WORLDWIDE
ASSET MANAGEMENT

Sustainable Investing and Stewardship

ANNUAL SUSTAINABILITY
AND TCFD REPORT
2020/2021

Contents

C WorldWide's Stewardship Practices

Our commitment to sustainability is not new. In fact, since 1986, investing in sustainable companies has been the essence of our active and long-term focused investment philosophy and process. Anchored in our long-term investment horizon, proactively focusing on good business practices has been core to our approach – not just to do less harm or to avoid risk, but to fully understand the long-term merits and viability of the investee company and the durability of its business model.

We have chosen to comply with article 3g of the Shareholder Rights Directive as regards to the encouragement of long-term shareholder engagement as reflected in our Engagement and Proxy Voting Policy. In this report we disclose how the policy has been implemented and how we work with sustainability in general.

As active stock long-term investors and shareholders, we favour a pro-active engagement approach rather than an approach based on extensive exclusion lists. Our objective is to have an ongoing dialogue with our investee companies, and where possible, influence developments in a positive way.

Integrating environmental, social and governance (ESG) factors in our investment decisions is an essential part of our fundamental analysis process. We evaluate what is material to all stakeholders of the investee company over the long-term, and not just the next few quarters or even years.

Addressing stewardship with investee companies results in a dialogue which will assist the investee companies' adaptability to changing markets. There is no doubt, after 30 plus years' experience, that shareholders are the first to benefit from a longer-term, pro-active approach.

Our active stewardship practices are based on three pillars: direct engagements, collective engagements, and proxy voting. All three are supported by inhouse as well as external research from brokers and specialist service providers.

Whilst environmental factors took a relatively more backseat position for a while during Covid-19, following a better control of the pandemic and vaccinations being rolled out worldwide, the "E" is now back in the front seat with increased focus from governments to reduce carbon emission and setting targets to meet Net Zero.

In the following we outline our sustainable investment efforts for 2020 and the first part of 2021.

Annual Highlights

2020 was impacted by the Covid-19 pandemic. And within ESG, this was expressed through the significantly increased focus on social factors.

This included increased focus on how corporates approach and treat employee health and safety, but also how corporates more pro-actively assist and engage with other stakeholders e.g., customers, suppliers, and local communities – increasing the reputational risk for the companies not perceived to meet these expectations.

While times of crisis call for different measures it is difficult to predict the longer-term impact on these issues in the aftermath of the Covid-19 pandemic. That said, it is a development that ties into and accelerates the trend we have already seen unfolding over the past couple of years with the increased call for a broader stakeholder focus. Perhaps best exemplified with the redefined statement of purpose by the Business Roundtable and the commitment to serve all stakeholders.

The 2020s have already been proclaimed the "Sustainable '20's" or the "ESG Decade", and although Covid-19 has shifted priorities and focus, there is little doubt that ESG and the broader sustainability agenda will continue to unfold for years to come. Additionally, it is highly likely that there will not be a category called sustainable investing because everything that people will do will have an element of sustainability in the investment processes.

In recent years we have seen the focus from investors evolve from being primarily on risk materiality and mitigation (with climate change risk as the main driver) to a larger degree now also considering investment opportunities tied to sustainability. This can at least to some degree be contributed to the UN Sustainable Development Goals, which have proven to be quite effective as a narrative building interest around sustainability that corporates as well as investors increasingly are adopting. But also, and more importantly, shifting consumer attitudes, new regulation, e.g., the EU Taxonomy, and emerging technologies enabling more sustainable products and solutions and gradually highlighting the potential longer-term tailwinds for companies that are able to adapt to those changes.

Whilst environmental factors took a relatively more backseatposition for a while during Covid-19, following a better control of the pandemic and vaccinations being rolled out worldwide, the "E" is now back in the front seat with increased focus from governments to reduce carbon emission and setting targets to meet Net Zero.

In recent years investors' focus evolved from risk materiality and mitigation to now also consider investment opportunities tied to sustainability.

