April 2025

Responsible Investment Policy

Nordea
ASSET MANAGEMENT

Index/

1/

Purpose and scope

Purpose

The Responsible Investment Policy (the "Policy") describes the framework governing the approach of Nordea Asset Management ("NAM") 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 this 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.

Nordea Asset Management's mission is to create returns with responsibility by

- being ESG-proactive
- delivering excess returns
- offering access to the right assets
- demonstrating operational excellence and transparency
- maintaining industry-leading risk and performance management

By ESG-proactive we mean

- integrating environmental, social and governance factors into our investment processes, taking into account both sides of the "double materiality"[1]
- actively engaging with our investee companies to ensure that they meet our expectations of sound ESG performance and compliance with international norms
- offering a wide range of ESG solutions across all asset classes
- accepting the responsibility to act as an industry leader within ESG/sustainability

1) The concept of double materiality refers to, on the one hand, those ESG/sustainability risks that are material to the financial performance of an investee company or other entity, and, on the other, to the environmental and social impact of the activities of the same company or entity. The two will typically be closely linked, but should not be conflated.

1/

Scope

NAM, or NAM Holding, which is the asset management subsidiary of Nordea Bank Abp, includes Nordea Investment Management AB (“NIM”) and Nordea Investment Funds S.A. (“NIFSA”). NIM is a Swedish investment firm authorised to, inter alia, provide discretionary portfolio management services, and NIFSA is a management company authorised by the CSSF (the Luxembourg FSA) to manage UCITS and alternative investment funds. Nordea Funds Ltd (“NF”), is a management company authorized by the Finnish FSA.

This Policy applies to all our Nordea-branded investment strategies, including all the active and passive investment funds managed by NIFSA and NF.

The Policy does not apply to selected discretionary mandates where the client has opted out of the Policy.

Due to the nature of certain investments, such as derivatives and units in external funds, the Policy may also not apply to a limited type of underlying investment, whilst applying at the level of the portfolio.

This Policy is reviewed and updated as required and at least annually.

2/ Advocacy and memberships

NAM became a signatory to the Principles for Responsible Investments (the "**PRI**") in 2007 and has offered strategies with sectoral screening since 1988.

In 2019, NAM publicly committed to aligning our investment strategies with the objectives of the Paris Agreement. This means that we have a long-term strategic objective to reduce the greenhouse gas emissions impact of our investments in line with the "well below 2°C" ambition, increase our investments based on climate-related opportunities and ensure that our investment portfolios are resilient to climate-related risks. Since 2020, we are a founding member of the Net Zero Asset Managers initiative.

Our Responsible Investment Policy aims to encourage the companies we invest in to support the United Nations Sustainable Development Goals ("SDGs") and comply with international conventions and norms, including, but not limited to:

- United Nations Global Compact
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- Universal Declaration of Human Rights
- UN Guiding Principles on Business and
- Human Rights
- Children's Rights and Business Principles
- ILO conventions on labour standards
- Rio Declaration on Environment and Development
- UN Convention on Corruption
- Convention on Cluster Munitions

We support standardised and integrated reporting, which incorporates material sustainability information with financial information and provides consistent and comparable ESG data, preferably using the SASB framework or similar. We also support and promote the adoption of the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

In this context, we actively engage with various standard-setters and stakeholders locally and internationally. We are active members of the PRI, SASB, IIGCC, CDP, TPI, Finance for Biodiversity Pledge and Investor Alliance for Human Rights.

Nordea Asset Management adheres to the ESG4Real standard for a select number of funds and complies with the certification criteria through the integration of exclusion, norm-based screening and active ownership into the investment process.

3/ Our responsible investment approach

We believe that it is our fiduciary duty to deliver returns with responsibility.

NAM´s responsible investment framework builds on the PRI. We strive to achieve ESG integration spanning a range of products through five main mechanisms:

- norm-based screening
- sustainability risk integration
- NAM-level PAI consideration
- NAM-level exclusion list
- active ownership and engagement

NAM has developed policies and procedures to ensure that the companies we invest in meet our expectations of ESG performance and that ESG/sustainability risk is managed in our investment processes. This is supported by a robust norm-based screening process and principal adverse impact ("PAI")[2] analysis. In addition, we consider and take a stance on an ongoing basis, across our portfolios, on issues relating to climate change, human rights, good governance and biodiversity/water. All of the above inform our active ownership and engagement policy and our exclusion list at the firm level – our "firm-level overlay".

For a substantial part of our assets under management, we aim to achieve deeper ESG integration with hands on involvement of the Responsible Investment team in our STARS strategies and thematic strategies (including climate, social empowerment and gender diversity portfolios) and our internally developed ESG scoring of investee companies. Many individual products also have sector-based or other exclusion criteria beyond those implemented at the firm level. Given the size of NAM's investment universe across its various investment boutiques and strategies, we use a range of external providers of ESG data as well as internal research and our proprietary ESG scoring platform. These data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

As for all ESG-oriented asset managers and asset owners, the dilemma of choosing between engagement and exclusion is central for NAM. The argument for exclusion rests on the need to clearly mark the limits of which corporate activity and/or behaviours are deemed acceptable and which are not. The argument for engagement, on the other hand, recognises that the real-world effect of exclusion can be negligible, at least in the short term. Whenever one market participant sells off a security, another, presumably with lower standards of propriety, is buying it. Thus, it can be argued that retaining a security, engaging with the company and – where applicable – voting at its AGMs, is more effective. Added complexity is introduced by the likelihood that exclusion by some investors may make a company with substandard practices more open to the engagement efforts of the remaining owners and thus to improving its practices over a longer timeframe.

