WORLDWIDE
ASSET MANAGEMENT

Sustainability Report

Global Equities

Q2 2025

C WorldWide Global Equities

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 general meetings in 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

Quarterly Highlights

During the past quarter, it was once again time for the NordicSIF conference. A conference gathering the Nordic sustainable investment forums (DanSIF, SweSIF, NorSIF, FinSIF, and IcelandSIF) in one of the Nordic capitals. This year the conference was held in Stockholm and the header of the conference was the 'Future of Humanity'. In scope quite broad, but also a timely and topical theme. Topics of discussion included the climate transition, sustainable living, the Nordic JEDI (justice, equity, diversity, inclusion) warrior, as well as peace and war.

The latter has seen significant public interest the last three years, specifically since Russia invaded Ukraine, as we also wrote about during the last quarter. Furthermore, the topic continues to be highly debated among market participants, politicians, as well as in the sustainability community. Since the EU in February 2025, announced its revised strategy to re-arm Europe in the Readiness 2030 strategy, a large number of European and in particular Nordic asset owners have gone from excluding defense companies as a standard in investment strategies to now including these in strategic investment guidelines. The month of June, in particular, showed many changes, even before the member countries of NATO decided to increase defense spending from 2% to 5% of GDP until at least 2035.

Investing in the defense sector presents numerous challenges and opportunities. The defense sector is highly regulated, and from an investment perspective requires additional attention to detail. Many companies are not pure defense contractors and much of their product range is used in other industries. An investment in defense was often treated as an exclusion criterion. From our perspective, all of our investment strategies, except for the Global Ethical Equities strategy, allow for investments in defense companies that produce or produce components for conventional weapons.

Importantly, one must distinguish between conventional weapons and controversial weapons. Conventional weapons are those that are not classified as weapons of mass destruction but rather encompass a wide range of military equipment including light weapons, artillery, tanks, combat aircraft, warships, and missiles. These weapons are commonly used in armed conflicts and are a subject of arms control efforts.

Controversial weapons on the other hand are regulated by international conventions, are used for mass destruction, and include anti-personnel mines, cluster weapons, biological and chemical weapons, depleted uranium, white phosphorus munitions, and nuclear weapons.

The recent development from asset owners is to include a broader range of defense companies. This includes the allowance of nuclear weapons, if the

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

The strategy avoids investments in companies exceeding a certain level of involvement in specific activities:

- 0% Controversial Weapons
- 5% Small Arms, assault weapons
- 5% Small Arms, small arms or key components to small arms

defense companies are based in countries that have signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). The NPT aims to prevent the spread of nuclear weapons and promote peaceful uses of nuclear energy.

Despite close similarities between the Nordic countries, inclusion of weapons, and in particular controversial weapons in investment guidelines varies across countries. The most significant difference is Finland, which earlier in June decided to withdraw from the Ottawa Convention that bans anti-personnel mines. The Finnish parliament argues that reintroducing anti-personnel mines would offer a cost-effective deterrent to slow a possible Russian advance, while preserving Finland's territorial integrity. Finland shares a 1,340 km border with Russia.

As an active public equity manager, we follow the significant developments within defense investments and value our engagement with key stakeholders on this topic for the benefit of our long-term investment approach.

Portfolio Changes

Intercontinental Exchange

Intercontinental Exchange (ICE) is a diversified financial infrastructure and technology operator spanning energy, equities, fixed income, and mortgages. Its strategy centers on digitizing analog markets, capturing data, and monetizing it through analytics and benchmarks. The company operates through three main segments: Exchanges (53% of revenue), Fixed Income and Data Services (25%), and Mortgage Technology (22%).

Key sustainability risks are related to data management and security. While ICE has privacy policies addressing various stakeholders, there have been previous incidents related to data and privacy, resulting in fines by the SEC. Having the proper procedures for notifying clients of breaches supplemented with internal training of employees on data privacy issues are matters we will bring up with the company in future interactions.

Other concerns relate to governance, and in particular executive remuneration, including the relationship between CEO Jeffrey Sprecher's personal and corporate jet usage. Another aspect is the political impact that CEO Sprecher's wife, former US senator Kelly Loeffler, may have had on the organization in terms of her political role. We will address these matters at future engagements with ICE.

On the contrary, ICE has strong human capital development programs with initiatives to develop and retain talent, open feedback culture and regular employee performance reviews. The company also has a robust program to foster diversity within the organization.

Direct Engagements

We met with several of the investee companies during the latest quarter, including Nestlé, Amazon.com, and NextEra Energy. Below are highlighted select key aspects of these meetings.

