ValueInvest
Danmark

ESG Report 2024

Content

The Nordic Swan Ecolabel[1]

The Nordic Swan Ecolabel is an environmental labelling scheme certifying that a product or service complies with the requirements for the label.

The Nordic Swan Ecolabel was established in 1989 by The Nordic Council of Ministers as a voluntary ecolabelling scheme for the Nordic countries Denmark, Finland, Iceland, Norway and Sweden. Today, it is the official ecolabel of the Nordic countries, supported by all Nordic governments and the most recognised environmental label in the region.

The goal is to enable consumers and professional buyers to choose the environmentally best goods and services by giving an effective tool to help companies develop more sustainable products and services.

Funds labelled by the Nordic Swan Ecolabel must fulfil requirements within four different sustainability strategies.

- Exclude the worst companies and industries within coal, oil, gas, nuclear, tobacco, weapons, and non-compliance with international norms.
- Include more sustainable companies, by rewarding companies with strong sustainability work seen from a ESG and EU Taxonomy perspective. The criteria also have a special focus on sectors with high GHG emissions and / or high risk of biodiversity impact.
- Exercise active ownership, by engaging with companies where there is uncertainty as to whether they live up to international norms if the company is not sold.
- Publish all holdings in the portfolio and publish an annual sustainability report.

In addition, the fund shall collect points by showing a strong green inclusion or a strong active ownership.

Investeringsforeningen ValueInvest Danmark was first labelled in 2020. The Fund reapplied to the revised criteria in 2022 with the current license expiring in January 2026.

This report covers 2024 and contains information about ESG-motivated activities relating to the holdings of the Nordic Swan Ecolabelled funds ValueInvest Danmark Global and ValueInvest Danmark Global Akkumulerende.

NORDIC SWAN ECOLABEL

Investment fund

[1] nordic-swan-ecolabel.org

Exclusions

The exclusion criteria of the Fund are either product-based or conduct-based, as described below.

The Investment Advisor will seek to identify companies that do not meet the Fund's criteria and will use all reasonable efforts to ensure that Fund does not invest in the following types of company:

- tobacco companies (being any company that derives any revenue from the production of tobacco products) and companies which themselves or through entities they control derive 5% or more of their revenue from the distribution of tobacco and tobacco products;
- companies involved in the production and/or distribution of controversial weapons, including anti-personal mines, cluster munitions, nuclear weapons, chemical weapons and biological weapons (being any company where publicly available information clearly demonstrates that such company is actively and knowingly involved in the production of such weapons);
- companies who, themselves or through entities they control, derive more than 5% of revenue from extracting thermal coal, natural gas, crude oil, uranium, and/or refines thermal coal, natural gas, crude oil, or uranium for fuel or with revenue of more than 30% from the distribution of coal;
- energy companies who, themselves or through entities they control, generate power (more than 5%) from fossil fuels such as natural gas, fossil oil and/or uranium; and
- companies who themselves or through entities they control derive 5% or more of their revenue from the production or sale of conventional weapons (including small arms and light weapons as well as bombs, shells, rockets, missiles, warships, military aircraft and tanks);
- companies involved in serious violation of human rights, severe environmental damage, gross corruption, serious violation of individuals' rights in situations of war or conflict, as well as other particularly serious violations of fundamental ethical norms, as determined by the Investment Manager.

Exclusion process

As part of the fundamental analysis of any potential portfolio company, the Investment Advisor ("Advisor") identifies whether a company is involved in activities that warrant exclusion or if any conduct implies a breach of the conduct-based exclusion criteria.

Exclusion criteria that relate to sub-industries, like tobacco, are automatically excluded in the Advisor's portfolio monitoring and management system. In addition, the Advisor utilises Sustainalytics' product involvement research to identify product involvement, which assists in identifying portfolio companies' exposure to excluded activities.

Exclusion based on conduct takes place by monitoring sectors and companies and is conducted by utilising third-party data and additional in-house research. While product-based exclusion generally applies to sectors and sub-industries, conduct-based exclusion typically applies to individual companies.

By utilising third-party research as well as in-house research, the Advisor seeks to verify that no portfolio company breaches the exclusion criteria of the Fund.

As the Fund invests with the intention of promoting the principles of the UN Global Compact, part of the quarterly monitoring of companies and annual reporting under the SFDR includes an assessment of the companies' adherence to the UNGC, International Labour Organization's core principles, the UN Guiding Principles on Business and Human Rights, as well as environmental damage and gross corruption.

At year-end 2024, 100% of the Fund's portfolio companies were compliant with international norms, conventions, and sanctions, according to the Advisor's ESG data providers.

According to data provided by Sustainalytics' Global Standards Screening Assessment, at year-end 2024, every portfolio company was compliant with the principles of the UNGC, with one company on the Watchlist, meaning the company is implicated in a controversy case relating to a principle of the UNGC that is assessed as serious and warrants ongoing monitoring but, based on information available to date, the controversy does not constitute a breach of the global norms.

According to MSCI ESG, at year-end, 3 portfolio companies have Watchlist status. According to MSCI ESG, Watchlist status means that the companies are implicated in one or more controversy cases relating to a principle of the UNGC, that are serious and warrant ongoing monitoring but, based on information available to date, such controversies do not constitute a breach of the global norms.

The Advisor monitors controversies and other issues flagged for portfolio companies and will continue to monitor companies that have Watchlist status, as well as any other portfolio company, to ensure ongoing compliance with the UNGC and other exclusion-related principles.

Strong sustainability practices

As part of the fundamental ESG analysis, the Advisor applies a proprietary ESG score. The ESG profile of a company determines the ESG score. The score is measured on a scale from 1-5.

According to the Fund, a portfolio company with an ESG score ≥ 3, combined with a carbon reduction target that is approved by the science-based target initiative (SBTi), is considered as demonstrating strong sustainability practices.

When assessing the ESG profile of a company, the Advisor considers the following:

- Opportunities, impact, products
- SASB Materiality
- ESG key indicators
- Controversies
- Good Governance indicators
- UNGC principles

At year-end 2024, 90.5% of ValueInvest Global and 92.7% of ValueInvest Global Akkumulerende, measured in value, consisted of companies identified as demonstrating strong sustainability practices[2].

[2] Strong sustainability practices determined as an ESG score ≥3 combined with a carbon reduction target that is approved by the Science-Based Target initiative.

ESG risks and opportunities

ESG risk analysis is a fundamental component of the investment process and in making investment recommendations. The Advisor's investment team has access to a variety of ESG-related analytical tools and resources to assist them to identify, measure, and track material ESG factors associated with portfolio companies and to integrate these considerations into their investment recommendations.

When managing ESG risks, the Advisor's approach is materiality-based. Emphasis is placed on those risks that are considered most important and meaningful to each portfolio company and its employees and the industry, jurisdiction, and community in which it operates. The investment team utilises the Sustainability Accounting Standards Board ("SASB")'s standards as a reference to identify financially-material sustainability risks.

Further, to identify any ESG opportunities relating to sustainability impact, the investment team utilises the Investment Advisor's proprietary SDG database which aims to identify companies materially aligned with the UN's Sustainable Development Goals (SDGs). Aligned companies are identified through proprietary screens and fundamental research that focus on the company's products, services as well as their sustainability practices.

In the fundamental research, the investment team also identifies any ESG opportunity relating to business opportunities stemming from sustainable products, services, or practices that may provide a business opportunity for the company.

Below, the identified ESG risks (referencing SASB standards), ESG opportunities, and the sustainability impact of the 10 largest portfolio companies for ValueInvest Global and ValueInvest Global Akkumulerende are presented.

In this report, the ESG risks and opportunities were identified by utilising publicly available sources like SASB and company disclosures and does not include internal research conducted by the Advisor. The risks and opportunities identified are intended as general information and not to be equated with investment advice.

The opportunities and sustainability impact presented below may relate to revenue-generating opportunities as well as sustainability related opportunities and impact.

Visa
ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.visa.com/

ESG risks: Energy management, customer privacy, data security, employee engagement, diversity & inclusion, competitive behaviour, systematic risk management.

