

Q2 2025



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 general meetings in 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

Quarterly Highlights

During the past quarter, it was once again time for the NordicSIF conference. A conference gathering the Nordic sustainable investment forums (DanSIF, SweSIF, NorSIF, FinSIF, and IcelandSIF) in one of the Nordic capitals. This year the conference was held in Stockholm and the header of the conference was the 'Future of Humanity'. In scope quite broad, but also a timely and topical theme. Topics of discussion included the climate transition, sustainable living, the Nordic JEDI (justice, equity, diversity, inclusion) warrior, as well as peace and war.

The latter has seen significant public interest the last three years, specifically since Russia invaded Ukraine, as we also wrote about during the last quarter. Furthermore, the topic continues to be highly debated among market participants, politicians, as well as in the sustainability community. Since the EU in February 2025, announced its revised strategy to re-arm Europe in the Readiness 2030 strategy, a large number of European and in particular Nordic asset owners have gone from excluding defense companies as a standard in investment strategies to now including these in strategic investment guidelines. The month of June, in particular, showed many changes, even before the member countries of NATO decided to increase defense spending from 2% to 5% of GDP until at least 2035.

Investing in the defense sector presents numerous challenges and opportunities. The defense sector is highly regulated, and from an investment perspective requires additional attention to detail. Many companies are not pure defense contractors and much of their product range is used in other industries. An investment in defense was often treated as an exclusion criterion. From our perspective, all of our investment strategies, except for the Global Ethical Equities strategy, allow for investments in defense companies that produce or produce components for conventional weapons.

Importantly, one must distinguish between conventional weapons and controversial weapons. Conventional weapons are those that are not classified as weapons of mass destruction but rather encompass a wide range of military equipment including light weapons, artillery, tanks, combat aircraft, warships, and missiles. These weapons are commonly used in armed conflicts and are a subject of arms control efforts.

Controversial weapons on the other hand are regulated by international conventions, are used for mass destruction, and include anti-personnel mines, cluster weapons, biological and chemical weapons, depleted uranium, white phosphorus munitions, and nuclear weapons.

The recent development from asset owners is to include a broader range of defense companies. This includes the allowance of nuclear weapons, if the defense companies are based in countries that have signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). The NPT aims to prevent the spread of nuclear weapons and promote peaceful uses of nuclear energy.



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

The strategy avoids investments in companies exceeding a certain level of involvement in specific activities:

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

Despite close similarities between the Nordic countries, inclusion of weapons, and in particular controversial weapons in investment guidelines varies across countries. The most significant difference is Finland, which earlier in June decided to withdraw from the Ottawa Convention that bans anti-personnel mines. The Finnish parliament argues that reintroducing anti-personnel mines would offer a cost-effective deterrent to slow a possible Russian advance, while preserving Finland's territorial integrity. Finland shares a 1,340 km border with Russia.

As an active public equity manager, we follow the significant developments within defense investments and value our engagement with key stakeholders on this topic for the benefit of our long-term investment approach.

Portfolio Changes

During the quarter, we initiated a new position in the following companies.

Cosmax

Cosmax is a Korean-based specialized cosmetics research and development and manufacturing company. Cosmax develops and provides cosmetics to more than 600 cosmetics brands around the world. The key product consists of skincare, makeup, mask sheets, oriental medicine, haircare, functional cosmetics, and scents. The company has corporations in China, Indonesia, and the United States and primarily sells its products in Europe, North America, and Central and South America. Cosmax supports sustainability across the beauty value chain through eco-friendly packaging, responsible sourcing, and carbon-conscious production, reinforced by dedicated ESG reporting.

Direct Engagements

We met with a number of the investee companies during the quarter. Below are highlighted select key sustainability aspects of the meetings.

LG Chem

In a recent meeting with LG Chem, we discussed its Battery Materials business and how it remains a strategic pillar of its sustainability-aligned growth, despite near-term volatility as the segment is experiencing headwinds due to shifting US tariff policies. In response, LG Chem is leveraging its Tennessee plant to manage geopolitical and supply chain risks. The facility enhances localization of production while reducing transportation-related emissions and strengthening compliance with evolving regional content requirements such as those under the US Inflation Reduction Act (IRA).

Although shorter-term challenges remain, LG Chem's continued investment in domestic production capacity and EV-related materials highlights its alignment with long-term energy transition goals. The Battery Materials business not only supports decarbonization in the mobility sector but also enables downstream customers to meet increasingly stringent sustainability and circularity requirements.



Proxy Voting

AIA Group Limited

We voted in favour of the election of George Yeo Yog-Boon at AIA Group's AGM, contrary to our policy and our proxy voting advisor's recommendation. Glass Lewis applies a 12-year tenure limit for director independence, and having served 13 years, Mr. Yeo no longer meets that threshold. However, his long service provides valuable institutional knowledge, and we have no other governance concerns regarding his candidacy. Absent any material issues beyond tenure, we believe his re-election supports board continuity.

