



WORLDWIDE

ASSET MANAGEMENT

A landscape photograph showing several wind turbines in a field of golden wheat under a warm, hazy sunset sky. The turbines are silhouetted against the bright light of the setting sun. The foreground is filled with golden wheat, and the middle ground shows rolling hills with more turbines in the distance.

ESG Report

Global Equities

Q1 2022



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

Researching ESG 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 Comments

We are pleased to welcome you to the new design and layout of our quarterly ESG reports. The idea behind the new look is for you as a reader to get an accessible overview of our stewardship practices in the latest quarter and continue to receive detailed insights on our engagements. We hope you value the new look. Enjoy reading.

The first quarter of 2022 was eventful from both an ESG and geopolitical perspective. The already significantly increasing energy prices rose even further, putting pressure on policymakers to act and investors to start focusing even more on energy opportunities. Additionally, there have been more discussions developing regarding the acceptance of potential investments in the weapons industry, anchored in the framework of security, peace, and justice. Although controversial weapons will always remain un-investable for us, perhaps other weapons-related companies will become more investable again from a SRI/Ethical perspective.

In our previous quarterly report, we emphasised the continued focus and progress in setting abatement plans and working with climate matters and specifically emission reduction targets. This quarter, however, the discussions accelerated exponentially with Russia's invasion of Ukraine, particularly in the EU, where significant energy demands depend on supply from precisely Russia. The original ambitious EU climate plan, Fit for 55, announced during the summer of 2021, was replaced by the even more ambitious REPowerEU plan. This plan emphasises scaling down gas, oil and coal (where 45%, 25%, and 45% of the consumption is imported from Russia, respectively) from external suppliers and focuses on developing measures for the EU to be self-sufficient, including further investments in renewable energy sources.

The Fit for 55 plan has already reduced annual fossil gas consumption by 30%, equivalent to 100 billion cubic metres (bcm), by 2030. With the measures in the REPowerEU plan, it is estimated that at least 155 bcm of fossil gas use could gradually be removed, which is equivalent to the volume imported from Russia in 2021. Nearly 2/3 of that reduction is suggested to be achieved within a year and thus ending the EU's overdependence on a single supplier. This has ignited the debate on investments in energy from an ESG perspective, including whether investments in gas and nuclear from more secure and affordable sources might be part of the solution in the transition to a decarbonised world.

Despite more events taking place this quarter than in decades, we continue to view investments from a long-term perspective and focus on companies with thematic tailwinds. Please also refer to our piece '[The Longer-term Investment Consequences of the War in Ukraine](#)' just published for further insights into how we view the implications of the ongoing invasion

This quarter we have been a participant in the Climate Action 100+ engagement initiative for 1 year. Of the 166 focus companies, 4 companies, Nestlé, NextEra Energy, Procter & Gamble, and Unilever, are investments in the Global equity portfolio. More specifically, we are co-engagers to Unilever and are happy to see the company progressing within clearer target setting on not only long- and medium-term climate targets but also short-term targets. An area where we would like to see further progress is on capital expenditure alignment. For example, for Unilever to align its capital expenditure plans with its long-term target and to phase out investments in unabated carbon-intensive assets or products. In addition, for them to disclose sufficient details on



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 methodology and criteria used to assess the alignment of their capital expenditure plans with decarbonisation goals.

Portfolio Changes

We did not initiate any new positions during the quarter.

Direct Engagements

This year we have set out key focus areas for our engagement throughout 2022. We will focus on three areas with two underlying topics in each area. The key areas have been decided through a materiality assessment across all holdings in our strategies:

- 1) Climate change (Decarbonisation and Alignment with international standards such as SBTi and TCFD)
- 2) Environmental impact (Biodiversity and Water management)
- 3) Business Ethics (Bribery & corruption and Signatory to UN Global Compact)

The topics were discussed throughout the quarter, where we met with Hoya, ASML, Siemens, Nestlé, Novo Nordisk, Thermo Fisher Scientific, and Visa. Notable highlights from the meetings are detailed further below.

Besides meeting and engaging directly with companies, we also participated in an investor survey meeting with a representative from the Cabinet Office of the Japanese government. The Cabinet Office is looking to develop standards and indicators for disclosing intangible asset Investment, including intellectual property and ESG and learn from global investors how to identify the factors and trends that drive the value creation in integrating ESG. We are keen to see Japan taking proactive steps in this field as Japanese companies historically and still lag other markets when it comes to embracing the importance and materiality of ESG. Additionally, we are always happy to share our knowledge and engage with stakeholders and interested parties no matter if they are clients, investee companies, regulators, or governments.

Siemens

We met with Siemens to discuss its sustainability program DEGREE (Decarbonisation, Ethics, Governance, Resource Efficiency, Equity, Employability) introduced in 2021. From a climate perspective, Siemens' ambition is to transition from a Carbon Neutral 2030 strategy to a Carbon Zero 2030 target, which is part of its commitment to the Science-based Targets since 2021. The biggest challenge is to include scope three in the reduction plan, but Siemens is working to engage with its suppliers in the progress. Due to its history of corruption cases, we also discussed Siemens' work within business ethics. The company has established risk analysis procedures in its compliance system for each defined risk group, including country risk, human rights risks, and provider risk, to systematically identify potential hazards. Today, this has resulted in Siemens being one of the best compliance risk managers of all German corporates, and that other companies contact Siemens to learn.