ESG opportunities: Visa is taking action to foster sustainable commerce by enabling more sustainable choices for individuals and businesses in an effort to accelerate the transition from a linear to a circular economy. A focus on circularity goes further than just carbon cutting - it creates an opportunity to build a thriving economy based on three principles: eliminate waste and pollution, circulate products and materials and regenerate nature. These principles have the power to tackle global challenges, including to mitigate climate change and biodiversity loss, create jobs, regenerate cities, towns and communities, and build resilience and prosperity[3].

[3] VISA 2023 CR&S Report p. 59

Sustainability impact: Visa Foundation advances financial inclusion by providing small and micro business owners with holistic solutions. In 2024, Visa Foundation published its first Impact Report, detailing collective impact since 2017. For comprehensive information on Visa Foundation, please refer to the Impact Report.

SAP

ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.sap.com/

ESG risks: Energy management, customer privacy, data security, employee engagement, diversity & inclusion, competitive behaviour, systemic risk management.

ESG opportunities: On the product side, SAP has developed supply chain management software that connects smallholder farmers to the agricultural value chain. SAP Rural Sourcing Management solution links smallholder farmers digitally to the agriculture value chain through a suite if mobile business applications running on the SAP Cloud Platform that supports inclusive agriculture chains[4].

Furthermore, SAP provides sustainability solutions, including sustainability and ESG reporting solutions, climate change solutions, circular economy solutions, and social responsibility solutions[5].

Sustainability impact: According to the company, SAPs sustainability strategy is built on the aim to create positive economic, environmental, and social impact within the planetary boundaries by using two key levers:

- SAP as enabler: SAP strives to provide products and services that support customers in meeting their sustainability challenges and in capitalizing on the related opportunities.
- SAP as exemplar: To live up to its corporate responsibility and to build resilience, SAP strives toward leading by example in SAP's business operations and practices by running its operations more sustainably.

SAP leverages its dual approach in pursuit of a world with zero emissions, zero waste, and zero inequality[6].

The results from the company's 2024 double materially assessment (DMA) are disclosed in the 2024 Integrated Report[7]. Below is a snapshot of some of the material topics identified:

- Climate change mitigation (environmental)
    - Positive impact: SAP sustainability solutions will help customers to reduce/eliminate their GHG emissions.
    - Negative impact: Contribution to global warming/climate crisis through the emission of greenhouse gases in connection with the use of energy (e.g. heating/cooling, operation of office facilities);
      Contribution to global warming/climate crisis through the emission of greenhouse gases in connection with the use of energy in connection for the operating SAPs software (e.g. hyperscale, operation of data centers);
      Business travel, corporate jets, and a large, global car fleet, in which the majority are diesel- or gasoline-fuelled, generate greenhouse gas emissions, fumes, and noise.

[4] SAP Rural Sourcing Management
[5] SAP Sustainability solutions
[6] SAP 2024 Integrated Report p. 122
[7] SAP 2024 Integrated Report p. 130

- Diversity (social)
    - Positive impact: Improve employee performance through job satisfaction, motivation, and productivity as a result of diversity and inclusion programs and networks.
    - Negative impact: Psychological harassment (such as bullying, retaliation) can lead to mental and physical health issues, for example, and create a hostile work environment.
- Privacy (governance)
    - Positive impact: Increase customer trust through timely and transparent communication of responsible actions regarding security, privacy and compliance; Compliance with a new or competing attestation, certification or assessment would enable customers to reach markets previously unattainable on their own and transfer some of the costs and responsibility to SAP for their care as a service provider, thereby improving its reputation.
    - Negative impact: If a significant security event or incident were to occur, customers' or suppliers' rights to data protection may be affected and their data lost, therefore exposing SAP to liability and reputational harm.

Ahold Delhaize
ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.aholddelhaize.com/

ESG risks: GHG emissions, energy management, waste & hazardous materials management, data security, product quality & safety, customer welfare, selling practices & product labelling, labour practices, supply chain management.

ESG opportunities: In the company's 2024 Annual Report, Ahold Delhaize presents its renewed purpose, vision, and strategy, emphasizing the transition towards a sustainable food system. The company highlights how its commitment to healthy communities and the planet is central to building long-term business resilience. This strategy ensures future growth, customer trust, and sustained value creation across its operations and supply chain.

'While the environment in which we operate continues to evolve, our commitment to healthy communities & planet remains unchanged. It is central to building long term business resilience – and a strategic necessity to ensure future growth, customer trust and sustained value creation across our operations and supply chain. Our refreshed strategy strengthens our commitment to leading the transition towards a healthy and sustainable food system as a driver of competitive advantage. We do this by building resilience in our value chain, providing customers with healthy and affordable food, and partnering with others to drive sustainable business practices, such as reducing food waste and lowering our energy consumption. Accelerating decarbonization, protecting nature and scaling circular solutions so packaging and food waste become a resource can only be achieved through innovation, sustained investments and a new way of working – one built on collaboration and collective transformation. Long-term resilience depends on it[8].'

One of Ahold Delhaize's strategic priorities is driving customer innovation. According to Ahold Delhaize, 'we maintain and invest in innovation and technology, to enable our brands to serve customers better every day. These investments boost our omnichannel offerings and drive our sustainability transformation, making a structural and long-term impact that also helps us to remain competitive.

[8] Ahold Delhaize 2024 Annual Report p. 17

Innovation can also unlock new opportunities to drive revenue and improve efficiency. Complementary businesses provide a much-welcomed opportunity to develop additional revenue streams at higher margins than the traditional grocery business[9].'

An example hereof is the investment in AI and how it supports Ahold Delhaize's commitment to reduce food waste by 50% by 2030. The brand Albert Heijn uses AI to improve customer demand forecasting, ensuring shelves are stocked while food isn't wasted[10].

Sustainability impact: Ahold Delhaize's 2024 materiality assessment is based on the double materiality principle, considering both impact materiality and financial materiality in line with European Sustainability Reporting Standards requirements[11].

Material sustainability matters which have been identified as having a negative impact on people and the environment include but are not limited to:

- climate change mitigation and energy use
- pollution of air, soil, water, living organisms and food resources
- microplastics
- water consumption and withdrawal
- extraction and use of marine resources
- packaging

On the other hand, the below material sustainability matters which have been identified as having a positive impact on people and the environment include:

- access to affordable, healthy products
- customers' health and nutrition
- gender equality
- diversity
- social dialogue
- adequate wages

Diageo
ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.diageo.com/

ESG risks: Energy management, water & wastewater management, selling practices & product labelling, product design & lifecycle management, supply chain management, materials sourcing & efficiency.

ESG opportunities: Diageo Sustainable Solutions. Diageo invests in new technologies and partners with start-ups, innovators, suppliers, and customers to enhance sustainability and innovative partnerships in order to help create a truly circular economy[12].

According to Diageo, the most important sustainability opportunities include[13]:

- Supply chain decarbonisation: Reducing Scope 1, 2 and 3 emissions lower Diageo's exposure to carbon taxes and related costs, and improves its reputation with customers and consumers

[9] Ahold Delhaize 2024 Annual Report p. 30
[10] Ibid.
[11] Ahold Delhaize 2024 Annual Report p. 93
[12] diageo.com
[13] 2024 Annual Report p.66

- Innovation in sustainable products and packaging: Developing more sustainable products meets consumers increasing demands.

Sustainability impact: In its "Society 2030: Spirit of Progress", Diageo addresses the most material issues facing the company, people, brands, suppliers, and communities. It has three priorities at its heart which are topics where Diageo has an impact and that impact Diageo as a business.

- to promote positive drinking
- champion inclusion and diversity, and
- pioneer grain-to-glass sustainability – which relates to preserving water, accelerating to a low-carbon world, and becoming sustainable by design[14].

Securitas

ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.securitas.com/

ESG risks: Data security, employee engagement, diversity & inclusion, business ethics.

ESG opportunities: According to Securitas[15], retailers are leveraging security technology to streamline operations, drive sustainability, prevent disruptions, and more across their physical footprint.

Security has always been core to a retailer's operations, especially when it comes to loss prevention. But increasingly, retailers are leveraging security technology to do much more than safeguard against theft.

With the rise of cloud solutions, advanced sensors, and data analytics, retailers are looking to their security infrastructure – and the insights it contains – to help streamline operations, drive sustainability, and proactively prevent disruptions, among other benefits.

