WORLDWIDE
ASSET MANAGEMENT

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Sustainability Report

Global Equities Ethical

Q1 2025

C WorldWide Global Equities Ethical

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 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 Comments

It is striking how quickly the more established world order is being disrupted in 2025. Exactly three years ago, in Q1 2022, we wrote, similarly, that more events had taking place over the quarter than in decades. That is indeed the case once again.

Three years ago, Russia had just invaded Ukraine, energy prices were sky high and talks in the sustainable investment industry started to emerge on accepting weapon investments as a reasonable mean of supporting peace and justice.

The EU launched its REPowerEU to cut dependency on Russian fossil fuels with a focus on diversification of supply and a rapid renewable rollout. This was followed up in February 2025 by the Clean Industrial Deal that aims to boost industrial competitiveness while accelerating decarbonisation with a focus on clean tech leadership, industrial innovation, and low-carbon manufacturing.

As for the weapons discussions, this has since only accelerated. Both in regard to that Europe should be ready to defend itself, as well as that more institutional investors are loosening restrictions on defence in investment guidelines. In March 2025, EU presented ReArm Europe, now known as Readiness 2030, a strategy to enhance the EU's military capabilities by mobilising up to EUR 800 bn in response to geopolitical threats, notably to reduce reliance on external allies and strengthen its defence infrastructure.

Another area of focus the last quarter has been financial institutions' commitment to global climate initiatives, specifically net zero initiatives such as Net Zero Asset Managers (NZAM) and Net Zero Banking Alliance (NZBA), or rather lack of commitment. We have witnessed a significant scaling back, in particular from US-based institutions, but also Japanese, that are leaving the initiatives with the reason of heavy administrative burdens, but is highly likely more a response to the new political environment in the US.

We do not foresee any update to the NZAM initiative until summer 2025, but thus far remain as signatories to support the necessary global decarbonization and remain pragmatic in our approach to engage and assess investee companies.

But climate and sustainability matters are also moving within the EU. In February 2025, the EU announced its Simplification Omnibus Package to loosen the reporting and disclosure burden of the otherwise very ambitious requirements in the EU Green Deal, specifically elements within the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), respectively, where the requirements are now changed to only include large corporates and direct suppliers, as well as postponing reporting deadlines by two years. Although we

agree that revisions were required, they should have been implemented earlier on.

The most recent round of rising tariffs initiated by the US are not only disrupting global trade but could also slow the expansion of renewables. As protectionist policies and economic priorities shift, international cooperation on climate action could weaken.

In the EU specifically, there is now a significant political focus on industrialization through rearmament. The additional focus on deficit-financed defence spending will likely exert downward pressure on public spending on the green transition.

Nevertheless, despite all the geopolitical and financial initiatives taking place, we continue to view our active public equity investments in a sustainable, longer-term perspective and remain focused on companies with more structural thematic tailwinds.

Portfolio Changes

Republic Services

Republic Services (RSG) is a leading U.S. waste management company with a strong and growing sustainability profile. As the second-largest player in the industry, RSG plays a pivotal role in advancing environmental stewardship through investments in Waste-to-Energy (WTE), Renewable Natural Gas (RNG), and new technologies that support waste diversion and energy generation. ESG is not a tick-the-box exercise for RSG—regulatory developments like Canada's Extended Producer Responsibility (EPR) provide opportunities to increase pricing and margins while driving sustainable outcomes. Our LISA assessment highlights several strengths: the company has set Science-Based Targets for scope 1 and 2 emissions, approved by SBTi, and reports in line with TCFD. Socially, RSG demonstrates strong commitments, though we see the transition to more automated processes as an area requiring greater focus on employee upskilling and fair workforce transitions. Governance is a clear strength, with sustainability included in executive compensation and third-party assessments of fair pay. Looking ahead, RSG has a strong opportunity to further lead the sector by continuing to enhance its approach to GHG emissions, hazardous waste management, and transparency in sustainability performance measurement.

