

Sustainability-related disclosures

Nordea Alternative Strategies Fund
Nordea Private Equity Separate Mandate II Fund



1 January 2023

Transparency of the promotion of environmental or social characteristics and of sustainable investments

This document includes information relating to environmental and social characteristics of financial products and information relating to sustainable investments, in accordance with article 10 of the Sustainable Finance Disclosure Regulation (SFDR)¹.

Product name: Nordea Alternative Strategies Fund – Nordea Private Equity Separate Mandate II

Legal entity identifier: N/A

Summary

The financial product promotes certain environmental and/or social characteristics.

Specific sustainability indicators will be used to measure the attainment of the environmental and/or social characteristics of the financial product in accordance with specific methodologies described below.

The financial product's Investment Manager is Nordea Investment Management AB.

Due diligence on underlying investments is used to ensure that the financial product is invested in accordance with the environmental and/or social characteristics promoted.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

No sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes
 ☒ No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: _____ → _____ %	<input type="checkbox"/> 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
<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 type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: _____ → _____ %	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

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

Environmental or social characteristics of the financial product

The E/S characteristics of this financial product will apply to new investments and include:

ESG due diligence and proprietary assessment The Investment Manager integrates environmental and social considerations and ensures good governance as part of the due diligence process of each investee fund manager. The assessment creates transparency and comparability over time.

Sector- and value-based exclusions For each investment, a set of ESG-safeguards are embedded in the contractual framework for the investments, restricting the investment universe through e.g. sector and/or value-based exclusions thereby restricting investments in assets with significant exposure to certain activities deemed to be detrimental to the environment or the society at large.

Active monitoring and engagement The Investment Manager undertakes a range of activities on behalf of its financial products to encourage environmental, social and governance practices, and promotes a long-term approach to decision-making. This includes a close monitoring of investments and engagement on ESG standards in respect of the individual managers and underlying assets.

NAM's Paris-Aligned Fossil Fuel policy

Exposure to fossil fuel companies is governed by the financial product's adherence to NAM's Paris-Aligned Fossil Fuel Policy which limits investments in companies and issuers that have exposure to fossil fuels unless they have a credible transition strategy.

Investment strategy

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

The Investment Manager seeks to construct a diversified portfolio of private equity investments. The objective of the financial product is to provide participation in several sectors of the private equity asset class.

The financial product's assets will be invested in private equity by investing in funds of private equity funds as well as directly in private equity companies, being individual companies partially owned by private equity funds.

Geographic emphasis of the investments will primarily be in Northern & Continental Europe and the United States. On an opportunistic basis, Emerging Markets and Asia can be considered.

The ESG characteristics of the financial product is a combination of -due diligence of the investee funds' managers and sector and value based exclusions of companies based on NAM's Responsible Investment Policy's standards.