Solutions offered by Securitas include:

- Driving energy savings and sustainability: integrating thermostats with security systems to consolidate system management, data, and insights. Just as smart home devices allow users to set "scenes" – or presets – so do these security platforms, enabling retailers to automate multiple actions with a single command or button.
  For instance, when an employee is closing a store, instead of manually checking and setting each alarm and thermostat, they can simply activate a store close scene, automating all these tasks in one step.
  This is an especially convenient and easy way to drive energy efficiencies.
- Preserving products and preventing spoilage: By integrating environmental monitoring solutions – such as temperature sensors and water management devices (more on that later) — with their security systems, retailers can take a more comprehensive approach to risk management.
  Doing so allows them to monitor, manage, and respond to potential issues in real time, reducing potential downtime and helping to ensure business continuity.
  This is particularly critical in industries where inventory conditions directly impact revenue and safety. For grocers and food service providers, temperature fluctuations can mean the difference between fresh inventory and significant disruptions.
  But retailers can protect their inventory from spoilage by leveraging temperature sensors, which detect temperature changes before they lead to product waste. For instance, if a

[14] diageo.com
[15] Securitas.com

freezer or refrigerator fails, the retailer will receive an alert, allowing them to step in and fix the issue before any product is lost.
- Detecting water leaks before they cause damage: With water management devices and sensors integrated directly into a security platform, retailers can monitor water usage patterns and receive alerts when anomalies occur. For instance, a retailer may notice an unexpected spike in water usage overnight when no employees are on-site, indicating a possible leak. Or if a toilet is running continuously, the system can automatically shut off the water to prevent excessive waste.

Sustainability impact: In 2021, Securitas received an AAA (Prime) rating from the Upright Project's net impact method. This rating evaluates the positive and negative impacts of a company's core business on the world, highlighting the value created and the resources used. The 2023 analysis is based on Securitas' business activities and covers the entire value chain of those products and services. With a net impact ratio of 70 percent, Securitas has a highly positive net impact[16].

Main negative impacts include scarce human capital, GHG emissions, non-GHG emissions, and biodiversity. Main positive impact includes:

- Society: *Our most significant positive impacts are those we have on society. Through our expertise, dedicated professionals, and use of modern technology, we help secure workplaces, infrastructure, and communities, ensuring the safety of people around the world. We are a reliable employer to 341 000 people and also create many new jobs.*
- Taxes: *Securitas contributes taxes to public funds in the countries where we operate. Securitas' services have positive impact on people's lives by reducing stress and risk in, for example, workplaces, airports, and schools, which can help increase overall wellbeing. Making people feel safe and secure has a highly positive impact on people's health.*
- Environment*: In terms of our environmental impact, it is relatively small on a global scale, but we still constantly try to reduce it. In 2023, our environmental targets were validated by the Science Based Targets initiative. Direct emissions mainly come from the use of vehicles in our operations.*

Amadeus IT Group
ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.amadeus.com/

ESG risks: Energy management, customer privacy, data security, employee engagement, diversity & inclusion, competitive behaviour, systematic risk management.

ESG opportunities: Amadeus has invested in CAPHENIA, a future producer of synthesis gas, the feedstock of sustainable aviation fuel (SAF), which is considered one of the key drivers of sustainable aviation[17].

Sustainability impact: According to Amadeus' 2023 materiality analysis, the most relevant ESG issues for Amadeus from both dimensions (impact and financial materiality) are climate change, travel industry development through Amadeus' IT solutions, and R&D management. These are followed by other material issues such as cybersecurity and data privacy and customer management, with a higher score on the financial materiality dimension, and employment and professional development, diversity and inclusion, and ethics and integrity, which are more prominent on the impact materiality.

[16] 2023 Annual Report p. 26
[17] 2023 Global Report p. 6

According to Amadeus, travel can be a force for good. It can create jobs, support communities, broaden horizons, encourage cultural understanding and unite people.

At Amadeus, we want to increase the positive impact of travel and tourism on society by enabling a more inclusive industry. With our technology, people and global network, there's great potential to drive social impact in collaboration with our stakeholders. We partner with our people, our customers, nonprofit organizations, educational institutions and other industry players to multiply Amadeus' positive impact on people[18].

LVMH

ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.lvmh.com/

ESG risks: Product quality & safety, supply chain management, materials sourcing & efficiency.

ESG opportunities: In its 2023 CDP Climate report[19], LVMH reports that its environmental strategy, LIFE360, has the two following key objectives:

- 100% of unsold products reused, repurposed or recycled by 2030
- 10% (by weight) recycled raw materials in Fashion and Leather Goods products by 2030

These objectives impact the Fashion & Leather Goods business group which represents about 49% of the Group 79b€ revenue. The textiles are mainly purchased in France and Italy, the birthplaces of most of the Group Luxury brands. The opportunity consists in decreasing the global price of sourcing natural fibers fabrics thanks to the introduction of recycled fibers coming from textile production scraps, unsolds, and fabric rolls deadstocks in closed loop. The opportunity has been calculated from 2023 to 2030 considering the target of reaching 10% (by weight) recycled raw materials in Fashion and Leather Goods products by 2030.

Sustainability impact: In 2023, LVMH began carrying out a double materiality analysis of climate-related impacts, risks and opportunities for the Group to refine the identification of key environmental challenges. The main environmental impacts and risks identified at the Group level relate to the following topics: 1. Risks related to climate change; 2. Impact on water resources; 3. Impact on biodiversity and ecosystems (including deforestation and desertification risks as well as dependency on healthy ecosystems); 4. Depletion of natural resources (including waste production and circularity issues); 5. Soil and water pollution. The policies implemented, the actions taken and their results are set out in the Universal Registration Document[20].

LVMH aims to extend its positive social impact beyond the scope of its own operations and its value chain. To this end, the Group and its Maisons focus on initiatives in three areas: local involvement, supporting humanitarian and social causes, and corporate philanthropy in support of culture and creativity. Maisons pursue their own initiatives according to their specific priorities and operating environments, while the Group coordinates and provides overall leadership. LVMH and its Maisons help support professional integration for people who have been marginalized on the job market and people with disabilities. They steadfastly support a number of humanitarian causes, working closely with organizations on a local and international level. Lastly, LVMH and its Maisons remain committed to corporate philanthropy initiatives, as it believes in the cultural and social impact of democratizing access to heritage, art and fashion and with the goal of nurturing

[18] Driving social impact
[19] Available with login on cdp.net
[20] Universal Registration Document

future talent. In doing so, they pay attention to promoting equal opportunity in favour of young people and supporting those from disadvantaged backgrounds[21].

Nestlé

ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.nestle.com/

ESG risks: Energy management, water & waste-water management, product quality & safety, customer welfare, selling practices & product labelling, product design & lifecycle management, supply chain management, and materials sourcing & efficiency.

ESG opportunities: Nestlé's success is dependent on its product portfolio consistently providing value and relevance to consumers. Innovation and speed to market are crucial factors, as failing to meet consumer expectations could lead to lower trust and missed growth opportunities. In addition, guiding people toward balanced consumption with transparent information and services is a key opportunity to gain consumer trust and grow sales of more nutritious products[22].

Overall, the Nestlé *Good for You* strategy represents a strong opportunity for Nestlé to create value for its consumers by addressing their key nutritional needs and aspirations, while creating value for its stakeholders including investors through improved trust and portfolio expansion[23].

Nestlé has developed a specific business model called 'Popularly Positioned Products' (PPPs) which focuses on the specific needs of around three billion lower-income consumers worldwide. PPPs offer these consumers the opportunity to consume high-quality food products that provide nutritional value at an affordable cost and appropriate format. By leveraging Nestlé's global footprint and expertise along the value chain, including its global R&D network and expertise, it ensures continuous innovation across a range of nutritious and affordable foods. Nestlé has grown to be the world's biggest food and beverage PPP Company in both the developed and emerging economies. Nestlé's current PPPs spread from culinary products to beverages, to dairy and confectionery: with 4000+ products overall, sold under a number of major global brands including Maggi, Nido and Nescafé[24].

Sustainability impact: According to Nestlé, the company's strategic framework is deeply intertwined with its impact management approach. Nestlé's business model is designed to integrate sustainability at its core, ensuring that every strategic decision considers the potential impacts on society, the environment and Nestlé. This integration is achieved through a systematic process where potential impacts are identified, assessed and managed in alignment with Nestlé's long-term goals.

