

Website Disclosure - SFDR

Product name : NN Nordea Global Real Estate Fund
Categorisation: article 8
Legal entity identifier (CODE LEI) : 549300P1862TXM0YEB58
Version : 21/2/2023

a) Summary

The fund promotes certain environmental and/or social characteristics. It does not have as its objective sustainable investment. While this fund does not commit to invest in a minimum proportion of sustainable investment, it may make such investments.

Specific sustainability indicators will be used to measure the attainment of the environmental and/or social characteristics of the fund in accordance with specific methodologies described below. The asset allocation of the fund is presented in the form of a chart that holds a specification of the percentage of investments expected to be aligned with the environmental and/or social characteristics of the fund. Internal limit monitoring systems run pre- and post-trade screenings for the holdings of the fund. Pre-trade limits block the unfit investment opportunities from our portfolio management tool, and post-trade limits flag any exposure or activity that is not aligned with our investment guidelines.

Internal and external data sources and data providers are used to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data received from external providers may be complemented by internal research and analysis. We aim to mitigate limitations to data sources by applying solid due diligence measures in relation to external data providers, and manual verification processes.

b) No sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ 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:** __%

☒ ☐ ☒ No

☐ 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**

This fund promotes environmental or social ("E/S") characteristics, but does not have as its objective sustainable investment. The fund will not have a commitment to a minimum proportion of sustainable investment, as illustrated above.

c) Environmental or social characteristics of the financial product

The E/S characteristics include:

ESG scoring

The fund invests in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

Sector- and value-based exclusions

Exclusion filters are 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.

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

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

More information can be found below in the Methodologies section.

d) Investment strategy

Description of the investment strategy used to meet the environmental or social characteristics of the financial product

ESG is integrated into the strategy by excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations. Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Exclusions

Companies that are materially involved in the below activities are excluded from the investment universe of the fund. Companies' involvement is measured as the proportion of revenues deriving from the excluded activities. Different thresholds apply for determining the level of involvement that will result in an exclusion of a company from the investment universe. The list shows an aggregation of exclusions that result from NAM's general RI Policy and the additional exclusions that are added to the specific investment strategy.

- Adult entertainment
- Alcohol
- Weapons conventional
- Coal
- Gambling
- Gas
- Nuclear weapons
- Oil
- Arctic drilling and oil sand
- Tobacco
- Unconventional weapons

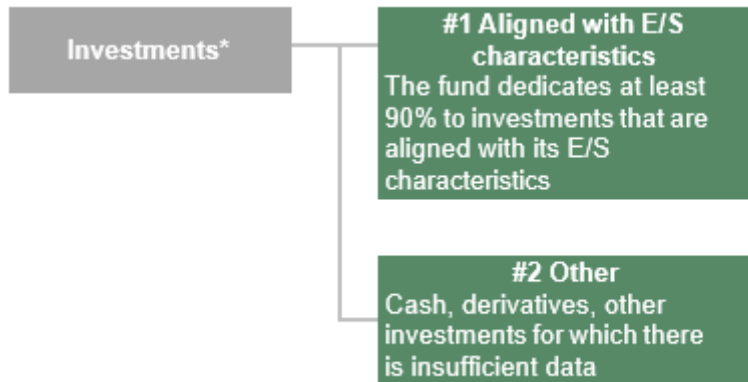
Description of the policy to assess good governance practices of the investee companies

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.

e) Proportion of investments

Illustrated below is the planned asset allocation for the investments of the financial product:



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

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

f) Monitoring of environmental or social characteristics

Description of how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

The following sustainability indicators are used to measure the attainment of the E/S characteristics of the fund:

- **Carbon Footprint:** Defined as the total carbon emissions (scope 1 and 2) 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 (UNGC) principles or OECD Guidelines

for Multinational Enterprises. The ten UNGC principles are related to Human Rights, Labour, Environment and Anti-Corruption issues.

Sector- and value-based exclusions and other binding restrictions are monitored in the limit system which is run internally by the Risk Management Limit Team (the “Limit Team”). When we decide to limit exposure to certain sectors or activities, we build those into our internal limit monitoring system that runs both pre- and daily post-trade screenings for our holdings. Pre-trade limits block the unfit investment opportunities from our portfolio management tool, and post-trade limits flag any exposure or activity that is not aligned with our investment guidelines. Depending on the E/S characteristic that the incident concerns, and depending on the type of exposure, certain specific action, such as divesting, may be taken.

g) Methodologies

Description of the methodologies used to measure how the social or environmental characteristics promoted by the financial product are met.

The methodologies that apply to measure how environmental and social characteristics promoted by the fund are met, are set out here below.

ESG scoring

A numerical ESG risk score model built upon different quantitative ESG risk metrics is used to set an ESG score of potential investee companies. In addition to third party data, a manual qualitative analysis may supplement the determination of the ESG score. The scoring scale consists of A, B and C, accompanied by a trend indicator, and with A being the highest ESG score. Numerical risk scores may be provided by external data vendors or they may be the result of our internal proprietary analysis.

