

June 2025

Statement on Principal Adverse Impact

Financial market participant: C WorldWide Asset Management Fondsmaeglerselskab A/S
(Legal entity identifier: 967600QIGO353E50TF04)



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Summary

C WorldWide Asset Management Fondsmæglerselskab A/S (Legal Entity Identifier 967600QIGO353E50TF04) (“CWW AM”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of CWW AM.

CWW AM provides financial services based on equity strategies (the “Strategies”). CWW AM’s affiliate C WorldWide Fund Management S.A. has delegated the investment management of certain UCITS funds (the “Funds”) to CWW AM. The investment strategies of the Sub-Funds of the Funds are based on the Strategies. The consideration of principal adverse impacts of investment decisions on sustainability factors on behalf of the Funds are included in this statement. Supplementing this statement, a separate statement on principal adverse impacts on sustainability factors in relation to the Funds only has been prepared by C WorldWide Fund Management S.A.

This statement on principal adverse impacts on sustainability factors (“PAI Statement”) covers the reference period from 1 January to 31 December 2024. By 30 June of each year, starting from 30 June 2023, CWW AM will publish the PAI Statement, including impact data for each of the principal impact indicators (“PAI Indicators”) that CWW AM has chosen to consider, on www.cworldwide.com.

CWW AM considers the mandatory PAI indicators applicable to investments in investee companies. In addition, CWW AM has selected one additional climate and other environment-related PAI indicator and one additional PAI indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters. The PAI indicators are listed below, please refer to

the table column for details on where to find actions taken, actions planned, and targets set for the next reference period.

Description of the principal adverse impacts on sustainability factors

Regulation (EU) 2019/2088 on sustainability-related disclosures (“SFDR”), sets out 18 mandatory and 46 voluntary indicators relating to principal adverse impacts of investment decisions on sustainability factors which financial market participants should consider in their investment process and report against.

CWW AM will consider the mandatory PAI indicators and two voluntary PAI indicators to identify and assess principal adverse impacts across all Strategies. Information on the mandatory and voluntary PAI indicators and actions planned or targets set for the period from 1 January to 31 December 2025 to avoid or reduce the principal adverse impacts are included in tables 1 – 3 below. As CWW AM has no investments in sovereigns and supranational or real estate assets no actions have been planned or targets set for PAI indicator number 15 – 18.

Information on the impacts of CWW AM’s investments measured by the PAI indicators will be published annually by 30 June. This information will cover the period of 1 January until 31 December of the preceding year. Information on impact compared to previous year will be reported initially by 30 June 2024, and continuously on an annual basis.

Table 1: Mandatory PAI Indicators

Indicators applicable to investments in investee companies					
Climate and other environment-related indicators					
Adverse Sustainability Indicator	Metric	Impact 2023	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	123104.8 tonne CO2e	123104.8 tonne CO2e	343618.8 tonne CO2e	<p>General Approach</p> <p>CWW AM is dedicated to upholding the objective of achieving net zero greenhouse gas emissions by 2050, aligning with Paris Agreement to limit global warming to 1.5 degrees Celsius.</p> <p>CWW AM is a signatory to Net Zero Asset Managers where the targets are composed of the following emissions milestones: 50% reduction of GHG emission in 2030 and with the aim of net zero GHG emissions by 2050, both relative to a 2019 baseline.</p> <p>These commitments are made with the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met, including increasing the ambition of their Nationally Determined Contributions, and in the context of CWW AM's legal duties to clients and unless otherwise prohibited by applicable law.</p> <p>Engagement</p> <p>In 2024, GHG emissions were one of the key engagement topics for the year. This topic continues to be a key engagement topic. CWW AM monitors GHG emissions of investee companies and engages with high emitters on a continuous basis in the Strategies.</p> <p>In addition, CWW AM collectively engages through Climate Action 100+. This investor-led initiative strives for the world's largest corporate greenhouse gas emitters to take necessary action on climate change.</p>
	Scope 2 GHG Emissions	49953.3 tonne CO2e	260466.81 tonne CO2e	<p>GHG emissions are calculated as the Scope 2 emissions in investee companies expressed in tons of carbon dioxide equivalent.</p> <p>Data coverage: Coverage 99.94% Estimated 14.38% Reported 85.62%</p>	
	Scope 3 GHG emissions	1394981.5 tonne CO2e	6441220 tonne CO2e	<p>GHG emissions are calculated as the Scope 3 emissions in investee companies expressed in tons of carbon dioxide</p>	