2) Principal adverse impact on entity-level is reported annually in accordance with the EU SFDR. Principal adverse impact indicators, as defined by the EU SFDR, capture the environmental and social or "outward" part of the "double materiality", as opposed to sustainability risk, which captures the financial materiality of ESG issues to the valuation of a security.

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At NAM we believe that there are activities and types of behaviour that cannot be reconciled with our mission of delivering returns with responsibility. Companies exhibiting these on an ongoing basis are excluded from our investment universe. There is a large category of economic activities which on the one hand may contribute positively to one or more SDG, while potentially having a negative impact on others. Activities and companies in this category are excluded from many Nordea-branded investment strategies (see below for NAM's strategy-specific approaches and our Paris-aligned Fossil Fuel Policy), while still being investible for more traditional strategies.

Assuming that engagement is most effective when it is supported by an implicit but clearly understood threat of ultimate exclusion, we believe that this allows NAM to be more compelling in its engagement, up to the point where the decision is taken to exclude a company at the NAM firm-level.

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3.1 NAM-level overlay

NAM´s responsible investment framework comprises the availability of ESG data to all portfolio managers as well as a baseline integration of ESG safeguards, such as norm-based screening, PAI consideration and a common exclusion list, governed by our Responsible Investment Committee and implemented across our Nordea-branded investment strategies. In addition, all NAM's internal investment boutiques take into account sustainability risk as part of their portfolio management processes. The decisions taken in the RIC ensure that our Nordea-branded investment strategies live up to NAM's minimum ESG requirements, independent of the individual strategies' specific ESG profiles.

3.1.1 Norm-based screening

Our Nordea-branded investment strategies are subject to norm-based screening, which identifies companies that are allegedly 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. The assessment is conducted by the Responsible Investment team, which provides a recommendation to the RIC, upon which the RIC decides on actions to be taken. Typical actions include engagement, quarantine or exclusion. A quarantine implies that the holdings of NAM portfolios in the company concerned may not be increased and a quarantine will in nearly all cases be accompanied by direct engagement with the company. The RIC may also conclude that the issue raised does not merit immediate action, either because it has already been resolved or it is judged to be minor/immaterial.

3.1.2 NAM-level PAI consideration

The environmental and social impact of the activities of our investee companies is monitored on an ongoing basis, subject to data availability, using an internally-developed monitoring system. Companies identified as outliers on entity level, on one or more PAI indicators are analysed further by the Responsible Investment team and a recommendation for action is made to the RIC, in a process similar to the one described above for norm breaches. Additional PAI consideration can take place at the individual investment strategy level. Our disclosure statement on the consideration of principal adverse impact at entity-level can be found on our websites. The principal adverse impact of our investments is reported annually in this statement.

3.1.3 NAM-level exclusion list

Recognising that some types of economic activity or corporate behaviour are not compatible with our mission of returns with responsibility, NAM maintains a firm-level exclusion list that is applied in accordance with the scope of this Policy. Any addition to – or removal from – the list is decided by the RIC.

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NAM excludes companies involved in serious breaches of international norms where engagement is deemed not to be possible or effective, as discussed above. For example, we ban investment in companies active in the production of controversial weapons, including – but not limited to – cluster munitions and anti-personnel mines as well as nuclear weapons. NAM excludes companies involved in production or distribution of pornography and companies involved in the production of tobacco with a 5% revenue threshold. NAM also does not invest in companies deriving more than 5% of their revenues from thermal coal, and has additional investment restrictions for power generation companies without coal phase out plans, or with coal power expansion activity. In addition, NAM excludes companies involved in the production of fossil fuels from oil sands (5% revenue threshold) or through arctic drilling. A substantial and growing part of our strategies is also subject to our Paris-aligned Fossil Fuel Policy ("PAFF"), which excludes companies involved in fossil fuel production, distribution or services if they do not have a recognised strategy to achieve an emissions path that is consistent with the Paris Agreement's goal[3].

For strategies where the PAFF is not implemented as a hard exclusion criterion, the PAFF acts as guidance for engagement. The PAFF criteria also inform the prioritisation of our top-down thematic engagements.

The NAM-level exclusion list can be found here[4].

The NAM Paris-aligned Fossil Fuel Policy can be found here.

3) This analysis builds on data from the Transition Pathway Initiative (TPI), among other sources. Information on the TPI can be found here.

[4] Nordea Asset Management always takes the best interest of the fund unit holders into consideration. To protect our fund unit holders, this exclusion list may from time to time not include all excluded issuers.

