



Statement on Principal Adverse Impact

Financial market participant: C WorldWide Fund Management S.A.
(Legal entity identifier: 549300POC291LLPIYSQ93)

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Summary

C WorldWide Fund Management S.A. (Legal Entity Identifier 549300POC291LPIYSQ93) (“CWW FM”) 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 FM.

We serve as the management company of certain UCITS funds (the “Funds”). The investment management of the sub-funds of the Funds (the “Sub-Funds”) has been delegated to our affiliate C WorldWide Asset Management Fondsmæglerselskab A/S (“CWW AM”). The consideration of principal adverse impacts will primarily be performed by CWW AM based on this statement on principal adverse impacts on sustainability factors (“PAI statement”). Supplementing this PAI statement, a separate statement on principal adverse impacts on sustainability factors has been prepared by CWW AM, including the Funds and other funds and discretionary mandates managed by CWW AM.

This PAI statement covers the reference period from 1 April to 31 December 2023. By 30 June of each year, starting from 30 June 2024, we will publish on our website our PAI statement including impact data for each of the principal impact indicators (“PAI indicators”) that we have chosen to consider.

We consider the mandatory PAI indicators applicable to investments in investee companies. In addition, we have 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 see the table column for reference as to where to find our actions, taken, planned, and targets set.

Climate and other environment-related indicators			
Adverse Sustainability Indicator		Table	Number
Greenhouse gas emissions	GHG emissions	1	1
	Carbon footprint	1	2
	GHG intensity of investee companies	1	3
	Exposure to companies active in the fossil fuel sector	1	4
	Share of non-renewable energy consumption and production	1	5
	Energy consumption intensity per high-impact climate sector	1	6
	Investments in companies without carbon emission reduction initiatives	2	4
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	1	7
Water	Emissions to water	1	8
Waste	Hazardous waste and radioactive waste ratio	1	9
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters			
Adverse Sustainability Indicator		Table	Number
Social and employee matters	Violations of UNGC principles and OECD guidelines for multinational enterprises	1	10
	Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD guidelines for multinational enterprise	1	11
	Unadjusted gender pay gap	1	12
	Board gender diversity	1	13
	Exposure to controversial weapons	1	14
Anti-corruption and anti-bribery	Lack of anti-corruption and anti-bribery policies	3	15



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 FM will consider the mandatory PAI indicators and two voluntary PAI indicators to identify and assess principal adverse impacts across all Funds. Information on the mandatory and voluntary PAI indicators and actions planned or targets set for the period from 1 April to 31 December 2023 to avoid or reduce the principal adverse impacts are included in tables 1 – 3 below. As we have 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 our investments measured by the PAI indicators will be published by 30 June 2024, and continuously on an annual basis. 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 by 30 June 2025, 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 (year n)	Impact (year n-1)	Explanation	Action taken, planned, and targets set
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	N/A	N/A	N/A	<p>General Approach We are committed to supporting the goal of net zero greenhouse gas 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 support investing aligned with net zero emissions by 2050 or sooner. CWW FM has committed to Net Zero Asset Managers where our 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. This will cover 100% of AuM of CWW AM, thereby, including all Sub-Funds. These commitments are made with the expectation that governments will follow through on their own commitments to</p>
		Scope 2 GHG Emissions	N/A	N/A	N/A	
		Scope 3 GHG emissions	N/A	N/A	N/A	
		Total GHG emissions	N/A	N/A	N/A	
	2. Carbon footprint	Carbon footprint	N/A	N/A	N/A	
3. GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	N/A		
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	N/A	N/A	N/A		

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	N/A	N/A	N/A	<p>ensure the objectives of the Paris Agreement are met, including increasing the ambition of their Nationally Determined Contributions, and in the context of our legal duties to clients and unless otherwise prohibited by applicable law.</p>
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	N/A	N/A	N/A	<p>Engagement In 2023, we have GHG emissions as one of the key engagement topics for the year. On a continuous basis, we monitor and engage with high emitters in our Funds.</p> <p>In addition, CWW AM collectively engage through Climate Action 100+. This initiative is an investor-led initiative to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change.</p> <p>Proxy Voting Our voting policy of CWW AM supports proposals which we believe will benefit long-term sustainable returns to shareholders. Our 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, we are supporting proposals to support TCFD and adapt the TCFD recommendations on climate-related financial disclosures.</p> <p>Exclusions As described in detail in our Sustainability Related-Disclosures we exclude investee companies with material activities with negative climate impacts in some of our</p>