					equivalent. Data coverage: Coverage 99.92% Estimated 31.51% Reported 68.49%	<p>Proxy Voting CWW AM's voting policy supports proposals which are believed to benefit long-term sustainable returns to shareholders. CWW AM's key focus areas include but are not limited to minority shareholder items, remuneration structures, increased disclosure and transparency, and sustainability related topics.</p> <p>Specifically, for climate-related matters, CWW AM has been advocating for proposals to align with TCFD and implement the TCFD recommendations.</p> <p>Exclusions Investments are selected based on their alignment with the environmental or social characteristics the Strategies promote, following the binding investment strategy.</p> <p>As described in CWW AM's Sustainability Related-Disclosures, exclusion thresholds are applied to the investment universe, excluding companies significantly involved in activities with negative climate impacts. These activities specifically include operations related to oil & gas, thermal coal, oil sands, and shale energy. Please note that these exclusion thresholds are applicable to select Strategies only.</p>
		Total GHG emissions	1576666.2 tonne CO2e	7035817 tonne CO2e	<p>The reported impact for total GHG emissions for 2023 includes the sum of Scope 1, 2, and 3 GHG emissions expressed in tons of carbon dioxide equivalent.</p> <p>Data coverage: Coverage 99.79% Estimated 33.87% Reported 66.13%</p>	
	2. Carbon footprint	Carbon footprint	192.6 tonne CO2e / EUR M invested	381.35 tonne CO2e / EUR M invested	<p>Carbon footprint is calculated as the total GHG emissions, including Scope 1, 2, and 3, expressed as a ratio for all investments per million EUR invested.</p> <p>Data coverage: Coverage 99.79% Estimated 33.87% Reported 66.13%</p>	
	3. GHG intensity of investee companies	GHG intensity of	543.8 tonne CO2e / EUR M revenue	1233.86 tonne CO2e /	The reported impact includes Scope 1, 2, and 3 emissions for all investee companies. It is	

		investee companies		EUR M revenue	<p>expressed as GHG emissions in metric tonnes per million EUR revenue, with each weighted by the relative share of the respective investment in the overall portfolio.</p> <p>Data coverage: Coverage 99.79% Estimated 33.87% Reported 66.13%</p>	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2.90%	6.86%	<p>Exposure to companies active in the fossil fuel sector refers to those that derive any revenues from direct involvement in exploration, drilling, refining, and the upstream storage and transportation of fossil fuels. It also includes companies involved in downstream operations, such as retailing and the distribution of finished goods. Fossil fuels include crude oil, coal, natural gas, and heavy oils.</p> <p>Data coverage: Coverage 99.01%, Estimated 0%, Reported 100%</p>	

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources expressed as a percentage	Consumption: 69.4 % Production: 0.3 %	Consumption: 61.3 % Production: 0.49 %	Share of non-renewable energy consumption and production measures the ratio of non-renewable energy in relation to the total consumption or production of energy by investee companies. Data coverage consumption: Coverage 92.52% Estimated 2.9% Reported 97.1% Data coverage production: Coverage 100%, Estimated 0%, Reported 100%	
	6. Energy consumption intensity per high-impact climate sector	Energy consumption in GWh per million EUR revenue of investee companies, per high-impact climate sector	Total: 0.2 GWh / EUR M revenue Sector A: <0.01 GWh / EUR M revenue Sector B: <0.01 GWh / EUR M revenue	Total: 0.32 GWh / EUR M revenue Sector A: <0.01 GWh / EUR M revenue Sector B: <0.01 GWh / EUR M revenue	The impact is reported for the below high-impact climate sectors. The sectors correspond to NACE sections A through L. Total: Coverage 99.9% Estimated 22.97% Reported 77.03% Sector A: Agriculture, Forestry and Fishing	

