exposure to areas of high water stress of investee companies by using an internally developed monitoring system. Issuers identified as outliers on the exposure to areas of high water stress indicator or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions, as further described below.</p> <p>During 2025, we had 7 companies which were active outliers on the exposure to high water stress indicator, which included 2 new outliers during the year. No new engagements were deemed necessary based on this indicator.</p> <p>We also took part in the CDP Non-Disclosure Campaign, focusing our efforts on multiple large tech companies and requesting them to respond and provide a response via the CDP Water disclosure.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we intend to continue monitoring this indicator through our internally developed monitoring system and to assess outliers on an individual basis. Where deemed appropriate, engagement will be initiated. Given the insignificant reported exposure, we do not consider it appropriate to set a specific target for this indicator. Monitoring will nonetheless continue, as current data coverage does not allow for a fully comprehensive view of investee company exposure.</p>
-------------------------------------	---	---	---	---	---	---

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability indicator	Metric	Impact 2025 (year n)	Impact 2024 (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Indicators applicable to investments in investee companies						
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0,05% identified cases on a weighted average basis Data coverage: 83,22%	0,51% identified cases on a weighted average basis Data coverage: 83,37%	Weighted average means a ratio of the weight of the investment in an investee company in relation to the enterprise value of the investee company.	<p><u>Actions taken during the reference period:</u> We adhere to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, and our aim is that the investee companies that we invest into comply with these norms.</p> <p>Our investments are subject to norm-based screening, which identifies investee companies that have been involved in violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises. If a company is identified in this screening process, an internal assessment of the company is initiated and potential actions considered, as further described below.</p> <p>During 2025, two issuers were flagged for allegations of violating international norms. In depth engagement processes were conducted with both of the issuers.</p> <p><u>Actions planned and targets set for the next reference period:</u> In the next reference period, we</p>

						continue applying norms-based screening on an ongoing basis and to assess newly flagged issuers individually. Where deemed appropriate following this assessment, we will initiate new engagement or further escalation steps as described in the process section below. Exclusion may be considered as a measure of last resort where engagement is not successful.
--	--	--	--	--	--	--

We consider these additional indicators, subject to data availability and quality, using an internally developed monitoring system. Issuers identified as outliers on any of the indicators or which exhibit high adverse impact across several indicators may be subject to further analysis and the process described below.

We do not use other indicators to identify and assess additional principal adverse impacts on a sustainability factor than the indicators set out above.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The SFDR defines sustainability factors as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Principal adverse impact (PAI) is generally understood to mean the negative impact, caused by an investment decision or investment advice, on these factors. The SFDR includes a set of specific indicators that can be used to measure an issuer’s or investee company’s negative impact on sustainability factors, to enable identification of the principal adverse impact of investments by a financial market participant.

We have implemented certain safeguards to ensure that our investments meet minimum ESG standards. When applicable, our ESG safeguards include application of exclusion lists and norm-based screening. By applying general screening criteria pre-investment, we aim to limit investing into companies with negative impact on sustainability factors. Additionally, to identify, manage and mitigate principal adverse impact where relevant, we integrate PAI considerations in our investment decision-making process. Identification of high negative impact on environmental and social factors results in further analysis and may be a driver for active ownership activities, including voting and engagement, as a mean to mitigate that impact. High negative impact on sustainability factors may ultimately lead to divestment.

We consider PAI on entity level by measuring and monitoring the aggregated negative impact on sustainability factors of our investments.⁹

⁹ It should be noted that the level of principal adverse impact consideration may differ depending on the financial product’s strategy. We report on the principal adverse impact of all of our financial products, subject to data availability and quality.

Monitoring of PAI is subject to data availability and quality.

Selection of indicators

Our Responsible Investment Policy describes the framework governing our approach to responsible investments and ESG/sustainability. Our ESG strategy identifies four core areas of interest:

- Climate
- Human rights
- Good corporate governance
- Biodiversity

These core areas of interest are linked to PAI indicators: 1.1 (GHG emissions), 1.2 (Carbon footprint), 1.3 (GHG intensity of investee companies), 1.4 (Exposure to companies active in the fossil fuel sector), 1.5 (Share of non-renewable energy consumption and production), 1.6 (Energy consumption intensity per high impact climate sector), 1.7 (Activities negatively affecting biodiversity-sensitive areas), 1.8 (Emissions to water), 1.15 (GHG intensity) and 2.8 (Exposure to areas of high water stress).

These four core areas of interest have been identified as such due to the severe long-term consequences, that adverse impact may have on these matters and the systemic risk they pose. We have developed certain ESG positions around these four core areas to describe the requirements that we have on investee companies in relation hereto. The PAI indicators that we consider are aligned with our ESG positions and are subject to data quality and availability. Our ESG positions are further described in our Responsible Investment Policy.

