



Sustainability Report

Nordic 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 Nordic 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 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% Small Arms
- 5% Adult Entertainment
- 5% Alcoholic Beverages
- 5% Gambling
- 5% Tobacco Products

- 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

Addtech

Addtech is a Swedish technology trading group that provides technical solutions to customers in various industries. As a data company, both data security and energy usage in, for example, data centers are material topics to the operations, where the Company has initiated projects and programs to reduce its impact. The Company has a strong commitment to sustainability and has set ambitious goals to reduce its carbon footprint. Addtech aims to reduce its carbon emissions by 50% by 2030 and to achieve net-zero emissions by 2050. The Company has also pledged to source 100% renewable electricity by 2025 and to reduce its water consumption by 30% by 2025. Addtech is committed to SBTi, has received a medium 21.2 ESG risk rating from Sustainalytics, has been recognized for its sustainability efforts and has been included in the Dow Jones Sustainability Index.

Mandatum

Mandatum is a Finnish life insurance company that provides services in unit-linked insurance, wealth management, personal insurance, pension and reward solutions for companies, and related consultation services. The Company is committed to advancing the United Nations Sustainable Development Goals (SDGs) and has set ambitious targets to reduce its carbon footprint. Mandatum aims to reduce its carbon emissions by 50% by 2030 and to achieve net-zero emissions by 2050. The Company has also pledged to source 100% renewable electricity by 2025 and to reduce its water consumption by 30% by 2025. Mandatum has been recognized for its sustainability efforts and has been included in the Dow Jones Sustainability Index.

Direct Engagements

MOWI

We recently had a sustainability and business strategy meeting with Kim Døsvig, Investor Relations Officer & Head of Treasury at MOWI, a global leader in seafood and the world's largest producer of Atlantic salmon. MOWI has been recognized as the World's most sustainable animal protein producer by the Collier FAIRR Protein Producer Index for five consecutive years, which is a testament to the Company's commitment to sustainability.

MOWI's sustainability efforts are deeply incorporated into the core business strategy and cover critical areas such as fish health and planet issues, being evident in the operations across different countries and throughout the different fish farming phases. For example, in Chile, regulations have significantly improved, and sealife is now recognized as a criterion for growth. Despite the challenges of diseases and the use of antibiotics, MOWI has managed to maintain stable usage per kilo over the years.



However, MOWI has recently faced criticism regarding the conditions under which the salmon are held. In response to the recent “MowiLeaks” incident, the Company acknowledged the increased mortality among fish due to warmer water temperatures, which in turn driver corrections in the water fauna and brings new diseases. Primarily, the incidents took place at a newly acquired fish farm in western Iceland, and even though the incidents should never have happened, MOWI is working to implement the plant according to the Company’s culture and is working on long-term solutions to these challenges, including adjusting the conditions for fish during warmer months and considering offshore farming. Furthermore, new projects such as AquaStorm and MOWI 4.0 have been initiated, and pilot projects in Portsmouth are planned to affect operations globally if proven successful.

Fish farming is not estimated to enter the EU's list of sustainable investment activities for at least two to three years, but when it does, MOWI is prepared for the upcoming changes. Despite not being part of the taxonomy, MOWI is currently ranked as the best producer with the lowest environmental footprint. The Company strongly believes that salmon farming is the most sustainable way to produce animal protein, given its high protein level, low food conversion ratio, and low carbon footprint.

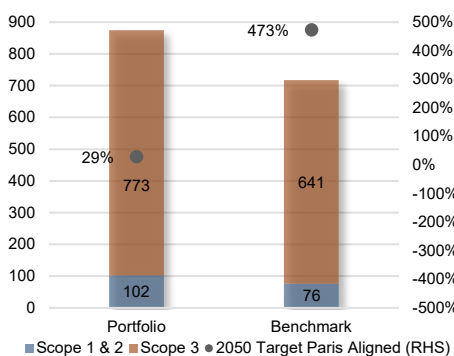
In conclusion, MOWI is committed to maintaining its position as a leader in sustainable animal protein production, continually seeking ways to improve its operations and address its challenges.

