



Sustainability Report

Asia Equities

Q1 2024



Sustainable Philosophy

Core Beliefs

Our active approach to the stewardship of investments ensures sustainability commitments

We emphasize active ownership to influence positive change and progress

The integration of sustainability factors is key to our long-term investment research process

Prioritising pro-active engagement rather than excluding and divesting

Investing responsibly is aligned with superior risk-adjusted long-term returns

Our actions

Engaging directly with and voting on investee companies

Researching sustainability factors is fully integrated into our overall investment approach

Materiality ensures that we prioritise what matters most

Extensive screening to ensure norm-based alignment

C WorldWide Asia Equities

Quarterly Comments

Can AI bridge the gap in ESG data transparency and measurability, thus offering a solution to the longstanding challenges faced by investors?

For years, Sustainability-related data has been discussed for its opacity and lack of comparability, potentially hindering effective decision-making and risk management. However, with the advent of AI, we find ourselves at a crossroads, presented with an opportunity to reassess the way we source and analyse, Sustainability-related information.

At its core, AI has the potential to empower investors by extracting actionable insights from complex datasets, thereby enabling more informed decision-making processes. Through advanced algorithms, AI can uncover patterns and correlations within Sustainability data, providing a deeper understanding of companies' performance. AI-driven analytics offer the potential to enhance the reliability and accuracy of Sustainability ratings and assessments.

Nevertheless, as we embrace the potential of AI, it is essential to stay mindful and aware of potential challenges. The black-box nature of AI algorithms raises concerns regarding accountability, fairness, and ethical implications. Bias in data collection and algorithmic decision-making can exacerbate existing inequalities and perpetuate systemic injustices. The increasing reliance on AI can, therefore, inadvertently lead to a sense of complacency, where human judgment and intuition are overshadowed by algorithmic outputs.

While AI can enhance decision-making processes, it should not replace human judgment and intuition entirely. A balanced approach that combines AI capabilities with human expertise and judgement is crucial for maximising the benefits of data analytics.

We are tasked with navigating these uncharted waters with caution and foresight. Our commitment to innovation and progress compels us to explore the potential of AI in enhancing our efforts in integrating material sustainability-related risks and opportunities. However, we must also remain vigilant, ensuring that our pursuit of technological advancements is guided by principles of transparency, accountability, and ethical integrity.

One thing seems sure. The convergence of AI and Sustainability represents a paradigm shift in the way we approach sustainable finance.



Investment Screenings

Sanctions Screenings

All investments are screened against Refinitiv World-Check sanctions-screening covering all known sanction bodies

Norms-Based Global Standards Screenings

Convention Breach screenings, compliance with UN Global Compact Principles, OECD Guidelines for Multi-national Enterprises and the UN Guiding Principles on Business and Human Rights

Investment Exclusions

None of the companies within the portfolio exceeds a certain level of involvement in the activities specified

- 0% Controversial Weapons
- 5% Small Arms

Portfolio Changes

The beginning of 2024 has been marked by notable voting activity, with several Annual General Meetings (AGMs) taking place throughout the quarter.

International Container Terminal Services, Inc. (ICTSI)

Environmental Stewardship: ICTSI actively invests in green technologies to reduce its environmental footprint. They prioritise energy efficiency, waste management, and emissions reductions. For instance, they use electric-powered equipment at their terminals, minimising air pollution and noise. Their commitment to sustainable port operations ensures minimal impact on coastal ecosystems.

Social Responsibility: ICTSI engages with local communities, supporting education, healthcare, and livelihood programs. They prioritise safety for employees and communities, ensuring a positive impact. Their partnerships with NGOs and community-based organisations foster sustainable development.

Governance: ICTSI adheres to robust governance practices, promoting transparency, accountability, and ethical conduct. They actively disclose ESG-related information to stakeholders.

MakeMyTrip Ltd.

Community Impact: MakeMyTrip's CSR initiatives focus on inclusive growth. They contribute to education, healthcare, and skill development. Their efforts extend to rural areas, empowering women and promoting sustainable tourism. MakeMyTrip Foundation collaborates with local NGOs to address community needs.

Environmental Awareness: MakeMyTrip Foundation actively participates in environmental conservation. They support afforestation, waste management, and water conservation projects. Their commitment to carbon neutrality involves offsetting travel-related emissions.

Employee Well-Being: MakeMyTrip prioritises employee welfare, fostering a positive work environment and promoting diversity and inclusion. Their employee engagement programs align with ESG principles.

Proya Cosmetics Co., Ltd. Class A

Product Safety: Proya emphasises safe and ethical cosmetics. They avoid harmful ingredients and prioritize consumer health. Their commitment to quality assurance ensures that products meet international standards.

Sustainable Practices: Proya's commitment to biodiversity includes afforestation and water body restoration. They also focus on waste reduction and recycling. Their supply chain management emphasises responsible sourcing.

Social Engagement: Proya engages with communities, supporting education and poverty alleviation. Their holistic approach integrates social responsibility into business operations. Proya's transparent reporting on ESG performance demonstrates their commitment to stakeholders.



