



INTRODUCTION

C WorldWide Asset Management (CWW AM) is a highly-focused investment management organisation which offers high quality investment products to investors selectively around the world. In our role as investment manager, our mandate is to maximize client portfolio returns over the long term at appropriate risk levels. In this fiduciary role, we believe that Environmental, Social and Governance (ESG) issues can affect the performance of shares in an investment portfolio. Therefore, where consistent with our fiduciary responsibilities, we commit to encouraging sustainable business behaviour in the companies we invest in.

CWW AM is a signatory of the United Nations Principles for Responsible Investment (UN PRI) since 2012. The UN PRI is a set of principles that encourage the adaption of ESG issues in the investment analysis of companies. This commitment is a multi-year process for CWW AM, which we aim to improve each year going forward. We see the UN PRI as an appropriate framework, and relevant ESG issues will be analysed and applied on a case-by-case basis. The overall decision-making process will be a holistic one as fundamental financial analysis will be supplemented, where appropriate, by ESG and other non-financial factors.

PHILOSOPHY

Selectivity and focus are the core attributes of CWW AM's beliefs. To succeed in the long term, we have chosen to focus on few stock-picking products with both global and regional mandates. Identifying and capitalising on long-term global trends coupled with in-depth, long-term fundamental stock-picking enable us to capitalise on opportunities around the world. These trends shape the growth opportunities around the world and we look to invest in companies with sustainable business models and a management that ensures robust corporate governance practices that comply with international norms and legislation. Our belief in concentrated, unconstrained equity portfolios is simple, yet powerful. It ensures our focus on what is relevant and it keeps us motivated to continuously identify unique opportunities.

PROCESS

To facilitate knowledge sharing and ensure the implementation of relevant ESG factors into the daily work, we have an internal Responsible Investment Committee that sets guidelines and supervises engagement. The committee meets at least four times a year and is also responsible for ensuring guideline implementation.

Our experienced portfolio management team is responsible for evaluating financial and non-financial factors, including ESG-issues, as part of their company research where they believe those to be relevant for the long-term value of the company. As an important part of our process, our portfolio managers investigate new shares in co-operation with CWW AM's external consultants – GES® and Sustainalytics®. In a constantly changing world, companies continuously get positive and negative feedback on their activities and operations. We are aware of these changes, and issues are raised and consequences debated. In these cases, the relevant portfolio manager will



consider the issue in question. We will start out monitoring the development of the issue and should we find that it is not compliant with our Principles of Responsible Investment (PRI), we enter into dialogue with the company.

RESOURCES AND REPORTING

Our portfolio managers attend conferences all over the world and meet with company managements within our investment universe almost on a daily basis. This enables our portfolio managers to engage with companies on issues that we find to be unsustainable and in conflict with our PRI. Depending on the outcome of engagement, the portfolio managers will decide whether it will be in the best interest of our clients to continue the engagement process or to sell the investments, should the given company not be committed to change their business behaviour to a more sustainable one. CWW AM implements engagement in collaboration with external ESG advisory companies. The ESG advisory companies cover information management, such as issuing alerts and publishing company specific ESG analysis as well as creating semi-annual reports on all the CWW AM portfolios.

Once a year, we report our activities and progresses in ESG matters by participating in the annual UN PRI Reporting & Assessment Survey. Additionally, we provide a quarterly ESG report to existing clients, partly to provide the clients with our view on ESG and partly to give additional information about ongoing GES[®] engagements. The report contains information on the companies we are invested in and an overview of the ESG score for each company assigned by Sustainalytics[®].

ESG INTEGRATION

At CWW AM, we continue to strengthen our competences within the ESG area. Our external collaborator, GES[®], handles engagements with companies outside the Nordic region and provides us with relevant information on companies and guidance regarding engagements. Since 1996, we have worked closely together with GES[®]. The company gives insights on business activities and business conduct against a wide range of criteria and focus on the following areas: Human rights, labour rights, environmental issues, corruption and inhumane weapons. Companies within the Nordic region we handle the engagements in-house by going into dialogue with the company but still using research provided by GES[®].

In 2016, to further improve our focus on ESG, we entered into a partnership with Sustainalytics[®], covering access to dedicated ESG research on our existing holdings in the portfolios as well as companies in our larger investable universe. We see Sustainalytics[®] as a high-quality supplement to our existing partnership with GES[®] and our own internal ESG research as well as the ESG input from more traditional sell-side analysts.

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