



01/01/2023

Publication pursuant to SFDR - Details

db Advisory Multibrands - Nordea Sustainable Global Stars

This financial product promotes environmental and social characteristics and qualifies as product in accordance with article 8(1) of Regulation (EU) 2019/2088.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The sub-fund commits to partially invest in sustainable investments. To ensure those sustainable investments do not cause significant harm to any environmental or social sustainable investment objective following processes are implemented:

DNSH Assessment

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous inhouse methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

Integration of adverse impacts on sustainability factors

NAM has developed a proprietary quantitative methodology that assesses 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 utilises a diverse range of data sources in order to ensure that investee companies' performance is appropriately analysed. PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool". This includes checks in relation to adherence to international norms, for example, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles of the United Nations

Global Compact and the standards of the International Labour Organization.

Environmental or social characteristics of the financial product

The E/S characteristics of this product include:

• Minimum proportion of sustainable investments

The product invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in the UN SDGs, while not significantly harming any other environmental or social objectives.

• NAM's Paris-Aligned Fossil Fuel policy

Exposure to fossil fuel companies is governed by the product's adherence to Nordea Asset Management's (NAM) Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

• NAM's Responsible Investment Policy

Excluded are companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities. This sub-fund has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

Investment strategy

This sub-fund pursues a strategy based on equities as main investment strategy. The sub-fund invests globally and at least 75% of its net assets in equities and equity related securities (such as Preferred Shares, Depositary Receipts (ADR and GDR), closed-ended listed US REITs, dividend right certificates, equity rights and Participation Certificates). Up to 25% of the sub-fund's total assets can be invested in emerging market countries including investments in China A-shares via the Shanghai-Hong Kong Stock Connect program and the Shenzhen-Hong Kong Stock Connect program. Up to 25% of the sub-fund's net assets may be invested in money market instruments and bank balances. Further details regarding the main investment strategy are specified in the Special Section of the Sales Prospectus. The sub-fund's assets are predominantly allocated into

investments that comply with the defined standards in respect to the promoted environmental and social characteristics as described in the following sections. The sub-fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the sub-fund's investment guidelines.

Minimum 50% of the product is invested in sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments as further detailed under section "What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?".

NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services. This means that the product will not invest in companies with material involvement in fossil fuel production, distribution or services if they do not have a documented transition strategy that aligns with the Paris Agreement.

The product adheres to NAM's Responsible Investment Policy and does not invest in companies that are on Nordea's exclusion list due to violation of the UN Global Compact.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

Policy to assess Good Governance

Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the product level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.

Proportion of investments

This sub-fund invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics. At least 50% of the sub-fund's assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 10% of the investments are not aligned with these environmental or social characteristics. Derivatives are currently not used to attain the environmental or social characteristics promoted by the sub-fund.

Monitoring of environmental or social characteristics

The inherent limitations on the investment universe resulting from the investment strategy as well as the ESG investment limits are controlled, documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial regulatory risks and ensure appropriate escalation of any potential issues within a clear governance structure.

Methodologies

To measure the attainment of the environmental or social characteristics, the Investment Manager will use climate-, other environmental and social indicators to the extent that relevant data is available. The sustainability indicators for this product are the PAI indicators:

- **Proportion of sustainable investments:** Defined as %-share of the sub-fund's net assets invested in sustainable investments.

- **Carbon Footprint:** Defined as the total carbon emissions (scope 1, 2 and 3) for a portfolio, normalised by the market value of the portfolio, expressed in tons CO₂e / M€ invested. The Carbon Footprint expresses the share of companies' and issuers' greenhouse gas emissions that is owned or funded by the company's investments. Carbon emission will be measured by the carbon footprint for investments made in corporate issuers.

- **Violations of United Nations Global Compact:** Used to measure the share of investments in companies or issuers that have been involved in violations of the UN Global Compact (UNGCG) principles or OECD Guidelines for Multinational Enterprises. The ten UNGCG principles are related to Human Rights, Labour, Environment and Anti-Corruption issues.

Data sources and processing

NAM uses a range of external data providers of ESG data, as well as internal research and their proprietary ESG scoring platform. NAM evaluates the quality of all internal and external data on an ongoing basis, and continuously assess if new data providers can improve the analysis and models. NAM has also implanted a Supplier Code of Conduct and request that data provider respect it. Prior to a data provider being chosen as a supplier extensive market research is conducted, and the potential data providers are assessed on issues such as: data quality, coverage, security, methodology, price, reliability and conflict of interest.

Limitations to methodologies and data

Limitations to sustainability data originate mainly from the fact that they may carry a high amount of subjectivity (e.g. with qualitative ESG ratings or estimation processes for numerical data). NAM aims to mitigate that challenge by utilising multiple vendors.

Due Dilligence

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

Engagement policies

NAM undertakes a range of engagement activities with companies, in order to affect and influence these to improve their ESG practices, including promoting a long-term approach to decision-making. Our active ownership tools include voting, attending Annual General Meetings, standard setting, engagement with companies, and filling resolutions. NAM's engagement with investee companies falls into three main categories, which can overlap and be applied to a given company simultaneously:

- **Thematic engagements:** Concerns issues under one of the core areas of interest identified in NAM's ESG strategy: 1) climate, 2) human rights, 3) good corporate governance and 4) biodiversity/water
- **Norms engagements:** Are triggered by observed norm breaches, PAI red flags or other serious negative news flows as described above

- **Investment-led engagements:** Are initiated and executed at the individual strategy and investment boutique level and are described further below under product-specific approaches.

In tandem with our direct engagement with companies, NAM votes 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, other stakeholders and society at large, 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, other stakeholders and society at large, 5) disclose information to the public in a timely, accurate and adequate manner and 6) ensure high social, environmental and ethical standards and accountability.

Designated reference benchmark

This sub-fund has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.