			<p>Sector C: 0.12 GWh / EUR M revenue</p> <p>Sector D: 0.06 GWh / EUR M revenue</p> <p>Sector E: <0.01 GWh / EUR M revenue</p> <p>Sector F: <0.01 GWh / EUR M revenue</p> <p>Sector G: <0.01 GWh / EUR M revenue</p> <p>Sector H: <0.01 GWh / EUR M revenue</p> <p>Sector L: 0.01 GWh /</p>	<p>Sector C: 0.16 GWh / EUR M revenue</p> <p>Sector D: 0.17 GWh / EUR M revenue</p> <p>Sector E: <0.01 GWh / EUR M revenue</p> <p>Sector F: <0.01 GWh / EUR M revenue</p> <p>Sector G: <0.01 GWh / EUR M revenue</p> <p>Sector H: <0.01 GWh / EUR M revenue</p> <p>Sector L: 0.01 GWh /</p>	<p>Coverage 100% Estimated 0% Reported 100%</p> <p>Sector B: Mining and Quarrying Coverage 100% Estimated 33.33% Reported 66.67%</p> <p>Sector C: Manufacturing Coverage 99.96% Estimated 24.22% Reported 75.78%</p> <p>Sector D: Electricity, Gas, Steam and Air Conditioning Supply Coverage 100% Estimated 20% Reported 80%</p> <p>Sector E: Water supply; Sewerage, Waste Management and Remediation Activities Coverage 100% Estimated 50% Reported 50%</p> <p>Sector F: Construction Coverage 100% Estimated 25% Reported 75%</p> <p>Sector G: Wholesale and Retail</p>	
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			EUR M revenue	EUR M revenue	<div>Trade; Repair of Motor Vehicles and Motorcycles Coverage 99.39% Estimated 16.67% Reported 83.33%</div> <div>Sector H: Transportation and Storage Coverage 100% Estimated 0% Reported 100%</div> <div>Sector L: Real Estate Activities Coverage 100% Estimated 15.38% Reported 84.62%</div>	
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Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.94%	0.16%	<p>Activities negatively affecting biodiversity-sensitive areas are identified through PAI breaches by investee companies in biodiversity-sensitive areas. This is done by analyzing news sources using NLP models and targeted keywords linked to sensitive locations and activities. All flagged cases are reviewed by analysts to ensure accuracy and relevance.</p> <p>Data coverage: 99.05%</p>	<p>General Approach CWW AM is in the process of evaluating the effects that the Strategies have on biodiversity. For relevant sectors, biodiversity may be considered by individual portfolio managers.</p> <p>Engagement In 2025, biodiversity is one of CWW AM's key environmental engagement topics. Engagements focused on biodiversity include efforts to combat pollution, as well as proper land, sea, and air use.</p> <p>CWW AM engage with companies with material exposure to biodiversity-sensitive areas where relevant.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as the weighted average	0.01 tonne / EUR M invested	<0.01 tonne / EUR M invested	<p>Emissions to water are calculated by dividing the total tonnes of reported or estimated emissions to water. Substances include nitrates, phosphates, pesticides, and select specialty chemicals. It is expressed as tonnes of emissions per million EUR invested.</p> <p>Data coverage: Coverage 31.02%, Estimated 80%, Reported 20%</p>	<p>General Approach Due to the continuous evolution of this subject and current data limitations, CWW AM will continue to monitor and research the availability and quality of information related to water. As this evolves, CWW AM's approach will become more clear.</p>

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as the weighted average	5.53 tonne / EUR M invested	0.63 tonne / EUR M invested	<p>Reported and estimated data on hazardous and radioactive waste are included in the calculation based on relevant sectors such as nuclear energy and uranium mining. The indicator measures the total waste generated in tonnes per million EUR invested.</p> <p>Data coverage: Coverage 98.11%, Estimated 50.49%, Reported 49.51%</p>	<p>General Approach</p> <p>Due to the continuous evolution of this subject and current data limitations, CWW AM will continue to monitor and research the availability and quality of information related to hazardous and radioactive waste. As this evolves, CWW AM's approach will become more available.</p>
	Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Adverse Sustainability Indicator		Metric	Impact 2023	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD guidelines for multinational enterprises	6.30%	3.56%	Violations of principles identify potential breaches of UNGC and OECD-GME rules by analyzing news articles with NLP models from the Controversies module. The model maps 28 controversy metrics to relevant categories, and analysts review flagged cases to confirm actual violations. Confirmed breaches by subsidiaries are attributed to the parent company, ensuring data quality and regulatory alignment.	<p>General Approach</p> <p>CWW AM is a signatory to the United Nations Global Compact Principles. Moreover, CWW AM is guided by international standards such as United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to assess the behaviour of companies.</p> <p>Engagement/Exclusions</p> <p>For all Strategies, CWW AM continuously monitor, screen and analyse investee companies' alignment with UN Global Compact. CWW AM aims to continuously engage with the investee companies regarding material breaches of the UN Global Compact's ten principles and the OECD Guidelines for Multinational Enterprises and failures to manage such issues.</p> <p>Compliance screening with international norms and conventions serves as the basis for company engagements in the event of such breaches. The desired outcome is to eliminate and remediate any controversies or breaches of the conventions.</p>
					Data coverage: 99.05%	

