



Climate Solutions Insight

Third period 2019

Nordea 1 – Global Climate and Environment Fund

The **Nordea 1 – Global Climate and Environment Fund** is:

- A fund whose core theme is companies that provide solutions to global challenges regarding climate change and the environment
- A thematic portfolio leveraging a long-term megatrend supported by multiple drivers (economic, environmental, corporate and consumer)
- A concentrated, global bottom-up equity fund, with mid-cap growth bias (40-60 stocks)

The fund has a long track record, and has been managed by the same investment team since 2008.

This document outlines some of the portfolio holdings and how they contribute towards climate solutions and environmental protection. The table below highlights which Clusters – thematic groups of Strategies – and which Strategy within each Cluster each holding belongs to. In addition, the table exemplifies how each holding is related to one of the UN’s Sustainability and Development Goals (SDGs)¹.

Sample portfolio holdings²

Company	Why is it a climate solution?	N1 – GCLIMEF Cluster / Strategy	Primary SDG ¹
Trimble	Trimble is a technology and software provider, whose solutions allow users to collect, manage and analyse information in an easier and faster way. This translates into more efficiency and productivity. Trimble solutions are mostly used in the construction industry, but also on the agricultural and transportation sectors.	Resource Efficiency Intelligent Construction	
Waste Management	Waste Management generates revenues through the provision of waste services . Further, the use of landfill gas for energy generation creates additional value from waste and contributes to meeting rising energy demands. In addition, Waste Management is engaged in recycling activities and aims to increase the amount of recycled materials. The company also promotes recycling among residential, commercial, industrial and municipal customers.	Environment Protection Waste Management	
Eversource Energy	Eversource is a US based regulated utility servicing clients across the north-eastern part of the country. Eversource is committed to integrate renewable energy and facilitate the expansion of electric vehicles. The company has recently won a large off-shore wind project in the US together with Danish Orsted – the world’s leading off-shore wind developer.	Resource Efficiency Smart Grid	
Weyerhaeuser	Weyerhaeuser is one of the world’s largest timberland owners and is dedicated to growing and harvesting trees in a responsible and renewable way. This goes hand in hand with protecting biological diversity, water quality and the ecosystem in general. The wood produced is sold to its customers as an alternative to other carbon-heavy materials like steel and cement, thereby contributing to a more sustainable society .	Environmental Protection Sustainable Forestry	
International Flavors & Fragrances	IFF is a global supplier of fragrance and flavor ingredients with a broad client portfolio, from companies related to personal and household care to food and beverage producers. Customers increasingly demand more sustainable products based on natural ingredients, free of synthetic materials and more environmentally friendly.	Environment Protection Green Consumerism	

The UN’s Sustainability and Development Goals are a series of thematic targets the UN identified in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The fund does not directly target these SDGs, but they offer an objective framework against which we highlight quickly how each company fits the Climate and Environment theme.

¹ This refers to the UN’s Sustainability and Development Goals (SDG), which are laid out on the next page. ² Source: Nordea Investment Funds S.A. As at 28.02.2018.

Trend on the spotlight:

Smart Farming: Automated and Connected Agriculture



How do we benefit from this trend?

There are more humans on Earth than ever before – 7.7 billion – and that number is still growing, with UN projections that it will reach 10 billion by 2050. A population of this magnitude brings a lot of challenges with food production probably one of the most important. The UN Food and Agriculture Organization predicts that we need to boost worldwide food production by 70% over the next several decades in order to feed the anticipated population of 2050. However, small farmers in Emerging Markets are often poor and uneducated.

Productivity-enhancing solutions in agriculture are helping to improve resource efficiency and lower the environmental footprint – while also advancing the competitiveness of farmers. The smart farming revolution has intensified in recent years due to a reduced cost of technology, which is now being deployed across a broad area of applications.

Most of the progress we are witnessing is coming from the corporate sphere, with many leading global agricultural groups already delivering value-added solutions to real world problems. While smart farming may currently only be a small investment area, we are witnessing tremendous potential in companies such as AGCO, Trimble or Kubota which are well positioned to benefit from such opportunities.

Complete list of SDGs:



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