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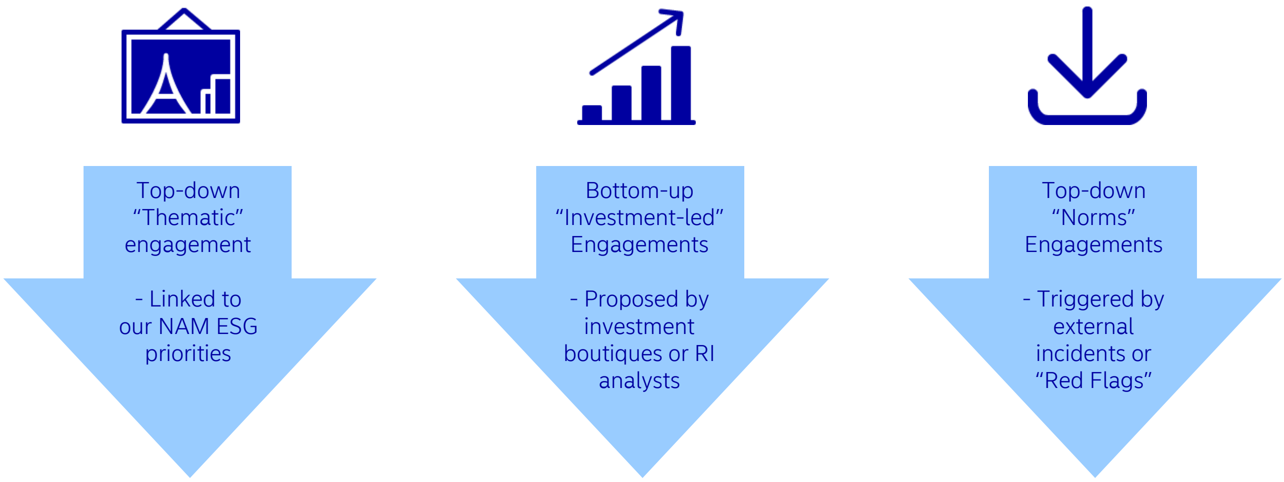
3.1.4 Active ownership and engagement
On behalf of our clients, we undertake a range of engagement activities with investee companies in order to encourage them to improve their environmental, social and governance practices, including promoting a long-term approach to decision-making. Our active ownership tools include voting, attending AGMs, standard setting, engagement with companies, and filing resolutions. Our engagement with investee companies falls into three main categories, which can overlap and be applied to a given company simultaneously:

NAM engagement process



Co-ordination and prioritisation by RI Active Ownership	Tracking and reporting by RI Active Ownership	Proxy voting according to NIFSA or NF Corporate Governance Principles

Concrete company dialogue managed co-operatively between RI and boutiques

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Thematic engagements may be undertaken either by NAM 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+, SASB, PRI, CDP or the Investor Alliance for Human Rights or through ad hoc initiatives. NAM will in some cases initiate and lead such ad hoc investor alliances. NAM's thematic engagements typically concern issues under one of the core areas of interest identified in NAM's ESG approach:

- climate
- human rights
- good governance
- biodiversity/water

Investment-led engagements are initiated and executed at the individual strategy and investment boutique level.

Norms engagements are triggered by allegation of norm breaches, PAI red flags or other serious negative news flows.

In tandem with our direct engagement with companies, voting is undertaken at as many AGMs as practically possible, prioritising votes related to the four core areas listed above, while in general insisting that companies 1) act in the long-term interest of shareholders, 2) safeguard the rights of all shareholders, 3) ensure an efficient and independent board structure, 4) align incentive structures for employees with the long-term interest of shareholders, 5) disclose information to the public in a timely, accurate and adequate manner and 6) ensure high social, environmental and ethical standards and accountability.

For more information, please refer to the NIM Engagement Policy, the NIFSA Corporate Governance Principles, and the NF Corporate Governance Principles.

The quality of the engagement process is audited by internal audit on a regular basis. NAM complies with a number of national and supranational corporate governance codes.

Political engagement - we may participate in activities that can be considered as political engagement, such as providing feedback on regulations and expressing support to policy makers through public endorsement in investor statements. We may also conduct policy engagement, which are activities focused on public policy dialogues with governments as well as public authorities on specific ESG issues. These activities align with our core values and our strategy to deliver returns with responsibility.

These type of activities are subject to careful consideration and diligence. We always assess the appropriateness of an activity that could be considered as political, before we decide to enter into it, and always assess the potential impact of such activity. Our activities focus solely on ESG issues, and do not intend to favour any specific political party or ideology[5]. We believe that our participation in political activities can contribute to long-term value creation and have a positive impact on society.

3.1.5 How we integrate ESG

NAM has implemented several initiatives to support ESG integration throughout the whole firm. Our investment boutiques have access to NAM's proprietary ESG database and ESG analysis from the Responsible Investment team, as well as ESG data from external data providers. NAM's Risk & Performance team has integrated information on portfolio ESG/sustainability risks in their daily report to the analysts and portfolio managers.

The Responsible Investment team conducts workshops on ESG topics and provides walkthroughs of developments, where different use-case-scenarios of the data are presented.

5) Whilst we are registered as a lobbyist in the United States as a prudent measure, we do not make political contributions nor engage in activities which would require such registration.

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3.1.6 Escalation

Which tools are at our disposal?

Collaborative Engagement
We believe that joining forces with other investors in engaging with companies is an effective way to achieve successful engagement outcomes. While we also engage individually, we see collaborative engagements as an important part of our Active Ownership work. Engaging in this way allows us to share views with other industry players, and to scale up the impact of our engagements.

Stakeholder Engagement
Interacting or partnering with other stakeholders such as trade or industry organizations, NGOs, experts, standard setters and regulatory bodies can be an efficient means of escalating an engagement.

Media and Events
Using different media channels, organizing webinars and conferences to further engagements with companies or industries are another method to escalate engagements and raise awareness.

Public Statements
We may individually or jointly with other investors or organizations issue public statements to highlight our position on a key ESG topic, our differing views or our expectations on best practices and conduct.

Letters to CEO or Board of Directors
To make our voice heard at the highest levels in a company and to underline our expectations on key issues, we may send letters to either the CEO, the Board Chair, Independent Directors, or to individual members of the Board, such as those chairing specific committees, either individually or together with other investors. These letters can be open or submitted in confidence.

Annual General Meetings
At AGMs, we can use our voting rights as well as the overall meeting to influence the company, escalate an engagement or lay out our support for or opposition to specific issues and votable items.