Considering principal adverse impact of investment decisions, i.e. the environmental and social impact of our activities, and sustainability risk, i.e. material negative impact of ESG issues on the value of investments, captures the full scope of the double materiality concept. Information on how we integrate sustainability risk in the investment decision-making process is available [here](#).

Identification and assessment of PAI

Principal adverse impact assessment is integrated in our active ownership and engagement policies and processes and can be summarised as set out below.

As a starting point, we apply 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 PAI indicators. To identify impact of our investment

decisions across all the mandatory and the additional PAI indicators that we have chosen to consider, we have developed a proprietary PAI monitoring system (PAI engine).

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 in absolute and relative terms (e.g. compared to peers). We measure the overall exposure on entity level as well as the impact on product level, subject to data availability.

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.¹⁰

The possible actions are the following:

No action: The PAI indicator level of the investee company is deemed acceptable or judged not to reflect the actual ongoing performance of the company, and no further action is deemed necessary. The investee company will continue to be assessed on an ongoing basis.

Engagement: Companies that have been flagged as having a high adverse impact on one or across several PAI indicators may be identified as candidate for an engagement case. Engagement may also be initiated due to other reasons such as the issuer's overall PAI performance, material exposure to one of our four core areas of interest (listed above), identification in norms-based screening, or low data coverage for the investee company compared to benchmark. Reasons for, and scope of, engagement activities is further described below. The Responsible Investment team engages with the investee company and tracks performance after the engagement, based on relevant engagement key performance indicators. Our engagement with investee companies is further described in the "Engagement policies" section below.

Exclusion: The investee company is deemed not eligible for investments across our portfolios and is added to our exclusion list. Addition to the exclusion list may be due to the identification of high negative adverse impact on sustainability factors in the PAI engine as described above. It may also be due to the investee company's sector being deemed incompatible with our ESG strategy. Exclusion is generally considered as the option of last resort as we believe that engagement is more efficient to positively influence the issuer to move in the right direction. Our exclusion list is available [here](#).

^[12] Descriptions of actions taken under our active ownership and engagement policies and processes are referring to actions taken on behalf of the funds managed by Nordea Investment Funds S.A. and Nordea Funds Ltd. Depending on specific client requests, such actions may also be taken on behalf of clients to whom Nordea Investment Management AB provide portfolio management services, subject to the individually negotiated agreements.

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 more information, please refer to our [Responsible Investment Annual Report](#) and our [Responsible Investments Policy](#).

Our active ownership efforts also include proxy voting, attending annual general meetings, contributing to the development of industry ESG standards and the filing of shareholder resolutions. We vote in as many annual general meetings as practically possible, and prioritise votes related to the four core areas of interest defined in our ESG strategy (listed above) and further described in the “Engagement policies” section below.

Details of our voting activities via the fund companies can be accessed via our [voting portal](#).

Margin of error with our methodologies

The methodology to identify PAI is always subject to data availability and quality. We are reliant on the quality of data received from investee companies and third-party data providers. To the extent possible, data reported by investee companies is prioritised. This is done to minimise the reliance on third-party estimations, contributing to improving the overall quality of the data we use as input in our investment and active ownership processes.

Where reported data is not available or of adequate quality, we use proxy data provided by third-party data providers.

A limitation in terms of data availability is that we may not be able to gather the same level of information about the impact of indirect investments, such as fund-of-fund investments and certain derivatives. The impact reported above does not include impact of certain holdings for which data is not available and could not be obtained on a best effort basis or estimated. We continuously strive to improve data coverage.

Governance in relation to policies

The Responsible Investment Policy describes the framework governing our approach to responsible investments. NAM has two ESG focused committees with specific areas of responsibility:

- The Responsible Investment Committee (RIC) decides and monitors exclusions and engagements at investment level.
- The ESG Committee secures the governance of our ESG related methods and principles.

An ESG Operational Forum facilitates discussions and secures alignment and coordination on ESG matters across the NAM value chain, ensuring that the relevant decisions are brought to the ESG Committee for approval. The ESG Committee is also responsible for the content of and adherence to the Responsible Investment Policy.

Both Committees include members from the Senior Executive Management team and are chaired by the head of NAM, who is also the CEO of Nordea Asset Management Holding AB.

The daily responsibility to implement our Responsible Investment Policy and our active ownership and engagement framework lies with our Responsible Investment team. Our responsible investment, active ownership and engagement framework is updated at least on an annual basis. The Responsible Investment Policy was last approved by the ESG Committee and the CEO of Nordea Investment Management AB in April 2025. Information on our engagement policies is set out below.

