

# Q2 2025





## 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

# C WorldWide Nordic Equities

## 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.

### 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

There were no portfolio changes this quarter.

## Direct Engagements

We met with a number of the investee companies during the quarter. Below are highlighted select key sustainability aspects of the meetings.

### GN Store Nord

We met with the company where GN Store Nord (GN) provided an update on recent business developments and sustainability efforts.

Sustainability remains a central pillar of GN's strategy. Circularity was a key discussion during our meeting as GN announced a formal takeback program earlier this year. GN operates re-manufacturing programs in its hearing aid division, which are integrated into its core business model. In enterprise products, GN implements circular practices early in the development process and designs its products for durability and repairability, scoring well on repair indices and progressively incorporating recycled materials, now reaching up to 20%.

To manage its supply chains, GN maintains a robust supplier audit system that includes annual third-party audits for all Tier 1 and key Tier 2 suppliers. GN has policies that prohibit forced and child labor and leveraging tools such as EcoVadis and adheres to frameworks from the Responsible Business Alliance, particularly within high-risk areas like mineral sourcing.

Updated ESG targets are currently in development as part of GN's evolving sustainability strategy, and new data points will be included in the next upcoming annual report. GN's approach to DE&I and sustainability





communication reflects a thoughtful balance between taking meaningful action and managing external messaging, particularly in sensitive markets,

### **Novonesis**

We met with Novonesis in London to get an update on the business following the merger with Chr. Hansen and how sustainability matters are progressing in the new organization.

Operational synergies from the merger are emerging, especially in micro-fermentation, though enzyme fermentation remains separate. While system integration (e.g., SAP alignment) is progressing, the people-related aspects of the merger have been more challenging. Nevertheless, employee satisfaction remains high, with an engagement score of 8.4/10 after just five months. Talent attraction is also a key strength, with Novonesis seen as an attractive employer. Despite heavy media debates on DE&I, no major changes have taken place at Novonesis.

Politically, the company sees tailwinds in food and processed food segments, while facing headwinds from strict chemical regulations especially in the EU, where product approvals can take 6–8 years. Consumer shifts around ultra-processed foods (UPF), particularly in the UK and potentially the US, are influencing product development to focus on cleaner ingredients.

From an environmental perspective, water consumption is under scrutiny, especially at factories in water-stressed regions. However, wastewater management is well-handled, with the site in Kalundborg, Denmark, capable of managing an area the size of Hamburg.

We queried about the impact of the majority shareholder, Novo Holdings, that recently has seen using its power regarding Novo Nordisk's change in management. Novonesis however assures that the ownership structure provides stability, long-term strategic focus, and access to a strong global network.

### **Danske Bank**

Following several past years of sustainability related controversies, Sustainability has become a core pillar of the bank's long-term strategy, supported by an ambitious transformation plan and a growing suite of green financial products.

During the meeting, Danske Bank emphasized the progress made in strengthening governance and compliance in the aftermath of the Estonian money-laundering case. Since settling with authorities in 2022 and paying a USD 2 billion fine, the bank has implemented a comprehensive financial crime plan and introduced a new cultural ethos: *"everybody is a risk manager"*. The Danish FSA approved the plan in 2023, and the bank will remain checked until 2026. Compliance headcount now stands at 3,600 employees, and Danske Bank is positioning itself as a digitally capable, risk-aware, and sustainability-driven



institution, well-aligned with long-term structural trends in the Nordic banking landscape.

Sustainability is increasingly integrated into Danske Bank's strategy and client offerings. The bank finances solar parks via project financing and recently expanded its sustainable finance framework to support high-emitting sectors in its transition. A partnership with Position Green supports corporate clients with ESG data and advisory services, while retail investors benefit from sustainability insights directly from the mobile app.

## **Proxy Voting**

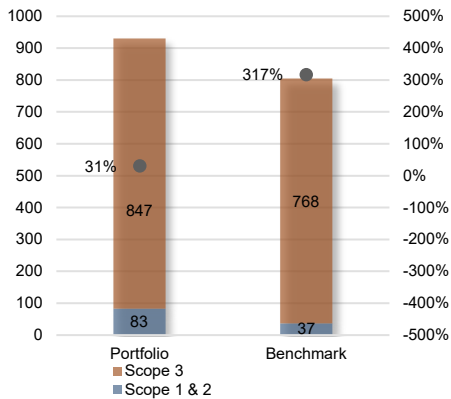
### **Atlas Copco AB**

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.

### **Assa Abloy**

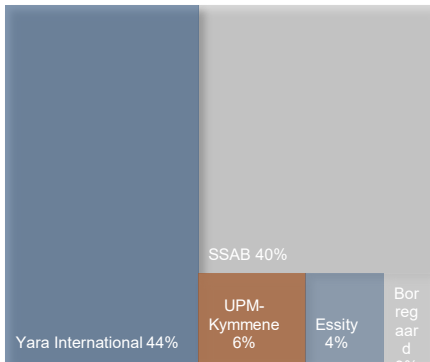
We voted in favor of management and against our proxy voting advisor on the election of directors at the Assa Abloy AB 2025 AGM. Assa Abloy's board meets the Swedish corporate governance independence requirements, although some concerns remain regarding the strong representation of major shareholders,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

## Emissions Exposure & SDS (tCO<sub>2</sub>e)

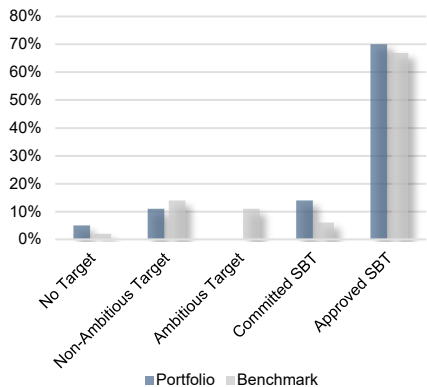


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

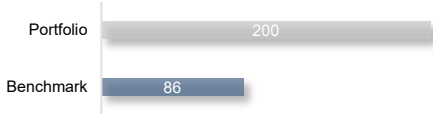
## Top 5 Contributors to Portfolio Emissions