Nestlé

We met two times with Nestlé during the quarter. First, we had a very informative update with Francois Xavier Roger, CFO of Nestlé. Roger ensured our already strong opinion that Nestlé takes ESG very seriously and that it aims to always act as a good corporate citizen. Nestlé's critical priorities for the next 5-10 years are carbon neutrality, including the commitment to net-zero and sustainable packaging. In particular, for the latter, Nestlé aims to move away from non-recycled items by 2025. One billion CHF is allocated annually to the sustainability strategy anchored in the entire organisation. Later in the quarter, we met with the Sustainability team of Nestlé to discuss the Income Accelerator Programme targeted at farmers and families in the cocoa industry. The call was also part of the Sustainability thematic engagement. The update call showed that Nestlé is the one



company in the cocoa industry progressing the most to improve living standards and income for farmers and families.

Thermo Fisher Scientific

Thermo Fisher is still building its focus on sustainability and broadening the commitment throughout the organisation but is committed to a strategy split into four pillars: Diversity & Inclusion, climate mitigation, community strategy, and talent management. For the climate mitigation focus, Thermo Fisher has committed to the Science-based Targets, and the SBTi is currently validating its targets. Furthermore, we discussed the bioethics case that Thermo Fisher has been accused of in China. Its DNA kits allegedly are used by Chinese police to collect DNA from civilians in Xinjiang unlawfully. Following the issue, the company has significantly increased its ethics training globally and set up systems blocks to hinder sales to identified Chinese areas. The ramification of this has proven significant. Although revenues from this area are non-material, it is an essential product line for Thermo Fisher.

Visa

Visa has committed to be net-zero by 2040 and has been carbon neutral in its operations since 2020. Again, the biggest challenge is scope three emissions. Visa is working with suppliers and customers to inspire more sustainable consumption, mainly through its Eco Benefits Bundle initiative launched in November 2021. The Eco Benefits Bundle enables cardholders to understand the impact of their spending through features such as a carbon footprint calculator, carbon offsets, personalised education for customers, sustainable card materials, donations to environmental organisations, and expanded rewards for cardholders for sustainable behaviour. Despite its recent launch, the initiative has already seen enormous interest globally. Etihad Airlines is the first large customer to take on the Bundle and provide it to its clients. We also discussed the recent proposal by the US Securities and Exchange Commission (SEC) to report and disclose climate data and development. Visa welcomes the initiative and is already disclosing the data. However, it is not yet having the data assured by a third party, which is one of the elements of the SEC proposal. For business ethics, we queried why Visa is not a participant of the UN Global Compact (UNGC) as, from our assessment, they comply with all guidelines, and it would thus be a relatively easy step for them. Visa appreciated our query and would consider it further.

Proxy Voting

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

Novo Nordisk

For Novo Nordisk, we voted for the re-election of Martin Mackay, which was not in line with ISS recommendations. Mackay is a strong profile for Novo, has been a member of the board since 2018 and is currently chairing the company's R&D committee. We currently do not have any concerns about overboarding impacts. His role as CEO of 5:01 ACQUISITION CORP (a SPAC and as such with no business) must be considered very limited for now.

Samsung Electronics

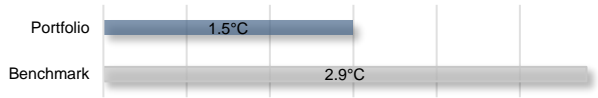
In advance of the AGM, we reach out to Samsung to learn their position regarding ISS' recommendations to vote against directors and Audit Committee. Despite initiatives taken by the company lately, we still believe insufficient actions were taken previously towards the convicted directors and are not in line with proper governance oversight. We thus voted in line with ISS on the recommendations to vote against the election of Kim Han-jo as an outside director, as well as the members of the Audit Committee.

C WORLDWIDE GLOBAL EQUITIES COMPOSITE

Average Sustainalytics Risk Rating: 19

Emissions Exposure

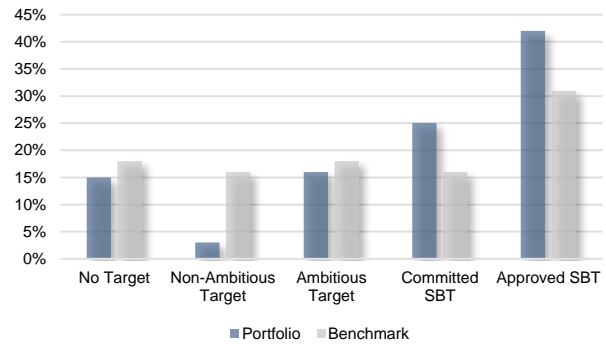
	Emission Exposure		Relative Emission Exposure	Sustainable Development Scenario
	Scope 1 & 2	Incl. Scope 3	tCO ₂ e/mill. USD revenue	
Portfolio	13	111	63.86	2050 Target Paris Aligned
Benchmark	80	556	192.85	469.85%
Net Performance	83.8%	80.0%	66.9%	-



In the above table, the portfolio and benchmark are compared in regard to their emission exposure and their relative emission exposure, enabling us to see the difference between the two.

