C WORLDWIDE
ASSET MANAGEMENT

ESG Report
C WorldWide Nordic

Q4 2021

ESG RISK RATING

The table below includes ESG Risk scores on the current holdings in the portfolio. The ESG Risk scores are the ESG rank assigned by Sustainalytics on a 1-to-100 scale (1 being the highest score and 100 being the lowest score).

Risk Management and Risk Exposure are the two main components of the overall score, assessing the ESG risk of the individual company and how well the company addresses and manages these risks. The table illustrates the aggregated portfolio scores and the distribution of the holdings scored by Risk Exposure and Risk Management as a percentage of the total portfolio.

	ESG Risk Rating	Risk Management	Risk Exposure
Average Score	21	53	42
		Exposure	
Management	Low	Medium	High
Strong	3%	55%	7%
Average	14%	21%	0%
Weak	0%	0%	0%

Source: Sustainalytics, December 2021

QUARTERLY HIGHLIGHTS

In October 2021, we released our first Annual Sustainability and TCFD report. Since committing to TCFD (Taskforce on Climate-related Financial Disclosures) as an official supporter about a year before releasing our initial report, we have worked with the framework to apply on firm-level as well as integrate into investments practices. Besides addressing climate-related financial implications, the annual sustainability report also includes insights on our stewardship activities. The report is available on our website https://cworldwide.com/downloads/sustainable-investing/

A significant ESG event during the last quarter of 2021was the COP26 in Glasgow. Before the long-awaited climate summit, there was hope that governments and policymakers would agree on new sharpened and ambitious though feasible climate targets. Before COP26, the International Energy Agency (IEA) said that 40% of the world's existing 8,500 coal-fired power plants must be closed by 2030, and no new ones built, to stay within the 1.5 degrees limit from the Paris climate agreement.

The conference made progress on cutting GHG emissions. However, at the last minute of the summit, the final deal agreed upon dropped the wording calling for 'phase out' of coal-fired power to rather 'phase down', predominately due to pressure from fossil fuel-dependent countries such as China and India. But at least the deal included wording on cutting fossil fuels,

which despite being an obvious target of the climate future, has not until now been included in previous COP agreements.

Back from the COP26, the EU continues its work on the EU Taxonomy. Discussions are currently taking place on how to categorise energy sources, and in particular heavy discussions and lobbying about nuclear power – is it green and part of the solution for the energy transition or is it a classical brown fossil fuel? In a draft proposal issued on New Year's Eve, gas and nuclear energy projects could be included in the EU. Taxonomy under environmentally sustainable economic activities, allowing companies within these industries to receive funding to help the EU meet its goal of net-zero emissions by 2050. This is just one way to manage the global net-zero commitment. Corporates and asset managers continue to have to navigate in more or less developed regulation across the globe, where also the US, Hong Kong, Taiwan, Singapore, South Korea, China, and Australia, to name a few, are all working with different sustainable investment frameworks and codes.

The outcomes from COP26 and governmental regulations and frameworks will continue to affect companies and the global markets we invest in. For us specifically, climate and emission abatement plans are part of the ongoing engagements with our investee companies. As addressed in our quarterly ESG report from Q3 2020, 9 companies in the portfolio were committed to the Science-based Targets Initiative (SBTi). However, only 4 of the 30 companies in the portfolio had net-zero targets that included scope three emissions, aligned with a 1.5-degree scenario, and were approved by SBTi. Today that number has increased to 19 committed companies and 13 of 29 companies with approved targets by SBTi, respectively.

As 2021 has seen an increased commitment from companies to commit to GHG emission reduction plans and targets, for 2022, we foresee that a lot more focus will be on how to actually reduce GHG emissions and on how climate focus will broaden to an environmental focus, in particular with a focus on biodiversity.

