

BPER International SICAV - Low Duration European Covered Bond

Sustainability-related disclosures

Environmental or social characteristics promoted by the financial product

The Master Fund applies baseline ESG safeguards (see Baseline ESG safeguards applicable to all funds within the Responsible Investment Policy) and is promoting ESG characteristics as per Article 8 of the SFDR.

Environmental and/or social characteristics

The Master Fund invests within an investment universe that generally exhibits a high level of ESG performance across constituents. Consequently, the screenings that apply to the strategy have limited impact on the investment universe and the actual investments of the Master Fund, and only serve as an insurance that underlying investments consistently represent the expected ESG characteristics of the asset class.

The Master Fund adheres to NAM's Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and/or the society at large, including tobacco companies and fossil fuel companies.

Policy to assess good governance

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

ESG strategy

The strategy ensures that applied exclusion filters are reflected in the investment universe.

NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

NAM's Responsible Investment Policy

A NAM level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through NAM's Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws

and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The detailed Responsible Investment Policy and the Corporate Exclusion List are available at nordea.lu.

Implementation of the ESG strategy

The Paris-aligned fossil fuel screening and other exclusions filters apply to all direct investments of the Master Fund.

The Master Fund may use derivatives and other techniques for the purposes described in the 'Derivatives and techniques' section of the Master Fund prospectus. Any such holdings are not in scope of the ESG criteria.

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.

Investment strategy

The Master Fund mainly invests in European covered bonds.

Specifically, the Master Fund invests at least two thirds of total assets in covered bonds that are issued by companies or financial institutions that are domiciled, or conduct the majority of their business, in Europe. The Master Fund also invests at least two thirds of total assets in debt securities with a rating of AAA/Aaa or lower, but not lower than A-/A3, or equivalent. The Master Fund's modified duration is between 0 and 2 years.

The Master Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- debt securities rated BB+/Ba1 or lower, including unrated securities: 10%

The Master Fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

Reference benchmark

Iboxx Euro Covered Interest Rate 1Y Duration Hedged. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

Reference benchmark and alignment with the sustainability profile of the Master Fund.

The Master Fund uses a benchmark which is not aligned with the environmental and social characteristics of the Master Fund. Please refer to the 'Investment Objective and Policy' section of the Master Fund prospectus for further information.

Monitoring of environmental or social characteristics

At Nordea the responsible investment approach is governed by the Responsible Investment Committee (RIC), chaired by Nordea Asset Management's CEO, which determines our ESG investment guidelines. For further information on the monitoring of the environmental or social characteristics of the Master Fund, please refer to the following website:

<https://www.nordea.com/en/sustainability/sustainable-business/investments/our-way-of-working/>.

Methodologies

Nordea has developed a responsible investment framework that comprises a wide range of approaches. Some are decided and deployed at the corporate level – “overlays”, which apply to all funds – while others are product-specific and apply to solutions with an enhanced ESG focus.

For further information on the methodologies of the Master Fund, please refer to the following website:

<https://www.nordea.com/en/sustainability/sustainable-business/investments/our-way-of-working/>.

Data sources & processing

Nordea has a unique inhouse ESG process whereby after thorough analysis, every company is assigned an internal ESG rating and must pass a certain rating threshold if Nordea is to invest in it.

For further information on the data sources & processing of the Master Fund, please refer to the following website: <https://www.nordea.com/en/sustainability/sustainable-business/investments/our-way-of-working/>.