

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea 1 - Stable Return Fund

**Legal entity identifier:** 549300J9YLZQT0W3Z531

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ____%	<input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 63 % of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

The E/S characteristics of this fund included:

### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

**Sustainable investments** Although the fund has not committed to make any sustainable investments, the fund partly invested in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in the 17 UN Sustainable Development Goals (SDGs) and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**Sector- and value-based exclusions** Exclusion filters were applied to the portfolio construction process to restrict investments in companies and issuers with material exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**Nordea Asset Management's Paris-Aligned Fossil Fuel policy** whereby the fund did not invest in companies that have significant exposure to fossil fuels unless they have a credible transition strategy.

The fund used a benchmark that is not aligned with the fund's E/S characteristics.

### How did the sustainability indicators perform?

Sustainability Indicator	Metric	Metric Value	Eligibility	Coverage
Carbon Footprint	Carbon footprint	15 tCO <sub>2</sub> e / m€ invested	91,49 %	91,10 %
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	0 investee countries subject to violations	2,48 %	2,48 %
		0,00 % investee countries subject to violations	2,48 %	2,48 %
Violations of United Nations Global Compact	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,01 % involved in violations	91,49 %	90,99 %
Greenhouse Gas Intensity for sovereigns	GHG intensity of investee countries	343,50 tCO <sub>2</sub> e / m€ of owned GDP	2,48 %	2,48 %

**Eligibility:** The proportion of the assets in the financial product (relative to NAV), which are in scope for the indicator.

**Coverage:** The proportion of the assets in the financial product (relative to NAV), where data is available to present the indicator

● **...and compared to previous periods?**

Sustainability Indicator	Metric	Reference Period	Metric Value	Eligibility	Coverage
Carbon Footprint	Carbon footprint	2022	15 tCO2e / m€ invested	91,49 %	91,10 %
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	2022	0 investee countries subject to violations	2,48 %	2,48 %
		2022	0,00 % investee countries subject to violations	2,48 %	2,48 %
Violations of United Nations Global Compact	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	2022	0,01 % involved in violations	91,49 %	90,99 %
Greenhouse Gas Intensity for sovereigns	GHG intensity of investee countries	2022	343,50 tCO2e / m€ of owned GDP	2,48 %	2,48 %

**Eligibility:** The proportion of the assets in the financial product (relative to NAV), which are in scope for the indicator.

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Since no reports covering previous periods are available, this section provides information for the current reporting period only.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially made, was to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy-aligned activities. Sustainable investments contributed to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy-aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and bribery matters.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments were screened to ensure that they did not significantly harm any other social or environmental objectives (DNSH test) as defined by the EU Taxonomy or any SDGs as adopted by the UN.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

Nordea Asset Management (NAM) has developed a proprietary quantitative methodology that assessed the environmental and social impact of NAM's investment universe (direct investments mainly) using multiple principal adverse impact ("PAI") indicators from Table 1 and/or Table 2 and/or Table 3 of Annex 1 of the SFDR RTS (the "PAI tool"). The methodology utilised a diverse range of data sources in order to ensure that investee companies' performance was appropriately analysed. PAI indicators were assessed in NAM's PAI tool and the results were a material part of the DNSH test.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Alignment of the Sustainable Investments with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, was confirmed as part of the process to identify sustainable investments using Nordea Asset Management's PAI tool.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

The specific PAI indicators that were taken into consideration for this fund were:

### CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Metric Value	Eligibility	Coverage	
Greenhouse gas "GHG" emissions	GHG emissions	Scope 1 GHG emissions	55.699 tCO <sub>2</sub> e	91,49 %	91,10 %
		Scope 2 GHG emissions	35.416 tCO <sub>2</sub> e	91,49 %	91,10 %
		From 1 January 2023, Scope 3 GHG emissions	722.719 tCO <sub>2</sub> e	91,49 %	91,10 %
		Total GHG emissions	91.115 tCO <sub>2</sub> e	91,49 %	91,10 %
	Carbon footprint	Carbon footprint	15 tCO <sub>2</sub> e / m€ invested	91,49 %	91,10 %
	GHG intensity of investee companies	GHG intensity of investee companies	64 tCO <sub>2</sub> e / m€ of owned revenue	91,49 %	91,43 %
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	1,37 % investments in fossil fuels	91,49 %	84,87 %
	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	67,99 % non-renewable energy consumption	91,49 %	79,37 %
			68,20 % non-renewable energy production	91,49 %	1,20 %

## CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse Sustainability Indicator	Metric	Metric Value	Eligibility	Coverage	
Greenhouse gas "GHG" emissions	Energy consumption intensity per high impact climate sector	Agriculture forestry and fishing (A)	0,00 GWh / m€ of revenue	0,00 %	0,00 %
		Mining and quarrying (B)	0,63 GWh / m€ of revenue	0,04 %	0,04 %
		Manufacturing (C)	0,27 GWh / m€ of revenue	32,84 %	31,67 %
		Electricity gas steam and air conditioning supply (D)	3,61 GWh / m€ of revenue	1,38 %	1,28 %
		Water supply sewerage waste management and remediation activities (E)	0,67 GWh / m€ of revenue	0,51 %	0,51 %
		Construction (F)	0,17 GWh / m€ of revenue	1,29 %	1,29 %
		Wholesale and retail trade repair of motor vehicles and motorcycles (G)	1,81 GWh / m€ of revenue	7,67 %	7,37 %
		Transportation and storage (H)	0,19 GWh / m€ of revenue	1,42 %	1,42 %
		Real estate activities (L)	0,00 GWh / m€ of revenue	0,00 %	0,00 %
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas	0,49 % with negative impact	91,49 %	86,48 %
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,02 tons / m€ invested	91,49 %	3,38 %
Waste	Hazardous waste	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0,31 tons / m€ invested	91,49 %	38,52 %

**SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION  
AND ANTI-BRIBERY MATTERS**

Adverse Sustainability Indicator	Metric	Metric Value	Eligibility	Coverage
Social and employee matters	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	0,01 % involved in violations	91,49 % 90,99 %
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	0,08 % without policies	91,49 % 79,21 %
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	8,75 % pay gap	91,49 % 32,99 %
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	34,84 % (female directors / total directors)	91,49 % 90,40 %
	Exposure to controversial weapons (antipersonnel 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	91,49 % 89,91 %

## INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONAL

Adverse Sustainability Indicator	Metric	Metric Value	Eligibility	Coverage	
Environmental	GHG Intensity for sovereigns	GHG intensity of investee countries	343,50 tCO <sub>2</sub> e / m€ of owned GDP	2,48 %	2,48 %
Social	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	0 investee countries subject to violations	2,48 %	2,48 %
			0,00 % investee countries subject to violations	2,48 %	2,48 %
Governance	Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	0,00 % investee countries subject to violations	2,48 %	2,48 %

**Eligibility:** The proportion of the assets in the financial product (relative to NAV), which are in scope for the indicator.

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## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:  
1 January 2022 - 31 December 2022

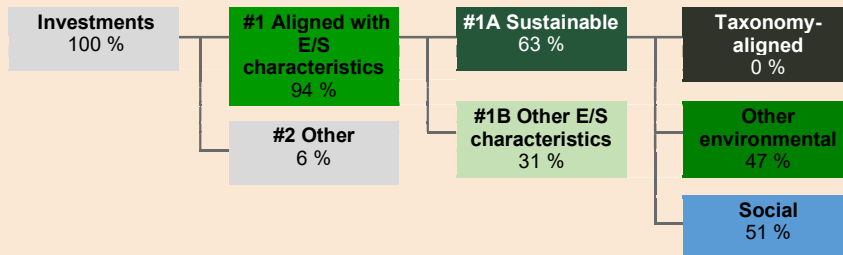
Largest investments	Sector	Assets	Country
Alphabet	Communications	3,73 %	United States
Coca-Cola	Consumer, Non-cyclical	2,81 %	United States
Johnson & Johnson	Consumer, Non-cyclical	2,80 %	United States
Microsoft	Technology	2,43 %	United States
Novo Nordisk B	Consumer, Non-cyclical	2,39 %	Denmark
Cigna	Consumer, Non-cyclical	1,86 %	United States
Bristol-Myers Squibb	Consumer, Non-cyclical	1,79 %	United States
eBay	Communications	1,64 %	United States
PepsiCo	Consumer, Non-cyclical	1,63 %	United States
Elevance Health	Consumer, Non-cyclical	1,62 %	United States
AutoZone	Consumer, Cyclical	1,55 %	United States
Cisco Systems	Communications	1,51 %	United States
Mondelez International	Consumer, Non-cyclical	1,48 %	United States
Comcast	Communications	1,47 %	United States
Visa	Financial	1,46 %	United States



## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### ○ What was the asset allocation?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The product contains investments with both an environmental and a social objective. A single investment can both contribute to an environmental and a social objective resulting in a total allocation amounting to more than 100 per cent. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.

● **In which economic sectors were the investments made?**

Sector	Assets
Consumer, Non-cyclical	32,45 %
Financial	15,68 %
Technology	13,65 %
Communications	12,98 %
Consumer, Cyclical	8,34 %
Cash	6,75 %
Industrial	4,89 %
Government bonds	3,36 %
Utilities	1,56 %
Basic Materials	1,07 %
Energy	0,26 %
Derivatives	0,10 %
FX Forwards	-1,09 %
<b>Sum</b>	<b>100,00 %</b>



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 47 %.



**What was the share of socially sustainable investments?**

The share of socially sustainable investments was 51 %.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Cash may have been held as ancillary liquidity or for risk balancing purposes. The fund may have used derivatives and other techniques for the purposes described in the 'Fund Descriptions' in the prospectus. This category may also have included securities for which relevant data is not available.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this fund have been monitored and documented on an ongoing basis.