						Funds. The negative climate impacts include activities within oil & gas, thermal coal, oil sands and shale energy.
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	N/A	N/A	N/A	<p>General Approach We are in the process of evaluating the effects our Sub-Funds have on biodiversity. For relevant sectors, biodiversity may be considered by individual portfolio managers.</p> <p>Engagement In 2023, we have <i>GHG emissions</i> and <i>Investments in investee companies without carbon emission reduction initiatives</i> as key engagement topics, which has a key impact on how we can combat climate change, including proper use of land, sea, and air. Where relevant, we engage with companies with material exposure to biodiversity-sensitive areas.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as the weighted average	N/A	N/A	N/A	<p>General Approach As the data on this subject is still lacking, we will continue to monitor and research data availability and quality related to emissions to water. As this evolves our approach will become more available.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee	N/A	N/A	N/A	<p>General Approach As the data on this subject is still lacking, we will continue to monitor and research data availability and quality related to hazardous waste and radioactive waste</p>

		companies per million EUR invested, expressed as the weighted average				ratio. As this evolves our approach will become more available.
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Adverse Sustainability Indicator		Metric	Impact (year n)	Impact Difference	Explanation	Action taken, planned, and targets set
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	N/A	N/A	N/A	<p>General Approach CWW AM is a signatory to the United Nations Global Compact Principles. Moreover, we are guided by international standards such as UN Global Compact Principles, United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for MNEs to assess the behaviour of companies.</p> <p>Engagement/Exclusions For all Sub-Funds, we exclude companies that the investment teams of CWW AM deem as non-compliant with UN Global Compact's ten principles at the time of investment.</p> <p>With respect to material breaches of UN Global Compact's ten principles and OECD Guidelines for Multinational Enterprises and failures to manage such issues, we aim to engage with the investee companies on a continuous basis.</p> <p>Screening of compliance with international norms and conventions serves as the basis for which companies are to be engaged in such breaches. The desired outcome is to eliminate and remediate any controversies or breaches of the conventions.</p>

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	N/A	N/A	N/A	<p>General Approach We support the human rights principles detailed in the Guiding Principles on Business and Human Rights, the OECD Guidelines for MNEs, and the eight fundamental ILO conventions. Our commitment to these principles means we expect investee companies to respect human rights and have policies in place to monitor compliance with the same.</p> <p>Engagement Key engagement focus is to encourage investee companies to set policies in place to avoid repeated breaches of such international norms.</p> <p>Proxy Voting We support proposals that materially enhance the disclosure of business conduct and compliance.</p>
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	N/A	N/A	<p>General Approach As the data on this subject is still lacking, we will continue to monitor and research data availability and quality related to the gender pay gap. As this evolves our approach will become more available.</p> <p>Proxy Voting When enhancing shareholder value, we support 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	N/A	N/A	N/A	<p>General Approach Assessment of board gender diversity is a component of the investment process.</p> <p>Engagement The decision to engage with an investee company on diversity and inclusion, is based on a proportionality consideration of several factors. This includes the size of the shareholding in the investee company, the importance of the matter, the reliability of data, the possibility of affecting the behaviour of investee companies, and the resources required to conduct engagement.</p> <p>Proxy Voting We support 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	N/A	N/A	N/A	<p>Exclusions Exclusion of investee companies involved in the manufacturing or selling of controversial weapons is applied for all Funds. Controversial weapons include anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons, and white phosphorus.</p>
Indicators applicable to investments in sovereigns and supranational						
	Adverse Sustainability Indicator	Metric	Impact (year n)	Impact Difference	Explanation	Action taken, planned, and targets set
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	N/A	N/A

Social	16- Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	N/A	N/A
Indicators applicable to investments in real estate assets						
Adverse Sustainability Indicator		Metric	Impact (year n)	Impact Difference	Explanation	Action taken, planned, and targets set
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A

Table 2: Voluntary PAI Indicators

Additional climate and other environment-related indicators		
Climate and other environment-related indicators		
Adverse Sustainability Indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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

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	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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



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

We consider principal adverse impacts of our investment decisions on sustainability factors on an entity level and on the level of our Sub-Funds cf. art. 4 and 7 of SFDR.

“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 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, its relevance for the Funds and the availability of data of sufficient quality.

