



Sustainability Report

Global ex. Tobacco Equities

Q4 2023



Sustainable Philosophy

Core Beliefs

Our active approach to the stewardship of investments ensures sustainability commitments

We emphasize active ownership to influence positive change and progress

The integration of sustainability factors is key to our long-term investment research process

Prioritising pro-active engagement rather than excluding and divesting

Investing responsibly is aligned with superior risk-adjusted long-term returns

Our actions

Engaging directly with and voting on investee companies

Researching sustainability factors is fully integrated into our overall investment approach

Materiality ensures that we prioritise what matters most

Extensive screening to ensure norm-based alignment

C WorldWide Global ex. Tobacco Equities

Quarterly Comments

Balancing Corporate Profits with Social Responsibility

Many investors are increasingly seeing the need to navigate the complex intersection between financial objectives, investment returns and societal impact.

There are multiple global initiatives addressing these trends. One example is the Just Transition's fundamental framework which believes that the move towards a lower-carbon economy should be characterised by inclusivity and fairness. Their belief is that energy transition should not only be guided by economic and environmental factors but also by social justice, job creation, and the development of community resilience. Although we agree with their ambitions, the transition will look and be applied differently depending on respective country or regional starting point.

Asset managers such as us are also confronted with the challenge of navigating policy and regulatory uncertainties in the rapidly evolving landscape of environmental policies. This is embedded in our on-going thematic work categorized under "Big Government". This demands ongoing awareness and monitoring of governmental initiatives, a precondition to making well-informed and long-term investment decisions. The reason is that the regulatory environment significantly shapes the feasibility and success of investments in environmentally conscious sectors. How governments shift from policy support to policy headwind, depending on opinion polls, thereby adding another layer of complexity.

Our investment approach is to strike the right balance between financial returns and social responsibility demands, a holistic approach. Our investment objectives remain unchanged, and we continue to prioritize financially driven return outcomes.

During the final quarter of 2023, we focused on finalising the integration of our stewardship risk tool, LISA (Long-term Investments in Sustainable Assets), which includes, but is not limited to, the analysis of the mandatory principal adverse impact indicators (PAI). These are also factors that are part of other frameworks, like Just Transition, that include social equity, economic stability, and environmental sustainability. For example:

- An evaluation of the potential impact on employment where companies can be assessed on their implications on job markets, especially within industries undergoing significant transformations.
- An evaluation of skill development and training programs. Companies can be assessed on how they facilitate the transition of workers from declining industries to emerging, sustainable sectors, promoting re-training and upskilling for a more inclusive and equitable transition.



Investment Screenings

Sanctions Screenings

All investments are screened against Refinitiv World-Check sanctions-screening covering all known sanction bodies

Norms-Based Global Standards Screenings

Convention Breach screenings, compliance with UN Global Compact Principles, OECD Guidelines for Multi-national Enterprises and the UN Guiding Principles on Business and Human Rights

Investment Exclusions

None of the companies within the portfolio exceeds a certain level of involvement in the activities specified:

- 0% Controversial Weapons
- 5% Military Contracting
- 5% Small Arms
- 5% Tobacco

- An evaluation of any potential environmental impact. The ecological consequences of investments must be thoroughly examined, focusing on reducing carbon emissions, promoting sustainable resource use, and aligning with broader environmental conservation objectives.

Portfolio Changes

During the last quarter of 2023, no portfolio changes were made.

Direct Engagements

Epiroc

Epiroc is a leading productivity partner for the mining, infrastructure, and natural resources industries. The Company is committed to sustainability and is committed to the Science Based Targets initiative (SBTi) and the United Nations Global Compact (UNGC) since 2018.

One of the main engagement topics was electrification, which is a key driver for reducing greenhouse gas emissions and improving energy efficiency in the mining industry. Epiroc has a three-folded approach to electrification: 1) developing battery-electric vehicles (BEV), 2) offering electric power solutions, and 3) supporting customers with electrification projects. However, the Company also acknowledged the challenges and barriers to electrification, such as the availability and suitability of batteries, the need for training and education, and the cost of ownership. Epiroc expects the demand for electric machines to increase gradually, as more mines go deeper, and ventilation becomes more costly.

Another engagement topic was the environmental impact of Epiroc's supply chain, which accounts for 83% of its emissions from Scope 3. The Company has about 11,000 suppliers, and it focuses on the critical ones that cover the full value chain. Epiroc requires its suppliers to have ISO certifications where available, and it audits them regularly. The Company also encourages its suppliers to improve their environmental performance and to source locally.