BYD Co

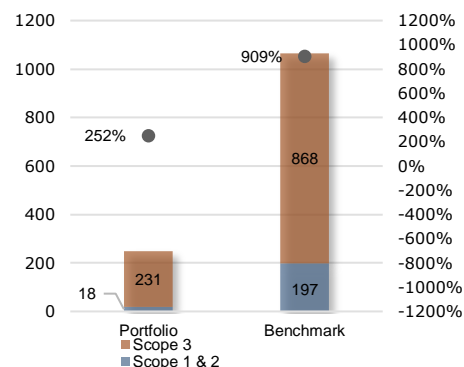
We opposed the management proposal to issue H shares without pre-emptive rights at BYD Co's AGM, which aligns with our policy and our proxy voting advisors' recommendation. Pursuant to Hong Kong law, a listed company may request approval to issue up to 20% of its issued capital without pre-emptive rights, issue repurchased shares of up to 10%, potentially at discounts of up to 20%. However, the proposed issuance limit of 20% exceeds the recommended threshold, and the company has not disclosed the maximum discount to the issue price, hindering shareholders' ability to assess the true dilution risk. For these reasons, we do not believe that it is in the best interests of shareholders to support this proposal.

C WORLDWIDE ASIA EQUITIES

Sustainalytics Portfolio Risk Rating: Low

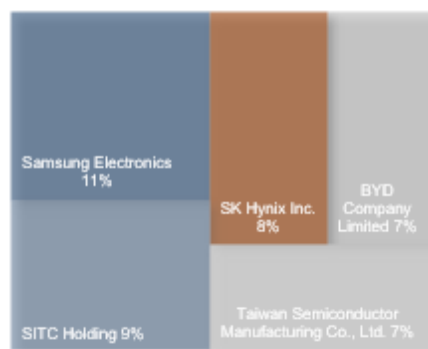
Benchmark: MSCI Asia ex. Japan

Emissions Exposure & SDS (tCO₂e)

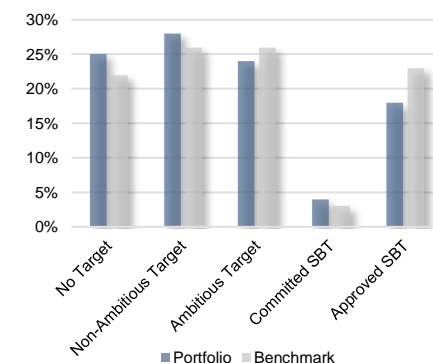


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

Top 5 Contributors to Portfolio Emissions



Climate Target Assessment



Carbon Intensity (tCO₂e/mill. USD revenue)

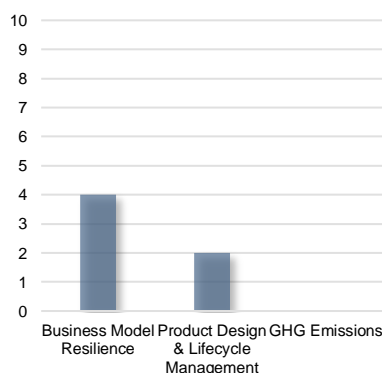


The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

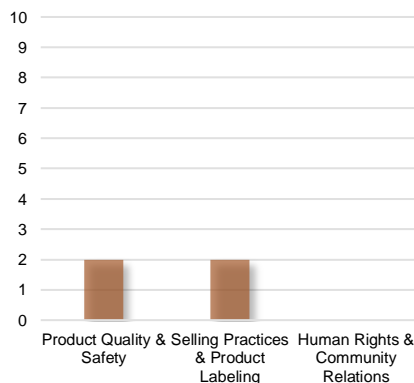
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 30th of June 2025

Direct Engagement Topics

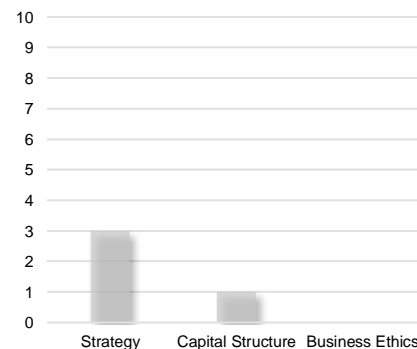
Environment



Social



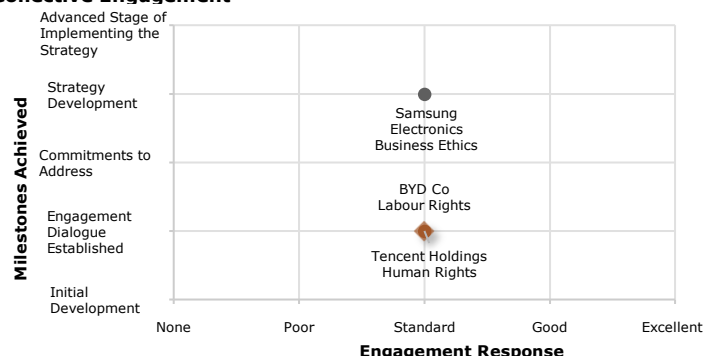
Governance



Total direct company engagements for the portfolio: 4

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.

Source: Sustainalytics. Portfolio as of 30th of June 2025

Proxy Voting

Meetings Voted	100%	35
Proposals Voted	100%	337
Proposal Voted Against Management	22%	73
Proposal Categories (Top 3)	23%	Board Related
	9%	Capital Management

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: Glass Lewis Proxy Voting. Portfolio as of 30th of June 2025

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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.

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