Proxy Voting: We aim to vote at all companies we are invested in and in order to do so we attend AGMs and use proxy voting. At the AGM we can use our voting rights and power to support or vote against directors, items and shareholder and management proposals. We can thus use our voting rights and power to influence companies on certain matters and to support and escalate our engagements.

AGM Communication: In addition to voting, we can ask questions, express concerns or read out statements (during the Q&A or submitted beforehand).

Pre-AGM Meetings: At pre-AGM meetings initiated by us or the company, we can discuss certain items on the ballot related to an engagement and discuss our voting intention and rationale with the company. These meetings allow us to further highlight our position on key issues and why we may be inclined to vote against management items or for specific shareholder resolutions.

(Co-)filing of Shareholder Resolutions: We may file or co-file shareholder resolutions with other investors to put an expected change of behavior or disclosure up for vote at a company's AGM.

To gather support for a shareholder proposal which we have co-filed, we can initiate investor campaigns and/or file exempt solicitations.

Pre-declaration of voting intentions: We can also pre-declare our voting intentions, for example via the PRI voting platform, our own homepage or via other channels.

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Quarantine
We may quarantine a company, meaning portfolio managers cannot increase their position, for all NAM funds or for a subset (for example in the STARS, Responsible and Thematic ranges) should a controversy arise related to the company.

The quarantine will be kept in place until we have reasonable grounds that the company is addressing or remediating the issue. Should this not happen, we may ultimately exclude the company.

Exclusion
In cases of serious breaches of international norms on environmental protection, human rights, labor standards, anti-corruption, or other norms, we may initiate an internal assessment of the company and the incident, with the ultimate outcome potentially being exclusion across all Nordea funds.

De facto exclusions may also be applied only for specific types of funds, for example our STARS, Responsible and Thematic ranges.

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Our Escalation Process – Norms Engagements
While all engagements may be escalated, we follow a clear, time-bound and delineated process for our 'RIC Norms' engagements. These engagements take place with companies that are alleged to be in breach of international norms or conventions or those involved in significant ESG-related incidents.

Using our data providers, we screen our investment portfolio for companies which are alleged to be in breach of international norms or conventions. Should an allegation of a breach be detected, our Responsible Investments team assesses the case based on factors such as severity, magnitude of impact, as well as the company's degree of involvement and culpability. This assessment is presented to our Responsible Investments Committee (RIC), which is chaired by Nordea Asset Management's CEO and convenes on a quarterly basis.

Following the presentation of the case to RIC, the committee may decide that a direct exclusion is warranted or that the Responsible Investments team should initiate an engagement related to the breach to acquire further information and/or a commitment to remediation. If the matter is deemed by RIC to be inconsequential, the committee may also decide to take no further action.

If RIC decides that an engagement should be initiated, we follow a clear process, with time-bound milestones that must be met. Depending on the severity of the case, the response or responsiveness of the company, as well as additional information we receive during the engagement, we may decide to make use of the additional escalation tools described in 3.16, quarantine or exclude the company.

Following the decision to engage, we contact the company highlighting the alleged breach, and requesting a meeting with representatives of the company. We also highlight that an unsatisfactory conclusion of the engagement case may ultimately lead to an exclusion from NAMs portfolios.

Should the company not respond, we follow up in regular increments. If the company remains unresponsive or there is no positive progress on the case around the 9 months mark, we will begin using "lower" strength escalation tools, as described in the escalation toolbox (please see 3.1.6. for further elaboration of the tools at our disposal).

If we cannot achieve positive momentum in our engagement through the "lower" strength escalation tools, we will consider "higher" strength tools as well as present the case to RIC for reassessment. Ultimately, should these tools not yield our expected change and positive progress, the escalation track may lead to an exclusion from NAMs portfolios.

After 18 to 24 months we aim to have received clear communication by the company detailing its approach to remediation or meeting the objectives we have set for the engagement. Finally, we continue to monitor the case, the company's conduct and any new information that arises before presenting a final evaluation of the case and engagement to RIC.

Following the three years of engagement, we expect that a company has made meaningful progress towards our objectives which align with remedying the breach, strengthening processes and procedures to prevent reoccurrence etc. We may continue the engagement on a "lower" intensity to continuously monitor progress in complex cases, where for example litigation or longer drawn-out remediation may impact the process.

While this process details the steps we take, individual engagements may have different timelines on a case-by-case basis given the complexities and differences between engagements, the specific severity of impacts and the requirements for a positive outcome.

Furthermore, depending on our relationship with the company, the conduciveness and accessibility of different escalatory steps, and our degree of confidence in the company's bona fide intentions, the ultimate use of each element of the escalation toolbox will be tailored on a case-by-case basis.