	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD guidelines for multinational enterprise	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	2.30%	0.12%	<p>The lack of processes and compliance mechanisms is calculated as the share of investments in companies that lack processes and compliance mechanisms to monitor adherence to the UN Global Compact (UNGC) principles and the OECD Guidelines for Multinational Enterprises. It considers a company to lack such mechanisms if it does not meet any of the following: (1) a clear reference to the OECD-GME, (2) a clear reference to the UN Guiding Principles on Business and Human Rights indicating monitoring processes, or (3) a formal grievance mechanism for reporting misconduct or ethical concerns.</p> <p>Data coverage: Coverage 99.68%, Estimated 0%, Reported 100%</p>	<p>General Approach</p> <p>CWW AM upholds the human rights standards articulated in the OECD Guidelines for Multinational Enterprises (MNEs) and the United Nations Global Compact (UNGC). This commitment underscores CWW AM's dedication to ensuring that investee companies prioritize and safeguard human rights, implementing robust policies to ensure adherence and accountability.</p> <p>Engagement</p> <p>The key engagement focus is encouraging investee companies to establish policies to avoid repeated breaches of international norms.</p> <p>Proxy Voting</p> <p>CWW AM supports proposals that materially enhance the disclosure of business conduct and compliance.</p>
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	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	7.00%	7.98%	<p>The unadjusted gender pay gap is calculated as the weighted average of the pay gap percentages across investee companies, where the weight corresponds to each company's share in the portfolio. The gender pay gap is defined as the difference between the average pay for men and women, expressed as a percentage of men's pay.</p> <p>Data coverage: Coverage 52.58%, Estimated 0%, Reported 100%</p>	<p>General Approach</p> <p>Due to the continuous evolution of this subject and current data limitations, CWW AM will continue to monitor and research the availability and quality of information related to the unadjusted gender pay gap. As this evolves, CWW AM's approach will become more available.</p> <p>Proxy Voting</p> <p>When enhancing shareholder value, CWW AM supports the proposal on increased disclosure of gender inequality.</p>
	13. Board gender diversity	The average ratio of female to male board members in investee companies expressed as a percentage of all board members	30.80%	33.10%	<p>Board gender diversity is measured as the percentage of female board members in each investee company based on reported data. The indicator is calculated as a weighted average of these percentages.</p> <p>Data coverage: Coverage 99.84% Estimated 0% Reported 100%</p>	<p>General Approach</p> <p>Evaluating board gender diversity is an integral part of CWW AM's investment process.</p> <p>Engagement</p> <p>The decision to engage with an investee company on diversity and inclusion is based on a proportional consideration of several factors. These include the extent of ownership in the investee company, the significance of the issue, the reliability of data, the possibility of affecting the behaviour of investee companies, and the resources required to conduct engagement.</p> <p>Proxy Voting</p> <p>CWW AM generally supports proposals that encourage diversified board compositions.</p>

	14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	<p>Exposure to controversial weapons identifies companies involved in the manufacture or sale of controversial weapons, including anti-personnel mines, cluster munitions, chemical weapons, and biological weapons. The impact is calculated as the share of investments in investee companies with such exposure relative to the total value of investments.</p> <p>Data coverage: Coverage 99.01%, Estimated 0%, Reported 100%</p>	<p>Exclusions</p> <p>Exclusion of investee companies involved in the manufacturing or selling of controversial weapons is applied for all Strategies. Controversial weapons include anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, and white phosphorus.</p>
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Table 2: Table 2: Voluntary PAI Indicators