Nestlé

During the quarter we met with both Nestlé's newly appointed CEO Laurent Freixe and CFO Anna Manz. We were keen to hear how the new management considers corporate culture and how the changes they have applied already are perceived by the organization. An example was provided by the CFO that brought together the finance executives of the organization for the first time in 15 years. They were not used to meeting and sharing knowledge and ideas.
Manz is encouraging the organization to think differently and act differently, because as she said, people care about Nestle and will adapt to change even though they have been there for 20 years. Furthermore, Manz has introduced 20 metrics to track lead indicators for efficiency, sustainability, compliance and people. These metrics have been reviewed every month since the beginning of 2025.

In this regard we queried the disclosure of employee turnover that has not been readily available in the last couple of years. According to Nestlé this should be a disclosed figure, but we are yet to receive the details from Nestlé on this.
As part of the new strategy, Nestlé is also aiming for CHF 2.5 billion in savings by 2027. This involves increased efficiency in areas like procurement, manufacturing, and operations. Despite this cost-saving plan, Nestlé has increased investment in sustainability-related matters, especially regenerative sourcing where the company has a target to source 50% of key ingredients through regenerative agriculture by 2030, as well as low-carbon technologies such as reformulate products to reduce carbon-heavy ingredients (e.g. dairy).
The CFO highlighted sustainability as a core long-term value driver, where Nestlé is trying to embed sustainability into procurement and operations rather than treat it as a separate initiative.

Amazon.com

We met Amazon at our office in Copenhagen for an update on corporate matters and recent European debate on the risk of being too dependent on US technical infrastructure.

We referenced the incident where Microsoft allegedly had shut down email access for Karim Khan, a leading prosecutor of the International Criminal Court (ICC), who was directly targeted by a February executive order by President Trump that claimed the court had "engaged in illegitimate and baseless actions"

against the US and Israel. This incident has led to increased debate and uncertainty in Europe regarding the reliability of digital services and in particular key infrastructure which is dominated by a few US technology giants such as Microsoft, Amazon and Google.

Khan's email issue has also prompted calls for a major change of government policy in the Netherlands, where the ICC is based. A Dutch liberal member of the European Parliament, recently urged the creation of a European cloud, citing the ICC incident and saying “the world has changed.” We also see this change locally as it was recently announced that Danish federal entities will be leaving Microsoft for the German Hetzner.

NextEra Energy

We have already met NextEra Energy (NEE) a couple of times this year as mentioned in our sustainability report of Q1 2025, and in June the CFO Mike Dunne paid a visit to our office as well. The visit followed just after we co-signed a letter to the board of directors of NEE through our engagement in Climate Action 100+ stipulating the need for NEE to engage in public debate on tax credits for the benefit of the climate transition. As one of the largest utilities companies globally with key businesses within wind and solar, political actions that encourage development of fossil free energy sources are key to NEE. And thus, the key topics we discussed with Dunne was the Trump administration’s Big, Beautiful Bill. If passed, tax credit will benefit in particular the development of wind and continue to provide consumers with renewables as the cheapest energy solution.

We further discussed the energy blackout that hit Spain, Portugal and parts of France in April 2025 and led to complete darkness and widespread disruption to telecommunications, transportation, and other essential services. The blackout was one of the most significant in the history of the European grid and has led to investigation into how potential significant drops in electricity generation can trigger a cascading failure of the power grid. NEE assured that their grid should have enough synchronous condensers (generators used to regulate voltage and improve power system stability by injecting or absorbing reactive power) to avoid a blackout like the one occurred in the Iberian Peninsula.
The blackout highlighted the need for greater grid resilience, including increased inertia, better voltage control, and more robust protection settings for renewable energy installations. It also emphasized the importance of investing in grid infrastructure and energy storage. All of which NEE is investing heavily in to secure proper development and a sustainable business.

Proxy Voting

Atlas Copco AB

We opposed the management proposal to adopt the Performance-Based Personnel Option Plan 2025, which aligns with our policy and our proxy voting advisors' recommendation. Our decision was based on concerns that the plan does not meet best practice standards for long-term incentive structures.

The best practice is a minimum performance period of three years for long-term incentive plans. Unless the justification for a shorter performance period is disclosed, the minimum of three years should be utilized. While a significant portion of variable pay is deferred over multiple years, most awards are subject to one performance period. This undermines the alignment of incentives with sustained long-term value creation and as such voted against the proposal.

Louis Vuitton Moet Hennesy (LVMH)

We voted against two management proposals at the LVMH 2024 AGM. First, we opposed the regulated agreement with Agache SCA due to limited disclosure about the substantial fees paid and how they were determined. We opposed it due to Agache's close ties to Bernard Arnault, the controlling shareholder of LVMH. We will seek further clarity in future engagements with LVMH.

Second, we opposed the remuneration of Chair and CEO Bernard Arnault. LVMH continues to provide insufficient detail on how executive pay aligns with performance, limiting our ability to assess material governance risks. Additionally, LVMH has failed to address the dissent expressed by shareholders on this proposal at last year's AGM. We will continue to advocate for improved disclosures to promote more transparent governance.