A few initiatives that we know from the recent years' strong focus on climate have been launched as nature initiatives. These include Nature Action 100 (as Climate Action 100+) and the Taskforce on Nature-related Financial Disclosures (TNFD) (as TCFD). We are still in the infancy stages, but we believe the initiatives will gain traction once the final framework has been published during 2022 and the beginning of 2023, respectively

DIRECT ENGAGEMENT

Stora Enso
We participated in Stora Enso's presentation of its biodiversity strategy. Biodiversity is one of the sustainability areas where interest is growing the fastest. This is particularly true for Nordic forestry companies.

Stora Enso is taking active steps to improve its biodiversity footprint and has set a net positive biodiversity target for 2050, meaning that all its products will be positive contributors to climate, circularity, and biodiversity. While it is not yet apparent what net positive biodiversity means, as metrics and frameworks are still being developed, we find it valuable that Stora Enso takes action. The economics of Biodiversity arestill uncertain, as investments will be required, and benefits will take time to materialise, asthese efforts could put pressure on forest running costs. Yet, the benefits can be meaningful, primarily in terms of improved yields and potential 'biodiversity premium' on products and as a driver of innovation. In the long run, the path towards more biodiversity is set, in our view, and early-movers should be able to help develop the route and enjoy the benefits.

Tomra
As the world leader in reverse vending machines, we have been a bit surprised that Tomra has not been at the forefront of ESG developments. The purpose of the meeting was therefore to get an understanding of how long Tomra has come with its ESG work and when we can expect to see more concrete ESG targets and ambitions from the company. Tomra has been working seriously with ESG since 2019. The company employed its first Head of Sustainability, who refers to the CEO. They started doing materiality analysis, considering ESG standards, working out a framework with ESG KPIs and committed to the UN SDGs.

Today Tomra has not yet finished its final ESG targets. For example, they are still considering joining the Science Based Targets, which we believe they will hopefully already do in 2022. Another topic we discussed during the meeting was internal training in Tomra's Code of Conduct, where policies and education in corruption, bribery, control systems etc., will become even more critical as Tomra expands in Asia. We concluded from our meeting that Tomra is moving in the right direction regarding ESG, although better late than never, and we look forward to engaging with Tomra in the future on these topics.

Borregaard
We met with Borregaard to ensure that the company still has a strong position and bright future in the green economy and explore financial opportunities and risks within ESG, especially after COP26, the EU green deal and new deforestation agreements.

Borregaard has been working seriously with ESG since 2008, which in our view, gives the company an advantage in today's business environment.

Materiality analysis, commitments to SDGs and Science-Based targets make Borregaard agile and proactive towards changes made by new ESG demands. Borregaard's clients are under quite a pressure to become green, driven by EU taxonomy regulations, which opens many opportunities for a deforestation-free supplier like Borregaard that from 2021 will be sourcing all timber from certified woods.

This long time ESG focus has and will still help Borregaard in its innovation work, bringing new ideas and products to the market. We were left with the impression that Borregaard is in a solid position to expand its business even more in the future. Moreover, the massive investments in capex and R&D during many years will make it very difficult for new companies to enter the market. Although Borregaard will have to use quite a lot of capex towards 2030 to bring down emissions, Borregaard expects that its product offering will be increasingly demanded and bring new customers to the company that will outweigh these investments.

Wärtsila
We had a conversation with the company considering Wärtsila's alleged nuclear weapons deliveries to the US submarines. The issue came up recently in a Swedish newspaper, where the AP7 fund announced that they would sell their shares in Wärtsila due to this. Wärtsila stated that they do not produce or deliver any equipment for nuclear weapons, and the issue concerns a repair or service of a propeller from a submarine carrying nuclear weapons. We conclude that this incident is not enough to exclude Wärtsila from the portfolio. Our service provider, Sustainalytics, has not mentioned any problems either.

COLLECTIVE ENGAGEMENT

Through our cooperation with Sustainalytics, we are currently actively engaging with the following companies in the Nordic portfolio.

