



Responsible Investment Policy of the C WorldWide Group

Purpose and scope

The purpose of this policy is to describe the responsible investment policies of the C WorldWide Group.

The policy has been approved by the Board of Directors of C WorldWide Asset Management Fondsmæglerselskab A/S (“CWW AM”) and C WorldWide Fund Management S.A. (“CWW FM”). The management of CWW AM and CWW FM is responsible for the implementation of the policy with the assistance of the Sustainability Steering Committee of CWW AM.

CWW AM provides portfolio management services based on equity strategies (the “Strategies”) to clients globally. CWW FM acts as the management company of UCITS funds in Denmark and Luxembourg (The “Funds”). This policy applies to all Strategies and all sub-funds of the Funds (The “Sub-Funds”).

Core ESG Values

The more integrated ESG becomes in our daily lives, the higher the expectations are for the companies we invest in. Our core ESG values underpin our approach when meeting and analysing investee companies and considering them for inclusion in our Strategies and Sub-Funds.

Good Corporate Governance

A solid ESG profile begins with good corporate governance anchored within a long-term focus. We have always been focused on the G in ESG – i.e., governance. Undoubtedly, in order for investee companies to focus on, work with, and improve their social and environmental agenda, it requires, first and foremost, a robust governance framework.

If an investee company has a responsible management team whose decisions are aimed at creating long-term value, it will also, all things being equal, have a more proactive approach to meeting the demands and expectations of its various stakeholders. This helps underpin the investee company’s business model, which ultimately benefits us as investors, and long-term shareholders.

Therefore, sustainable business models, high quality management teams, and responsible business ethics are necessary thresholds for an investee company in our Strategies and Sub-Funds. Not only is good corporate governance a foundation to influence climate change and ethical business



practices within the investee company itself but also throughout its entire value chain and ecosystem.

Climate Change Commitment

Climate change is among the most significant longer-term global trends with significant potentially positive or negative ramifications for countries, sectors, and corporations. It is also an essential aspect of our analysis of investee companies, including exposure to transition and physical risk and opportunities arising from the global transition to a less carbon intensive world with the ultimate target of net-zero GHG emissions. It is important to try to understand and ensure that management integrates climate-related risks into its longer-term strategic thinking and planning, and that it sufficiently mitigates those risks to ensure the long-term resilience of the business model. The tools we use for this is primarily company disclosure and direct engagement with investee companies, as well as leveraging global frameworks such as the Science-based Targets Initiative (SBTi) and the Transition Pathway Initiative (TPI).

Through CWW AM's commitment to the Net Zero Asset Managers Initiative, CWW AM is committed to supporting the goal of net zero GHG emissions by 2050, in line with global efforts to limit warming to 1.5 degrees, thereby, also the goal of the Paris Agreement. We also commit to supporting investing aligned with net zero emissions by 2050 or sooner.

We expect investee companies to engage in dialogue and continue to develop in the direction of a climate mitigation and adaptation pathway. This could be by committing to international standards such as SBTi, reporting according to the Task Force on Climate-related Financial Disclosures (TCFD), and setting ambitious and realistic emission reduction plans and targets.

Commitment to Ethical Business Practices

Protecting human and labour rights is a core obligation not just from a legal perspective but also from a firm perspective, as we have the potential to positively influence the companies, we invest in. Our minimum expectation is that all investee companies must comply with international human rights principles when the investment is initiated.

Overall, all investee companies are expected to comply with the ten principles laid out in the United Nations Global Compact (UNGC) covering labour rights, human rights, environment, and corruption. In addition to our minimum requirements of UNGC compliance, additional emphasis is put on having investee companies increasingly report and disclose material developments, thereby ensuring the necessary transparency for further dialogue and monitoring.

We have zero tolerance across all Strategies and Sub-Funds regarding controversial weapons, as they have a disproportionate and indiscriminate impact on the civilian population. We do not invest in investee companies that are involved in the making of or generating revenues from the following:

- Anti-personnel mines
- Biological weapons
- Chemical weapons
- Cluster weapons
- Depleted uranium munitions
- Nuclear weapons
- White phosphorus

Principle Adverse Impacts

We consider principal adverse impacts of our investment decisions on sustainability factors on an entity level and on the level of our Sub-Funds and Strategies cf. art. 4 and 7 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “Disclosure Regulation”).

“Principal adverse impacts” (“PAI”) are defined as the most significant negative impacts of our investment decisions on sustainability factors relating to environmental, social or employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

PAI indicators

The PAI indicators used to measure principal adverse impacts are set out in our PAI statements. The PAI indicators consist of a number of mandatory and voluntary indicators applicable to investments in investee companies.

The voluntary PAI indicators are selected based on an evaluation of the materiality of the potential impact measured by the PAI indicator, their relevance for the Strategies and Sub-Funds and the availability of data of sufficient quality.