By embedding impact analysis into its strategy, Nestlé endeavours to contribute positively to global sustainable development goals while addressing negative consequences. This proactive approach not only enhances Nestlé's resilience and adaptability but also reinforces its commitment to creating shared value, according to Nestlé. Nestlé leverages its extensive supply chain network and diverse portfolio to drive positive changes, ensuring that its business practices support sustainable development and ethical stewardship[25].

As part of the 2024 double materiality assessment, Nestlé identified 39 material impacts and risks falling under the topics of climate change, pollution, water, biodiversity, resource use, own

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[21] Universal Registration Document p. 140
[22] 2024 Non-Financial Statement p. 88
[23] 2024 Non-Financial Statement p. 89
[24] 2024 Non-Financial Statement p. 184
[25] 2024 Non-Financial Statement p. 11-12

workforce, workers in the value chain, affected communities, consumers and end-users, and governance.

Example

Sustainability matter	Identified risk and /or opportunity	Description of negative impact
Land-use, fresh water-use and sea-use change	Deforestation	Agricultural activities can be a key driver of land-use change, and can contribute to deforestation, leading to negative impacts on forest ecosystems and the ensuing decline in biodiversity. For Nestlé: Supply disruptions, regulatory action including fines, litigation and impacts on reputation.

According to Nestlé, *Nestlé Community Giving* is a crucial component of Nestlé's commitment to making a positive impact on society, as Nestlé has engaged in giving programs since its inception over 155 years ago. Focusing on areas where employees live and work, Nestlé's community giving activities bring its corporate purpose to life by actively supporting partners and communities around the world. These acts of giving fall into Nestlé's pillars: disaster relief, food access, community life and employee giving. In 2024, total community giving investment amounted to CHF 152,322,000[26].

Unilever
ValueInvest Global and ValueInvest Global Akkumulerende

Web: https://www.unilever.com/

ESG risks: Water & wastewater management, product quality & safety, product design & lifecycle management, supply chain management.

ESG opportunities: according to Unilever, the global food system *should be giving everyone access to quality nutrition, with plenty of plant-based choices. It should be serving consumers, and producers, fairly. And it should be cutting waste, and promoting sustainable agriculture.*

It isn't doing that – yet. But we want to lead the way[27].

Under its Future Foods Ambition, Unilever's aim is that by 2025, 54% of its products will deliver positive nutrition, versus 27% in 2020, defined as products containing impactful amounts of vegetables, fruits, proteins, or micronutrients like vitamins, zinc, iron and iodine[28]. 52% of products sold in 2024 delivered positive nutrition[29].

In the 2024 Annual Report, Unilever has identified 'Product innovation as a response to changing demand' as an opportunity:

Consumers are becoming more aware of sustainability issues and there is a growing demand for sustainable products that do not compromise on performance or affordability. Unilever's Research and Development function continues to focus on and innovate products that respond to these challenges, which provides an opportunity to create a competitive advantage and revenue growth[30].

[26] 2024 Non-Financial Statement p. 87
[27] unilever.com
[28] accesstonutrition.org
[29] unilever.com
[30] 2024 Annual Report and Accounts p. 269

Sustainability impact: According to Unilever, climate change and environmental sustainability impact the lives and livelihoods of people all around the world and, as such, impact on all of the stakeholders of the company from suppliers to customers and consumers. As a result of the latest Strategic Review, the company focuses its sustainability efforts on areas of critical importance with the aim of achieving greater impact in a shorter time, the pillars of this focus being Climate, Nature, Plastics and Livelihoods. All of Unilever's brands participate in this with each brand focusing its efforts on what is most meaningful for its brand purpose. Unilever's approach to society and sustainability will therefore continue to assist, for example, its suppliers in the development of sustainable agriculture and its customers and consumers will continue to benefit from products that aim for the highest standards in sustainability[31]. Ultimately, Unilever believes this will be good for its business with shareholders benefiting as a result[32].

As part of its 2024 double materiality assessment, Unilever has identified 16 negative impacts and 3 positive impacts[33].

Examples

Sustainability matter	Identified risk and /or opportunity	Description of negative impact
Environment	Pollution of air, soil and water (excluding plastic)	Pollution (excluding plastic pollution) of air, soil and water caused by our own operations and value chain has the potential for negative impacts. Localised pollution from our own operations and pollution in the upstream value chain, which can occur from the use of agrichemicals, may negatively impact communities and catchments[34].

Sustainability matter	Identified risk and /or opportunity	Description of positive impact
Governance/ Business Conduct	Advocacy	Unilever is actively lobbying governments, regulators and other third parties to influence policies and regulations that will help to drive change in four key areas: climate, nature, plastics and livelihoods[35].

Henkel

ValueInvest Global

Web: https://www.henkel.com/

ESG risks: Water & wastewater management, product quality & safety, product design & lifecycle management, supply chain management.

ESG opportunities: Henkel believes the transition risks present opportunities for Henkel to position itself as a company with a proactive climate protection strategy, to improve its own competitiveness by optimizing its production and raw material base, and to be able to create added value for customers and consumers with innovative solutions and strong brands.

According to Henkel, business opportunities may arise from growing demand for low-carbon and carbon-neutral products[36]. Further, growing demand for products made from circular raw

[31] Unilever Annual Report and Accounts 2023 p. 66
[32] Unilever Annual Report and Accounts 2023 p. 93
[33] 2024 Annual Report and Accounts p. 227
[34] 2024 Annual Report and Accounts p. 231
[35] 2024 Annual Report and Accounts p. 287
[36] 2024 Sustainability Report p. 58

materials, as well as innovative products in the area of circularity, might present a business opportunity[37].

Use of ingredients made from renewable raw materials: Henkel strives for a responsible management of raw materials, and especially the conservation of natural resources and biodiversity. The Company uses ingredients based on renewable raw materials to optimize the overall characteristics of its own products, wherever this is compatible with environmental, economic and social considerations. Due to the complexity and scalability of chemical production processes, we see the mass balance approach as an opportunity to promote this transformation[38].

Sustainability impact: Henkel's *2030+ Sustainability Ambition Framework* is linked to the aspiration of achieving a "Transformational Impact for the Good of Generations." This measure includes three dimensions of sustainability; regenerative planet, thriving communities, and trusted partner. According to Henkel's double materiality assessments, key environmental and social issues that impact Henkel and where Henkel has an impact include climate, circularity, nature, equity, education, and wellbeing.

According to Henkel's 2024 materiality assessment, the following impacts have been identified as being material[39]:

- Climate change
    - Climate change mitigation
    - Energy
- Water and marine resources
    - Water
- Biodiversity and ecosystems
    - Direct impact drivers of biodiversity loss
    - Impacts on the extent and condition of ecosystem
- Circular economy
    - Resource inflows, including resource use
    - Resource outflows related to products and services
    - Waste
- Own workforce
    - Working conditions
    - Equal treatment and equal opportunities for all
- Workers in the value chain
    - Working conditions
    - Other work-related rights
- Affected communities
    - Rights of indigenous peoples
- Consumers and end-users
    - Information-related impacts for consumers and/or end-users
    - Personal safety of consumers and/or end-users
- Business conduct
    - Corporate culture
    - Protection of whistle-blowers

[37] 2024 Sustainability Report p. 62
[38] 2024 Sustainability Report p. 217
[39] 2024 Sustainability Report p. 57

Novo Nordisk
ValueInvest Global Akkumulerende

Web: https://www.novonordisk.com/

ESG Risks: Safety of clinical trial participants, access to medicines, affordability & pricing, drug safety, counterfeit drugs, ethical marketing, employee recruitment, development & retention, supply chain management, business ethics.

ESG opportunities: As the pace of healthcare innovation quickens, Novo Nordisk is leading significant advancements across various therapeutic areas, with a strong emphasis on addressing unmet patient needs in diabetes, obesity, cardiovascular diseases, and rare blood disorders. By making strategic investments in AI-powered drug discovery, optimizing clinical trials, and adopting cutting-edge technological platforms, the company aims to establish new benchmarks for innovation that deliver tangible, lasting improvements to the lives of the people it serves[40].