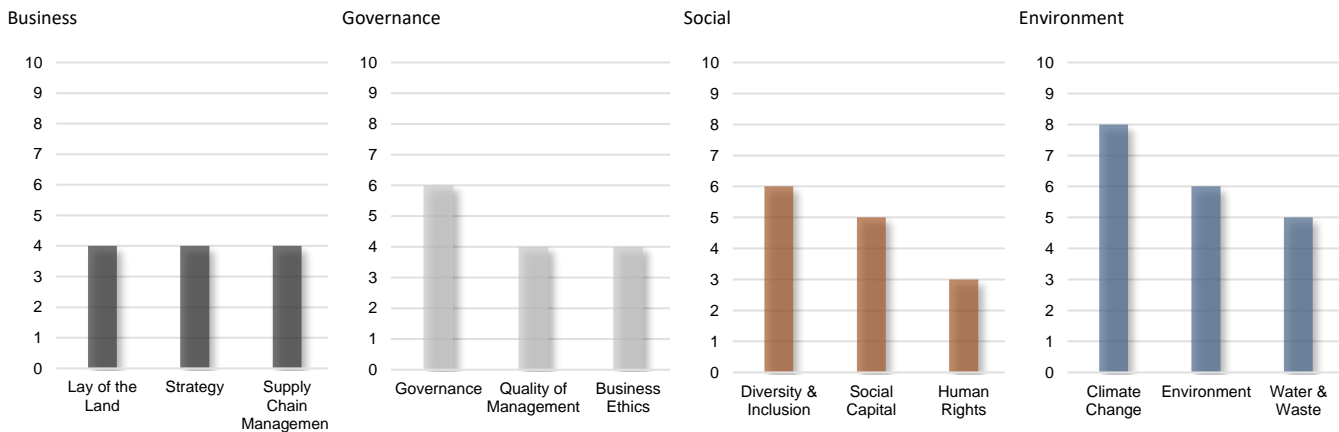
The bottom chart shows the alignment of the portfolio and the benchmark according to the Paris Agreement, thereby the 1.5°C scenario.

Climate Target Assessment



Graph above 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.

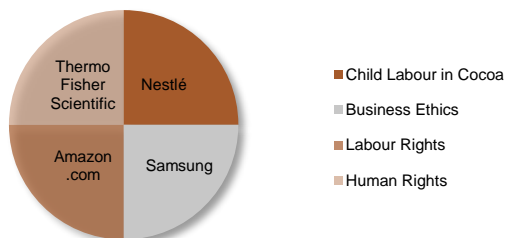
Direct Engagement Topics



Total direct company engagements for the portfolio: 10

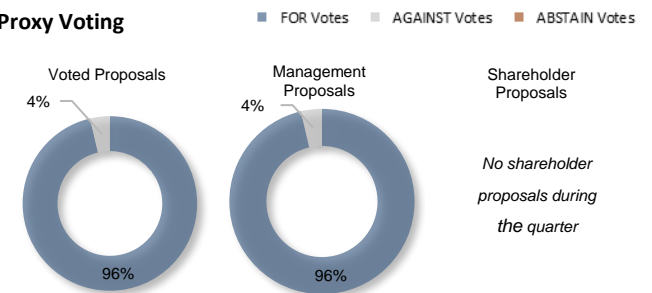
Throughout the quarter, we conducted several direct engagements with the portfolio companies. Our ESG engagements have most often incorporated an aspect of each subject E, S, and G. The above graphs show the top three engagements topics within business, governance, social and environmental aspects. There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

Collective Engagement



The collective engagement approach gives us access to a proven process and highly qualified specialists with strong knowledge and network that can be leveraged in monitoring and follow-up with the investee companies on key ESG issues. As we are minority shareholders, Sustainalytics' ability to pool our engagement and assets with other like-minded investors and shareholders amplifies our influence and our ability to encourage change.

Proxy Voting



Total votes for the portfolio: 82

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

This publication has been prepared by C WorldWide Asset Management Fondsmæglerselskab A/S (CWW AM). It is provided for information purposes only and does not constitute, and shall not be considered as, an offer, solicitation or invitation to engage in investment operations, as investment advice or as investment research. The publication has thus not been prepared in accordance with legal requirements designed to promote the independence of investment research, and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. Opinions expressed are current opinions only as of the date of the publication. The publication has been prepared from sources CWW AM believes to be reliable and all reasonable precautions have been taken to ensure the correctness and accuracy of the information. However, the correctness and accuracy is not guaranteed and CWW AM accepts no liability for any errors or omissions. It is emphasized that past performance does not indicate future performance and that the return on investments may vary as a result of currency fluctuations.