Progressive

Progressive (PGR) is a leading auto insurance provider that benefits from a concentrated industry structure, a shift toward direct sales, and the ability to price risk more effectively than competitors, enabling sustainable and profitable growth. The company markets its policies through independent insurance agencies in the US and Canada and directly via the internet and telephone, with

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, manufacturing military weapon systems or integral, tailor-made components of these weapons
- 5% Military Contracting, providing tailor-made products or services that support military weapons
- 0% Small Arms, assault weapons
- 0% Small Arms, small arms or key components to small arms
- 5% Adult Entertainment
- 5% Alcoholic Beverages
- 5% Gambling
- 5% Tobacco Products
- 5% Oil & Gas, oil and gas exploration, production, refining, transportation, or storage

premiums split roughly equally between agent and direct channels. PGR's leadership team has decades of experience, maintains disciplined underwriting practices, and drives leading industry innovation.

From a sustainability perspective, Progressive has demonstrated strong management of key ESG risks, particularly around data privacy, cybersecurity, and business ethics—areas that are increasingly material in a digital-first insurance model. These risks are well recognized by the company and present an opportunity to further strengthen stakeholder trust through continued investment in secure technologies, ethical governance, and transparent practices. While environmental risks are less prominent due to the nature of the business, Progressive's social and governance performance, particularly its responsible data use and strong ethical foundations, form the core of its sustainability profile.

AstraZeneca

AstraZeneca (AZN) is a leading global biopharmaceutical company specialising in oncology, cardiovascular, renal & metabolism (CVRM), and respiratory & immunology (R&I). The company has a leading oncology franchise with key products like Tagrisso, Lynparza, and Imfinzi. Additionally, its pipeline includes promising therapies in antibody-drug conjugates (ADC), immuno-oncology, and metabolic diseases, reinforcing its long-term growth potential. AZN's robust and diverse pipeline, expanding therapeutic reach, and commitment to innovation position it ahead of many peers, making it a compelling stable compounder and long-term investment.

From a sustainability perspective, AstraZeneca's innovation-driven business model supports positive health outcomes, which is a key component of its broader social impact. While not without challenges, the company's strong pipeline and therapeutic breadth contribute to addressing critical global health needs. Our sustainability assessment reflects a company with solid fundamentals and a business model aligned with long-term health priorities. Key ESG risks include regulatory uncertainty in China and drug pricing pressure in the US. While these present ongoing challenges, AstraZeneca's market strength and continued investment in scientific innovation help position it to navigate these issues. Overall, AstraZeneca's sustainability profile is supported by its contribution to public health, though continued focus on regulatory risk management and access to medicines remains important.

Direct Engagements

We met with several of the investee companies during the last quarter, including Assa Abloy, Epiroc, HDFC Bank, Linde, Nestlé, Procter & Gamble, and Thermo Fisher Scientific. Below are highlighted selected key aspects of these meetings.

Assa Abloy

We met with Assa Abloy two times during the quarter. First, we participated in Assa Abloy's sustainability seminar where the company provided a thorough update on its sustainability strategy, targets and progress. Presentations included an update from the executive team including both the CEO and CFO. Like many of the established capital goods companies in the Nordics, sustainability is embedded throughout the company and its value chain. One of the company's key developments that supports the environmental part of its strategy is the 'ecoLOGIC' door system that uses smart technology, including current weather and AI to manage automatic door openings in stores. This reduces energy costs for heating and cooling but also helps extend the expected lifespan of the automatic doors. As for social matters, Assa Abloy addressed the challenges involved with bringing down the injury lost day rate, which in the 5-year period since 2019 only declined 2% whereas the target is 33% from the 2019 baseline. Actions include systematic training throughout the organisation and especially in new acquisitions with initiatives and awareness campaigns to reduce the injury rate.

Second, we met the CFO in Stockholm. We discussed governance matters and incentive programs as the current structure is that the CEO and management are compensated on different metrics (CEO on EPS) and (rest of management on other things including sustainability). Unfortunately, the CFO's responses were unsatisfactory and evasive. Appropriately, the AGM season has just started in Sweden, and we will consider our support to the remuneration report in detail before we cast our votes.