Direct Engagements

Chailease Holding Co

2024-03-07: In person meeting

Main topic: Carbon Emission, UNGC signatory, Data security, Customer Protection, Systemic Risks.

The management team mentioned that, on the path to energy transition, Chailease Holdings has carved a new niche by initially providing energy-saving equipment services to small and medium-sized enterprises (SMEs) and financing solar power plants. Since 2014, the company has been a pioneer in this area, actively investing in solar energy generation, sale, and storage. They are also exploring other green energy sources, such as small hydropower and geothermal energy.

Regarding the net-zero emission target by 2050:

In 2022, the Company emitted approximately 28,000 metric tons of greenhouse gases. The company is confident in achieving net-zero emissions by 2050.

Regarding the social aspect:

The company does not currently plan to become a UN Global Compact (UNGC) signatory. However, it complies with local regulations and engages third-party consultants.

Regarding data security and customer protection:

The company has no recorded incidents of data breaches and continuously strives for improvement. This includes:

Upgrading data security measures under the guidance of senior personnel with banking experience. Implementing system improvements. Educating all employees on data security best practices.

Regarding systemic risks:

The management team holds monthly meetings and closely monitors risks in all aspects. With the CEO's 10+ years of experience with the company, Chailease is confident in its contingency plans for addressing systemic risks.

Overall, the company demonstrates a strong commitment to sustainability development, exceeding average standards. However, the management acknowledges the need for improvement in gender diversity, particularly at the Board of Directors level.



Zhejiang Dingli Machinery Co., Ltd.

2024-01-10: Online meeting

Main topic: Energy Management, Water Usage, Employee Health & Safety, UNGC Signatory, Ongoing Process

Energy Management:

The company has implemented energy-saving technologies such as energy-efficient equipment, Building Management Systems (BMS), and solar installations in both office spaces and manufacturing units. As of 2022, a reduction in CO₂ emissions has been achieved, accounting for 16.9% of the total energy consumption.

Water Usage:

In 2022, the company reduced water usage by 58.5% through water conservation, filtration, and wastewater recycling. Additionally, efforts have been made to save energy in thermodynamics. The company has considered its importance since the construction of the manufacturing facility (10 years ago) and has continuously aimed to improve, emphasizing water and energy-saving measures.

Employee Health & Safety:

In terms of employee health & safety, the Chairman oversees health and safety, adhering to ISO 45001 standards. The company, focusing on customer safety through its products (Aerial lifts), has not encountered safety issues in recent years. Thus, employee health is also important and is monitored through chronic health tracking and Key Performance Indicators (KPIs) set by the health committee, ensuring thermal control for frontline employees.

UNGC Signatory Status:

Regarding UNGC signatory status, the company has not yet become a UNGC signatory, but it engages with third-party consultants in 2023 to align with UNGC guidelines and the overall ESG development of the company. It aims to gather necessary information, focusing on energy-saving data, and plans to disclose this information upstream and to investors. The company, a frontrunner in becoming a UNGC signatory, is taking steps to address SASB material issues, including employee health and safety, product design and lifecycle management, and material sourcing and efficiency.

Ongoing Processes:

In terms of ongoing processes, the company is working on improving data disclosure and reporting on environmental performance and sustainability efforts, intending to publish annually in English as an Annual Report.



Proxy Voting

The beginning of 2024 has been marked by notable voting activity, with several Annual General Meetings (AGMs) taking place throughout the quarter.

Godrej Properties Ltd.

We voted with management, and against Glass Lewis, for the re-appointment of Pirojsha Godrej (whole-time director designated as executive chair) and for the approval of remuneration. Pirojsha is the part of the promoter and was instrumental in growing the business. He still commands tremendous influence in the market which aids growth for the company.

Leeno Industrial Inc.

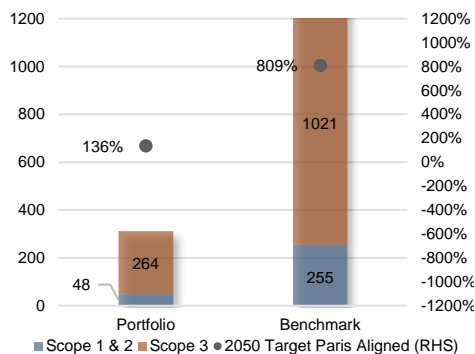
We voted against management and in line with Glass Lewis by voting against the election of Lee Chae Yoon. The nominee serves as both Chairman and CEO. The board has failed to establish a key committee (audit, compensation, nominating committees).

Bank Central Asia Tbk PT

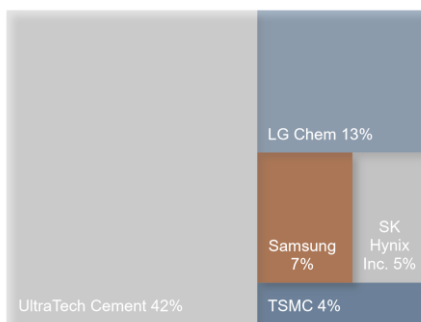
For the proposed directors' and commissioners' fees we voted against the proposal due to excessive bonus, in line with Glass Lewis and against management.