Sustainability impact: Novo Nordisk states in its Annual Report 2024, that the ongoing expansion, including the increase in production capacity, leads to a significant rise in both current and future greenhouse gas emissions. The company is tackling this issue through its Circular for Zero strategy, which emphasizes global emissions, including scope 3 emissions, and involves assessing, monitoring, and mitigating environmental risks throughout the value chain.

In 2024, Novo Nordisk conducted a double materiality assessment. Key sustainability topics for the company include climate change, resource use and circular economy, patient protection and quality of life, and workforce, highlighting their commitment to managing associated impacts, risks, and opportunities through strategic priorities. Additionally, water, pollution, biodiversity, workers within the value chain, and business conduct are important sustainability areas where Novo Nordisk has an impact but faces minimal related risks or opportunities[41].

[40] Novo Nordisk Annual Report 2024, p. 6
[41] Novo Nordisk Annual Report 2024, p. 52-53

Engagements

Engaging with portfolio companies is a core part of the stewardship practices of the Advisor. The Advisor believes that investing in well-managed companies will deliver long-term value in terms of economic, environmental, and social impact. As part of the Advisor's stewardship practices, the investment team engages with portfolio holdings with the aim of preserving and enhancing the value of assets on behalf of clients[42].

In addition, on behalf of the Fund, the Advisor seeks to ensure that corporate management teams are monitored and held accountable for their actions. In the assessment of investments, the investment team seeks to understand how management teams acknowledge, manage, and reduce ESG-related risks and engage with portfolio companies on how these risks are being managed and mitigated. In addition, the investment team looks to how companies are considering sustainability as an opportunity for their business and strategy.

If any company practices indicate the possibility of non-adherence to the UNGC, a serious violation of human rights, severe environmental damage, gross corruption, a serious violation of individuals' rights in situations of war or conflict, or any other particularly serious violation of fundamental ethical norms, the Advisor may choose to engage with the company in question.

In general, the Advisor seeks to motivate companies to implement positive changes and improve company practices over time. This includes engaging with companies in the following ways:

Thematic engagements	Event-driven engagements	Collaborative engagements	Proxy voting engagements
focusing on ESG issues constituting the most material impact to the holdings	driven by an ESG-related incident or controversy	collaborating with other investors on aligned goals	engaging with and notifying boards and/or management of proxy voting motivations, votes against management, and policies

2024 engagement topics

Below listed are the top 10 largest holdings for both Eco labelled portfolios and the engagement topics of 2024. Topics are detailed further below.

Company	Portfolio top 10 at 31.12.2024	Engagement topic
VISA	ValueInvest Global ValueInvest Global Akkumulerende	No engagement during reporting year
SAP	ValueInvest Global ValueInvest Global Akkumulerende	No engagement during reporting year
Ahold Delhaize	ValueInvest Global ValueInvest Global Akkumulerende	No engagement during reporting year
Diageo	ValueInvest Global ValueInvest Global Akkumulerende	Deforestation

[42] Engagement Policy

Company	Portfolio top 10 at 31.12.2024	Engagement topic
Securitas	ValueInvest Global ValueInvest Global Akkumulerende	No engagement during reporting year
Amadeus	ValueInvest Global ValueInvest Global Akkumulerende	No engagement during reporting year
LVMH	ValueInvest Global ValueInvest Global Akkumulerende	Deforestation
Nestle	ValueInvest Global ValueInvest Global Akkumulerende	Deforestation Shareholder Value Creation
Unilever	ValueInvest Global ValueInvest Global Akkumulerende	Deforestation Controversies relating to Labour Rights, price fixing and anti-competitive practices
Henkel	ValueInvest Global	Deforestation
Novo Nordisk	ValueInvest Global Akkumulerende	No engagement during reporting year

Deforestation

Between 2022 and 2024, the Advisor conducted research on relevant portfolio companies' commitments and efforts to eliminate deforestation and sought to engage those companies with the aim of minimising risks relating to deforestation and influencing potential improvements where necessary.

Topics covered included overall disclosure and transparency, policies, targets, certification, traceability and audits, projects, and initiatives relating to eliminating deforestation, focusing on the recommended actions of industry resources like the OECD-FAO Handbook, benchmarks like Forest 500 and CDP, and the requirements of the EUDR. In addition, the team reviewed reported controversies and reported issues relating to deforestation and human rights and labour rights issues in relation to deforestation and addressed these with the companies.

A total of 21 portfolio[43] companies were targeted. In total, the team carried out engagement calls with 15 companies, including two companies that are no longer in the portfolios, four engagements were conducted via written communication, and two engagements were unsuccessful as the team did not receive any reply to their request for engagement and/or information.

2024 ESG Activities

In addition to the thematic engagement on deforestation, the below table provides a snapshot of the ESG activities of the Advisor in 2024.

ESG issues discussed	Activity	Objective	Outcome
Corporate Human Rights Benchmark (CHRB) assessment	Collaborative engagement	Together with the WBA and MAMs Sustainability Team, the Advisor engaged a portfolio company on how to effectively manage human rights risks and ultimately improve its score on	The team gained knowledge of the company's position on human rights and statements/frameworks that have been updated

[43] ValueInvest Global and ValueInvest Global Akkumulerende

ESG issues discussed	Activity	Objective	Outcome
		the CHRB assessment scorecard.	since the WBA Human Rights Benchmark was published.
Capital allocation	Engagement	During the reporting year, the Advisor engaged a number of portfolio companies aiming for improved corporate governance around the topic of capital allocation with the objective of improving long-term shareholder value creation.	Knowledge sharing and improved understanding on both sides. The team's input can potentially inform the capital allocation frameworks of portfolio companies.
Flagged controversies	Engagement	The team reached out to a portfolio company to discuss several allegations and claims on issues reported by ESG service providers. Issues included labour issues in China, anti-competitive practices in South Africa and price fixing in Portugal.	The company provided additional information on issues reported by ESG service providers which provided added clarity on the issues. The team will continue to monitor the development.
Proxy Voting	Sharing voting rationale	As part of its proxy voting activities, the Advisor informs the boards of portfolio companies of its voting rationale when voting against management. The aim is to encourage companies to improve practices, e.g. increase the number of women on the boards, separate the role of chair and CEO, or for companies to increase transparency/improve disclosures.	During the 2024 proxy season, the Advisor informed the board of 14 companies of the rationale for voting against management. Topics included: board gender diversity, remuneration, capital management, officer liability limitations, and board independence.
Net Zero	Engagement	The Advisor followed up with portfolio companies that have yet to set Net Zero GHG reduction targets and encouraged companies to accelerate setting targets and/or have the targets SBTi validated.	Overall, companies responded that they are working to set targets and submit those to the SBTi for validation. The Advisor will continue to monitor progress.
Executive remuneration	Consultation on incentive structure	A portfolio company reached out to its top shareholders for consultation on a revised incentive proposal.	The Advisor shared with the company its perspectives on the proposal and restructuring hereof.
ESG Materiality	Shareholder consultation	Shareholder engagement by portfolio company on double materiality assessment and ESG priority issues.	The Advisor had the opportunity to Influence the company's ESG priority issues.

ESG issues discussed	Activity	Objective	Outcome
Artificial Intelligence	Thematic engagement	The Advisor wishes to gain a better understanding of how AI systems and AI data is governed, managed and monitored and if companies have implemented relevant policies, strategies, targets/KPI's, frameworks and initiatives to ensure secure and proper use of AI.	Engagement initiated in 2024.

GHG emissions

86% of the Nordic Swan Eco-labelled portfolios[44] have set GHG reduction targets that are science-based[45]. Of those commitments, 5% are well below 2°C targets, 57% are 1.5°C targets, and 24% are net zero targets. Additionally, 5% of portfolio companies are committed to setting science-based targets[46].

The five largest emitters of the portfolio listed below contribute 58% of total portfolio Scope 1, 2 + 3 emissions.

Unilever

Looking at total carbon emissions, Unilever's Scope 1, 2 +3 emissions make up 16% of total portfolio emissions.

Target: Zero emissions in its operations (Scope 1+2) by 2030 and net zero emissions across its value chain (Scope 1,2+3) by 2039[47]. Near-term target is validated by the SBTi[48].