On the social perspective, we discussed the health and safety of Epiroc's employees and customers, which is a material issue for the company. Epiroc's products and services aim to improve safety among front-line workers, by reducing the exposure to hazardous environments and enabling autonomous mining. The Company also has internal safety programs, such as Live Work Elimination and Safe Start, to prevent accidents and injuries. We also discussed Epiroc's governance and how it relates to its vision of partnership. The Company believes that partnership is the new leadership and that it needs to collaborate with the best partners to scale globally and to innovate. Epiroc works closely with its customers, suppliers, communities, and other stakeholders to create value and address the challenges and opportunities in the mining industry. Epiroc also contributes to the social development of the regions where it operates, by supporting initiatives such as building houses for people in exposed areas.

One of the examples of Epiroc's partnership approach is the new autonomous mining collaboration with Boliden, Algorix, and Örebro University, which aims



to create a virtual clone of a mine and enable mixed-fleet solutions. Epiroc also won a large order for underground mining trucks from Byrnecut in Australia, where they will be used to access lithium and tantalum, which are considered conflict minerals. Epiroc stated that this project is ethical enough and that it is moving away from coal mining.

Finally, we talked about Epiroc's service and aftermarket business, which is a significant source of revenue and customer loyalty. Epiroc provides service contracts for its machines, especially for BEVs, which have lower maintenance costs and higher productivity. Epiroc also helps customers to learn and adapt to the new technologies and solutions. Epiroc has a strong position in a niche of mining, and its next step is to help customers make mines more efficient and sustainable.

Proxy Voting

As Q4 unfolded, proxy voting activity continued at a subdued pace, in line with the trend from the previous quarter. Limited to only a few companies conducting their AGMs within the portfolio, the conclusion of the quarter signified a period of modest engagement in proxy voting as the year drew to a close.

Microsoft Corporation

We voted against Glass Lewis on three proposals this quarter:

We voted with management for the election of Hugh F. Johnston, thereby going against Glass Lewis. He joined Microsoft's Board of Directors in September 2017 and joined the Audit committee at the same time. Although he has only been the Chair of the audit committee during the term, he has substantial experience as PepsiCo's Vice Chairman and CFO, a director at HCA Healthcare, and his CFO role at Walt Disney on December 4th, 2023. We do not consider Hugh F. Johnston as overcommitted despite these engagements.

Against Glass Lewis's recommendations, we voted against the advisory vote on executive compensation. The rationale is that the minimum vesting period for awards granted under the plan is too short.

We voted against the shareholder proposal regarding risks of developing military weapons, and thereby against Glass Lewis recommendations. In the past we deemed Microsoft's disclosure on Risks of Developing Military Weapons to be sufficient.

Procter & Gamble Co.

We voted against management on three proposals this quarter:

We voted in favour of the shareholder proposal regarding shareholder approval of advance notice provisions, and thus voted against management. Shareholders should approve provisions that could potentially limit their rights.

Against management and Glass Lewis recommendations, we voted against the advisory vote on executive compensation as the grants under the long-term incentive plan are not sufficiently performance-based.



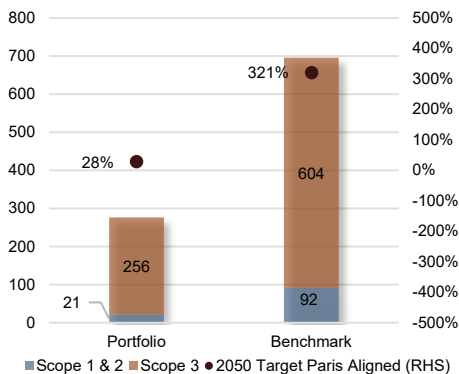
We voted against the election of Jon R. Moeller and thereby against management and Glass Lewis recommendations. The nominee serves as both Chairman and CEO, which we deem inadequate.

A full list of all meetings voted is available upon request or can be retrieved directly from the C WorldWide website.

C WORLDWIDE GLOBAL EX. TOBACCO EQUITIES

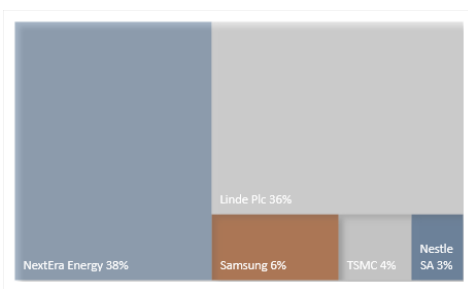
Sustainalytics Portfolio Risk Rating: Low
Benchmark: MSCI All Country World Index

Emissions Exposure & SDS (tCO₂e)

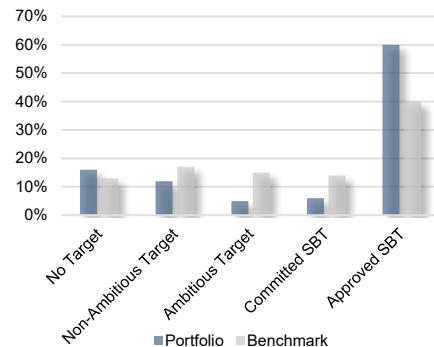


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot against the allocated carbon budget until 2050.