Collective Engagement*

Labour Rights
Amazon

Child Labour
Mondelēz Int.
Nestlé

Human Rights
Volvo
Johnson & Johnson
Siemens

Business Ethics
Ericsson
Samsung Electronics

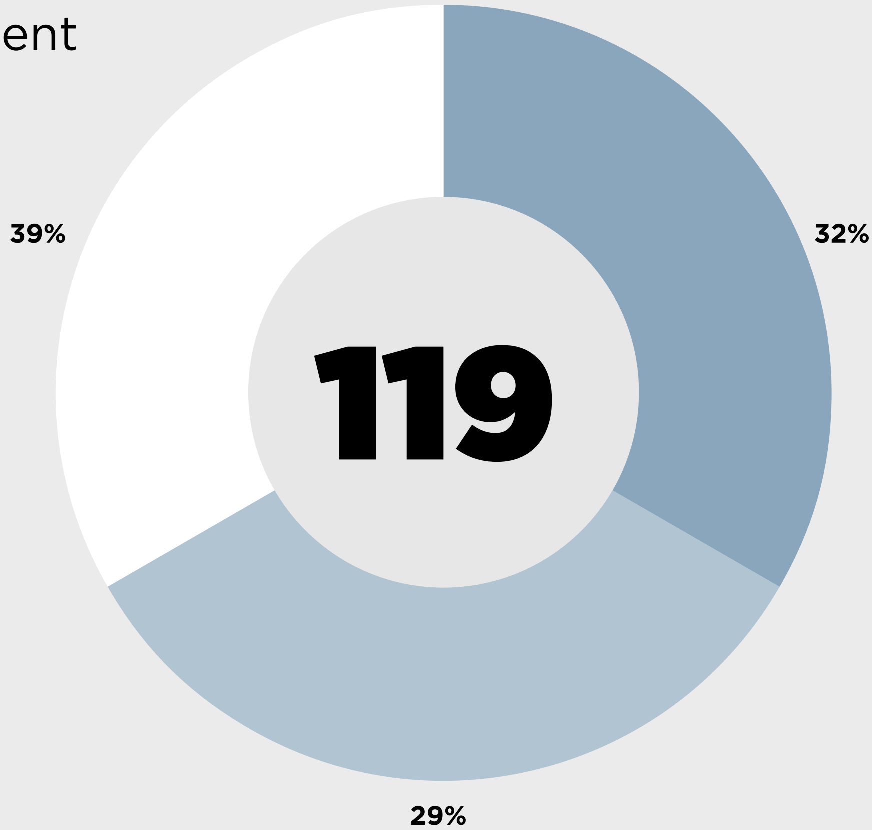
*Collective engagements which are incident based.

Direct Engagement

G Governance
39%

E Environmental
32%

S Social
29%



Engagement

During 2020 we had 119 direct ESG engagements across our equity portfolios. These were spread across all three E, S and G factors with an overweight to governance matters, as shown in the figure below. The second most discussed topic was environmental matters and in particular climate factors.

In collaboration with Sustainalytics, we had 8 collective engagements, which are incident based and thus longer-term ongoing engagements in nature. The majority of these are within social aspects, such as human rights and labour rights.

As active shareholders, in our engagement efforts with investee companies, we notice that the integration of sustainability and ESG is increasingly shaping longer-term strategic planning. This increased focus and progress is encouraging.

As active shareholders, in our engagement efforts with investee companies, we notice that the integration of sustainability and ESG is increasingly shaping longer-term strategic planning. For example, as it was highlighted in one of our engagement calls, it has over the past couple of years moved from 'a checking the boxes exercise' to being part of management discussions and strategy. This increased focus and progress is encouraging.

While increased disclosure and transparency is generally positive, it is worth emphasising that ESG data and disclosure is not an end in itself; rather it should be incorporated into and measured against longer-term strategic targets and objectives. This is what will ultimately contribute to a strengthening of the underlying business model and ensure that it is sustainable over the longer-term. Although externally sourced ESG specialist research is of relevance for us, the strategic dimension is where we typically see most mainstream ESG ratings and research fall short and where "boots on the ground" in terms of meeting and engaging with companies come as an advantage.

Microsoft

Microsoft is an example of a company that has recently emphasised the opportunities they see emerging from leveraging their own strong ESG performance. Its commitment and progress towards being carbon negative by 2030 is among best-in-class. This is helped by its internal carbon fee structure incentivising business units to positive change when it comes to climate action. Microsoft is continuing to build its climate expertise and the company sees substantial longer-term opportunities in monetising these capabilities in products and solutions towards clients.

Nestlé

We participated in a conference call with Nestlé hosted by Sustainalytics as part of its Child Labour in Cocoa engagement program. Child labour is an issue we ourselves have discussed with Nestlé on a number of occasions, but it is interesting to get external input and an assessment covering not only Nestlé but some of its peers as well. Sustainalytics' overall conclusion is aligned with our own, which is that Nestlé is best-in-class and (as its peers) is continuously improving its efforts. Less encouraging is the fact that child labour in West Africa in absolute terms is not decreasing according to recent data from the International Cocoa Initiative and expected to rise further because of the pandemic.

