WORLDWIDE
ASSET MANAGEMENT

ESG Report

Global Equities

Q1 2023

C WorldWide Global Equities

ESG Philosophy

Core Beliefs

Our active approach to the stewardship of investments ensures ESG commitment

We emphasize active ownership to influence positive change and progress

The integration of ESG 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

Inclusion of ESG parameters are utilised as a risk and opportunities tool

Materiality ensures that we prioritise what matters most

Extensive screening to ensure norm-based alignment

Quarterly Comments

The EU announced its Net Zero Industry Act – its response to the US Inflation Reduction Act that is both expected to significantly boost growth and capex of targeted industries. Also, the Intergovernmental Panel on Climate Change (IPCC) released its sixth assessment report which again illustrates a critical need to accelerate climate policy action due to a 'rapidly closing window of opportunity to secure a liveable and sustainable future for all'. Also highlighted in the latest IPCC report, global sustainability regulation's enduring and inclusive quality rests on multi-level governance and calculated coordination across multiple policy domains.

Efforts to improve the energy efficiency of everything from cars to home appliances, along with changes in habits and behaviour, will play a crucial role in making the world's energy use more sustainable. A case in point is India. The country is set to outnumber China as the world's largest population by more than 1.425 bn , which will have an increasing impact on socioeconomic and environmentally related areas dependent on actions taken.

In this context, India's Lifestyle for Environment (LiFE) initiative, first introduced by Prime Minister Narendra Modi at COP26 in Glasgow in November 2021, is an important platform that could help lower energy costs, CO_2 emissions, air pollution and inequalities in energy consumption, even though India's net zero targets is 2070 (somewhat later than most countries that have set a 2050 target). However, since India is set to be the world's third largest economy by 2027, as estimated by the IMF, the country's great challenge is to keep ensuring secure and affordable energy for growth for the Indian population while also acting to meet global targets.

Three key areas address the challenge. Firstly, India has launched a target of non-fossil fuel sources contributing to 50% of India's power generation capacity by 2030; an ambition to establish annual renewable hydrogen production of 5Mt and biofuel mandates that target 30% blending of ethanol in petrol. Secondly, India seeks to domesticate parts of the global supply chains critical to its new energy economy. This includes domestic manufacturing of solar PV, advanced batteries, and electric vehicles. Thirdly, steps have been taken to create a national carbon market, incentivising the purchase of electric vehicles, bulk procurement of electric buses for public transport, and standards and labelling of appliances.

As part of India's first presidency for the G20, LiFE is set to be an overarching theme which objective is to mobilise at least one billion Indians and other global citizens to take individual and collective action to protect and conserve the environment in the period 2022-28.

A study by the International Energy Agency (IEA) shows that if all countries adopt the measures recommended by LiFE, they would reduce global CO_2 emissions by more than 2 billion tonnes by 2030. This alone would deliver around 20% of the emissions reductions needed by 2030 to put the world on a trajectory to net zero emissions. Furthermore, the measures would also reduce energy consumption/per capita inequalities between advanced economies and the rest of the world. The per capita CO_2 emissions reductions in advanced economies by 2030 are 3-4x greater than in emerging markets and developing economies.

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 Multinational 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

The actions set to be broadened from LiFE are expected to affect a large part of the Indian economy, which are also considered when we assess the Indian investment opportunities in our strategies.

Portfolio Changes

During the first quarter of 2023, we initiated a position in the Swedish mining equipment company Epiroc and luxury goods leader LVMH.

Epiroc

Epiroc is a leader in the automation and electrification for drilling, underground load, and haul in the mining industry. The company is well-positioned to take advantage of the longer-term automation and electrification trends in the global mining sector. Besides being environmentally friendly, electrification makes more sense in underground mining as it reduces the need for ventilation which is costly and energy-consuming. Automation also makes more sense underground as it is a more hazardous environment and can improve employee safety. There are no ESG controversies.