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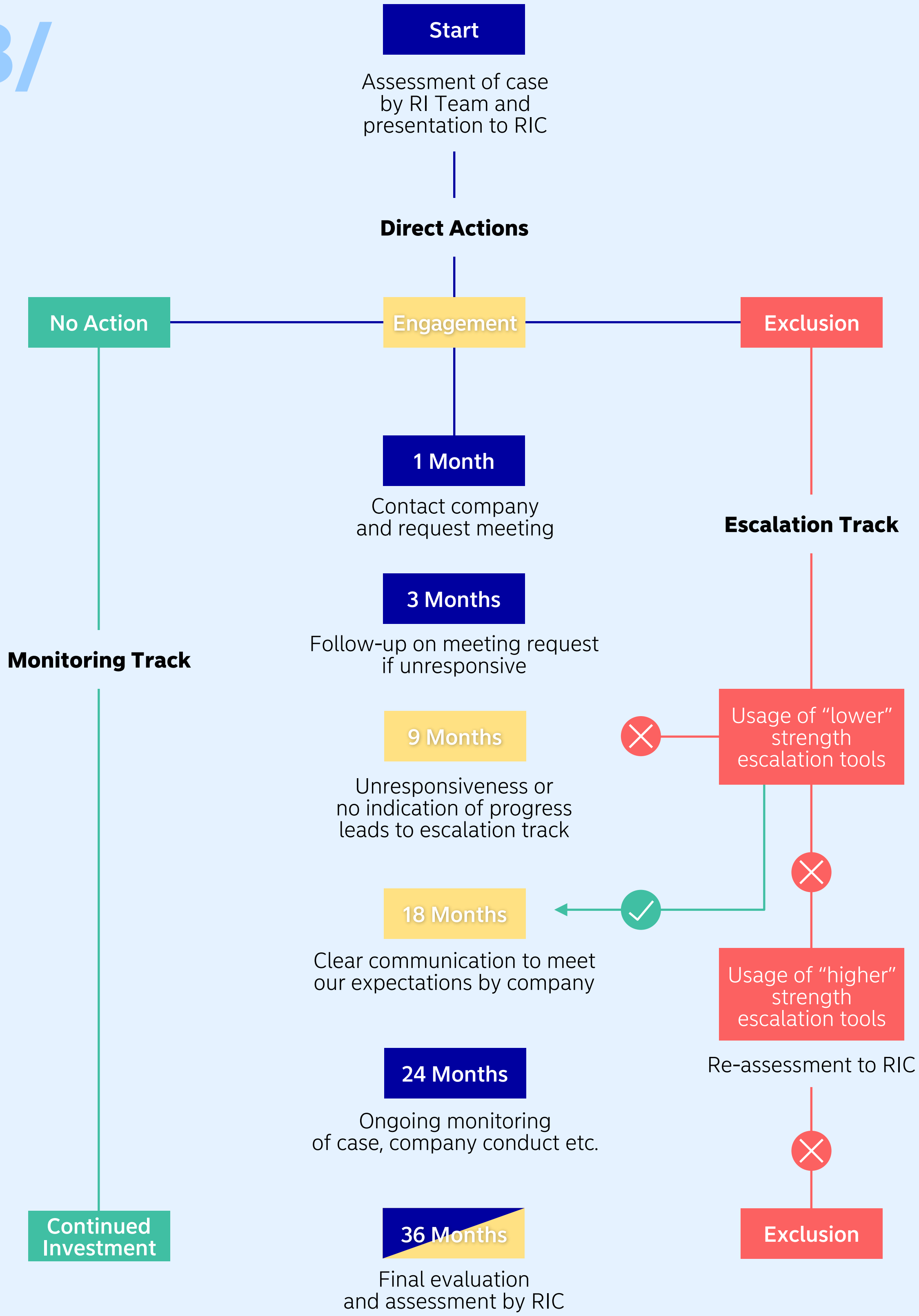

Increased strength

Escalation Toolbox:
Collaborative Engagement
Stakeholder Engagement
Public Statements
Letters to CEO or Board
Proxy Voting
AGM Communication
(Co-)filing Shareholder Resolutions
Quarantine
Exclusion

RI Action

Company Action/Our expectations

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3.2 Investment strategies

For a substantial part of our Nordea-branded investment strategies, the application of ESG tools goes beyond the requirements of the firm-level policies described above. These strategies are specifically made available to clients as products promoted with ESG characteristics or, where appropriate, as sustainable investment products as defined by the SFDR.

For specific information on which additional ESG features are integrated in the investment decisions of a specific strategy, please refer to our product-specific disclosures.

3.2.1 The STARS strategies: proven leadership within responsible investment

Our STARS product range, which was launched with the Swedish Stars Equity strategy in 2010 and Emerging Stars Equity strategy in 2011, today covers a wide variety of asset classes. The STARS range features deeper ESG integration and offers direct, hands on cooperation between portfolio managers and the Responsible Investment team. Using NAM's proprietary ESG scoring system and bespoke analysis carried out by the Responsible Investment team and financial analysts, the STARS portfolios aim to outperform standard benchmarks. Through product-specific, investment-led engagement with investee companies, the portfolio managers and the Responsible Investment team proactively leverage NAM's entire asset base to attempt to create positive ESG impact, while seeking improved valuation and excess return. More broadly, the investment teams behind the STARS strategies focus on selecting companies not only with sound fundamentals, but also with high ESG scores. Using the SASB materiality map, the company analysis includes enhanced due diligence on environmental, social and governance risks material to the investee company and considers how companies manage the identified ESG risks.

Furthermore, each company's business model alignment with the UN SDGs is taken into consideration as the strategies' exposure aims to skew towards companies whose activities are net supportive or neutral, rather than detracting, with respect to the SDGs. ESG scores are recalibrated regularly and at least annually or when triggered by relevant negative or positive engagement results or news flows.

In addition to the positive selection described above, the STARS strategies are also subject to a number of formal exclusion criteria (see here) and adhere to the PAFF. These will, rarely – if ever – be triggered as companies subject to exclusion would typically not be identified as investible in the first place.

Investment-led engagement is a key and distinctive part of our investment approach for the STARS strategies. Portfolio managers and the Responsible Investment team engage proactively with companies in the STARS portfolios when we see material ESG risks that may not be adequately managed, or opportunities that may not be fully capitalised on. We may also engage with them to advance certain themes related to the SDGs. Our engagement activities in the STARS strategies are detailed in quarterly reports available to our clients.