Ping An

Our discussion with Ping An was an opportunity to follow-up on key developments since we had our initial ESG call with them last year. At that time, the company recently started their "ESG journey" focusing on evaluating key issues and building internal structures and capabilities to address those. Over the past year, one of the key focus areas has been on ESG integration of its own investments (including commitment to global initiatives such as TCFD and Climate Action 100+). Most interestingly Ping An has introduced their own AI powered ESG framework CN-ESG to:

1) guide their investment teams in ESG integration
2) help Chinese companies improve ESG integration and disclosure
3) design ESG ratings better customised to Chinese companies (with a strong focus on environmental factors).

In terms of integration of ESG across Chinese companies Ping An sees the framework as a very important driver as only a small number of Chinese companies are covered by global ESG providers today e.g., MSCI covers ~500 companies. The framework was launched just before the summer 2020, but Ping An has already seen a lot of interest from Chinese companies, regulators, stock exchanges, as well as foreign investors.

Vestas

During our engagement meeting with Vestas, we discussed the company's set CO_2 emissions targets for scope 1 and scope 2, as well as the missing scope 3 targets. Vestas believes it is too early to put pressure on suppliers by introducing scope 3 targets at this point in time. Their reluctancy is due to the concern on how suppliers will react to such targets and thus will wait until 2025 to introduce scope 3 targets. In addition, we also discussed why ESG targets, and their fulfilment is not a part of management's KPI when it comes to remuneration. Vestas does not find ESG to be concrete enough to be useful in a KPI context. We will continue to address this in future meetings.

Atlas Copco

The Swedish company is increasing its efforts within ESG but is still lagging other large cap companies in the Nordics. Sustainability seems well anchored in the organisation and the daily work with ESG is distributed between four divisions, which each has a manager responsible for ESG. Thus, ESG goes both "top down" and "bottom up".

For further details and discussions on our direct as well as collective engagements, we welcome all dialogue with our clients and stakeholders.

Atlas Copco's E targets are mostly CO_2 emissions, while they are currently less ambitious with other targets such as waste and water that are in continuous decrease. Atlas Copco recently started to collect data and are satisfied with the current progress. The company is willing to consider committing to the Science Based Targets Initiative (SBTi) next year.

Atlas Copco has more work to do on diversity to reach their target of 30% women in the organisation. The figure is still below 20%.

On diversity, Atlas Copco has more work to do to reach their target of 30% women in the organisation. The figure is still below 20%. Atlas Copco explains that changes take time, as they must build a pipeline of women who will join the company and desire to become leaders.

Finally, we discussed the benefits of the EU taxonomy. Atlas Copco is awaiting further guidance from EU before disclosing any figures to the public.

For further details and discussions on our direct as well as collective engagements, we welcome all dialogue with our clients and stakeholders.

The focus on biodiversity and deforestation has been on the rise in recent years from policy makers, NGOs, and investors.

Societal Impact

Over the past 20 years we have expanded our integration of ESG through an increased number of external collaborations, and partnerships as well as our internal capabilities and resources. In 2020, we expanded our collaboration to the academic level.

As a member of Dansif, a network forum for professional investors, advisory companies and others involved in responsible investments in Denmark, we had the opportunity to perform this in practice when we were asked to collaborate with Copenhagen Business School (CBS) on its "Minor in ESG: Metrics, Reporting and Sustainable investments". We designed a case that had to be solved by a group of students. The purpose of the course was to give the students the opportunity to immerse themselves in real global sustainability challenges that we, as asset managers, face on a daily basis. Participating in the project gave us the opportunity to:

1) Listen to the new generation of ESG professionals, and get their input and perspectives, supplementing the knowledge already established within the organisation.
2) Contribute relevant first-hand knowledge and experience to the next generation of ESG professionals, contributing to our commitment as signatory of the Principles for Responsible Investment (PRI) that "We will work together to enhance our effectiveness in implementing the Principles".

We designed a case on biodiversity and deforestation since the focus hereon, has been on the rise in recent years from policy makers, NGOs, and investors. Most recently, the World Wildlife Fund's (WWF) Living Planet Report 2020, published in September 2020, called for urgent action to reverse the global decline in biodiversity. This has also led to increased scrutiny of companies. For example, companies exposed to this issue within their supply chains, focusing on companies sourcing agriculture commodities. Many global companies pledged to reach net zero deforestation by 2020 as part of initiatives taken by either the Consumer Goods Forum (2010) and the New York Declaration on Forests (2014). However, according to Global Canopy not a single company was on track to deliver on this target. In addition, it is an issue of relevance to several companies across our investment strategies and part of our direct engagements on a regular basis.

The assignment for the students was to create a framework that could help map our portfolio companies' exposure to deforestation risks, and how well the portfolio companies are handling these risks.