## Climate Target Assessment



## Carbon Intensity (tCO<sub>2</sub>e/mill. USD revenue)

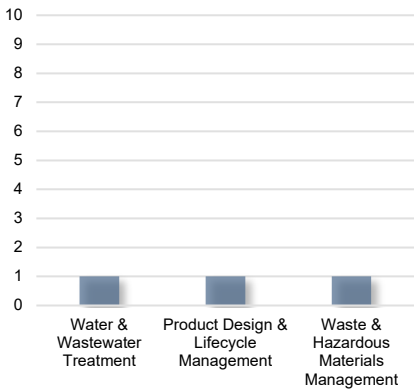


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

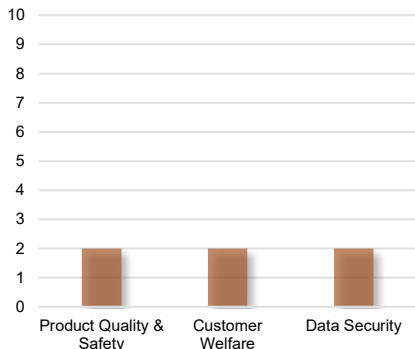
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 30th of June 2025

## Direct Engagement Topics

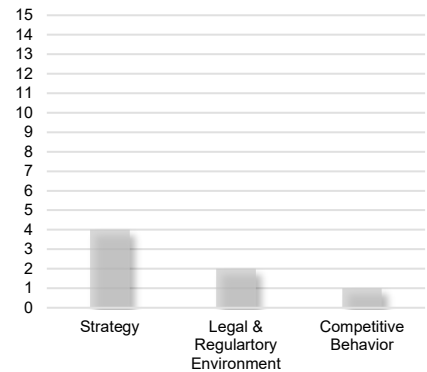
### Environment



### Social



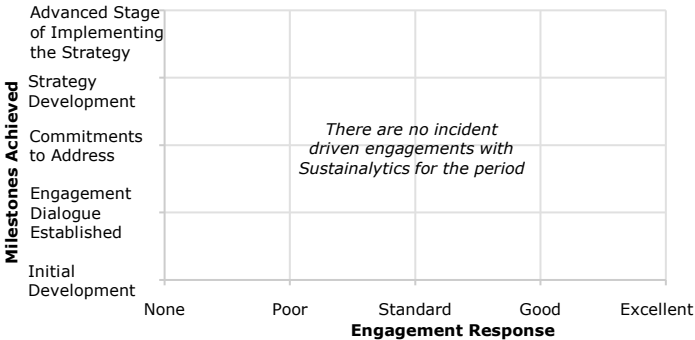
### Governance



Total direct company engagements for the portfolio: 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



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%	15
Proposals Voted	100%	424
Proposal Voted Against Management	8%	35
Proposal Categories (Top 3)	54%	Board Related
	16%	Audit/Financials
	10%	Meeting Administration

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

This is marketing material. This report 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 report 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 report 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. The report may not be reproduced or distributed, in whole or in part, without the prior written consent of CWW AM.



## Disclaimers

**EU:** This is marketing material. This publication is prepared by C WorldWide Asset Management Fondsmæglerselskab A/S. 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 C WorldWide Asset Management Fondsmæglerselskab A/S 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 C WorldWide Asset Management Fondsmæglerselskab A/S accepts no liability for any errors or omissions. The publication may not be reproduced or distributed, in whole or in part, without the prior written consent of C WorldWide Asset Management Fondsmæglerselskab A/S. Past performance does not indicate future performance.

**US:** This is marketing material. This publication has been prepared by C WorldWide Asset Management Fondsmæglerselskab A/S (CWW AM). CWW AM is a registered Danish investment firm located at Dampfaergevej 26, DK-2100 Copenhagen, Denmark. CWW AM's Danish company registration no is 78420510. CWW AM is registered with the SEC as an investment adviser with CRD no 173234. This publication 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. The publication may not be reproduced or distributed, in whole or in part, without the prior written consent of CWW AM. All figures are based on past performance. Past performance does not indicate future performance. The return may increase or decrease as a result of currency fluctuations.

**UK:** This document has been prepared by C WorldWide Asset Management Fondsmæglerselskab A/S (CWW AM). CWW AM is a focused asset manager registered as an investment firm with the Danish FSA. CWW AM is located at Dampfaergevej 26, DK-2100 Copenhagen, Denmark, CVR registration number 7842 0510. This document is directed at persons having professional experience of participating in unregulated schemes (investment professionals) and high net worth companies (as defined under art. 14 and 22 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001). The document and any investment or investment activity to which it relates is available only to such persons and will be engaged in only with such persons. Any other person should not rely or act on the statements made in this document. The content of this presentation is confidential, and redistribution or reproduction is prohibited. The presentation 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. CWW AM is not responsible for the suitability of the information in the presentation. Opinions expressed are current opinions only as of the date of the presentation. The presentation has been prepared from resources 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 are not guaranteed and CWW AM accepts no liability for any errors or omissions. This presentation contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and CWW AM, and its employees may have dealt in the investments concerned. It is emphasized that past performance is no reliable indicator of future performance and that the return on investments may vary as a result of currency fluctuations.

**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](http://cworldwide.com) · [info@cworldwide.com](mailto:info@cworldwide.com)