Volvo
Involvement with Entities Violating Human Rights
Volvo's products have been involved in significant incidents regarding alleged human rights violations in Egypt and Palestine. Sustainalytics followed up with Volvo in December 2021 regarding Volvo's approach to working with business partners on human rights risk management. Volvo's Director of Corporate Responsibility mentioned their ongoing internal discussions on what they could do further concerning sales channels. In addition, he noted that Volvo was a member of the Danish Institute for Human Rights – Nordic Business Network on Human Rights. Together, they would discuss and act on how to raise with the UN Working Group on business and human rights and other relevant fora the need for guidance on implementing the UNGPs in the downstream value chain. A call will be scheduled after the release of their sustainability report on 25 February 2022.

NEW POSITIONS DURING Q4 2021

During the fourth quarter, we bought Borregaard and SalMar to the portfolio. Borregaard ASA makes and sells wood-based biochemicals and biomaterials designed to replace oil-based products. The firm's product portfolio includes vanillin used to make flavouring, bioethanol used for fuel, and cellulose. Borregaard is organised into three segments: BioSolutions, which makes biopolymers for use in the construction, industrial, and agrochemical industries; BioMaterials, which makes cellulose for use in raw materials and industrial applications; and Fine Chemicals, which makes pharmaceutical ingredients and bioethanol. Borregaard is well-positioned to take advantage of the trend away from fossil-based products.

SalMar ASA produces and sells farmed salmon internationally. It operates hatcheries and controls the farming at all stages until the fish is ready to be caught, processed, and packaged into various products. The salmon are sold through an in-house salesforce and through close company partners. Proximity to customers and tracking the use of resources plays a factor in delivering the raw material. Customers include importers, exporters, and larger processing companies and retail chains. Although fish farming is not an EU Taxonomy eligible sector, we believe fish as an alternative to meat is an attractive long-term trend to invest in.

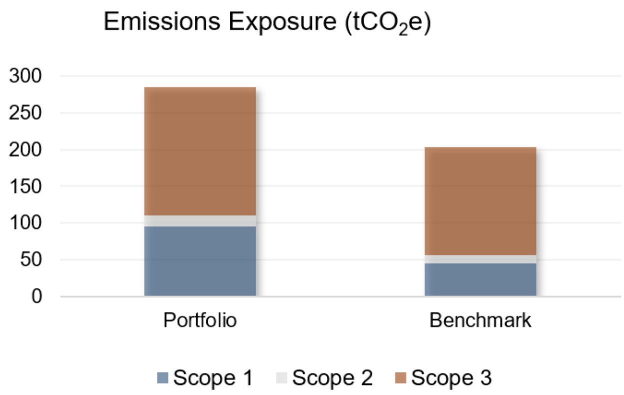
CLIMATE IMPACT

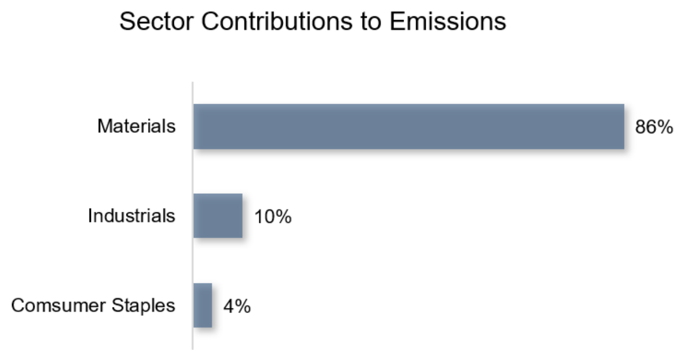
Our approach to a more sustainable future matter now more than ever. We use data from the Science Based Targets Initiative (SBTi) and the Transition Pathway Initiative (TPI) to assess the impact of climate risk in our portfolio.

We recently joined the Climate Action 100+ (CA100+) to accelerate our contribution to change. CA100+ is an active ownership network led by shareholders to improve the world's largest emitters' effort in addressing climate change. Our membership is aligned with our support of the Taskforce on Climate-related Financial Disclosure (TCFD), of which we became an official supporter in June 2020.