During the process we met with the students to discuss how we integrate sustainability and ESG into our investment process and to lead them in the right direction with their assignment and were available during the term to answer any questions the students had.

We designed a case on biodiversity and deforestation since the focus hereon, has been on the rise in recent years from policy makers, NGOs, and investors.

In return we got a well-built framework to systematically evaluate how well the companies are dealing with their deforestation risks, focusing on internal and external assessments resulting in an overall score for a specific company. The internal assessment was created based on an already existing framework whereas the external assessment was designed by the students. In addition, the students applied the framework to Nestlé, which is one of the companies across our portfolios most exposed to deforestation risk.

Contributing relevant first-hand knowledge of and experience in responsible investment to the next generation of ESG managers, and at the same time receiving input from students who see the world in a different perspective and who are not biased by pre-existing views and opinions in established organisations, has been a valuable experience to us, and one that we will continue the coming year.

Voting

We monitor all general meetings of the investee companies and exercise voting rights in investee companies. In general, we will vote in favour of proposals which we believe will benefit long-term sustainable returns to shareholders. Alternatively, we will vote against proposals that in our opinion will reduce long-term shareholder value.

We utilise proxy voting to emphasise the topics discussed with the investee companies in our ongoing engagement with them and to vote on key issues important to the governance of the investee companies.

We utilise the services of ISS to receive research and recommendations on all meetings in our investee companies. Recommendations are based on the ISS Sustainability Policy, i.e., proxy voting guidelines which will generally promote support for shareholder resolutions advocating sustainable business practices on environmental and social aspects. That said, every recommendation against management is assessed by the portfolio managers directly to decide the final voting decision.

In addition to input from our proxy voting provider, our voting decisions incorporate our own company analysis and research, external sell-side research, and analytical

380

meetings voted during 2020

98%

meetings voted across our investment strategies

40%

of these 380 meetings had at least one vote against management

input from our external engagement research service provider.

During 2020 we voted on 380 meetings, equivalent to 98 % of all meetings available across our investment strategies. 40% of these 380 meetings had at least one vote against management.

A complete list of all votes cast is available at our website under Proxy Voting Statistics.

Monitoring

All investee companies are monitored from an ESG perspectives both before and during the investment.

We are committed to encouraging sustainable business behaviour in the investee companies and monitor investee companies on relevant mattersincluding strategy, financial and non-financial performance and risk, capital structure and environmental and social impact and corporate governance (ESG).

For ongoing monitoring, we use the services of Sustainalytics for ESG research, analysis, and regular screening.

Conflicts of Interest

There have been no conflicts of interests in connection with our engagement and voting activities.

Our focus for future engagements is to refresh engagement aims and continue dialogue with companies to maintain climate progression.

Climate-related Financial Disclosures

In June 2020, C WorldWide Asset Management became official supporter of the Taskforce on Climate-related Financial Disclosures (TCFD). The key reason for this is to encourage companies to disclose on climate related metrics and to engage with the companies to improve on climate matters over the longer term.

TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders. The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate: Governance, Strategy, Risk Management, and Metrics and Targets.

As of June 2021, the TCFD has 2000+ supporters across 78 countries including 700+ financial firms, responsible for assets of USD 150 trillion.

Our recent commitments to both TCFD and Climate Action 100+ are significant steps that our organisation has undertaken. Both steps significantly enhance our commitment to support a more climate positive agenda. Through these initiatives we are engaging with companies on improving climate change governance, cutting emissions, and strengthening climate-related financial disclosures. Our focus for future engagements is to refresh engagement aims and continue dialogue with companies using their climate transition plans as a basis, with consideration to progress against updated targets for Net Zero and plans to maintain progression. Engagements in relation to these initiatives should prove relevant and be a good tool in our stewardship practices with investee companies in the years ahead.