Additional climate and other environment-related indicators						
Climate and other environment-related indicators						
Adverse Sustainability Indicator		Metric	Impact 2023	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Indicators applicable to investments in investee companies						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investment in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	68.9%	50.55%	<p>Calculations are based on the share of investments in companies without carbon emission reduction initiatives aligned with the Paris Agreement relative to the total value of investments in the portfolio. Companies are identified based on the absence of credible commitments, including those aligned with the Science Based Targets initiative (SBTi) at 1.5°C or well below 2°C.</p> <p>Data coverage: Coverage 100%, Estimated 0%, Reported 100%</p>	<p>General Approach CWW AM is dedicated to upholding the objective of achieving net zero greenhouse gas emissions by 2050, aligning with the Paris Agreement to limit global warming to 1.5 degrees Celsius</p> <p>Engagement In 2024, CWW AM committed to climate targets as one of the key engagement topics for the year. This continues to be a key engagement topic. CWW AM monitors and engages with companies on a continuous basis regarding setting climate targets. Additionally, through CWW AM’s quarterly climate assessment, the percentage of CWW AM’s Strategies that include no target, non-ambitious targets, ambitious targets, committed Science-Based Targets (SBTs), and approved SBTs is tracked.</p> <p>Proxy Voting CWW AM’s voting policy supports proposals which are believed to benefit long-term sustainable returns to shareholders. CWW AM’s key focus areas include but are not limited to minority shareholder items, remuneration structures, increased disclosure and transparency, and sustainability related topics. Specifically, for climate-related matters, CWW AM has been advocating for proposals to support TCFD and implement the TCFD recommendations</p>

Table 3: Voluntary PAI Indicators

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Adverse Sustainability Indicator		Metric	Impact 2023	Impact 2024	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Indicators applicable to investments in investee companies						
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	2%	0.18%	<p>A company is considered to have effective anti-corruption and anti-bribery measures in place if it has a formal anti-corruption and/or anti-bribery policy, implements processes or management systems to prevent bribery and corruption in its operations and supply chain, provides anti-corruption and anti-bribery training to employees and contractors, and has obtained external accreditation for its anti-corruption and anti-bribery programs.</p> <p>Data coverage: Coverage 99.73% Estimated 0% Reported 100%</p>	<p>General Approach</p> <p>CWW AM is a signatory to the United Nations Global Compact Principles. CWW AM’s commitment to these principles means CWW AM expects investee companies to respect all ten principles in place including alignment with Principle 10 “Businesses should work against corruption in all its forms, including extortion and bribery”.</p> <p>CWW AM prioritizes investments in entities with robust anti-corruption and anti-robbery policies aligned with the United Nations Convention against Corruption to ensure ethical and transparent business practices.</p> <p>Engagement</p> <p>For all Strategies, CWW AM continuously monitor, screen and analyse investee companies' alignment with the UN Global Compact, UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. The key engagement focus is to encourage investee companies to set policies.</p> <p>Proxy Voting</p> <p>CWW AM supports proposals that significantly improve business conduct and compliance disclosure, promoting transparency and ethical standards across investee companies.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

CWW AM considers principal adverse impacts of its investment decisions on sustainability factors on an entity level and on the level of its Strategies cf. art. 4 and 7 of SFDR.

“Principal adverse impacts” (“PAI”) are defined as the most significant negative impacts of CWW AM’s 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 encompass mandatory and voluntary metrics 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 to the Strategies, and the availability of data of sufficient quality.

Identification and assessment of principal adverse impacts

CWW AM has developed a proprietary analysis tool, Long-Term Investments in Sustainable Assets (LISA), to identify and assess principal adverse impacts across all mandatory and voluntary PAI indicators CWW AM has chosen to consider. The analysis tool is based on data from the investee companies and third-party service providers.

CWW AM identifies 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 is potentially irreparable.

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

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 and commercial factors and sustainability risks.

Principal adverse impacts are integrated into CWW AM’s 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 CWW AM’s process for engagement and proxy voting is described in CWW AM’s Engagement and Proxy Voting Policy [\[link\]](#).

Associated margin of error within the methodologies

The effectiveness of CWW AM's methodology in identifying and evaluating PAIs relies on the quality of data provided by investee companies. In cases where investee companies lack sufficient data, CWW AM relies on third-party service providers, though they too have limitations.