3.2.2 NAM's thematic ESG strategies

Besides the STARS strategies, which invest across a broad range of companies within their given asset class, NAM offers a series of thematic ESG strategies. These range from the seminal Global Climate and Environment strategy launched in 2008, to the Global Gender Diversity strategy launched in 2019 and the Global Social Empowerment strategy launched in 2021.

NAM's thematic ESG strategies apply proprietary methods to identify companies that can be expected to contribute to, or benefit from, the ESG theme in question. Often, in-depth research will reveal potential investee companies with activities in areas that are not intuitively associated with the theme of the strategy. For example, the holdings of the NAM climate strategy cover far broader ground than just the traditional renewable energy industry and related sectors usually associated with combating or adapting to climate change. As is the case for the STARS strategies, our thematic ESG strategies benefit from hands on involvement from the Responsible Investment team and are subject to an enhanced ESG exclusion regime, including the PAFF.

3.2.3 Enhanced exclusion filters

We understand that while many of our clients may not choose to invest in a STARS or thematic strategy, they may not wish to be exposed to certain companies, sectors or practices, even where there may be potential for improving these companies' behaviour through engagement and/or the scope for asset allocation in a portfolio is materially limited. For this purpose, many of our other investment strategies, including our multi-asset strategies, are available with specific exclusion filters, including the NAM Paris-Aligned Fossil Fuel Policy, the so-called "NBIM list" of the Norwegian Government Pension Fund Global and ethical filters targeting sectors such as tobacco, alcohol, gaming or pornography. In addition, some strategies also feature targets for or limits on the carbon footprint/intensity relative to benchmark, a targeted minimum ESG score, or a targeted level of EU taxonomy alignment.

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Investment Restrictions

Our investment restrictions stipulate thresholds that prohibits investment in issuers operating in specific sectors and have involvement in activities.

These restrictions are continuously monitored in our internal limit monitoring system.[6] 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 ultimately lead to divestment. Additional exclusions may apply for certain investment strategies.

Climate change	**Coal Mining**	Companies with substantial and sustained exposure to coal mining with a 5% revenue threshold on thermal coal and 30% revenue threshold on total coal (incl. Metallurgical coal)[7]. Companies with more than 50Mt annual production of thermal coal without a coal phase out commitment[8].
	Coal-based Electric Utilities	Electric utilities without commitment to phase-out coal by 2040 (35% revenue threshold for advanced economies, 50% for others)[9]. Companies with coal power expansion plans if existing coal power revenue exceed 10% or coal capacity exceed 5GW[10]. Companies with coal expansion plans of > 1 GW.
	Oil Sand	Companies with substantial and sustained exposure to oil sand with a 5% revenue threshold.
	Arctic Drilling	Companies with exposure to oil and gas extraction through arctic drilling.
Human Rights	**Illegal Weapons**	NAM considers a range of weapon types, and their potential use, to be controversial, given their indiscriminate effect on human populations. NAM does 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.
	Nuclear Weapons	NAM does not invest in companies that are verified to be directly involved in production or development of nuclear weapons. NAM also excludes companies involved in the maintenance of nuclear weapons, with a military revenue threshold of 5%.
	Soft Commodities	Since 2012, NAM has not offered investment products where basic food commodities such as wheat, coffee or sugar are included in the underlying assets.

6) Subject to data availability.
7) The threshold on metallurgical coal is higher as there are currently no widely available alternatives. Nevertheless, NAM has chosen to apply a threshold and expects to adjust it downwards as applicable coal-free technologies appear, eg in the area of steel production.
8) A coal phase out commitment encompasses a public commitment to ending production of thermal coal or coalfired electricity generation by 2040 latest.
9) Advanced economies are defined by IEA as the OECD regional grouping plus Bulgaria, Croatia, Cyprus, Malta and Romania.
10) Expansion plans includes projects that are announced, pre-permitted, permitted or under construction and which will result in new coal-fired power capacity of at least 100 MW prorated.

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Good Governance	**Sanctions**	NAM does not invest in sovereign bonds issued by governments that are subject to relevant sanctions imposed by the UN, EU, USA or other applicable local regulators.
	Pornography	NAM does not invest in companies involved in the production or distribution of pornography with a 5% revenue threshold.
	Tobacco	NAM does not invest in companies involved in the production of tobacco with a 5% revenue threshold. The policy covers production of tobacco products such as cigars, cigarettes, snus, as well as e-cigarettes and heat-not-burn products.
Biodiversity	**Palm Oil**	NAM does not invest in palm oil producers[11] that do not have an RSPO certification target for their holdings and estates. Furthermore, companies which have an RSPO target, but do not meet a minimum of 50% RSPO certification are also restricted[12].

11) Palm oil producers are defined as having >10% revenue threshold from palm oil.
12) RSPO: Roundtable on Sustainable Palm Oil.

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ESG positions

Our ESG positions describe our broader expectations on our investee companies in relation to topics such as climate change, good governance, human rights and biodiversity. We encourage companies to comply with these ESG positions and they may serve as a guide for our stewardship activities.

We take part in collaborative engagements, join investor initiatives and conduct research to, on a best effort basis, ensure that our investee companies work towards living up to these positions. Depending on the nature and gravity of individual cases, breaches can trigger engagement or exclusion.

Climate change

Climate change is one of the single largest threats to the global economy and in general to the conditions of all life on earth.