We have chosen the same voluntary PAI indicators for all Sub-Funds and Strategies to achieve a robust and uniform process for considering principal adverse impacts.

Identification and assessment of principal adverse impacts

We have developed a proprietary analysis tool to identify and assess principal adverse impacts across all mandatory and voluntary PAI indicators that we have chosen to consider. The PAI analysis tool is based on data from the investee companies and third-party service providers.

We identify principal adverse impacts based on a materiality assessment. This assessment includes but is not limited to:

- The probability of occurrence and recurrence of the impact.



- The severity of the impact.
- Whether the impact is permanent or temporary.
- Whether the impact can be mitigated or are potentially irremediable.

The materiality assessment may differ between the different Strategies and Sub-Funds based on their investment strategies. Principal adverse impacts are identified and assessed prior to the primary investment in an investee company and monitored regularly during the holding period.

Integration of principal adverse impacts into the investment decision-making process and active ownership

The principal adverse impacts of an investee company are integrated into the investment decision-making process along with other factors such as financial factors and sustainability risks.

Principal adverse impacts are integrated into our active ownership policies and processes. Where material adverse impacts have been identified in relation to an investee company, such impacts may form the basis for an engagement with the investee company. The process for selecting issues for engagement and our process for engagement and proxy voting is described in our Engagement and Proxy Voting Policy.

Sustainability risk

Sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

As long-term investors, the integration of all material risks, including sustainability risks, in our investment decision-making process and investment advice is an essential part of our investment, philosophy and process.

The impact of environmental, social and governance factors on the value of an investment may vary depending not only on its business activities, but also on the governance and strategy of the investee company for managing them. Environmental, social and governance risks are closely interrelated and must be assessed adopting a holistic approach along with other types of risks.

The integration of sustainability risks is anchored with and implemented by the portfolio management teams responsible for each Strategy or Sub-Fund. Before an investment is made, the portfolio management team assesses sustainability risks relating to the investee company and of the consequences to the sustainability risks for the relevant Strategy or Sub-Fund as a whole resulting from the investment. During the holding period of an investment, the portfolio management team will continuously monitor and reassess sustainability risks.



For further detail, please refer to our Sustainability Risks Policy.

Screening and monitoring

Norm-based screenings

All investee companies are systematically screened and monitored prior to the initial investment and continuously during the holding period for violations of international conventions, norms and standards relating to ESG issues such as human rights, labour rights, the environment and business ethics.

UN Global Compact

Before the initial investment in an investee company is made, we evaluate whether the investee company is non-compliant with the 10 principles of the UNGC. The evaluation is based on a screening performed by an external specialist firm. The evaluation results in one of the three statuses: Non-compliant, Watchlist or Compliant. Investments in companies which at the time of the initial investment and in the opinion of the portfolio manager are non-compliant with the 10 principles of the UNGC are avoided.

Sector Exclusions

Before an investment is made in an investee company and regularly during the holding period, we conduct screenings of the activities of the investee company to avoid investments in companies exceeding a certain level of involvement in specific activities that include but are not limited to controversial weapons, military contracting, and small arms.

Should the activities of an investee company exceed the specified level of involvement in certain activities during the holding period, the shares of the investee company will be sold within a reasonable period.

Active Ownership – Engagement and Proxy Voting

As active long-term investors, active ownership is an integral part of our investment process. It is anchored directly with our portfolio management teams and is fully integrated in our investment processes including research, stock selection and portfolio construction as well as risk management. This is consistent with our fiduciary duty to consider all relevant information and material risks in investment analysis and the investment decision making process.

Our active ownership practices include:

- Direct engagement with investee companies
- Collective engagements through an external service provider



- Proxy voting

The decision to engage an investee company in relation to a specific matter and the method of engagement is made based on a proportionality consideration of a number of factors, including but not limited to:

- size of the shareholding in the investee company
- materiality of the matter
- reliability of data
- possibility of effecting the behaviour of the investee company
- resources required to conduct the engagement.

We engage with management, other executive staff, heads of divisions and board members of investee companies either directly through meetings, calls or written communication.

Collective engagements are typically initiated based on incidents, meaning the investee company has breached or where we have solid indications of being in breach with international norms or conventions. In particular cases we will also communicate or cooperate directly with other stakeholders in the investee companies to engage collectively.

Both direct and collective engagements with investee companies are documented to ensure that we comply fully with applicable laws, rules, and regulations.

We exercise voting rights in accordance with agreed parameters. In general, and in a manner to discharge our fiduciary duties and avoid or address properly conflicts of interest, we will vote in favour of proposals which we believe will benefit long-term sustainable returns to shareholders.