Thermo Fisher Scientific

Thermo Fisher Scientific (TMO) visited us in Copenhagen to provide an update to the business and expected impact from the newly appointed US administration. TMO is ahead of schedule on its net-zero emissions targets and maintains a strong internal focus on diversity and inclusion, with leadership drawing from diverse, blue-collar backgrounds that reinforce its social commitment. Sustainability is deeply embedded in client expectations and remains a core pillar across business units, particularly in environmentally driven markets like water and air testing and next-generation battery production.

In parallel, the company is actively responding to regulatory and policy shifts under the current U.S. administration. The Inflation Reduction Act (IRA) has notably impacted pharmaceutical demand, prompting clients to recalibrate their capital allocation strategies, which in turn has moderated growth in related segments. Additionally, changes in National Institutes of Health (NIH)

- 10% Oil & Gas, generation of electricity from oil or gas
- 0% Thermal Coal, thermal coal extraction
- 5% Thermal Coal, generation of electricity from thermal coal
- 0% Oil Sands
- 0% Shale Energy

funding and academic research budgets could lead to a more targeted, outcomes-based research environment. While this may reduce some blue-sky innovation, TMO sees ongoing demand for capital equipment and consumables, though with potential pressure on academic revenues, particularly the U.S. component that represents around 7–8% of total revenue.

Geopolitical and ethical considerations are also front of mind, especially concerning operations in China. In response to concerns about potential misuse of genetic analysis technologies, a still active engagement case with Sustainalytics, TMO has ceased third-party distribution. In addition, TMO has taken direct control of sales, and implemented human rights due diligence protocols—including independent auditing—to ensure ethical use of its products. Sales to sensitive regions like Tibet have been halted, and the company is reviewing the future of low-volume but high-risk segments.

Proxy Voting

Novo Nordisk

We opposed a shareholder proposal regarding collective agreements for contracted employees, aligning with Glass Lewis recommendations.

The proposal was submitted in the context of several workplace incidents in 2024, including multiple fires at company facilities and issues related to foreign workers lacking appropriate permits. Additionally, the Danish Working Environment Authority identified life-threatening conditions at the Kalundborg site.

In response, Novo Nordisk has implemented a series of measures aimed at strengthening workplace safety and contractor oversight. These include enhanced protocols for work permits, improved emergency procedures, and the introduction of new safety targets. Notably, a safety KPI set to take effect in 2025 will broaden the scope of reported accidents and investigations, targeting 10 high-risk hazards such as working at heights and hot work.

We believe these actions demonstrate the company’s serious commitment to worker safety and rights. Given the company's proactive response and its evolving framework to address the identified risks, we did not find additional shareholder intervention warranted at this stage.

Bank Central Asia

We opposed the management proposal regarding Directors’ and Commissioners’ fees, aligning with Glass Lewis recommendations.

As noted by Glass Lewis, the proposed variable remuneration significantly exceeds the fixed salaries and allowances paid to commissioners. The company has not provided a sufficient rationale for this level of additional compensation. We are particularly concerned about the potential impact such high variable pay may have on the independence of commissioners, especially independent commissioners.

This concern is heightened by the fact that two of the company's three independent commissioners have served on the Board for over 20 years, raising questions about sustained independence. We believe the company should enhance transparency by disclosing the structure and justification of variable pay, particularly for independent commissioners.

Given these unresolved concerns, we maintained our position from previous years and voted against this proposal.

Visa Inc.

In total, we voted on 17 shareholder and management proposals during the meeting.

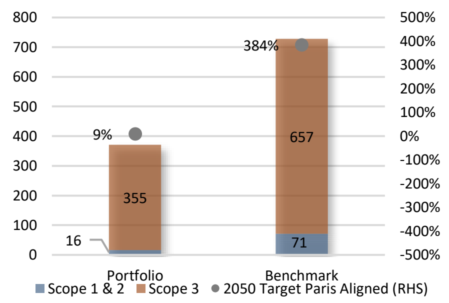
We supported a shareholder proposal regarding a mandatory director resignation policy, aligning with Glass Lewis and voting against management. Although failed director elections are rare, we believe that implementing such a policy enhances shareholder influence and accountability. The proposal allows for a balanced approach ensuring that, in the rare event a director fails to receive majority support, shareholders have a meaningful voice, without automatically triggering a disruptive board departure. We found the proposal reasonable and ultimately beneficial to shareholders.