In addition, it implies specific risks to the companies and other entities we invest in. NAM is working on an ongoing basis to assess climate change risks and the impact of the low-carbon transition on sectors and companies. Climate change presents a challenge to our investments – in terms of its physical impact as well as through the prospect of radical policy measures and changing consumer behaviour with the aim of reducing GHG emissions globally (transition risk). We expect companies exposed to climate risk:

- to have a strong climate governance and demonstrate how they integrate climate change challenges into their business strategies, investment decisions and risk management
- to be able to disclose how their long-term business strategy and profitability will be impacted by a different regulatory and physical environment
- to show how they identify and capitalise on opportunities related to climate change
- to be transparent with regards to their position on climate change regulation and interaction with regulators and policy makers
- to report in line with TCFD recommendations and act to reduce greenhouse gas (GHG) emissions across their value chains in accordance with the Paris Agreement

Methane

Methane is a powerful greenhouse gas, having contributed to around 30% of global warming since the industrial revolution.[13] As methane is a short-term climate forcer, 80 times more potent than CO_2 over 20 years, reducing it provides critical short-term mitigation benefits and is a cost-effective mitigation strategy for the oil and gas (O&G) sector.[14]

We expect companies active in the O&G sector to map methane mitigation actions, share their cost/benefit analysis of these as well as ultimately achieve near-zero methane emissions as backed by the Oil and Gas Methane Partnership 2.0 (OGMP 2.0) Gold Standard reporting.[15]

Human Rights

While protecting and fulfilling human rights is a legal obligation and the responsibility of governments, it is widely recognised that all businesses have the potential to impact human rights. Poor management conflicts with the long-term interest in promoting a responsible and sustainable development and may impact companies' license to operate.

13) IEA (2024): Global Methane Tracker.
14) European Commission: Energy - Methane Emissions.
15) Oil & Gas Methane Partnership 2.0.

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We expect companies to comply with internationally recognised human rights principles and to prevent and manage their impact on human rights. Human rights-related issues include human rights abuses, modern slavery, fair living wage, and child labour, occupational safety and health, the rights of indigenous people and displacement of local communities, freedom of association and collective bargaining and international humanitarian law. Our expectations in these areas apply both to the investee companies themselves and to their supply chains.

Conflict areas

Business operations in areas affected by conflict are exposed to higher risk due to unstable political conditions, weak regulatory frameworks and pervasive violence. Companies may, knowingly or unknowingly, have business operations and products with a high potential impact on the conflict or human rights violations.

As a responsible investor we expect companies to conduct due diligence as defined by the UN Guiding Principles on Business Human Rights, become more transparent and report on their political risk and impact analysis, including their human rights impact. Companies also need to assess and report on how their business operations or products may directly or indirectly impact an ongoing conflict or human rights violation and how this may have a material impact on the company as well as its stakeholders. Companies should also enable stakeholders to safely report any human rights violations.

Indigenous Rights – FPIC

We expect companies to respect Indigenous Peoples' rights, as recognized by international principles such as the UN Declaration on the Rights of Indigenous Peoples, including by applying the principle of Free, Prior and Informed Consent (FPIC) for activities that may impact them.

According to the definition by the UN, free implies that there is no coercion, intimidation or manipulation, prior implies that consent is sought sufficiently in advance with respect shown to time requirements and informed implies that information covers a range of aspects including nature, size, reversibility amongst others, of any project and/or activity.[16]

Public Health – Pharmaceutical Pollution & AMR

India's pharmaceutical industry, expected to grow to USD 130 billion by 2030[17], contributes to the country's severe water pollution crisis caused by the waste generated in the manufacturing process. Pharmaceutical pollution also drives antimicrobial resistance (AMR) which is expected to cost USD 100 trillion[18] and kill 10 million[19] people by 2050. AMR has been declared one of the top ten global threats to human health and is a systemic risk that may impact investment portfolios, economic stability and broader society. Without access to effective antimicrobials, public health and the foundation of modern medicine is being undermined.

We expect investee companies in the health care sector and pharmaceutical industry to make efforts to safeguard public health. This includes actions to adequately address pollution as well as AMR.

Just Transition

The green transition and decarbonisation of the global economy relies on climate justice, balancing economic, environmental and social factors and finding solutions for workers and communities. In this context, a just transition refers to preserving human rights and mitigating adverse societal and environmental impacts in the transition to a low-carbon economy.

As an investor committed to contributing to a green and just energy transition, we expect companies to companies to disclose their approach to environmental and social challenges within the transition and have amongst others, proper human rights due diligence processes in place.

16) OHCHR: Consultation and free, prior and informed consent.
17) EY (2023): Pharma and healthcare for India@100: a century of change on the horizon.
18) World Bank (2016): By 2050, drug-resistant infections could cause global economic damage on par with 2008 financial crisis.
19) UNEP: Antimicrobial Resistance – a global threat.

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Good governance

NAM's ownership activities are aimed at promoting sustainable profitability and sound management of ESG risks and other risk types in portfolio companies, in order to protect shareholder value and enhance long-term returns. Our active ownership tools include voting, attending Annual General Meetings, representation on nomination committees and engagement with companies.

We believe that a sound corporate governance structure is essential for creating long-term shareholder value. The board of directors and senior management are accountable to investors for protecting and generating value over the long term. We expect the board of directors of investee companies to oversee and monitor the effectiveness of the company's governance of environmental, social and business ethics-related issues and risks and to protect shareholder rights. We engage with investee companies and use our vote on numerous issues, including shareholder rights, board composition, remuneration and risk management.

We expect companies affected by these risks to ensure that they report on how they manage the related risks and impacts adequately.

