



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

Navigating Varied Outcomes From Shared Challenges

The European Commission has implemented two measures to tackle climate change and achieve net zero emissions by 2050: the EU Emission Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM). These measures will make companies reduce emissions and ensure similar carbon pricing for both local and imported products.

The EU ETS aims to make companies accountable for their greenhouse gas (GHG) emissions, particularly in the heavy industry sector (e.g. steel, aluminium, cement, hydrogen, and fertilisers), which accounted for 22% of GHG emissions in the EU in 2021 and for a quarter of global emissions. Over the next 15 years, emission limits and free allowances will decrease to zero. CBAM, started in 2023, prevents companies from relocating outside the EU to avoid emission costs when free carbon allocations end in 2026. Unlike the US's Inflation Reduction Act (IRA), which provides tax credits and subsidies, CBAM incentivises decarbonisation through charging importers of key sectors for the embodied emissions of their products.

European industries stand in front of a critical decision. Companies can spend money now to cut emissions, even though it will hurt profits in the short to mid-term, or wait and buy carbon credits later. Both options hold the risk of lower earnings and valuations.

Estimates indicate that nearly 9,000 industrial sites, including those in building materials, chemicals, mining, and steel sectors, need to adapt by: (1) electrifying their processes, (2) developing greener products, (3) investing in carbon offsets, or (4) buying carbon credits.

At time of writing, the carbon price (EUR 66 per metric ton of CO₂e) does not strongly encourage decarbonisation. In April 2024, BloombergNEF estimated the price of carbon will reach EUR 146 by 2030 and EUR 186 by 2034. Utilities are already paying for their emissions, but sectors like cement, aluminium, fertilizer, hydrogen, iron, and steel are not yet charged.

Investment considerations

Looking specifically at our equity portfolio exposures to these matters, the obvious area of focus would be the exposure to industrial gases and their sensitivity to different carbon pricing scenarios.

Considering a high-level uncertainty surrounding politically driven impacts, the current analysis indicates a well contained effect on our holdings in the industrial gas sector, predominantly because chemicals are a small part of their overall business, and the chemical sector sees the biggest impact from lower free carbon allowance, as the CBAM takes effect.

BofA Global Research has conducted scenario analysis with carbon credit costs from EUR 100-200 to show how much higher carbon credit costs (%/EBITDA)



Investment Screenings

Sanctions Screenings

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

Norms-Based Global Standards Screenings

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

Investment Exclusions

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

- 0% Controversial Weapons
- 5% Small Arms, assault weapons
- 5% Small Arms, small arms or key components to small arms

the Industrial gases companies would incur, ranging from 0.3% to 3.6% (depending on company exposure and carbon credit cost).

On the other hand, selected companies in the diversified chemical area could see cost impact in the range of 36-73% (%/EBITDA), based on same analysis.

We remain committed to closely monitoring these developments to ensure we are informed and prepared to navigate these complex challenges.

Portfolio Changes

There were no changes to the portfolio during the quarter.

Direct Engagements

HDFC Bank

Main topic: Cybersecurity, Human Capital

Following the HDFC Bank merger with HDFC we met with them in India. Key topics for the discussion were cybersecurity and human capital considerations. In the past, the bank has had issues with cybersecurity and has since 2019 invested heavily in IT solutions. HDFC moved to the cloud much earlier than HDFC Bank that is now reaping the fruits of the technology investments, but it has been costly to run parallel systems.

For HDFC, being the largest card company in India, cybersecurity is key. 40% of India's card transactions go through HDFC. However, sophisticated cyber-attacks are not hitting India to a larger extent, yet. Volumes are high but values are still much lower than in many developed countries.

We also discussed corporate culture, as a result of merging two entities. To manage the merger in the best possible way, HDFC's focus has been to slow down the pace of loan growth and at the same time maintaining and retaining customer relationships. For this not to be demotivating HDFC changed the incentives schemes from loan growth to other key ratios, supporting ambitions to lower loan deposit ratios.

Bank Central Asia

Main topic: Human Capital

We met with Bank Central Asia (BCA) in our office in Copenhagen to get an overall update on its business and corporate strategy, including sustainability developments. BCA has been working with sustainability for several years and the company is satisfied with its journey and progress, particularly in lending to the palm oil industry and providing micro-financing for startups and women entrepreneurs. In this meeting, we also discussed its human capital initiatives. BCA has improved its hiring and training practices, which have proven successful, as reflected in its low employee turnover compared to industry peers.



Proxy Voting

While the number of AGMs held in the third quarter of 2024 was significantly lower than in the previous two quarters, proxy voting remained active.

Alibaba Group Holding Ltd.

The election of Irene Lee Yun Lien was opposed, in line with Glass Lewis and against management recommendations, due to insufficient disclosure of Russian operations and overboarding concerns (serving on too many boards).

Proya Cosmetics

Various proposals were addressed, including the election of Weijun Ge. As Chair of the Nomination Committee, the nominee was opposed, reflecting concerns over the lack of female representation on the board. This vote was in line with Glass Lewis and against management. Additionally, Luting Hou's election was opposed, citing insufficient independence, which again aligned with Glass Lewis and opposed management recommendations.

KEC International Ltd.