Proxy Voting

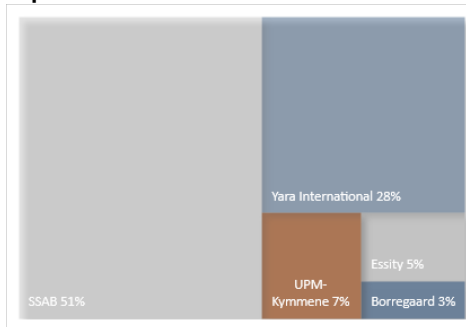
There were no AGMs held during this quarter.

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

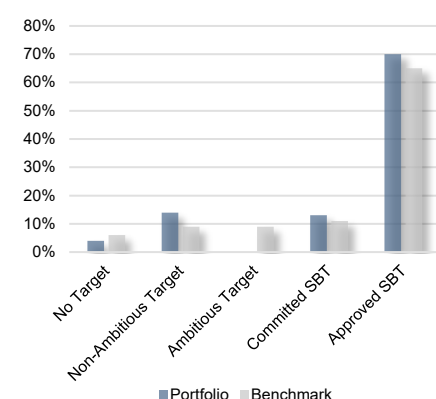
Emissions Exposure & SDS (tCO₂e)



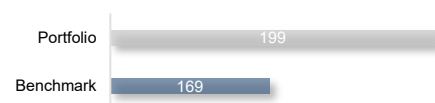
Top 4 Contributors to Portfolio Emissions



Climate Target Assessment



Carbon Intensity (tCO₂e/mill. USD revenue)

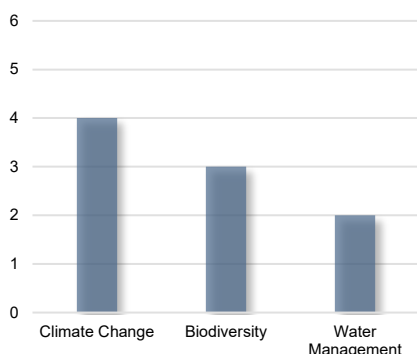


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

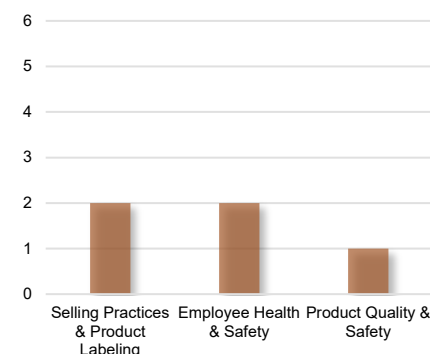
The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

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

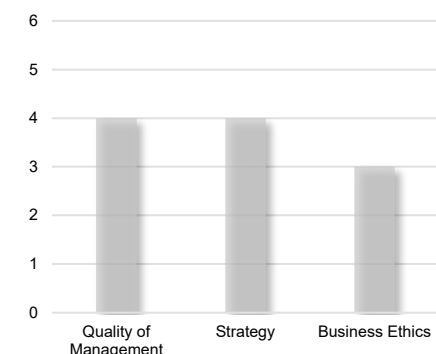
Direct Engagement Topics Environment



Social



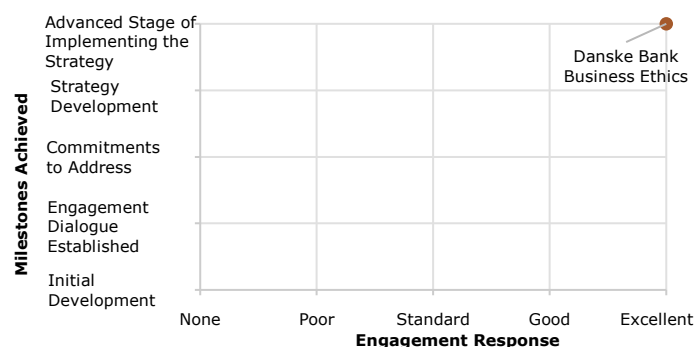
Governance



Total direct company engagements for the portfolio: 5

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



Proxy Voting

Meetings Voted	0%
Proposals Voted	0%
Meetings with at least one vote against management	0%
Proposal Categories (Top 3)	0%

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.

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

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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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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

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