For Scope 3, Unilever has set two near-term targets:

- Reduce absolute energy and industrial (E&I) Scope 3 GHG emissions from purchased goods and services (associated with ingredients, packaging), upstream transport and distribution, energy and fuel-related activities, direct emissions from use of sold products (associated with HFC propellants), end-of-life treatment of sold products, and downstream leased assets (associated with ice cream retail cabinets) by 42% by 2030 (from a 2021 base year). SBTi validated.
- Reduce absolute Scope 3 forest, land and agriculture (FLAG) GHG emissions from purchased goods and services (associated with ingredients) by 30.3% by 2030 (from a 2021 base year). SBTi validated.

Progress: In 2024, Unilever had reduced total Scope 1+2 emissions by 72%. Unilever had further reduced absolute scope 3 E&I emissions by 8% and absolute scope 3 FLAG emissions by 14%[49].

Risks: Taxes associated with greenhouse gases (GHG) could impact the price of raw materials, resulting in increased costs and a potential reduction in profit[50].

According to Unilever, climate change is already impacting its business in various ways. Government action to reduce climate change – such as the introduction of a carbon tax, land use regulations or product composition regulations which restrict or ban certain GHG-intensive ingredients – could impact its business through higher costs or reduced flexibility of operations.

Physical environmental risks such as water scarcity could impact its operations or reduce demand for products that require water during consumer use. Increased frequency of extreme weather events such as high temperatures, hurricanes or floods could cause increased incidence of

[44] By portfolio weight
[45] sciencebasedtargets.org
[46] Organizations whose target status is 'committed' have made a public commitment to set a science-based target aligned with the SBTi's target-setting criteria within 24 months. sciencebasedtargets.org
[47] unilever.com
[48] 2024 Annual Report p. 48
[49] 2024 Annual Report p. 48
[50] 2024 Annual Report p. 230

disruption to its supply chain, manufacturing and distribution network. If Unilever does not take action, climate change could result in increased costs, reduced profit and reduced growth[51].

Opportunities: Investment in energy transition technologies: Unilever is capitalising on resource efficiency opportunities by generating renewable electricity at its factory sites where feasible, targeting emissions reduction from its logistics suppliers and own vehicle fleet, and through product reformulations which make products more resource efficient in use. An example is an increasing number of laundry products that now are low temperature washing as standard[52].

Reformulating products is one of Unilever's biggest opportunities to reduce emissions without compromising on product performance or consumer experience. In 2024, its Business Groups deployed several reformulated products with demonstrated GHG reductions in market. These products included Sunlight's 100% plant-based RhamnoClean technology and Persil's Wonder Wash detergent in the Home Care Business Group.

Business Groups have now established detailed reformulation roadmaps across their portfolios to 2030, which will form the basis of innovation plans beyond 2024 to deliver superior products while reducing GHG emissions[53].

Nestlé

Looking at total carbon emissions, Nestlé's Scope 1, 2 +3 emissions make up 14% of total portfolio emissions.

Target: Net zero by 2050, including a 20% emissions reduction by 2025 and 50% emissions reduction by 2030[54]. Included in this commitment is a reduction of absolute Scope 3 FLAG GHG emissions by 50% by 2030 and 75% by 2050. Targets are SBTi validated.

Progress: In 2024, a 20.38% net reduction of GHG emissions (vs. 2018 baseline) was recorded[55].

Risks: The majority (95%) of Nestlé's GHG emissions come from their value chain, from activities like land use and farming[56]. While the company is working with partners throughout the value chain to scale up activities such as regenerative farming, it also presents the risk that 95% of Nestlé's GHG emissions are not direct emissions controlled by the company. Any real emission reduction is dependent on supply chain partners reducing their emissions.

Nestlé has published a 2022 TCFD report presenting climate-related risks and opportunities to the business[57].

Nestlé has modelled physical risk based on an intermediate scenario, in which climate-related risks such as heatwaves, drought and water stress may be more frequent and severe. The risk modelling confirms that, driven by changes in growing conditions, Nestlé is likely to see some yield changes, up or down, and shifts across sourcing origins by 2040[58].

Opportunities: By implementing their Net Zero Roadmap, Nestlé is addressing a significant part of the transition risks identified that it could potentially face during the decade following the assessment, resulting in a net reduction of its exposure.

[51] 2023 Annual Report p. 72
[52] 2023 Annual Report p. 53
[53] 2024 Annual Report p. 240
[54] Net zero roadmap
[55] 2024 Non-Financial Statement p. 39
[56] nestle.com
[57] 2022 TCFD Report
[58] 2023 Sustainability Report p. 11

Nestlé continues to review opportunities to reduce its risk exposure levels further and address upside potential of society's transition to a low-carbon economy.

On this basis Nestlé anticipates the following opportunities:

- Increasing the resilience of its supply chain through climate-smart agriculture practices.
- Reducing direct costs from lower-emission sources of energy.
- Limiting exposure to regulatory changes and increased operation costs due to carbon prices via reductions in its emissions.
- Increasing revenues resulting from more demand for low-emission products and services.
- Growing consumer demand for low-carbon products such as plant-based foods and drinks.
- Continually upgrading its plant-based offerings in terms of taste, texture, flavour and nutrition.
- Leveraging its expertise in plant proteins to expand its dairy-alternative offerings.
- Constantly assessing opportunities to reduce its products' carbon footprint, through changing recipes and by using alternative ingredients.
- Nestlé's *Good for You, Good for the Planet* strategy demonstrates how climate change is integral to Nestlé's financial planning and strategy.

As part of the Net Zero Roadmap, Nestlé is transforming products in line with consumer trends and choices. It is launching products that have a lower carbon footprint and contribute to a balanced diet. This includes more plant-based options. It is also reformulating products using ingredients with a lower carbon footprint[59].

Ahold Delhaize

Looking at total carbon emissions, Ahold Delhaize's Scope 1, 2 +3 emissions make up 11% of total portfolio emissions.

Target[60]: Scope 1 and 2 targets (2018 baseline):

- 2025: > 38% reduction against the 2018 baseline
- 2030: 50% reduction against the 2018 baseline
- 2040: Net zero: 90% reduction and 10% removals against the 2018 baseline

Scope 3 targets (2020 SBTi-methodology baseline):

- Near term: 2030: Scope 3 targets (2020 baseline, submitted but not yet validated):
    - Committed to reduce absolute scope 3 forest, land and agriculture (FLAG) GHG emissions by 30.3% by 2030 from the 2020 SBTi baseline (for near-term target).
    - Committed to reduce absolute scope 3 Energy and Industrial (E&I) GHG emissions by 42.0% by 2030 from the 2020 SBTi baseline (for near-term target).
- Long term: 2050: Scope 3 targets (2020 baseline, submitted but not yet validated):
    - Committed to reduce absolute scope 3 FLAG GHG emissions by at least 72% by 2050 from the 2020 SBTi baseline (for long-term target).
    - Committed to reduce absolute scope 3 E&I GHG emissions by 90% by 2050 from the 2020 SBTi baseline (for long-term target).

Net zero:

- Commit to reach net-zero GHG emissions across our value chain by 2050

[59] 2024 Non-Financial Statement p. 31
[60] 2024 Annual Report p. 102

Progress: Scope 1 and 2 reduction of 36% against the 2018 baseline was achieved.

FLAG GHG emissions increased by 9.9% compared to the 2020 SBTi baseline, while the E&I GHG emissions increased 0.2% against the 2020 SBTi baseline. Against the restated 2020 full scope 3 baseline of 60.4 MtCO2e, the full scope 3 footprint increased to 63.6 MtCO2e in 2024.

Risks: According to Ahold Delhaize, transitioning to a lower-carbon economy may entail extensive policy, legal, technological and market changes, to address mitigation and adaptation requirements. These events can include the introduction of carbon pricing, product composition restriction, changes in customer preferences and energy price volatility, which may pose an economic risk to the Company[61].

Further, Ahold Delhaize has identified risks relating to climate change adaptation: the risk of acute and chronic climate events due to extreme weather events, which can cause damage to own (vulnerable) assets (e.g., own office buildings, stores and warehouses) or to distribution infrastructure, which can result in out-of-stock situations and subsequently store closures or impacts on brands' ability to make home deliveries[62].