LVMH

LVMH is the largest operator in the global luxury market. LVMH's five key business segments are fashion and leather goods; watches and jewelry; wines and spirits; perfumes and cosmetics; and selective retailing (including Sephora and airport duty-free retailer DFS). LVMH has 75 distinguished houses with high-profile brands like Louis Vuitton, Bulgari, Fendi, Givenchy, Tag Heuer, Hennessy, and Moët & Chandon. LVMH has an overall low ESG risk and has only been involved in moderate ESG issues. The company's overall management of material ESG issues is strong. Customers from Generation Y (born between 1980 and 1995) and Generation Z (born after 1995) will dominate the luxury market in the future, and they. have a social commitment as a critical customer priority. Corporate and social responsibility will evolve from a "must-have" to a lever to truly transform the business.

Direct Engagements

During the quarter, we engaged with several companies, including Assa Abloy, Novo Nordisk, TSMC, Fiserv, Nestlé, Sony, and Samsung Electronics.

Novo Nordisk

We recently participated in an ESG meeting with Katrine DiBona, the Vice President of Global Public Affairs and Sustainability. During the meeting, we discussed various important topics, including the recent two-year suspension of the company from the Association of the British Pharmaceutical Industry. This suspension was due to the company sponsoring weight management courses for health professionals without clearly indicating that it was sponsoring them. We also discussed drug pricing and Novo's commitment to offering affordable medicines for diabetes and obesity to individuals in low-income countries and those who struggle to afford treatment in developed countries. Among the projects mentioned was Novo's collaboration with Walmart to offer affordable insulins under the ReliOn brand. Another key topic was the recycling programs for pens, which have achieved impressive return rates of over 20% in Denmark, with pilot programs now launching in additional countries. Overall, the meeting provided valuable insights into Novo's ongoing commitment to ESG and its efforts to improve access to affordable medicines while promoting sustainability.

TSMC

We met with TSMC in Taiwan. During the meeting, we discussed the company's culture and focused on people as the key to success. TSMC has, since its inception in 1987, been working with "ICIC": Integrity, Commitment, Innovation, and Customer Trust.

ESG was recently formally implemented as part of management remuneration and has created no issues. It was already previously embedded in the mindset and culture via ICIC. Furthermore, TSMC has policies to ensure a collaborative mindset, e.g., when employees are considered for promotion, one KPI is their collaborative capabilities.

We also discussed environmental issues/climate risks. TSMC will not commit to SBTi until they see the company's absolute level of emissions increase for a few more years. The main reason is that TSMC is growing faster than the renewables available are growing. They indicated that Taiwan's (and certain regions overseas) energy infrastructure will reach a point where TSMC can consider SBTi in/around 2025. The company would rather be on a trajectory of decreasing its carbon footprint from when they joined. Finally, TSMC mentioned that they do not believe they get enough credit for contributing to energy efficiency in the products where TSMC is a vital supplier.. These include wind and solar solutions.

Fiserv

We had a constructive meeting with the Head of CSR at Fiserv to understand the ESG journey of the company better. Fiserv has had board oversight of sustainability and CSR since 2021, anchored in the Nominating and Corporate Governance Committee. Additionally, the company appointed its Head of CSR, who has a legal background. He reports directly to the CEO. The key objective of the appointment is to develop strategic ESG goals.

However, explicit disclosure on targets within, e.g., environmental footprint and diversity, remains to be seen. Fiserv reports to the CDP and currently considers how to best act regarding climate change challenges. Especially key to any future ESG-related decision within Fiserv depends on the upcoming considerations and actions taken by the SEC.

Furthermore, we discussed Fiserv's challenges when considering committment to international initiatives such as the UN Global Compact. Fiserv has challenges with the principle of freedom of association. Bearing in mind that unionized labor practices arenot as common in the US as, e.g., in Europe, the company hesitates to commit to principles that they believe can negatively impact the company or management.

Finally, we followed up on last year's AGM shareholder proposal to implement Say-on-Pay for severance and termination arrangements. Following majority votes for the proposal, Fiserv has amended the CEO remuneration structure to include further governance enhancements and disclosures to be more aligned with market standards.

Nestlé

We met with Nestlé in Switzerland for an update on the strategy and current ESG initiatives. Specifically, we discussed the measures taken within its coffee business regarding recycling and how to align with local waste management requirements that continue to evolve these years. Nestlé has local teams to assess and understand the merits of local recycling systems to make a solution scalable, including considering smarter and lesser packaging where possible.