We opposed the management proposal on executive compensation, in line with Glass Lewis. Our concerns remain focused on the structure of both the short- and long-term incentive plans. The short-term incentive plan (STIP) continues to rely heavily on discretionary awards, granting the compensation committee considerable flexibility that may lead to payouts misaligned with company performance. Furthermore, the long-term incentive plan (LTIP) utilizes performance periods shorter than three years, which we believe fails to adequately encourage long-term strategic thinking or sustainable performance. We voted against the compensation program last year for similar reasons and maintained our stance this year due to the persistence of these issues.

C WORLDWIDE GLOBAL EQUITIES ETHICAL

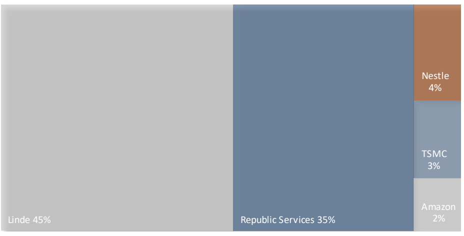
Sustainalytics Portfolio Risk Rating: Low
Benchmark: MSCI All Country World Index

Emissions Exposure & SDS (tCO₂e)

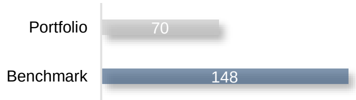


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

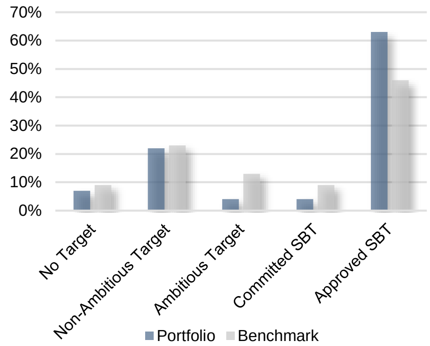
Top 5 Contributors to Portfolio Emissions



Carbon Intensity (tCO₂e/mill. USD revenue)



Climate Target Assessment

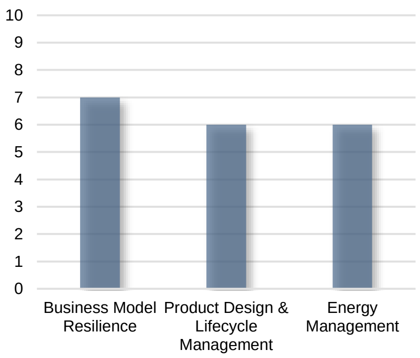


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

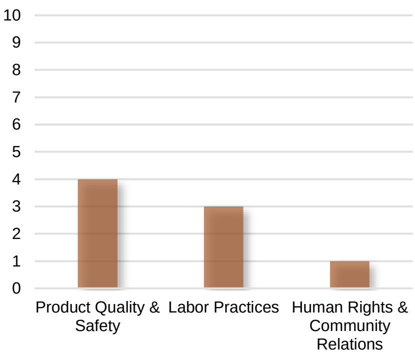
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 31st of March 2025

Direct Engagement Topics

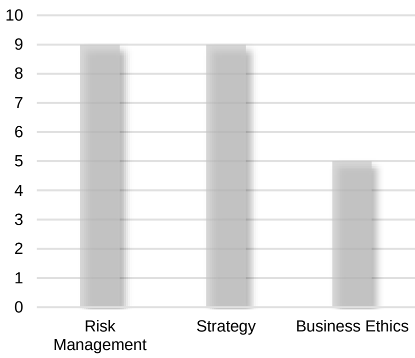
Environment



Social



Governance



Total direct company engagements for the portfolio: 11

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 31st of March 2025

Proxy Voting

Meetings Voted	100%	6
Proposals Voted	100%	60
Proposal Voted Against Management	8%	5
Proposal Categories (Top 3)	60%	Board Related
	15%	Audit/Financials
	10%	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 31st of March 2025

Disclaimers

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