Lastly, the risk of acute and chronic climate events due to extreme weather events, can cause decreases in agricultural yields (e.g., yield volatility and yield loss) and commodity scarcity[63].

Opportunities: In collaboration with suppliers, Ahold Delhaize's brands seek to reduce the carbon footprint of their local assortments. The local brands remain committed to empowering customers to make environmentally conscious choices. This strategy varies across different brands and can include promoting a health-focused and reduced-GHG-emissions product lineup, investing in product development, and transitioning from high-emission protein sources, such as red meat, to lower-emission sources, such as white meat or plant-based alternatives.

In Europe, the transition to plant-based proteins is one way Ahold Delhaize is working toward offering products with a lower carbon footprint. Its European brands agreed to a regional target of at least 50% plant-based sales by 2030[64].

Air Liquide

Looking at total carbon emissions, Air Liquide's Scope 1, 2 +3 emissions make up 10% of total portfolio emissions.

Target: Air Liquide commits to reducing Scope 1 + 2 carbon intensity by 30% by 2025 (vs 2015), its Scope 1 + 2 CO2 emissions in absolute value by 33% by 2035 (vs 2020), and to reaching carbon neutrality by 2050. The near-term target is validated by the SBTi[65].

New Scope 3 Commitment: 75% of Top 50 customers committed to 2050 Carbon neutrality by 2025 and 100% committed by 2035[66].

Progress: In their 2024 URD report, Air Liquide reported a 41% decrease in carbon intensity vs. 2015, exceeding the 25% by 2025 reduction target, and a 11% decrease of Scope 1+2 CO2 emissions vs. 2020 in absolute value[67]. According to Air Liquide, the company is on track to meet its 2050 carbon neutrality goal.

[61] 2024 Annual Report p. 95
[62] 2024 Annual Report p. 95
[63] 2024 Annual Report p. 95
[64] 2024 Annual Report p. 111
[65] Universal Registration Document p. 41
[66] Universal Registration Document p. 116
[67] Universal Registration Document p. 12

In 2023, Air Liquide reports that 74% of the 50 largest customers had committed to carbon neutrality by 2050[68].

Risks: As of FY2022, almost 60% of Air Liquide's scope 1 emissions came from hydrogen production and over 95% of scope 2 emissions came from the production of gases including oxygen and nitrogen through ASUs (Air Separation Unit). A significant part of the company's GHG emissions are emitted from its European facilities; as such, it is exposed to the EU ETS[69] and therefore the fluctuating cost of carbon. This exposes the company to variable costs as well as further costs associated with upgrading equipment[70].

Opportunities: Taxonomy aligned activities in climate mitigation and climate adaptation.

Air Liquide is likely to benefit from the green energy transition with activities in energy sufficient materials, low carbon infrastructure, resource security, and basic needs.

Air Liquide is helping industrial customers reduce their carbon footprint. Drawing on technological expertise and capacity for innovation, Air Liquide is inventing cleaner, more sustainable solutions to reduce customer's emissions. For example, the Group is working closely with the steel industry to reduce CO2 emissions by using hydrogen on a large-scale during steel manufacturing. Air Liquide is also developing new technologies to capture and recycle carbon emissions from the steelmaking process[71].

Knorr-Bremse

Looking at total carbon emissions, Knorr-Bremse's Scope 1, 2 +3 emissions make up 7% of total portfolio emissions.

Target: Knorr-Bremse commits to[72]:

- Reduce production-related CO_2e emissions (Scope 1 and 2) by 75% by 2030 (base year 2018)
- Reduce significant CO_2e emissions from the upstream and downstream value chain (Scope 3) by 25% by 2030 (base year 2021)
- Long-term target of net zero emissions (Scopes 1 to 3) by 2050

Knorr-Bremse's 2030 target is validated by the SBTi.

Progress: In 2024, Knorr-Bremse reported a 78% reduction of Scope 1 + 2 emissions compared to 2018 and a 9% reduction in Scope 3 emissions from the baseline[73].

Risks: In their 2024 Annual Report, Knorr-Bremse discloses identified key risks relating to climate change including physical risks and transition risks[74]:

Physical risks: interruptions or delays in operations and in upstream value chain due to acute or chronic climate risk, such as flooding, storms, wildfires, heat, and water stress.

Transitional risks: financial risks in own operations and along upstream value chain due to (increasing) regulation and pricing of GHG emissions and due to sanctions for non-compliance with regulations and obligations.

[68] Universal Registration Document p. 118
[69] EU Emissions Trading System
[70] Sustainalytics
[71] airliquide.com
[72] Our ESG targets (Climate)
[73] 2024 Annual Report p. 78
[74] 2024 Annual Report p. 74

Opportunities: Knorr-Bremse is benefitting from opportunities to expand rail transportation as cities, states, and countries take efforts to combat climate change. Electrification and other energy-efficient and eco-friendly solutions are the result of growing public awareness of the importance of energy efficiency, combined with intensified government energy initiatives such as stricter emissions regulations. End-to-end eco design is helping reduce carbon footprint of Knorr-Bremse's products and make transportation more energy-efficient[75].

[75] 2024 Annual Report p. 152

Biodiversity

As mentioned in the Engagements section above, a significant number of portfolio companies have been identified as having exposure to deforestation risks. Even more portfolio companies are exposed to risks, but also opportunities, relating to the conservation and sustainable use of biodiversity. For the portfolios, this especially relates to companies in the food and beverage industry.

For ValueInvest Global and ValueInvest Global Akkumulerende, all portfolio companies operating in the food and beverage sector, where conservation and sustainable use of biodiversity is a material issue, have strong sustainability practices[76].

On 31 December 2024, no portfolio companies within the food and beverage sector were identified as having a "negative effect on biodiversity", as defined by the EU PAI[77]. Specifically for companies with activities in the food and beverage sector, the topic of conservation and biodiversity is included in the overall rating/assessment performed by the Advisor. Below, the five holdings with the poorest overall ESG rating[78] are hence presented. It should however be noted that all companies mentioned below have a strong ESG profile and all have policies, targets, and/or initiatives in place relating to biodiversity.

As part of the thematic engagement on deforestation, the Advisor engaged with the below mentioned companies. Deforestation is a key risk for the companies mentioned. Another common risk, with every company active in food and agriculture, is water and resource use which is affecting biodiversity. On the other hand, the companies have all introduced projects and initiatives around regenerative agriculture which is a key opportunity.

Company	Subindustry	Biodiversity risk	Biodiversity opportunity
Nestlé	Packaged Foods & Meats	Nature and biodiversity loss poses a risk to Nestlé as it may threaten the availability and quality of key ingredients and increase vulnerability to climate change impacts. The above factors may potentially lead to supply disruptions, regulatory action and impacts on its reputation[79].	Nestlé is one of the companies piloting science-based targets (SBTs) for nature which may provide a future scenario where companies can operationalize the Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework (GBF) which is nature's equivalent to the Paris Agreement for climate change. The SBTs for nature technical guidance was released in 2024 and Nestlé has been working to define potential targets in line with its requirements and to understand what might be required from an operational perspective[80]. *The ingredients we use for our products come from nature. That's why playing our part in caring about the environment and*

[76] See section 2 for definition and details on strong sustainability practices.
[77] Principal Adverse Impact (PAI) indicators on biodiversity. As specified in the Regulatory Technical Standards (RTS).
[78] Internal assessment
[79] 2023 Sustainability Report p. 15
[80] 2024 Non-Financial Statement p. 56