Data sources

Our PAI engine applies a range of data, including values, scores and weights sourced from investee companies and several third-party data providers including MSCI and ISS. For a given indicator, multiple data sources may be used. For each indicator data source, third-party data providers are selected based on data quality assessments. The indicator importance is prioritised according to parameters reviewed and maintained by ESG analysts in our Responsible Investment team. These parameters consider various aspects that may impact the performance of the engine, including data quality, data freshness and history, data coverage, aspects of the methodology of the data providers, the materiality of the indicator's subject matter, and divergence of indicator values.

We apply various measures to control the data quality, both third-party and internal. This includes engaging with issuers, both collaboratively and individually, to attempt to improve disclosure and data coverage. The external data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

More information about the external data sources used is available upon request.

Engagement policies

As described above, we undertake a range of engagement activities with investee companies and issuers. The purpose is to influence and encourage improved ESG practices, enhance sustainable long-term financial performance and to seek to mitigate adverse impact on sustainability factors.

Nordea Investment Management AB has adopted an engagement policy under the Shareholder Rights Directive II¹¹. The purpose of this policy is to describe how we ensure effective and sustainable shareholder engagement and protect shareholder's rights.

¹¹ Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (Shareholder Rights Directive II).

Nordea Investment Management's Engagement Policy outlines the general principles for how shareholder engagement is integrated in investment strategies and sets out the different engagement activities that is carried out on behalf of clients where relevant. The Engagement Policy elaborates on general principles that Nordea Investment Management has established for positively influencing investee companies, including improve their corporate governance practices as well as ensuring a more long-term approach. It should however be noted that the application of Nordea Investment Management's Engagement Policy is subject to the individual agreements and negotiated investment guidelines between Nordea Investment Management and its clients. The Engagement Policy is governed by Nordea Investment Management AB and approved by the NAM ESG Committee, which is a committee in NAM that secures the governance of our ESG related methods and principles. The Engagement Policy is reviewed on an annual basis and was approved in its current form in April 2026.

The scope of our engagement activities includes three main categories: thematic, norms and investment-led. These engagement types may overlap and be applied to a company simultaneously.

Thematic engagements may be undertaken either by us alone or in collaboration with other asset managers and asset owners. Collaborative engagements can take place within the framework of industry initiatives such as Climate Action 100+, Nature Action 100, International Sustainability Standards Board (ISSB), The United Nations Principles for Responsible Investment (PRI), CDP or Investor Alliance for Human Rights, or through ad hoc initiatives. We will in some cases initiate and lead such ad hoc investor alliances. Our thematic engagements will typically concern issues under one of the core areas of interest identified in our ESG strategy, as described above.

Norms and incident engagements may be triggered by observed norms breaches through the norms-based screening process, or by high negative impact on one or more PAI indicators listed in Tables 1, 2 and/or 3 above.

Investment-led engagements may be initiated and executed at the individual investment strategy level. Portfolio managers and the Responsible Investment team may engage proactively with companies when material ESG risks that may not be adequately managed are observed or when opportunities are not deemed to be fully capitalized on. Engagement may also be undertaken to advance certain themes related to the UN Sustainable Development Goals, e.g. human rights and climate change.

We will monitor and review the principal adverse impact of our holdings, as described above, on a yearly basis and adapt targets and measures to mitigate impact as required.

Our voting and engagement activities aim to mitigate principal adverse impact over time. Investee companies identified as a candidate for an engagement case may during the engagement be asked to identify actions taken to reduce emissions or to make certain commitments to measure and report emissions. To ensure that the company is responsive and makes progress, the Responsible Investment team continues to engage with the investee company and tracks performance after the engagement, based on relevant engagement KPIs. If the investee company does not meet the set KPIs in the relevant timeframe, the case may be escalated and additional actions taken. As a last resort, we may consider divesting.

For more information, please refer to the [Engagement Policy](#) and [SRD II Disclosure Report](#) of Nordea Investment Management AB.

Our Responsible Investment Policy and active ownership framework sets out additional detail of our engagement with investee companies.