The tables on the next page summarise the current climate risk assessment of the portfolio. Firstly, we show the portfolio's carbon footprint compared with the benchmark. Secondly, we show how the portfolio aligns with the 2050 target of the Paris Agreement of a 1.5-degree net-zero scenario. Finally, we show the sectors contributing to GHG emissions based on the current portfolio. Besides the climate risk assessment, we also show how many of the companies in the portfolio have climate targets and how ambitious these are. Currently, 72% of the portfolio's value is aligned with international climate goals. This includes ambitious targets set by the companies and committed and approved Science Based Targets (SBT).

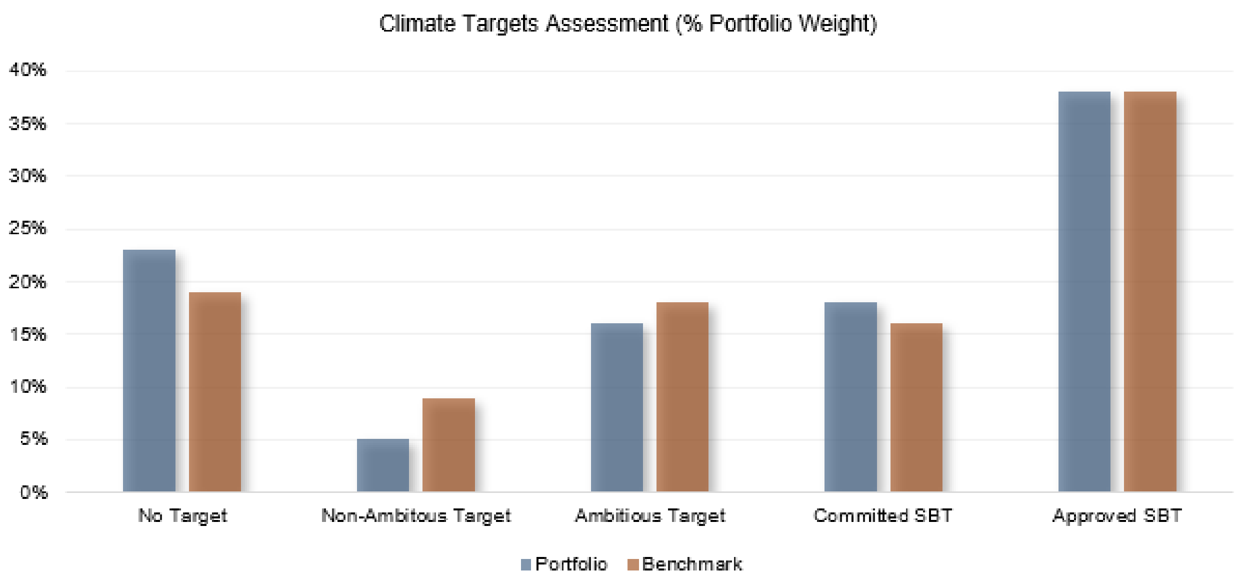
	Emission Exposure tCO_2e		Relative Emission Exposure tCO_2e/mill. USD revenue	Sustainable Development Scenario*
	Scope 1 & 2	Incl. Scope 3	Carbon Intensity	2050 Target Paris Aligned
Portfolio	111	285	279.83	+36.64%
Benchmark	56	203	161.19	+168.71%
Net Performance	-97.4%	-40.5%	-73.6%	-





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

Portfolio:C WorldWide Nordic
Benchmark: MSCI Nordic 10/40 Index
Portfolio as of 31 December 2021
Based on a Portfolio Value of USD 1.000.000
Source: ISS ESG



QUARTERLY VOTING STATUS

We had no votes against management or ISS recommendations during the fourth quarter. A complete list of all votes cast during the quarter is available upon request.

C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S
Dampfaergevej 26 · DK-2100 Copenhagen
Tel: +45 35 46 35 00 · E-mail: info@CWorldWide.com · CVR-nr. 78 42 05 10
www.cworldwide.com