Assa Abloy

We voted in favor of management and against our proxy voting advisor on the election of directors at the Assa Abloy AB 2025 AGM. Assa Abloy's board meets the Swedish corporate governance independence requirements, although some concerns remain regarding the strong representation of major shareholders, particularly Latour AB and the Schörling family.

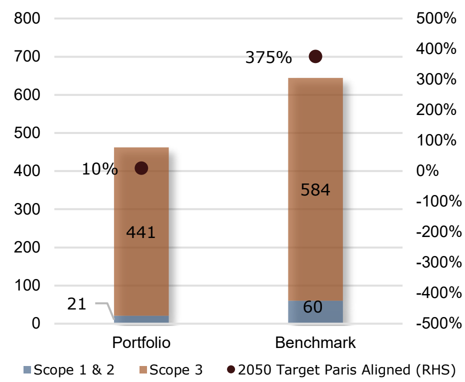
While one could argue that this leads to a degree of overrepresentation, it's worth noting that BlackRock and Vanguard, both passive investors, are the second and third largest shareholders, making it less clear who else would take a more active role. In our voting approach, we incorporate Swedish corporate governance practices, which reflect well-established local standards and expectations.

C WORLDWIDE GLOBAL EQUITIES

Sustainalytics Portfolio Risk Rating: Low

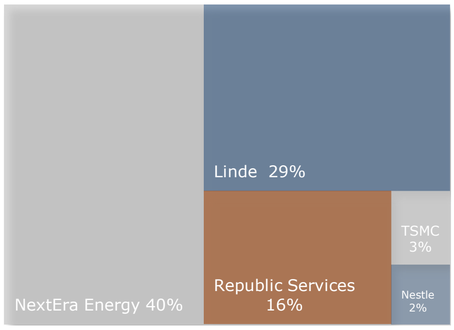
Benchmark: MSCI All Country World Index

Emissions Exposure & SDS (tCO₂e)

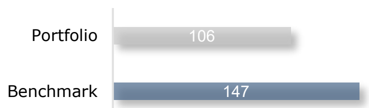


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

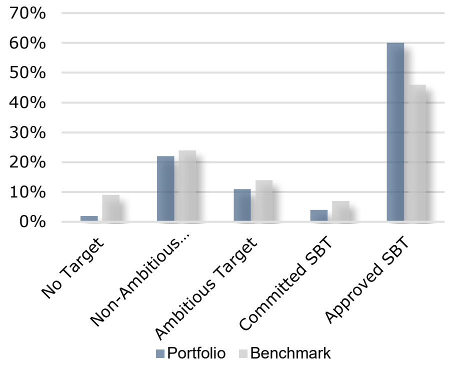
Top 5 Contributors to Portfolio Emissions



Carbon Intensity (tCO₂e/mill. USD revenue)



Climate Target Assessment

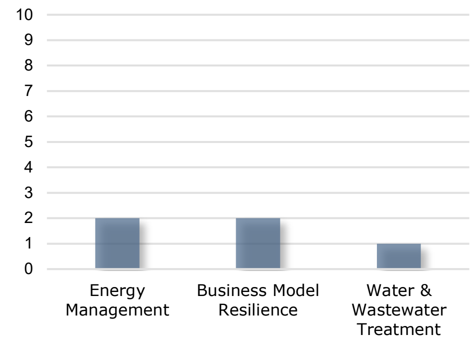


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

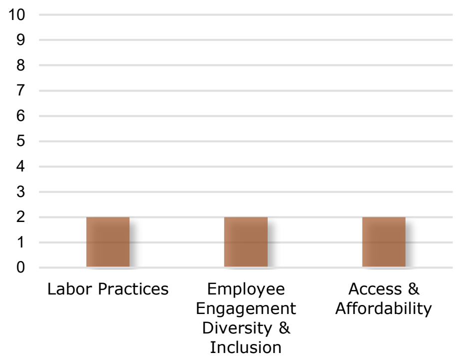
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 30th of June 2025

Direct Engagement Topics

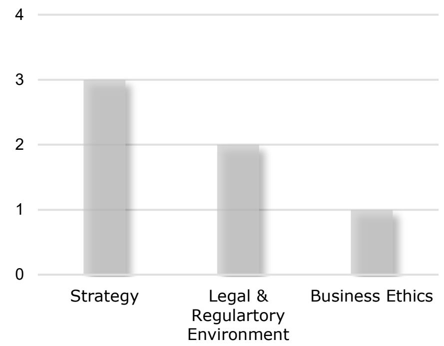
Environment



Social



Governance



Total direct company engagements for the portfolio: 7

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 30th of June 2025

Proxy Voting

Meetings Voted	100%	20
Proposals Voted	100%	340
Proposal Voted Against Management	5%	27
Proposal Categories (Top 3)	59%	Board Related
	12%	Audit/Financials
	8%	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 30th of June 2025

Disclaimers

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