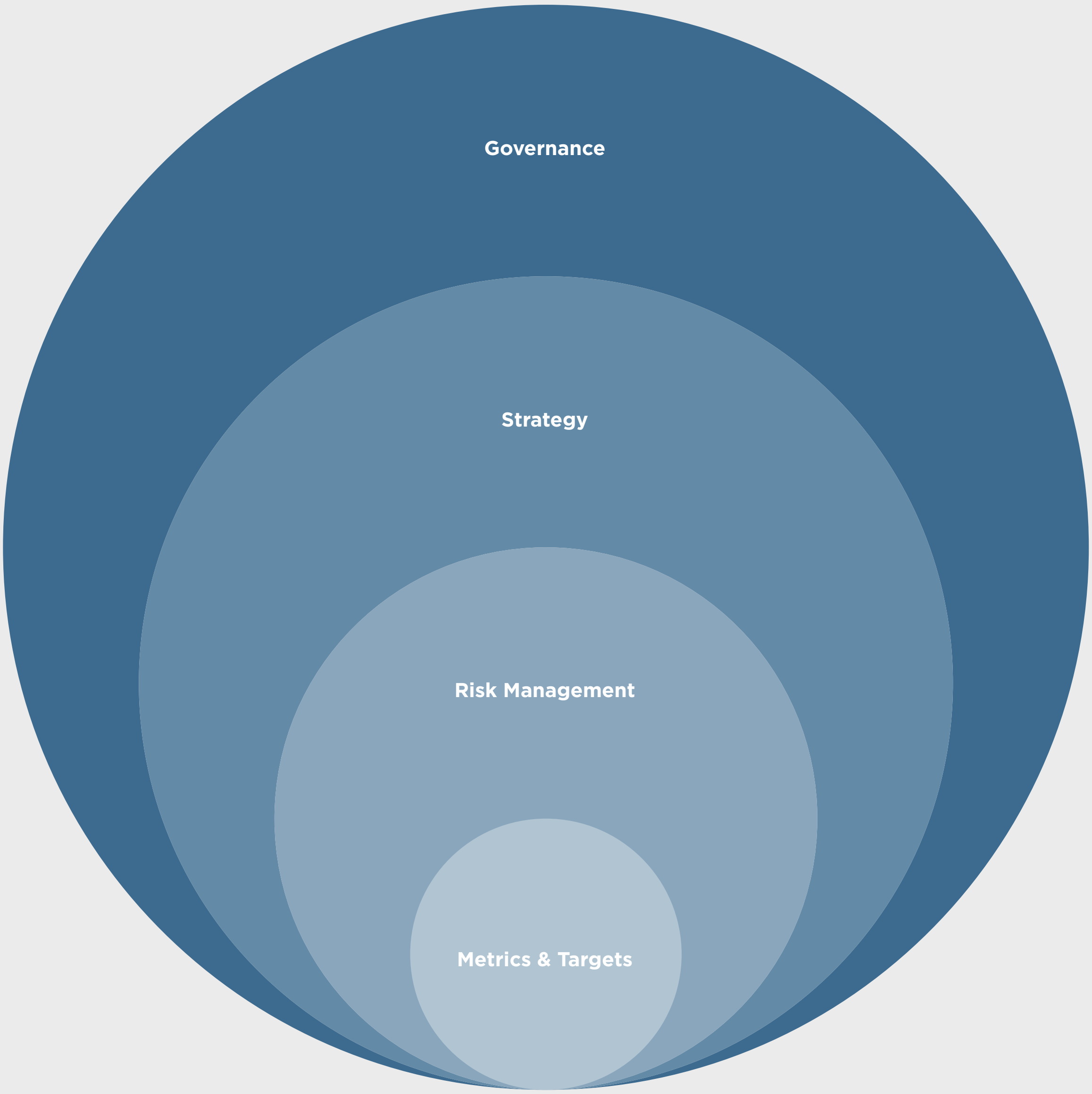
Core Elements of Recommended Climate-related Financial Disclosures

Governance
The organisation's governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk Management
The processes used by the organisation to identify, assess and manage climate related risks

Metrics & Targets
The metrics and targets used to assess and manage relevant climate related risks and opportunities



Source: The Taskforce on Climate-related Financial Disclosures

Our recent commitments to both TCFD and Climate Action 100+ are significant steps that our organisation has undertaken. Both steps significantly enhance our commitment to support a more climate positive agenda. Through these initiatives we are engaging with companies on improving climate change governance, cutting emissions, and strengthening climate-related financial disclosures.

As a supporter, we are happy to disclose this initial TCFD report that gives a deeper insight into our work with material climate-related matters.

Governance

C WorldWide exercises oversight over climate-related risks and opportunities, by establishing internal processes through which the board is informed about climate-related opportunities. Accountability and oversight responsibilities are anchored in Group Policies which are applied across the organisation and which are applied across client mandates and mutual funds.

C WorldWide's Sustainability Steering Committee is responsible for implementing the above-mentioned policies, which are anchored in more specific procedures applied to portfolio managers.

The Sustainability Steering Committee meets regularly and sets the direction of the in-house ESG initiatives an principles. Represented on this committee are senior members of the executive management team, ESG specialists, portfolio managers, and Head of Legal.