Corruption	The evidence of a correlation between corrupt business practices and negative effects on long-term financial returns is growing. Corruption leads to significant business-related costs and market inefficiency and hinders economic, political and social development. 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.
Tax	We recognise the importance of companies being accountable for and transparent about their tax practices. 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. We also expect companies to have a robust tax governance and management framework in place, to pay taxes where economic value is created and to provide country-by-country reporting.
ESG in remuneration	Each Board of Directors is responsible for ensuring that overall remuneration to executive management is appropriate and reasonable, aligned with the strategy of the company and that it promotes a sound performance for the company in the long term. We are in favour of variable compensation plans that are based on clearly defined performance criteria and which include ESG criteria.
Diversity	We expect a board to include a strong presence of independent non-executives members and to be diversified on gender, experience, age and other factors. A board should preferably have at least 40% of either gender.
Corporate Lobbying	Companies may contribute to and take part in policy processes to shape regulation that affects their business objectives as well as more broadly their activities, e.g. environmental goals. We expect companies to carry out political engagement in a responsible manner in line with relevant guiding principles and frameworks. Furthermore, we expect companies to be transparent in relation to such engagement, including the rationale for supporting or opposing certain matters.

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Biodiversity

Biodiversity loss is a systemic risk. Nature is being eroded at rates unprecedented in human history and we are facing the irreversible loss of plant and animal species, habitats and vital crops. Biodiversity affects our food and medicine and our environment[20].

The continuing loss of biological diversity will cost the global economy several trillion euros by 2050[21]. We expect companies affected by these risks to ensure that they report on how they manage the related risks and impacts adequately. NAM´s approach to Biodiversity and Nature are further described in our White paper on biodiversity and nature.

Deforestation

Agricultural expansion is one of the main drivers of deforestation and the associated loss of biodiversity and soft commodity-driven deforestation presents both sustainability and financial risks for companies in a number of industries including food products, household products, textiles and apparel. We recognise the vital role forests play in climate change mitigation, biodiversity protection and in supporting livelihoods.

Therefore, we expect all relevant companies in our portfolio that are involved in the production, trade, use or financing of forest-risk commodities, particularly palm oil, soya, timber and cattle products, to commit to eliminating deforestation and the loss of other valuable ecosystems from their operations and supply chains. Sufficient measures include, but should not be limited to, implementing a strong governance framework which clearly articulates the board's accountability for and oversight of deforestation risks and ensures traceability of forest-risk commodities.

Water

Water crises have been identified as the global risk that can be the most impactful in the next 10 years. By 2025 two thirds of the world's population will be subject to water stress. Economic growth and climate change are putting extreme pressure on groundwater and renewable surface water resources. Water scarcity is an issue for a number of companies that we are invested in. Certain industry sectors have in some geographical areas of operations a particularly high exposure to water risk. We expect companies in the high-risk sectors to ensure that they address and manage their water risk adequately.

Sensitive Areas

In line with our overall expectations on biodiversity and nature, we expect companies whose activities (including products and services) may affect sensitive areas including Natura 2000 areas, UNESCO World Heritage sites, Key Biodiversity Areas ('KBAs') as well as other protected areas specified by the European Parliament and the Council, to take necessary precautions to mitigate their impact on these areas and adequately lay out how they manage these risks and impacts.

In line with our PAI process under SFDR, we screen for activities which negatively affect sensitive areas on a quarterly basis. Our Responsible Investments team analyses these cases before presenting the case to RIC that decides on one of three recommendations: no action, engagement or exclusion.

20) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).
21) https://ec.europa.eu/environment/nature/biodiversity/economics/index_en.

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Reporting and transparency

We regularly report on issues of ESG relevance via our website, through our Annual Report and through the PRI reporting framework.

Additionally, product-specific ESG reporting is available for a selection of NAM investment strategies and as required by EU regulation.

NAM reports on its main responsible investment activities on a yearly basis, through its RI Annual Report.

In addition, NAM provides:

- annual climate report
- online access to voting information, ref. investee companies' AGMs
- product-specific reporting, including information on engagement activities
- principal adverse impact statement
- sustainability risk (in investment decision-making) statement
- sustainability risk (in remuneration) statement

These documents can be found on our websites.

7/

Sustainable asset manager

For the Nordea Group, sustainability means taking responsibility for the impact Nordea has on its surroundings.

It encompasses the ability to be a credible and reliable partner that acts in the best interest of customers as well as ethically and responsibly towards society. Human rights, employee rights, environmental responsibility and anti-corruption are among the factors included in the decision-making processes in order to contribute to sound financial markets.

Sustainability is at the core of the business development and a way of creating value. Nordea is committed to integrating sustainability into relevant processes in all business areas. NAM's principles for sustainability are based on Nordea's Code of Conduct and guide our behaviour, our daily work and our business decisions. We take these principles and other relevant environmental, social and governance principles into consideration when evaluating business risks and opportunities.

Nordea expects business partners and suppliers to adhere to the below principles:

- We are committed to good corporate citizenship
- We are committed to human rights, labour rights and freedom
- We are committed to equal opportunities and diversity
- We are committed to caring for the wellbeing of our employees
- We are committed to ethics, honesty and sincerity
- We are committed to caring for the environment
- We reject bribery and corruption

8/ Conflicts of interest

NAM is aware that potential or actual conflicts of interests may arise as part of NAM's shareholder engagement activities. Consequently, NAM has policies in place for the purpose of taking all reasonable steps to prevent conflicts of interests. Where such conflicts cannot be avoided, NAM will identify, manage and monitor the conflicts and, where appropriate, disclose them to clients to prevent them from adversely affecting the interests of the clients.

Nordea
ASSET MANAGEMENT