We have chosen the same voluntary PAI indicators for all Sub-Funds 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 impacts are permanent or temporary.
- Whether the impact can be mitigated or are potentially irremediable.

The materiality assessment may differ between the different Funds based on their investment Funds. Principal adverse impacts are identified and assessed prior to the primary investment in an investee company and 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 and commercial 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 [\[link\]](#).

Associated margin of error within the methodologies

The quality of our methodology for identifying and assessing principal adverse impacts is dependent on quality data from the investee companies. Where quality data from the investee companies is not available, we rely on data from third-party service providers. Such data might not be completely accurate.

Data sources

Our PAI analysis tool applies data from external ESG data providers, company disclosure and research conducted by our Global ESG Specialist and portfolio managers. The external data used in the assessment of the principal adverse impacts vary. All the PAI Indicators are sourced via Bloomberg to the extent companies report and disclose. For some PAI indicators data from several data providers are applied. As we are developing our efforts within ESG, there are some data points we have been utilising in our previous work.



Engagement policies

We have adopted an Engagement and Proxy voting Policy under Art. 3g of Directive (EU) 2017/828 (the “Shareholder Rights Directive”). The Engagement and Proxy Voting Policy applies to all our Sub-Funds.

Our ESG engagement approach has an enhanced dual approach where we combine our own direct engagement with collaborative engagement through partnerships with third party specialists. Engagement is not only incident based – engagement is an on-going process of interaction with our holdings through, for example, specific ESG meetings held with relevant senior representatives. This is an excellent tool to broaden and deepen our work with our holdings on specific ESG questions with management. This is a very important part of the engagement process due to the awareness it creates in the companies and because its proactive, rather than solely reactive.

In addition to this, we use the leverage through our network of other investors via Sustainalytics’ engagement services. This approach gives us 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 ESG issues, such as human rights, labour rights and environmental issues. As we are

minority shareholders, Sustainalytics' ability to pool our engagement and assets with other like-minded investors and shareholders amplifies our influence and our ability to encourage change.

PAI indicators are considered and may form the basis for shareholder engagement. In certain cases, we may experience that our engagement efforts do not result in the required progress or changes that was the engagement objective. In such cases, voting is an escalation method to indicate to the investee company the direction, we would like to see. If we for a longer period of time continue to experience resistance from the investee company, we may decide to divest. However, divestment is seen as a last resort as we would rather engage with the objective to make progress than leave the investee company.

Following each reporting period, we will conduct a review of whether there is a reduction of the principal adverse impacts as measured by the PAI indicators. If there is insufficient progress, we will adapt our engagement policies as described above, including in terms of the selection of engagement themes and our escalation process.

Please find our full Engagement and Proxy Voting policy [here](#).



References to international standards

UN Global Compact

(Table 1, PAI 10 & 11)

In 2021, CWW AM became signatories to the UN Global Compact (“UNGC”) also aligning values of our organization with our investment values. All our 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 initial investment and regularly, at least monthly during the investment period. This enables us to monitor the investee companies and navigate their operations on several 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. Although we are yet to set our specific targets to reach the 2050 Commitment, CWW AM is working towards an abatement plan in line with the Science Based Targets methodology, meaning a 50% reduction of GHG emissions by 2030 (from a 2019 base year) and net

zero by 2050. Where material, we are committed to measuring the physical and financial impact of climate change and integrating climate-related risks in the management of the Sub-Funds. We use several frameworks and data tools as input when assessing and engaging with companies on climate risk, alignment, and transition toward Net Zero 2050. These include Climate Action 100+ Net Zero Company Benchmark, CDP, and other company disclosure metrics, as well as the Transition Pathway Initiative. Moreover, we conduct quarterly climate analysis across Funds. The climate analysis consists of carbon metrics, climate scenario alignment, net zero analysis, transition climate risk analysis, and physical climate risk analysis. We will incorporate these into our proprietary PAI analysis tool to ensure that we are able to engage on matters such as reaching net zero.

Forward-Looking Climate Scenario

Included in the abovementioned quarterly ESG reports, we incorporate forward-looking climate scenarios. We utilise ISS Data Desk as our 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. The analysis gives us the portfolio's percentage of the assigned budget used by the portfolio and benchmark, which then shows whether we are undershooting or overshooting the stated carbon budgets by 2050.

Historical Comparison

A historical comparison will be available in 2025.