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The background of the cover is a photograph of a rural landscape at sunset. Several wind turbines are silhouetted against a warm, golden sky. The foreground shows rolling hills with fields of golden wheat and some green bushes.

Sustainability Report

Norwegian Equities

Q4 2024



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

C WorldWide Norwegian Equities

Quarterly Comments

Ultra-Processed Food

As 2024 concludes, we review the year behind us and consider the main sustainability topics we came across and maybe to some extent topics that surprised us.

Despite some shake-up in commitment to international recognised initiatives, predominantly from some US institutions, the longer-term climate change and energy transition agendas, to varying degrees, are here to stay, now also accompanied by its emerging sibling biodiversity. Furthermore, social topics both within human capital and supply chain resilience remain material mainstays for most companies. One topic of continued focus remains the development of ultra-processed foods (UPF).

The definition of UPF is not entirely uniform, but the market tends to adhere to the academic definition that comes from the NOVA food classification system, which was developed by researchers at the University of São Paulo, Brazil and supported by the British Heart Association: UPFs typically have more than one ingredient that you never or rarely find in a kitchen. They also tend to include many additives and ingredients that are not typically used in home cooking, such as preservatives, emulsifiers, sweeteners, and artificial colours and flavours. These foods generally have a long shelf life.

During the last 18 months, there has been an increased coverage of UPF in media, especially since the European Society of Cardiology in August 2023 presented two studies highlighting meaningful increased risk of heart attack and strokes from diets high in sugar, salt, and fat, i.e. what you typically see in UPF. This also seems to have led to an increase in consumer awareness, highlighted by a doubling of UPF as a Google search term over the same period.

Attention to the health risks associated with UPF has also been increasing in the financial press as well as there has been increased mentioning of UPF in transcripts from corporates' earnings call.

This may be affected by the younger consumer generations such as Millennials and especially Generation Z having focus on a healthier lifestyle, tend to cook from scratch, and to some extent prefer natural foods, non-processed, or plant based as a Bernstein study from July 2024 shows.

In some regions, the rise of alternative protein supports certain dietary beliefs as it causes less harm to animals and the environment. The question remains on how it affects overall health when the additives required to obtain the desired look, taste and texture of meat include flavourings, colourings, emulsifiers, texture modifiers, gelling agents and binding agents?



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% Small Arms, assault weapons
- 5% Small Arms, small arms or key components to small arms
- 5% Adult Entertainment
- 5% Alcoholic Beverages
- 5% Gambling
- 5% Tobacco Products
- 5% Thermal Coal, thermal coal extraction
- 5% Thermal Coal, generation of electricity from thermal coal
- 5% Oil Sands
- 5% Shale Energy

In our annual commitment to engage with Master students at Copenhagen Business School (CBS) in Denmark, we provided this specific case to a group of students studying the minor Critical Cases in Sustainable Investments and for them to explore how our main investment strategies are exposed to the risks and opportunities within UPF.

The case work showed that key exposure is found in our portfolio companies within the consumer staples sector such as food and ingredients companies as well as retail and convenience stores. Furthermore, healthcare companies and to some extent insurance companies can be linked to the opportunities that lie within an increasing overweight population and resulting lifestyle diseases.

We believe that this is a relevant topic to engage on with the companies directly exposed to UPF. Our ambition is to better understand how these companies navigate in the space where shareholder returns are key but where stakeholder concerns on socially responsible actions also play a part in many investment decision making processes.

Portfolio Changes

There were no changes to the portfolio during the quarter.

Direct Engagements

There were no sustainability-related engagements this quarter; however, we remained actively engaged with companies on other matters.

Proxy Voting

Mowi ASA

The election of Ørjan Svanevik to the Board of Directors was opposed, against both management and Glass Lewis recommendations. The nominee is not independent, and the Board lacks sufficient independence. Additionally, the Board has failed to establish critical committees, such as an audit or compensation committee, which are essential for robust governance.