References to international standards

Our ambition is that the companies that we invest in comply with the international conventions and norms that we adhere to. These include, but are not limited to those listed below with the respective PAI indicator(s) used to measure adherence to the respective standards:

- UN Global Compact
 - 1.10.1 UNGC breaches
- OECD Guidelines for Multinational Enterprises
 - 1.10.1 UNGC breaches
 - 1.11.1 UNGC policy
- UN Guiding Principles on Business and Human Rights
 - 1.10.1 UNGC breaches
 - 1.11.1 UNGC policy
- Universal Declaration of Human Rights
 - 1.10.1 UNGC breaches
- Children's Rights and Business Principles
 - 1.10.1 UNGC breaches
- ILO conventions on labour standards
 - 1.10.1 UNGC breaches
- Rio Declaration on Environment and Development
 - 1.10.1 UNGC breaches
- UN Convention on Corruption
 - 1.10.1 UNGC breaches
- Convention on Cluster Munitions
 - 1.14.1 Controversial weapons

We have dedicated resources within the Responsible Investment team and systems to enable measurement of the adherence to these international conventions and norms.

Norm-based screening is used to measure the adherence to all the standards except for the Convention on Cluster Munition (information regarding measurement of the adherence to this standard is detailed below).

Norm-based screening identify companies that have allegedly been involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption. If a company is identified in this screening process, an internal assessment of the company and the incident is initiated. This is further described above under the heading "Identification and assessment of PAI".

Regarding the Convention on Cluster Munition, our investment restrictions prohibit investment in issuers that operate in specific sectors or are involved in certain activities. We do not invest in companies that are involved in the production or development of cluster munitions, anti-personnel mines, biological weapons, chemical weapons, weapons with non-detectable fragments, incendiary and blinding laser weapons as well as depleted uranium munitions. These restrictions are continuously monitored in our internal limit monitoring system. Pre-trade limits block the unfit investment opportunities and post-trade limits flag exposure or activity that is not aligned with the investment restrictions, which may lead to divestment.

A range of data is used for the above processes, including values, scores and weights sourced from investee companies and several third-party data providers including MSCI and ISS. 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 to minimise the reliance on third-party estimations, contributing to improving the overall quality of the data we use as input in our investment and active ownership processes.

Where reported data is not available or of adequate quality, we use proxy data provided by third-party data providers to enable assessment.

As indicated above, we may not be able to gather the same level of information about the impact of indirect investments, such as fund-of-fund investments and certain derivatives. Data coverage for the PAI indicators that align with the above international standards, i.e. the percentage of holdings for which PAI data is available is currently approximately 80-90 per cent. We continuously strive to improve data coverage.

We apply various measures to control the data quality, both third-party and internal.

External data providers and other data sources are assessed by ESG analysts in Nordea Investment Management AB's Responsible Investment team on an ongoing basis for data quality, coverage and other attributes including the methodology used by the data providers.

Paris Agreement

PAI indicators that can be included in the assessment of Paris Agreement alignment: 1.1 (GHG emissions), 1.2 (Carbon footprint), 1.3 (GHG intensity of investee companies), 1.4 (Exposure to companies active in the fossil fuel sector), 1.5 (Share of non-renewable energy consumption and production), 1.6 (Energy consumption intensity per high impact climate sector), 1.15 (GHG intensity).

As a signatory to Net Zero Asset Managers Initiative we are committed to supporting the global goal of net zero greenhouse gas emissions. In relation to this, we have an organisational-wide target to achieve a 50% reduction in the weighted average carbon intensity (WACI) of our investments (Scope 1+2 tCO₂e/mEur revenue) by the end of 2030 compared with 2019. We also have separate 2030 target to ensure that 100% of transition-critical investee companies are either Paris aligned or are subject to active stewardship to improve alignment.

To assess the alignment profile of all companies within our investment universe, we have developed an in-house alignment assessment tool which complements PAI indicators by evaluating a set of forward looking alignment criteria as defined by the [PAI Net Zero Investment Framework](#), established in May 2019. Key data sources include Transition Pathway Initiative, CA100+, Science-Based Targets Initiative and CDP, which are combined to categorise companies into the following categories: Paris aligned, Paris aligning, Committed to aligning or Not aligning.

We have also developed a Climate Risk Assessment methodology that evaluates investee companies by combining current emission performance with forward-looking Paris alignment metrics. This approach assigns companies to one of four categories — low, moderate, high, or very high risk — with the highest risk designation typically applied to emissions-intensive companies lacking reduction targets, sound climate governance, or a credible decarbonisation strategy.

In addition, our investment products categorised as Article 8 or Article 9 under the SFDR may be subject to our Fossil Fuel Policy which prohibits investments in fossil fuel companies that are not transitioning in line with the climate objectives of the Paris Agreement, while still enabling investments in companies that are leading the transition out of fossil fuels, and hence for which we forecast sufficient reductions in Scope 1, 2 and 3 PAI indicators over time. Please refer to the [Fossil Fuel Policy](#) for more information.

Historical comparison

A historical comparison of the period reported on with the previous reported period is included in the section 'Description of principal adverse impacts on sustainability factors' in Tables 1 to 3.