

**Pre-contractual 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Swedish Institutional Short Duration Bond Fund

**Legal entity identifier:** 549300SZVW17ROZPY480

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics promoted can be environmental and/or social and include the following features:

**Sector- and value-based exclusions** The fund promotes E/S characteristics by excluding companies that are deemed to be inappropriate based on their business activities or corporate behaviour. The exclusion criteria are further described in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”

The benchmark used by the fund has not been designated as a reference benchmark for the purpose of attaining the E/S characteristics promoted by the fund.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:

- Carbon Footprint
- Investee countries subject to social violations (absolute and relative)
- % of total investments in companies violating United Nations Global Compact
- Greenhouse Gas Intensity for sovereigns

*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 fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this fund 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.*

### **Sustainability indicators**

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

### **Principal adverse impacts**

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



**Does this financial product consider principal adverse impacts on sustainability factors?**

☐ No

☒ Yes, NAM's proprietary quantitative PAI tool assesses the impact of NAM's investment universe (direct investments mainly) across multiple PAI indicators. Investment teams have access to both absolute PAI metrics and normalised scale values, allowing them to identify outliers and adjust their view of investee companies and issuers accordingly. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors is available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The general investment policy of the fund, including investment universe and benchmark, is further detailed in the KID for the fund.

As part of the investment strategy, companies and issuers are excluded from the fund's investment universe if they are involved in certain activities that are deemed to be harmful to the environment or the society at large. Investments are also screened for adherence to OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. It is controlled on an ongoing basis that the fund's investments are aligned with the applicable exclusions as outlined in the below section "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".

As part of the investment process, investee companies are screened to ensure that they follow good governance practices.

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- Sector- or value-based exclusions prevent investments in companies that are involved in serious breaches of international norms where engagement is deemed not to be possible or effective. Companies engaging in certain activities that are deemed to have significant negative climate or environmental impact, like thermal coal or production of fossil fuels from oil sands and arctic drilling, are also excluded, as well as companies active in the production of controversial weapons and companies involved in pornography. Companies' exposure to certain activities may be measured on production, distribution or revenue contribution depending on the nature of the activity, and thresholds may apply for the purpose of exclusions. A link to the list of excluded companies, as well as the Responsible Investment Policy further detailing the process, is provided below in the section "Where can I find more product specific information online?". The investments in the fund are also subject to specific exclusions that limit exposure to certain activities that are incompatible with the fund's investment profile or deemed to be detrimental to the environment or society at large. The specific additional exclusions that apply to the fund can be found in the sustainability-related website disclosures through the link provided below in the section "Where can I find more product specific information online?".

The binding elements are documented and monitored on an ongoing basis by NAM. Separately, Nordea Funds has risk management processes in place 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.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

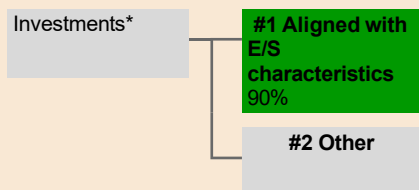
● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices of investee companies are addressed in various layers of the security selection process of direct investments. Companies are screened for good governance by assessing, among other elements, 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.



## What is the asset allocation planned for the financial product?

The fund commits to minimum proportion of investments as illustrated below. Where no percentage proportion or 0% is displayed, such investments may be relevant for the strategy but the fund is not committed to holding a specific proportion at all times, and the proportion of such investments may be as low as 0% at the investment manager's discretion.



**#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.

\*Investments refer to the fund's NAV which is the total market value of the fund.

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

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The minimum proportion of investments that are aligned with the EU Taxonomy is 0%. Sufficiently reliable data on Taxonomy-alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on Taxonomy-alignment will develop as the EU framework evolves and data is made available by companies.

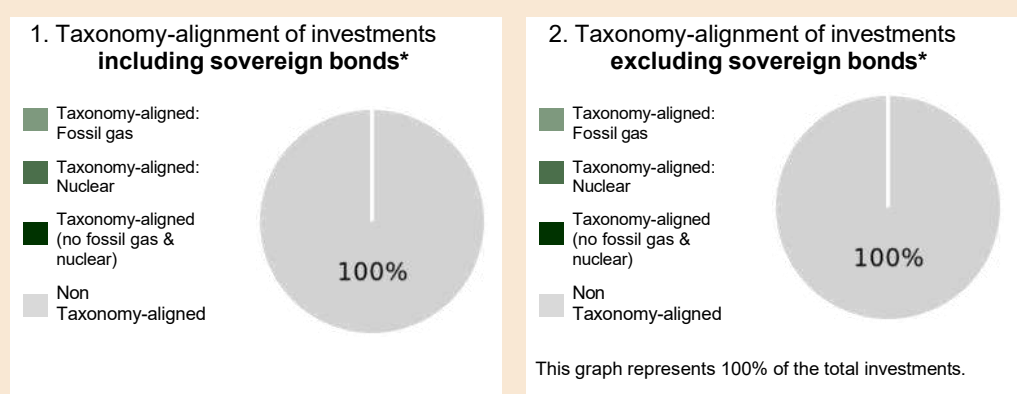
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

☐ Yes

☐ In fossil gas      ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KID for the fund. This category may also include securities for which relevant data is not available. Minimum environmental or social safeguards are not applicable.



### **Where can I find more product specific information online?**

More product-specific information can be found on [www.nordea.se](http://www.nordea.se)

Sustainability-related website disclosure for the fund can be found through the link for product-specific information provided above.

Additional information as referenced in the above sections is available here:

[Responsible Investment Policy](#)  
[Exclusion list](#)