Further, we discussed the resources and innovation needed to adapt and meet changes in consumer demands. Specifically, the development of healthier choices and alternative protein products, including plant products. Nestlé's strategy is to premiumise its offerings of such and is currently spending 10% of its R&D budget on developing alternative protein products.

Finally, we discussed Nestlé's actions regarding child labour in cocoa and whether they believe this issue will ever disappear. As we have written about previously, Nestlé launched its Income Accelerator Program last year to help farmers reach a living income and limit child labour. The program, which rolled out to 10,000 cocoa families in Cote d'Ivoire, has been well received. Nestlé's target is to extend the program to Ghana and

its global supply chain in 2024 and, by 2030, reach 160,000 cocoa farming families globally.

Samsung Electronics
The meeting with Samsung was a collective engagement call hosted by Sustainalytics with the scope to get an update on the company's actions taken within business ethics in recent years, specifically to avoid future bribery and corruption incidents.

Ethics training is mandatory for all except the CEO. An external committee, however, assesses him. All executives have KPIs linked to ethics training to emphasise the importance of broadening learning and continuing training across the company. Training is performed online, and 98% of employees must be completed for the executive KPI to be fulfilled. The training content is changed annually to keep development and consider any changes in surroundings impacting Samsung.

The enhancements to the ethics program and training have led to a shifting perception of how to manage business ethics internally and made it quite clear how to adopt procedures and structures in place following recent years' enhancements.

On a related matter, we also discussed Samsung's whistle-blower program. It is internally managed, i.e., not independently externally managed, which differs from market practice. External auditors, however, do have transparency of the whistle-blower system. Samsung is currently considering third-party management of the whistle-blower program. Ongoing discussions on this are taking place in the Company's Audit Committee.

The call proved that Samsung is on the right trajectory to limit bribery and corruption cases going forward. We are following the development and note that Sustainalytics consider the recent developments very positive, potentially leading to assessment conclusions of the whole engagement case.

Proxy Voting
The proxy season has only briefly begun in Q1; nonetheless, a few companies held their AGMs during the quarter.

Bank Central Asia
We voted against management on the proposal regarding Directors' and Commissioners' Fees, as we believe that the proposed bonus was too excessive.

Novo Nordisk
We voted against Glass Lewis on the proposal of electing Martin Mackay. Glass Lewis's recommendation was to vote against director Martin Mackay due to overboarding. He has served as a director for Novo since 2018. Besides being a director at Novo Nordisk, Mr. Mackay currently serves as co-founder, chair of the board of directors and CEO of Rallybio, and a member of the board of directors of Charles River Laboratories International. He meets the Danish Corporate Governance Recommendations. Therefore, like last year, we voted in favor of Martin Mackay.

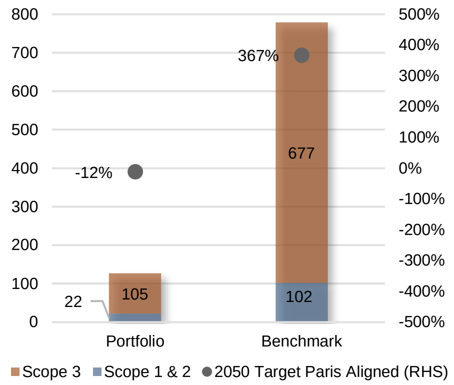
Visa Inc.
We voted against Glass Lewis on the proposal of electing Lloyd A. Carney. Director Carney serves as chief acquisition officer of Carney Technology Acquisition Corp. II, a public company while serving on a total of three public company boards. However, we note that Carney Technology Acquisition Corp. II is a special purpose acquisition company ("SPAC") that does not have significant operations. Positions at a SPAC are not generally as time intensive as a similar position at an operating company. Given that this director's only public executive position is at a SPAC, we do not believe that these

outside commitments preclude Carney from dedicating the time necessary to fulfill the responsibilities required of directors at this time.