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

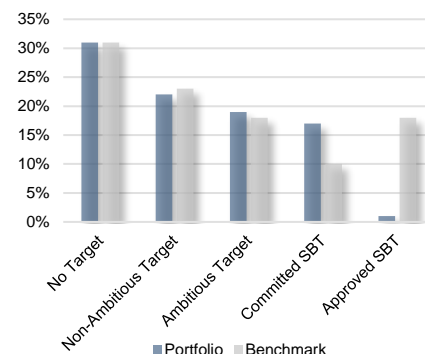
Emissions Exposure & SDS (tCO₂e)



Top 4 Contributors to Portfolio Emissions



Climate Target Assessment



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

Carbon Intensity (tCO₂e/mill. USD revenue)

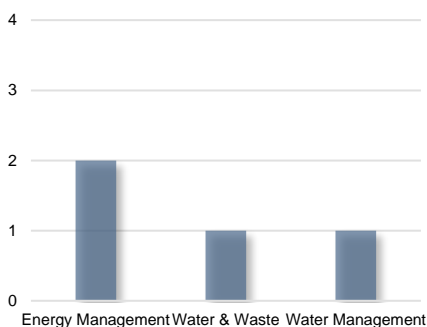


The above graph shows how many of the companies in the portfolio have set climate targets, and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

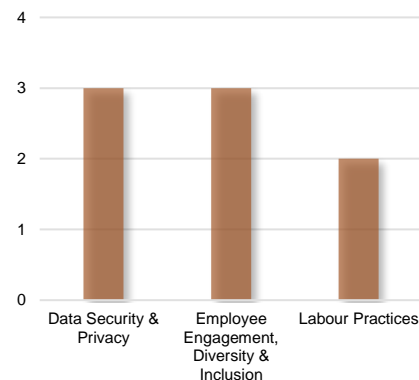
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 31st of March 2024

Direct Engagement Topics

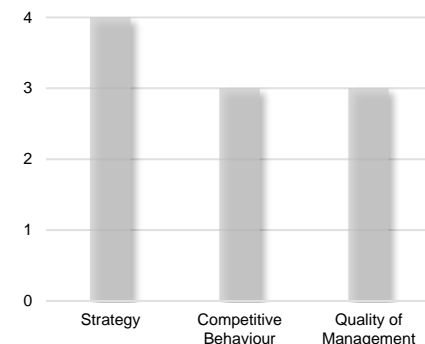
Environment



Social



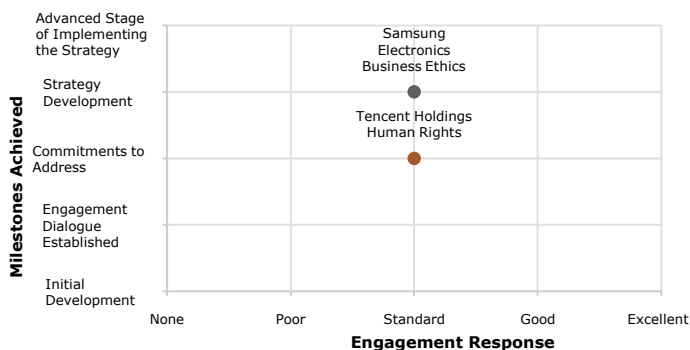
Governance



Total direct company engagements for the portfolio: 5

Throughout the quarter, we conducted several direct engagements with the portfolio companies. Our ESG engagements have most often incorporated an aspect of each subject E, S, and G. The above graphs show the top three engagement topics within environmental, social and governance aspects. There are several sub-topics within each category that can overlap within one engagement.

Collective Engagement



The above graph illustrates our collective engagements with Sustainalytics. The companies are shown within what milestone they have reached thus far and rated according to their communication in relation to the specific engagement topic.

Proxy Voting

Meetings Voted	100%	6
Proposals Voted	100%	24
Meetings with at least one vote against management	25%	
	33%	Board Related
Proposal Categories (Top 3)	33%	Audit/Financials
	21%	Compensation

We utilize proxy voting to emphasise the topics discussed with the investee companies in our ongoing engagement with them and to vote on key issues important to the governance of the investee companies. The table above shows key topics and how votes have been cast during the quarter.

Source: Sustainalytics. Portfolio as of 31st of March 2024

Source: Glass Lewis Proxy Voting. Portfolio as of 31st of March 2024

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Aktiva aktiefonder

C WorldWide Asset Management Fondsmæglerselskab A/S är en fokuserad kapitalförvaltare. Vårt mål är att skapa konsistent, långsiktig värdetillväxt för våra kunder genom aktiv förvaltning av aktier på de globala aktiemarknaderna.

Våra kunder är främst institutioner, distributörer och partners. Vårt erbjudande består av diskretionära kapitalförvaltningstjänster och fonder.

Kombinationen av en unik investeringsfilosofi baserad på noggrann stock-picking och långsiktiga globala trender och ett stabilt och erfaret förvaltarteam har sedan starten 1986 resulterat i mycket goda investeringsresultat.

Läs våra hållbarhetsrapporter på cworldwide.se.

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