Sector- and value-based exclusions

Exclusions aim at limiting the investment exposure to certain sectors or activities that may be considered to be damaging for the environment and/or the society at large. Sector screenings assess a company's involvement in a specific activity measured by the revenue derived from this activity. Sector exclusions are the result of screenings based on the data and methodology of our selected data vendors.

NAM Paris Aligned Fossil Fuel Policy

NAM's Paris-Aligned Fossil Fuel Policy ("PAFF"), has been developed with the Paris agreement in mind. The Paris agreement is a legally binding international treaty on climate change. Its goal is to limit global warming, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. The NAM PAFF Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services, which are implemented and monitored as specific exclusions in our limit system. However, investments may be allowed in companies that help accelerate the transition to clean energy and phase out of fossil fuel.

h) Data sources and processing

a) What are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

We use a range of different internal and external data sources and data providers to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data received from external providers may be complemented by internal research and analysis provided by our Investment Teams and the Responsible Investment Team.

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

b) What are the measures taken to ensure data quality?

We apply various measures to control the quality of the external and internal data sets used. This may include internal control measures commonly used in computer programming such as:

- Quality assurance test whereby controls are made to check that the external data values are in the expected range and behave as intended
- Unit testing whereby individual data and functions created to generate insights or transform said data are tested to determine if they are fit for use and produce the expected output
- Four-eyes review of any code changes by our specialists
- Segregation of duties whereby there is a separation of responsibilities of key processes between more than one person, based on their area of expertise
- Segregation of IT environments that protects the integrity and availability of the environment producing the data and allows for testing of new data in terms of quality and robustness before it is used in a production environment
- Sanity test whereby the functionality and output of the system is tested to ensure that it works as expected
- Review of the data and insights generated by said data by our analysts/specialists

Furthermore, to the extent possible, data reported by companies, regulatory authorities and/or non-governmental organisations are prioritised over data from data providers' estimation models. This is done in order to minimize the reliance on third party estimation efforts which in turns improves the overall quality of the data we use as input in our investment processes.

The external data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

c) How is data processed?

As described above, the data used partly derives from external data providers that provide raw data on issuer level. We seek to obtain as much and the most granular company data possible.

The external data received is enriched with additional external data sets, it may be complemented by in-house ESG analysis of the data, and company identifiers (ISIN) are matched with the incoming raw data to companies that we can potentially invest into as well as current investee companies.

d) What proportion of data is estimated?

Although we prioritise reported data over estimated data, we do rely to some extent on estimations and on estimated data provided by our external data providers where reported data is not available or of adequate quality.

i) Limitations to methodologies and data

a) Are there any limitations to the methodologies and data sources used?

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The fact that some proportion of the data received from external data providers may be estimated data, may be seen as a limitation to the methodologies and data sources.

Information is mainly based on historical data and may not reflect the future ESG performance or risks of the investments.

b) How do those limitations not affect how the environmental or social characteristics promoted by the financial product are met?

To mitigate the limitations to data sources, we have ensured to have solid due diligence measures in place in relation to external data providers. Manual verification processes is another mitigating factor.

We evaluate the quality of internal and external data on an ongoing basis, and continuously assess if new data providers can improve the analysis and models. We have also implemented a Supplier Code of Conduct for data providers to follow. 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.

c) Due diligence

Description of the due diligence carried out on the underlying assets of the fund, including the internal and external controls on that due diligence.

NAM conducts due diligence reviews of all internal and external data on an ongoing basis, and continuously assesses if new data providers can improve the analysis and models. As set out above, we have also implemented a Supplier Code of Conduct for data providers to follow. 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.

When it comes to calculation of any potential alignment with the EU Taxonomy, we strive to source data directly from companies, but as self-reported data remains scarce, this may be supplemented with data sourced from third party providers. ESG data in general is continually maturing and the data coverage is improving. NAM is constantly searching the market for the data which adheres to EU regulation requirements and can be used to provide our clients with necessary reports on the products' ESG profiles.

d) Engagement policies

Description of the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

Engagement is not part of the investment strategy of the fund. However, we undertake, on behalf of our clients, a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices and promote a long-term approach to decision-making.

e) Designated reference benchmark

Description of whether an index has been designated as a reference benchmark to meet the environmental or social characteristics of the financial product and how such index would be aligned with the environmental or social characteristics of the financial product.

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

Sustainability information contained in this product document has been compiled by NN Insurance Belgium SA/NV to the best of its ability. However, NN is dependent on the information on the various sustainability aspects made available by the asset managers. However, the legislation requiring this information to be made available only came into force on 1 January 2023. The information in this document has therefore been compiled on the basis of the information made available to date and may be modified and/or supplemented in line with the information that will be provided by asset managers in the coming years.