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

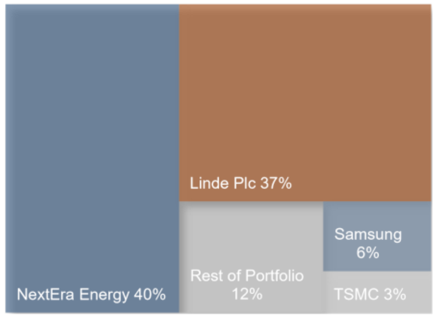
Sustainalytics Portfolio Risk Rating: 18.5
Benchmark: MSCI All Country World Index

Emissions Exposure & SDS (tCO_2e)

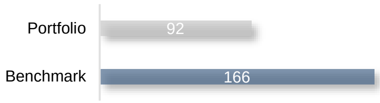


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

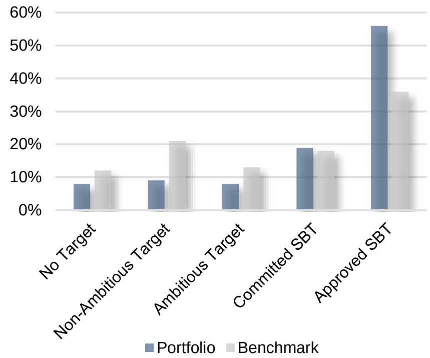
Top 4 Contributors to Portfolio Emissions



Carbon Intensity (tCO_2e/mill. USD revenue)



Climate Target Assessment

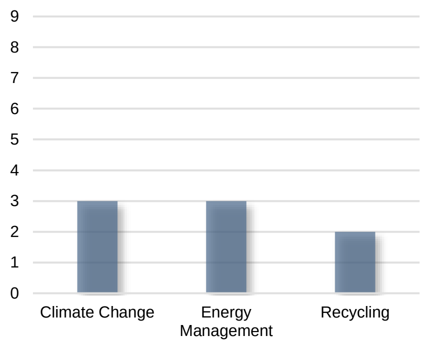


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

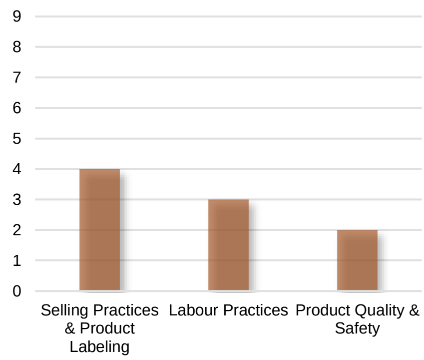
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 31st of March 2023

Direct Engagement Topics

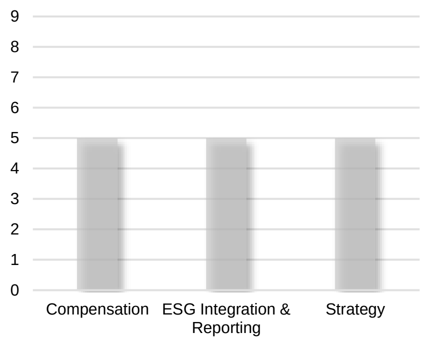
Environment



Social



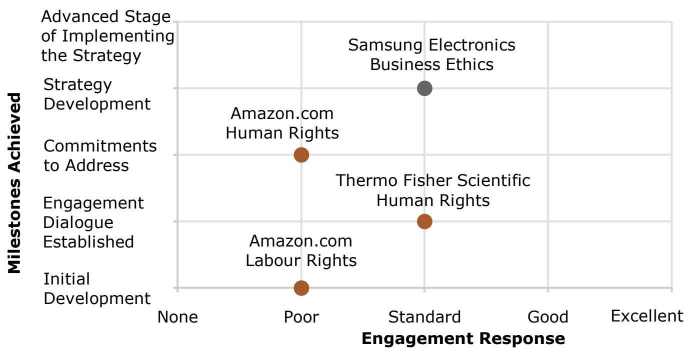
Governance



Total direct company engagements for the portfolio: 9

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.

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

Proxy Voting

Meetings Voted	100%	7
Proposals Voted	100%	85
Proposals Voted Against Management	4%	
Proposal Categories (Top 3)	60%	Board Related
	13%	Audit/financials
	11%	Compensation

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

Active Investments

C WorldWide Asset Management Fondsmaeglerselskab 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.

Please find more of our ESG Reports on cworldwide.com

C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S

Dampfaergevej 26 · DK-2100 Copenhagen

Tel: +45 35 46 35 00 · VAT 78 42 05 10 · cworldwide.com · info@cworldwide.com