The primary purpose of the committee is as follows:

- To establish the framework for responsible investing at CWW AM and to coordinate and prioritise all relevant initiatives.
- To ensure a continuing development and implementation of PRI in all products, portfolio management and workflows.
- To assert implementation of and alignment with applicable regulations.
- To evaluate screening services provided by external engagement service providers.
- To follow up and take a position on developments or lack of same in current engagements, and to do so both in collaboration and dialogue with the relevant portfolio managers.

Management is responsible for identifying and monitoring climate-related risks and opportunities, and for reporting them back to the board. Management's role is to ensure adequate resources and expertise, including staff, training, and budget, are available to assess, implement and monitor risk and opportunity measures. Adequate resources are allocated continuously to enable us to be well-trained and have the systems and resources available to monitor and implement climate-related risk and opportunities. For example, and as a new initiative, we recently added a climate risk assessment solution from ISS, providing us with decisive data and actionable intelligence on climate change risk and its impact on portfolio investments.

Strategy

We support the framework of the Paris Agreement and a Net Zero economy by 2050. Although we are yet to set a specific 2050 Commitment goal for the organisation, we are working towards an abatement plan in line with the Paris Agreement (Science Based Targets methodology).

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For our portfolio strategies, we are committed to measuring physical and financial impact from climate change where material and integrating climate related risks in the management of our portfolio strategies.

We use the SASB materiality map to identify risk and opportunities within different industries and sectors. By using climate risk analysis tools, we can identify specific sectors and assets that are at risk of being stranded, as well as exposure to indirect psychical climate risks. The risks and opportunities include physical climate risk and exposures linked to changing temperatures and how this may affect supply of critical raw materials in the supply chain, especially agricultural commodities.

In addition, engaging with investee companies on material climate related risks is a key action which supports our process. It is important for us to have a close and ongoing dialogue with our investee companies and have recurring discussions on material climate matters and the actions that the investee companies take to meet global climate related goals.

We encourage investee companies to disclose and be transparent on the climate actions they take, enabling us as to better understand the companies' objectives and targets. This is also why we became official supporter of the TCFD.

We assess climate change and risk and opportunities linked to the energy transition for all our holdings. That said, the degree of materiality is dependent of the industry, country, and idiosyncratic factors of the individual company in question.

We use a number of frameworks and data tools as input when assessing and engaging with companies on climate risk and alignment and transition towards Net Zero 2050. These include the Climate Action 100+ Net Zero Company Benchmark, CDP, and other company disclosure metrics, as well as the Transition Pathway Initiative.

The engagement approach is dynamic and based on the company in question focusing on absolute emission level, emission intensity, target setting, progress towards those targets, and action taken to meet the targets.

Regarding climate-related opportunities, we have identified specific sectors that are likely to benefit under different climate scenarios such as Utilities/Electric Utilities, Food & Beverages, Machinery, Financials/ Commercial Banks & Capital Markets and Electronic Components.

Regarding climate-related risks, we have identified specific sectors that are at risk of being stranded, such as Oil, Gas and Coal.

In our view, climate change and the energy transition are some of the most important long-term structural trends to understand both from a single stock and portfolio construction perspective. On the investee company level, the focus on carbon footprints and pressure on investee companies to improve energy efficiency are issues that are important and have implications across all industries and companies.

From a company specific perspective, we have identified Nestlé as an example of an investee company that relies on several raw materials (e.g., coffee, sugar, cocoa) where climate change could lead to an increase in input prices, an increase in the price volatility of input materials, and in the worst case, disrupt the business operations.

Our approach to a more sustainable future matters and the impact of climate related risks and opportunities on our organisation matter now more than ever. That is also why we in February 2021 joined the Climate Action 100+ (CA100+). From a company perspective, we are engaging specifically with Unilever. Our membership is aligned with our support of the TCFD.

In our view, climate change and the energy transition are some of the most important long-term structural trends to understand both from a single stock and portfolio construction perspective. On the investee company level, the focus on carbon footprints and pressure on investee companies to improve energy efficiency are issues that are important and have implications across all industries and companies. Regardless of if it is the energy use of the big technology companies' data centres or the packaged foods companies facing operational challenges or higher cost from potential water scarcity.

It is also worth highlighting that while ESG issues including climate change to many companies are a potential risk that needs to be mitigated, it also offers significant long-term opportunities to other companies providing solutions addressing the problem.

We have actively been engaging with the energy companies in our portfolios, discussing the strategic implications of the energy transition and how the companies position themselves. In addition, addressing several other issues including climate engagement, increased disclosure and transparency on emissions, as well as initiatives to offset emissions such as investments in carbon capture and storage technology.