A vote was cast in favour of Vimal Kejriwal's re-appointment as Managing Director & CEO and the Approval of Remuneration, recognizing his effective leadership. This vote supported management and opposed Glass Lewis recommendations.

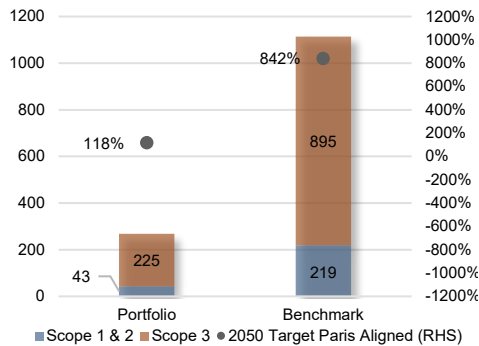
MakeMyTrip Ltd.

The elections of Savinilorna Payandi Pillay Ramen, May Wu Yihong, and Moshe Rafiah were opposed, reflecting concerns over the board's failure to establish key committees (audit, compensation, and nominating committees). These votes were against both management and Glass Lewis recommendations.

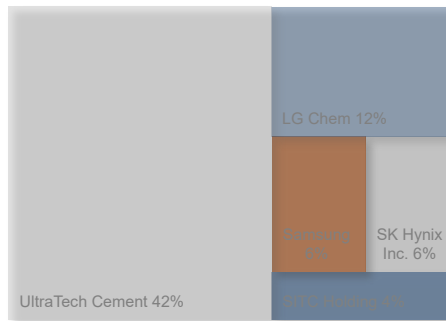
A full list of all meetings voted is available upon request or can be retrieved directly from the C WorldWide website.

Sustainalytics Portfolio Risk Rating: Low
Benchmark: MSCI Asia ex. Japan

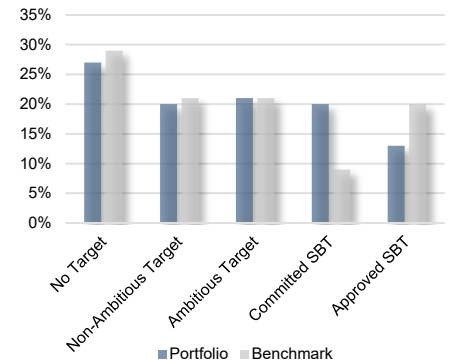
Emissions Exposure & SDS (tCO₂e)



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)



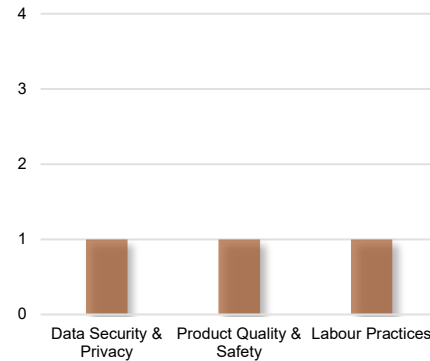
The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 30th of September 2024

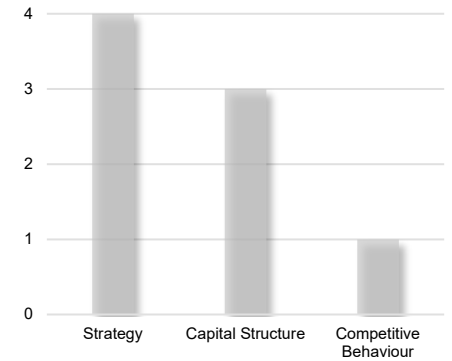
Direct Engagement Topics Environment



Social



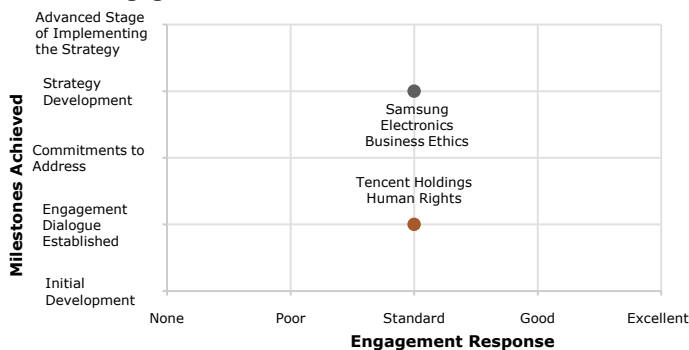
Governance



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%	20
Proposals Voted	100%	123
Proposal Voted Against Management	20%	
Proposal Categories (Top 3)	35%	Board Related
	35%	Audit/Financials
	14%	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 30th of September 2024

Source: Glass Lewis Proxy Voting. Portfolio as of 30th of September 2024

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Active Investments

C WorldWide Asset Management Fondsmæglerselskab A/S is a focused asset manager. Our objective is to deliver consistent, long term capital growth for clients through active investments in listed equities on global stock exchanges.

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

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

Please find more of our Sustainability Reports on cworldwide.se.

**C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S
DANMARK FILIAL I SVERIGE**

Box 7648 · Blasieholmsgatan 5 · SE-103 94 Stockholm
Tel +46 8 535 273 00 · Org.nr. 516405-7233 · cworldwide.se · info.se@cworldwide.com