Frontline Plc

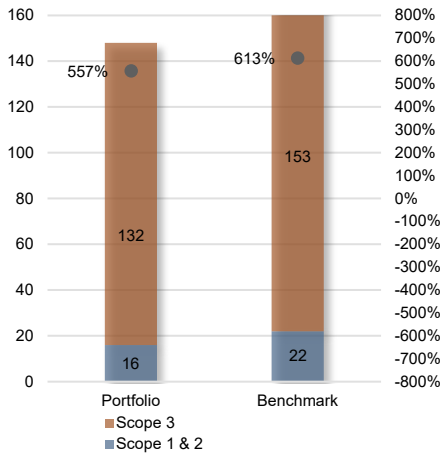
The remuneration report was opposed, aligning with Glass Lewis but against management recommendations. The grants under the long-term incentive plan are not sufficiently performance-based, and the minimum vesting period for awards is too short. Additionally, the plan lacks a meaningful link between compensation and environmental or social criteria, failing to incentivize executives to take actions that mitigate the company's climate impact.

A full list of all meetings voted is available upon request or can be retrieved directly from the C WorldWide website.

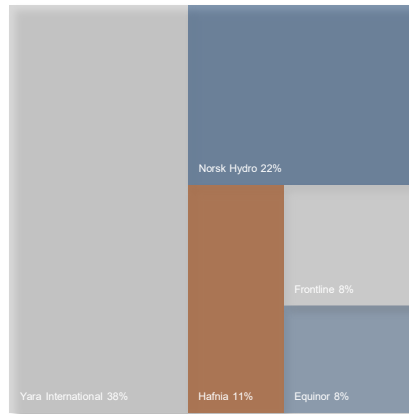
C WORLDWIDE NORWEGIAN EQUITIES

Sustainalytics Portfolio Risk Rating: Medium
 Benchmark: Oslo Børs Fondsindeks NOK

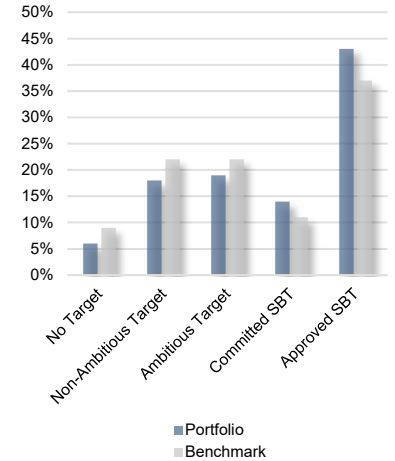
Emissions Exposure & SDS (tCO₂e)



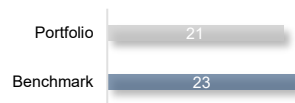
Top 5 Contributors to Portfolio Emissions



Climate Target Assessment



Carbon Intensity (tCO₂e/mill. USD revenue)

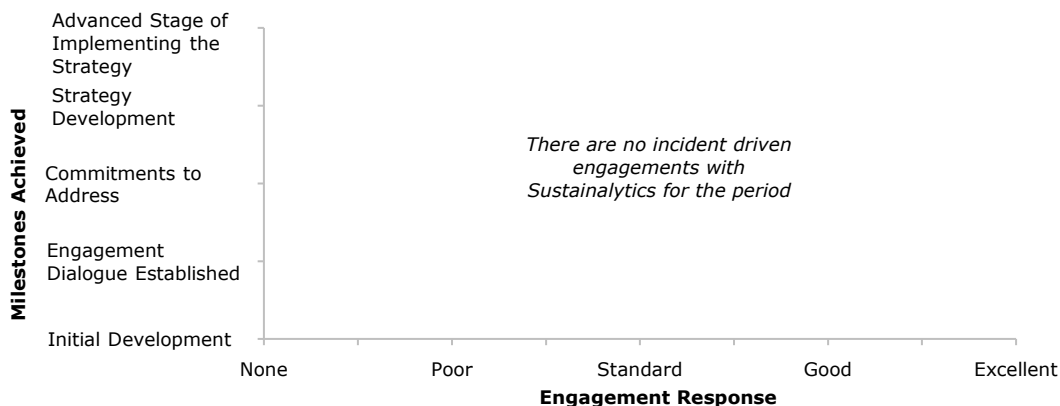


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

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 NOK. Portfolio as of 31st of December 2024

Collective Engagement



The graph to the left 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 December 2024

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Active Investments

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Our clients are primarily institutional investors and external distribution channels. Our product range includes discretionary asset management services and commingled fund products.

The combination of a unique investment philosophy based on careful stock picking and long-term global trends coupled with a stable team of experienced portfolio managers, has since 1986 resulted in world-class investment performance.

Please find more of our Sustainability Reports on cworldwide.com

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