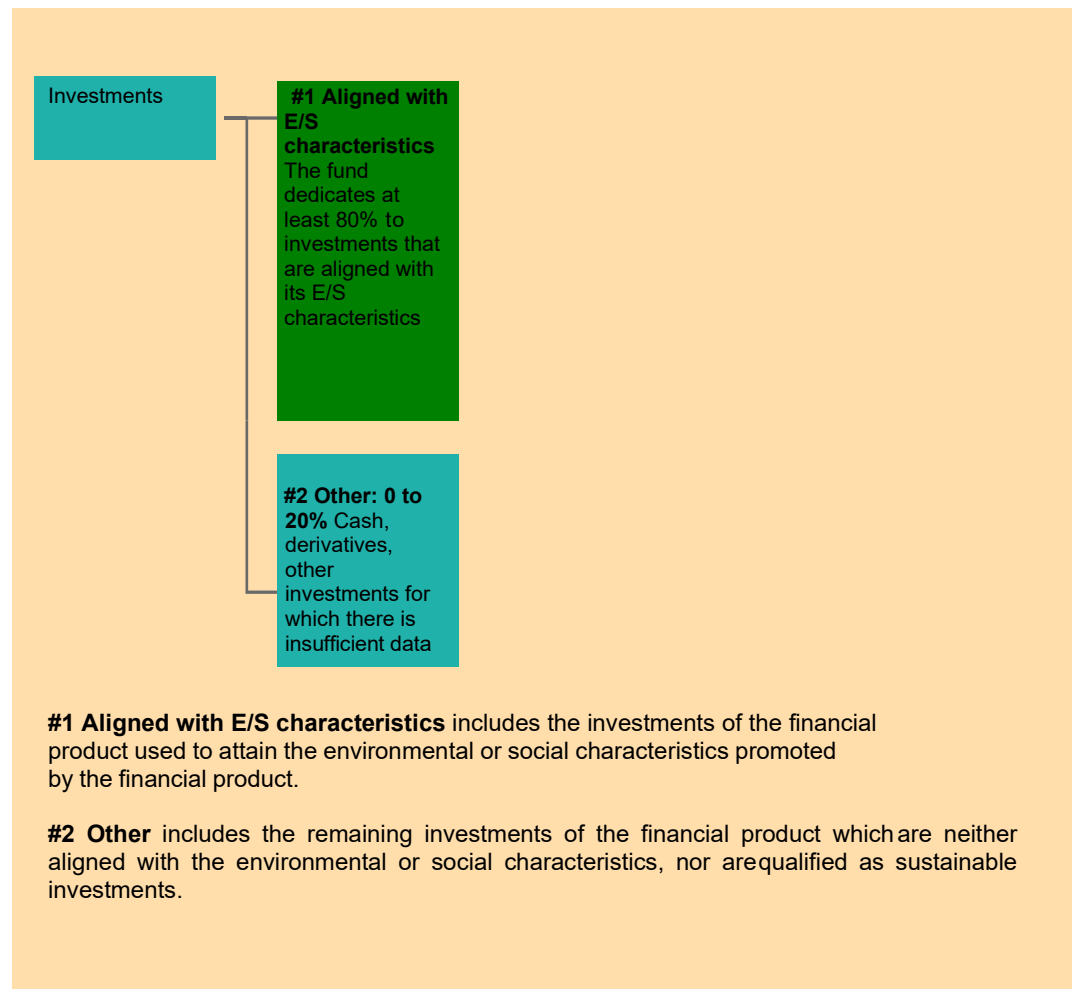
Description of the policy to assess good governance practices of the investee companies

Assessment of good governance practices of investments is addressed in various layers of the due diligence process. At the investment level, the adherence to good governance principles are assessed in the due diligence of the policies related to employee relations, staff remuneration, management structures and tax compliance.

Adherence to the principles is built into the contractual framework as additional safeguards at the Investment Management level.

Proportion of investments

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



*Investments means the financial product's NAV.

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.

To measure the attainment of the environmental or social characteristics, the Investment Manager will measure the:

- • Percent of investments with an ESG-policy or specific ESG-targets
- • Percent of investments providing ESG-reporting
- Percent of investments supporting a recognized ESG-initiative.

Methodologies

Description of the methodologies 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 financial product are met, are set out here below.

- **NAM Paris Aligned Fossil Fuel Policy**

NAM's Paris-Aligned Fossil Fuel Policy ("**PAFF**"), has been developed with the Paris agreement² in mind. The Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services, which are implemented and monitored as specific exclusions by the Investment Manager. The NAM PAFF policy can be found [here](#).

- **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.

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?

The Investment Manager uses a range of different data sources provided by the investee fund manager, to ensure that the financial product is invested in accordance with the environmental and/or social characteristics promoted. Due to the investment universe of the financial product, data sources are limited and are subject to confidentiality, but direct access to investee fund manager is utilized in the ESG scoring and financial assessment where relevant.

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

Given the broad range of investments and the fact that data is of confidential nature, the evaluation of the reported data is done as part of the due diligence process on the investee fund manager. Where relevant, the Investment Manager would seek to verify data with the investee fund manager if possible.

c) How are data processed?

As described above, the data used by the Investment Management is primarily derived from investee fund manager. The Investment Manager seeks to obtain as much and the most granular company data possible.

(d) What proportion of data is estimated?

Data is not estimated because is directly received from investee fund managers

² 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.

Limitations to methodologies and data

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

Information is mainly based on historical data and may not reflect the future ESG development 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?

The fact that each investment is assessed individually by the Investment Manager mitigates the data limitations.

Due diligence

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

The Investment Manager conducts its financial and ESG due diligence based on proprietary data obtained from the investee fund manager. This results in an initial due diligence report, which may warrant direct follow-up with the fund manager to clarify any information gaps or outstanding questions.

The final due diligence report includes both the financial analysis and the conducted ESG due diligence. The evaluation creates transparency and comparability over time.

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.

The Investment Manager undertakes a range of activities on behalf of its financial products to encourage environmental, social and governance practices, and promotes a long-term approach to decision-making. This includes a close monitoring of investments and engagement on ESG standards in respect of the individual managers and underlying assets.

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 financial product does not use a reference benchmark.