We utilise climate risk tools to screen portfolios against global climate scenarios and targets. In particular, we screen the portfolio against Paris Agreement Alignment and a 1.5-degree scenario by 2050.

Risk Management

Climate related risks are part of every company analysis, and already from the pre-investment analysis stage. As long-term investors the integration of climate related risks is an essential part of our investment mindset, philosophy and investment and financial analysis process.

An initial key element of this process is our focus on investing in companies with a strong corporate governance structure typically anchored with strong experienced management. In our experience companies with a strong corporate governance structure will generally be less exposed to climate related risks.
The process of analysing and monitoring climate related risks is anchored with and implemented by the respective portfolio management teams. The portfolio management teams base their risk assessments and financial analysis and eventual investment decisions on internal and external research.

Before an investment is made, the portfolio management team will assess climate related risks related to the investment. The assessment is based on internal research and research and risk assessments made by external researchers, including researchers specialised in climate related risks.

During the holding period of an investment, the portfolio management team will continuously monitor and reassess climate related risks. The monitoring of the investment by the portfolio management team is supported by external research and systems have been established to ensure that the portfolio management team automatically receives notification if certain material new climate related risks arise, or material changes occur to climate risks that have already been identified and assessed.

Portfolio companies are mapped and tracked against global climate standards such as Science-Based Targets Initiative (SBTi) and Transition Pathway Initiative (TPI) and reported on an ongoing basis.

To transition, holdings need to commit to alignment with international climate goals and demonstrate future progress. Currently just below 60% of the investment universe is committed to such a goal. This includes ambitious targets set by the companies as well as committed and approved Science Based Targets (SBT).

Before an investment is made, the portfolio management team will assess climate related risks related to the investment.

The agility and willingness to transition is also a topic in our direct engagements with investee companies. One of the objectives of such engagements are to identify climate related risk factors and actively seek to mitigate such risks to the extent possible.

Furthermore, we utilise proxy voting to emphasise the topics we discussed in our engagement with investee companies throughout the year.

Climate risks are incorporated into traditional risks (e.g., credit risk, market risk, liquidity risk or operational risk). Climate risks affect traditional defined risks and climate risk assessment are thus performed based on the TCFD framework. Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis based on the SASB materiality framework.

It is clear that the carbon footprint is well below that of the benchmark. Additionally, the main sectors contributing to carbon emission are Utilities, Materials, and Information Technology respectively. Importantly, there is no exposure to coal reserves across the investment universe.

Metrics and Targets

The organisation-wide targets are to invest in low-carbon, energy-efficient climate adaptation opportunities in investment strategies, where this makes sense. We have identified the following metrics for transition risk monitoring and management:

- Total carbon emissions
- Relative carbon footprint
- Carbon intensity
- Weighted average carbon intensity

Each investment strategy is assessed on the abovementioned metrics individually on a quarterly basis. This ensures that the respective portfolio managers are fully informed and can use the metrics in the fundamental analyses of the portfolio and investee companies, respectively.
For the total fund universe across investment strategies the carbon metrics are shown on the following page. Figures are based on AUM of USD 24.9 billion as per 30 June 2021.

It is clear that the carbon footprint is well below that of the benchmark. Additionally, the main sectors contributing to carbon emission are Utilities, Materials, and Information Technology respectively. Importantly, there is no exposure to coal reserves across the investment universe.

The top five contributors to carbon emissions across the investment universe are NextEra Energy, Samsung Electronics, Yara International, TSMC, and LG Chem.

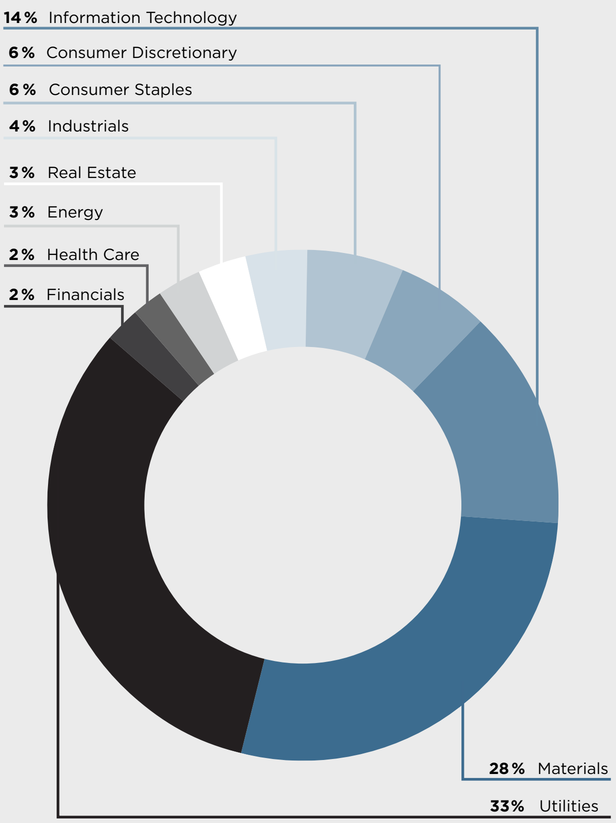
Please see table on page 22 for further details.