Top 4 Contributors to Portfolio Emissions

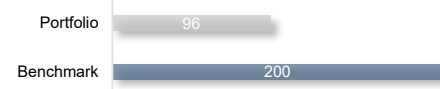


Climate Target Assessment



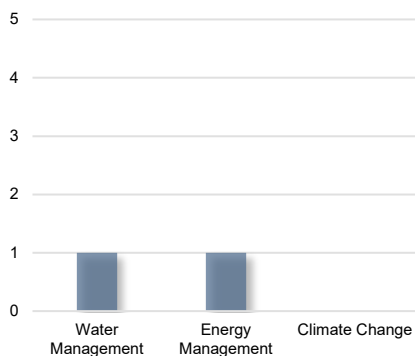
The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

Carbon Intensity (tCO₂e/mill. USD revenue)

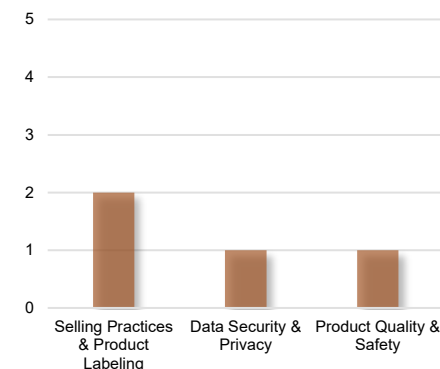


Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 31st of December 2023

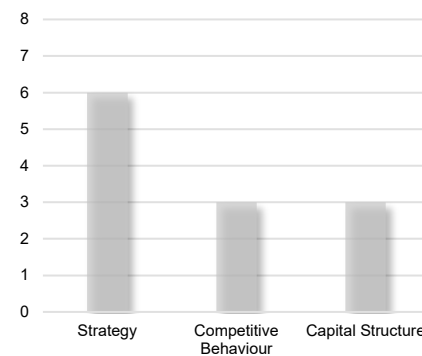
Direct Engagement Topics Environment



Social



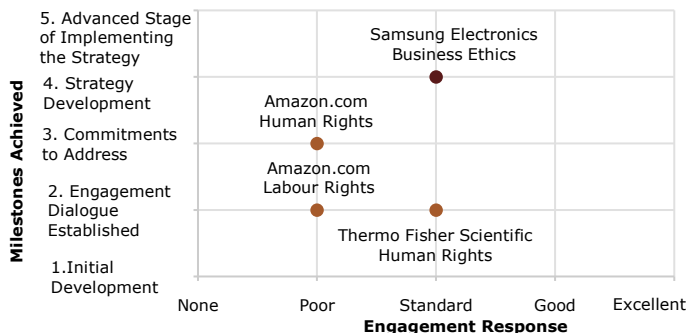
Governance



Total direct company engagements for the portfolio: 8

Throughout the quarter, we conducted several direct engagements with the portfolio companies. Our ESG engagements have most often incorporated an aspect of each subject E, S, and G. The above graphs show the top three engagement topics within environmental, social and governance aspects. There are several sub-topics within each category that can overlap within one engagement.

Collective Engagement



The above graph illustrates our collective engagements with Sustainalytics. The companies are shown within what milestone they have reached thus far and rated according to their communication in relation to the specific engagement topic.

Proxy Voting

Meetings Voted	100%	2
Proposals Voted	100%	44
Meetings with at least one vote against management	30%	
Proposal Categories (Top 3)	59%	Board Related
	9%	Compensation
	5%	Audit/Financials

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. The table above shows key topics and how votes have been cast during the quarter.

Source: Sustainalytics. Portfolio as of 31st of December 2023

Source: Glass Lewis Proxy Voting. Portfolio as of 31st of December 2023

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Active Investments

C WorldWide Asset Management Fondsmæglerselskab A/S is a focused asset manager. Our objective is to deliver consistent, long term capital growth for clients through active investments in listed equities on global stock exchanges.

Our clients are primarily institutional investors and external distribution channels. Our product range includes discretionary asset management services and commingled fund products.

The combination of a unique investment philosophy based on careful stock picking and long-term global trends coupled with a stable team of experienced portfolio managers, has since 1986 resulted in world-class investment performance.

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