Data sources

CWW AM's proprietary analysis tool, Long-Term Investments in Sustainable Assets (LISA), utilizes data from external sustainability data providers, company disclosures, and research conducted by CWW AM's Sustainability Specialist and Investment Team. The external data sources used to assess the principal adverse impacts may vary. The PAI Indicators are sourced via Bloomberg and are contingent upon companies' reports and disclosures. Additionally, CWW AM employs data from several providers for certain PAI indicators. CWW AM continues enhancing the sustainability initiatives and builds upon data utilized in previous endeavours.

Engagement policies

CWW AM has adopted an Engagement and Proxy voting Policy under Art. 3g of Directive (EU) 2017/828 (the "Shareholder Rights Directive"). The Policy applies to all CWW AM's Strategies. Some clients provide instructions on how to vote proxy on their behalf, so CWW AM's Engagement and Proxy Voting Policy will only partially apply to such clients.

CWW AM's engagement approach is distinguished by a dual strategy that combines direct engagement with collaborative efforts through partnerships with third-party specialists. Engagement is ongoing rather than sporadic, enabling CWW AM to deeply integrate with the investee companies on specific

sustainability issues alongside management. This proactive approach plays a crucial role in raising awareness within companies, fostering proactive rather than solely reactive responses.

In addition, CWW AM uses the leverage through the network of other investors via Sustainalytics' engagement services. This approach provides access to a proven process and to highly qualified specialists with a strong knowledge and network that can be leveraged in monitoring and follow-up with the investee companies on key sustainability issues, such as human rights, labour rights, and environmental issues. As CWW AM is a minority shareholder, Sustainalytics' ability to pool CWW AM's engagements and assets with other like-minded investors and shareholders amplifies CWW AM's influence and ability to encourage change.

PAI indicators are considered and may form the basis for shareholder engagement. In certain cases, CWW AM may experience that the engagement efforts do not result in the required progress or desired changes. In such cases, voting is an escalation method to indicate the direction CWW AM would like the investee company to go towards. If CWW AM encounters prolonged resistance, it may opt for divestment, which is, however, considered a last resort, as CWW AM's preference is to engage to initiate progress rather than exit the investee company.

After each reporting period, CWW AM assesses whether the principal adverse impacts have decreased, as indicated by PAI indicators. If progress is deemed insufficient, the engagement policies are adjusted accordingly. This includes revising CWW AM's choice of engagement themes and refining the escalation process.

References to international standards

UN Global Compact

(Table 1, PAI 10 & 11)

In 2021, CWW AM became a signatory to the UN Global Compact (“UNGC”), aligning the organisation's values with CWW AM's investment values. All CWW AM's investee companies are screened against international conventions, such as UNGC's ten principles, Human and Labour Rights conventions, and global norms, via Sustainalytics' screening tools. Screening is done before the initial investment, and quarterly during the investment period. This enables ongoing monitoring of the investee companies and oversight of their operations across various topics.

Net Zero Asset Managers

(Table 1, PAI 1-6 GHG Emissions)

Through the Net Zero Asset Managers Initiative, CWW AM supports the framework of the Paris Agreement and Net Zero GHG emissions by 2050. Where material, CWW AM is committed to measuring the physical and financial impact of climate change and integrating climate-related risks in the management of the Strategies. CWW AM uses several frameworks and data tools as input when assessing and engaging with companies on climate risk, alignment, and transition towards lower emissions. These include Climate Action 100+, CDP, and other company disclosure metrics. Moreover, CWW AM conducts quarterly climate analyses across Strategies. The climate analysis consists of carbon metrics, climate scenario alignment, net zero analysis, and physical climate risk analysis.

Forward-Looking Climate Scenario

Included in CWW AM's quarterly sustainability reports, forward-looking climate scenarios are included. CWW AM utilises data from ISS as a third-party provider for all climate data, which also entails scenario alignment analysis. The analysis compares the current and future portfolio GHG emissions with the carbon budgets for the IEA Sustainable Development Scenario designed in 2017 and regularly updated with the latest update in 2021. The analysis provides the portfolio's percentage of the assigned budget used by the portfolio and benchmark, which then shows whether CWW AM is undershooting or overshooting the stated carbon budgets by 2050.

Historical Comparison

A historical comparison of the period reported on with the previous reported period is included above.

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