Our key focus areas for voting include but are not limited to:

- minority shareholder items
- remuneration structures
- increased disclosure and transparency
- sustainability related topics

Our proxy voting procedures incorporate the recommendations received from a proxy voting service provider based on a chosen proxy voting policy that emphasises sustainability aspects, and we will generally vote in line with these recommendations. However, the portfolio managers may occasionally disagree with the voting recommendations if they are not aligned with the portfolio managers' in-depth knowledge of an investee company and its management.

For further details, please refer to our Engagement & Proxy Voting Policy.



PRI - Principles for Responsible Investment

Since 2012 CWW AM has been a signatory to the Principles for Responsible Investment (PRI) emphasising our commitment to active, engaged ownership of investee companies over the long-term.

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries and believe that ESG issues can affect the performance of investment portfolios to varying degrees across companies, sectors, and regions over time.

Where consistent with our fiduciary responsibilities, we are committed to the following six principles:

- #1: We will incorporate ESG issues into investment analysis and decision-making processes.
- #2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- #3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- #4: We will promote acceptance and implementation of the principles within the investment industry.
- #5: We will work together to enhance our effectiveness in implementing the principles.
- #6: We will each report on our activities and progress towards implementing the principles.

Our progress within the six principles is disclosed through the PRI's annual Reporting Framework available to all signatories and other interested stakeholders.

Climate Action – TCFD, Climate Action 100+, Net Zero Asset Managers Initiative

We support the Paris Agreement on limiting GHG emissions and since 2020 CWW AM has been an official supporter of the Taskforce on Climate-related Financial Disclosures (TCFD), whereby we annually disclose our alignment with the TCFD framework and support transparency of standardised climate reporting.

Furthermore, since 2021 CWW AM is a signatory to Climate Action 100+ through which we engage with high-emitting companies to take action on climate change.

In 2022,, CWW AM joined the Net Zero Asset Manager Initiative (NZAM) , where the key objective is to engage with companies to lower GHG emissions to meet net zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5C degrees. By joining NZAM, we commit to set our own abatement plan aligned with a recognised GHG reduction framework.



The abovementioned commitments are reflected in the ongoing engagements with investee companies, and outcomes are annually disclosed in our dedicated sustainability report available on our website.

Reporting

We aspire to be transparent in our work with responsible investment and report regularly to our clients and investors and to the general public.

Quarterly ESG Reports

On a quarterly basis, we prepare ESG reports for our Strategies where we highlight material engagements and ESG controversies relating to the investee companies of the Strategy, address material ESG issues in relation to portfolio changes and provide climate data. Our quarterly ESG reports also include an overview of proxy voting activity and an explanation of the most significant and relevant votes for the quarter. The quarterly ESG reports are available on our websites.

Disclosure Regulation

In accordance with art. 11 of the Disclosure Regulation, we report on the extent to which the environmental and social characteristics of each of our Strategies and Sub-Funds are met. The reporting for our Strategies is available on our websites. The reporting for our Sub-Funds is included in the annual accounts of our Funds. The annual accounts are available on our websites.

Principal Adverse Impacts

By 30 June of each year, starting from 30 June 2024, we will publish our PAI statements on our websites, including impact data for each of the mandatory PAI indicators and the voluntary PAI indicators that we have chosen to consider. Our current PAI statements are available on our websites.

Principles for Responsible Investment - PRI

As a signatory to the PRI, CWW AM reports annually on its activities and progress towards implementing the six principles for responsible investment established by the PRI. The latest report is available on the Data Portal of the PRI.

Engagement and proxy voting

On an annual basis, we publicly disclose on our websites how our Engagement and Proxy Voting Policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors. The annual disclosure includes information on significant engagements and how we have cast votes in the general meetings of investee companies. The annual report and complete proxy voting data are available on our websites.



Climate

As an official supporter of the Taskforce on Climate-related Financial Disclosures, CWW AM reports annually on climate in accordance with the recommendations made by TCFD, including disclosures on governance, strategy, risk management, metrics, and targets in relation to climate. The TCFD report is available on our websites.

Links to policies, reporting and disclosure documents

Policies

Title	CWW AM	CWW FM
Engagement and Proxy Voting Policy	Link	Link
Sustainability Risks Policy	Link	Link

Disclosure documents

Title	Strategies	Sub-Funds - Luxembourg	Sub-Funds Denmark
Prospectus / Pre-contractual disclosure cf. SFDR	Link	Link	Link
Website Disclosures cf. SFDR	Link	Link	Link

Reporting – Strategy/Sub-Fund level

Title	Strategies	Sub-Funds - Luxembourg	Sub-Funds Denmark
Annual Accounts / Periodic Disclosure cf. SFDR	Link	Link	Link
Quarterly ESG Reports	Link		

Reporting – Company level

Title	CWW AM	CWW FM
PAI Statement	Link	Link
PRI Reporting	Link	

Application and review of policy

This policy applies as of 7 March 2023 and is reviewed as a minimum on an annual basis.

As adopted by the Board of Directors on 7 March 2023