Company	Subindustry	Biodiversity risk	Biodiversity opportunity
			supporting a just future for communities is not only critically important for people and planet, it's a business imperative too. To help renew and restore the resources we all depend on, we aim to source half of our key ingredients from farmers adopting regenerative agricultural practices by 2030[81].
Ahold Delhaize	Food Retail	In their 2024 double materiality assessment, biodiversity and ecosystems was identified as a material sustainability matter where Ahold Delhaize and its brands impacts people and the environment. Impact on biodiversity and ecosystems is caused by land degradation, as a result of sourcing and production of Ahold Delhaize's products[82]. Food value chains can impact nature and biodiversity – for example, through land conversion, soil degradation, overfishing and water use. Many of these impacts occur deep within the value chain, during early production stages such as cultivation and harvesting[83]. Ahold Delhaize is also facing other nature-related risks, such as biodiversity loss and soil degradation, which have the potential to significantly affect food supply and other vital resources such as water[84].	Ahold Delhaize has identified opportunities around the use of technologies to support the production of products that are not harmful for biodiversity and ecosystems (e.g., precision fermentation to support the transition to plant-based protein)[85].
Sodexo	Restaurants	Environmental impacts of purchases are a key risk for Sodexo. Further, ineffective climate disruption actions could result in Sodexo's carbon emissions staying the same	Sodexo is committed to responsible sourcing and restoring natural ecosystems throughout its supply chain. According to Sodexo, the increasing number of partnerships with regenerative farms will contribute to the development of local communities

[81] nestle.com
[82] 2024 Annual Report p. 96
[83] 2023 Annual Report
[84] 2023 Annual Report p. 101
[85] 2024 Annual Report p. 97

Company	Subindustry	Biodiversity risk	Biodiversity opportunity
		or even increasing. Given its large footprint, this could have a significant impact on global warming and biodiversity loss. In addition, this could impact the company's client retention, investors' confidence and external trust and recognition[86].	and should help Sodexo achieve its carbon reduction targets[87].
Ingredion	Agricultural Products	Deforestation Agriculture Pesticide and fertilizer use Animal agriculture requires large amounts of land and water resources to sustain livestock and grow feed crops, which leads to environmental strain. It also poses water risks that include flooding, drought and scarcity harmful to ecosystems[88].	Consuming fewer animal products would help cut water usage. Transitioning to a plant-based diet can lower the pressure on water resources and promote sustainable water management[89]. Ingredion's plant proteins recognized for its innovation within sustainability: *"Our ultra-performance line of plant-based protein solutions has been named the Best Plant-Based Sustainability winner during the 2022 World Plant-Based Awards"* [90].
Lamb Weston	Packaged Foods & Meats	Water use Palm oil sourcing Pesticides Soil health	Sustainable agriculture: *"Our business depends on healthy land — both today and well into the future — and no one cares more about our farmlands than our growers themselves. It is their livelihood and legacy. This reality drives our commitment to employ world-class agricultural practices that ultimately drive our business forward."* [91]. Lamb Weston state that it views soil biology and overall soil health as key to growing the best crops. Regenerative soils help to provide nutrients, hold water, and suppress disease, making this a key aspect of successful farming programs.

[86] 2024 Universal Registration Document p. 213
[87] 2023 Sustainability Report p. 51
[88] ingredion.com
[89] ingredion.com
[90] ingredion.com
[91] 2023 ESG Report p. 39

Voting

The Advisor exercises the Fund's voting rights through proxy voting. Votes are cast using a third-party proxy voting service and research provider (proxy advisor) and the Advisor votes at all general meetings as below:

Policy
- Proxy voting policy provides basis for voting decision
- Designed and implemented to ensure voting rights are exercised in the best interest of the client

Research
- Research and platform provided by proxy advisor
- Additional in-house research by the Advisor's investment team
- Proxy advisor provides voting recommendation based on custom policy

Voting
- Vote cast by Advisor's investment team (four-eye principle)
- Ensuring compliance between policy and vote cast
- The final voting decision lies with the investment team's portfolio managers

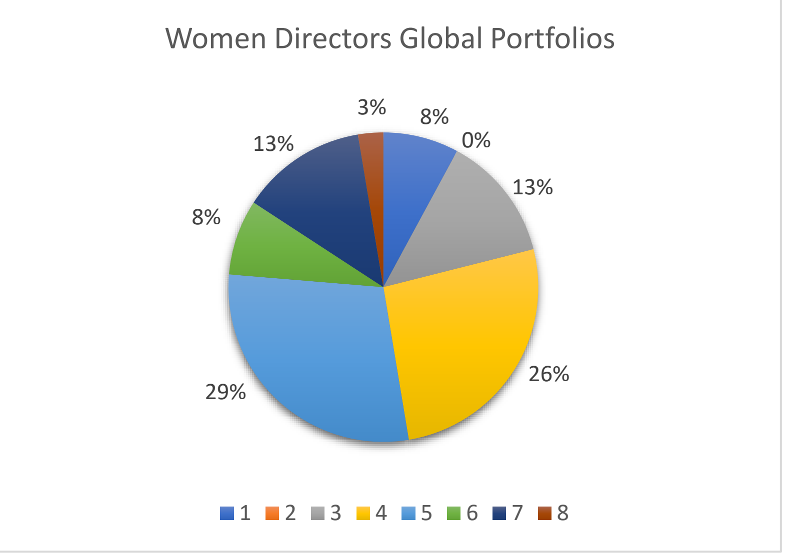
Progress review of board gender diversity

Scholarly research suggests that companies perform better when they are led by a group of diverse board members who complement each other. The Advisor hence believes in leadership that is varied in every way - in gender, race, economic background and ideology, and agree with a number of studies that describe the positive impact of gender diversity and support the premise that a minimum of 30% women on a board reflects positively on financial performance[92].

Since 2020, the team has been engaging with portfolio companies to motivate the boards of portfolio companies to increase the number of women directors to >30%.

In 2024, the percentage of companies with 30% or more women directors increased to 89% from 87% in 2023 in the portfolios[93].

[92] "Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance" by Vicki W. Kramer, Alison M. Kondrad and Sumru Erkhut (2006). The view is corroborated in an MSCI report, "The Tipping Point: Women on Boards and Financial Performance" published December 2016, concluding "that having three women on a corporate board represents a "tipping point" in terms of influence, which is reflected in financial performance".
[93] Data collection performed by Investment Advisor



Informing Board of voting rationale

For the Advisor, proxy season not only includes voting proxies on behalf of the Fund, but also informing the board of directors when votes are cast against management.

In 2024, the Funds each voted against a total of 69 management proposals and 11 shareholder proposals across all portfolio holdings in the Global Portfolios. The Advisor informed 17 portfolio holdings of votes cast against management and the rationale for doing so. Of the 17 portfolio holdings, the team engaged in written dialogue with six companies.

In addition, the team engaged with one portfolio holding on the re-election of the chair of the board prior to casting the vote. The information shared during the engagement resulted in the team supporting the re-election rather than voting against the re-election, which was the initial recommendation. This highlights the importance of engagement and how this can affect vote decisions.

2024 shareholder meetings by region and country[94]

Region	Country Of Origin	Voted
Total for all Regions		37
Canada & United States		10
	United States	10
Europe		25
	Belgium	1
	Denmark	1
	Finland	1
	France	6
	Germany	3
	Netherlands	3
	Spain	1
	Sweden	3
	Switzerland	2
	United Kingdom	4
Japan		2
	Japan	2

[94] Voting data provided by Glass Lewis

Votes cast[95]

	Mgmt Proposals	SHP Proposals	Total Proposals
For	549	5	554
Against	69	11	80
Abstain	1	2	3
1 Year	0	0	0
2 Years	0	0	0
3 Years	0	0	0
Mixed	0	0	0
Take No Action	13	0	13
Unvoted	0	0	0
Totals	632	18	650

Votes by proposal category[96]

Proposal Category Type	For	Against	Abstain	Take No Action	Unvoted	Mixed	Total
Totals	554	80	3	13	0	0	650
Audit/Financials	99	0	0	1	0	0	100
Board Related	301	39	1	11	0	0	352
Capital Management	33	8	0	0	0	0	41
Changes to Company Statutes	11	1	0	0	0	0	12
Compensation	78	20	0	1	0	0	99
Meeting Administration	23	1	0	0	0	0	24
Other	4	0	0	0	0	0	4
SHP: Compensation	0	2	0	0	0	0	2
SHP: Environment	1	1	0	0	0	0	2
SHP: Governance	2	1	2	0	0	0	5
SHP: Social	2	7	0	0	0	0	9

[95] Voting data provided by Glass Lewis
[96] Voting data provided by Glass Lewis

SFDR

The sustainability-related disclosures of the Fund can be found on the Funds website:

https://www.valueinvest.dk/esg-sfdr

as well as in the Annual Report of the Fund:

https://www.valueinvest.dk/download-center/faktaark-og-rapporter

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