Carbon Metrics

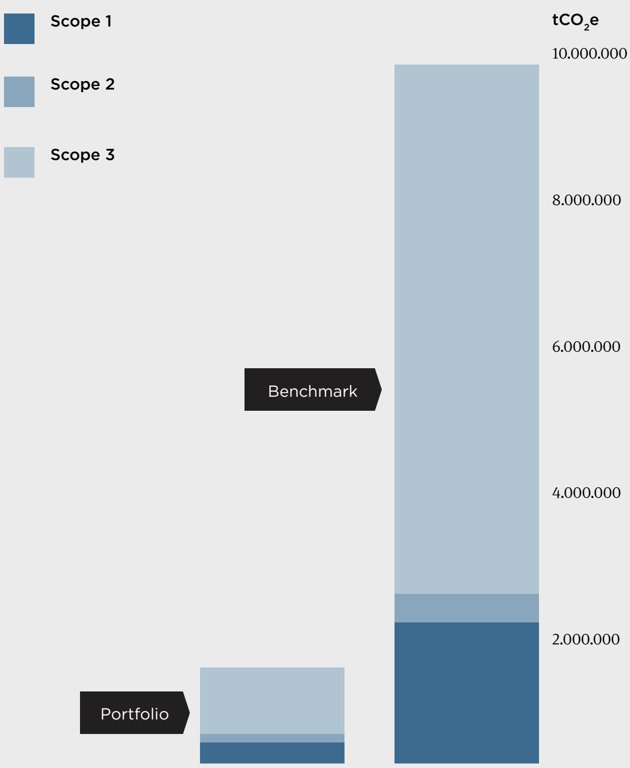
	Emission Exposure tCO_2e		Relative Emission Exposure tCO_2e/Mio USD Revenue	Sustainable Development Scenario*
	Scope 1 & 2	Incl. Scope 3	Carbon Intensity	2050 Target Paris Aligned
Portfolio	420,085	1,361,290	71.22	-2.4 %
Benchmark	2,356,117	9,530,180	204.82	+195.25 %
Net Performance	82.2%	85.7%	65.2%	

Figures are based on AUM of USD 24.9 billion as per 30 June 2021.
Source: C WorldWide Asset Management and ISS Climate Impact Assessment.

Sector Contributions to Emissions[1]



Emission Exposure



*The sustainable Development Scenario pathway is fully aglined with the Paris agreement. The table indicates whether the portfolio and benchmark are expected to over-/undershoot against the allocated carbon budget undtil 2050.

[1]Emissions contributions for all other portfolio sectors is less and 1% for each sector.

Top 5 Contributors to Portfolio Emissions

	Contribution to Portfolio Emission Exposure (%)	Portfolio Weight (%)	Emissions Reporting Quality	Carbon Risk Rating
NextEra Energy	34.93%	1.70%	Moderate	Outperformer
Samsung Electronics	6.90%	3.61%	Strong	Medium performer
Yara International	5.32%	0.06%	Moderate	Medium performer
TSMC	4.62%	4.20%	Strong	Outperformer
LG Chem	4.05%	0.50%	Strong	Medium performer

As of 30 June 2021.

Source: C WorldWide Asset Management and ISS Climate Impact Assessment.

Net Zero Alignment

Currently, 50% of our strategies (6 of 12) are aligned with a 1.5 degrees scenario or lower by 2050. Five strategies are well-below a 2 degrees scenario, and only one strategy is above a 2.0 degrees scenario by 2050.

The total investment universe is currently aligned with a net zero carbon emission scenario, meaning that the universe is associated with a potential temperature increase of 1.5 degrees by 2050, hence well below the 2.0-degrees scenario and meeting the Paris Agreement climate goal.

The total investment universe is currently aligned with a net zero carbon emission scenario.

Our commitment to sustainability is not new.

In fact, since 1986, investing in sustainable companies has been the essence of our active and long-term focused investment philosophy and process.

Anchored in our long-term investment horizon, proactively focusing on good business practices has been core to our approach – not just to do less harm or to avoid risk, but to fully understand the long-term merits and viability of the investee company and the durability of its business model.

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2021