

# Global Equities Ethical

## Q3 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 Global Equities Ethical

## Quarterly Highlights

The development of technology remains one of the world's megatrends, a transformative, long-term force that fundamentally reshapes economies, industries, societies, and cultures over decades. Megatrends are global in scale, affecting multiple regions and sectors as well as structurally transformative, changing how people live, work, and interact.

The latest development in artificial intelligence (AI) is one of such elements. AI brings efficiency and helps systems, processes and people to work at higher speed or rather use less time on tasks. According to a recent article in Financial Times, in just three years, OpenAI's chatbot has been used by more than one in 10 people and at a rate of adoption the world wide web did not achieve until the early 2000s, more than a decade after it was released.

Big tech companies including Microsoft, Alphabet, Amazon and Meta have announced plans to spend more than USD 300 bn on new AI infrastructure investments this year alone and are thus relying on adoption of AI continues to grow. According to Rockefeller International, AI spending by companies now accounts for 40% of US GDP growth this year.

In a recent report, Microsoft's AI for Good Lab estimated that 15% of the world's working population was using AI and noted a strong correlation between AI user share and GDP. Countries in Europe dominate the list of the highest adopters, with much lower rates observed in South Asia and sub-Saharan Africa. The UAE tops the list, with 59% of population using AI. UAE is working to be a middle eastern AI hub, with the country set to use AI for writing laws and introduce AI classes for children as young as four, reportedly.

While AI presents significant opportunities, it also raises critical social, ethical, and governance challenges. In other words, responsible AI is part of the development and broadening of AI. Concerns range from who controls and owns the data used to train models, to the energy footprint of large data centres powering AI, to questions about bias, fairness, and inclusion. Industries adopting AI unevenly risk widening economic and social divides, making 'responsible AI' a key topic for policymakers, companies, and investors alike.

From a governance perspective, AI raises questions about data privacy, intellectual property rights, and cybersecurity risks, requiring stronger frameworks to protect both individuals and businesses.

At the same time, the environmental impact of massive data centres, intense water impact, and high-energy computational processes is under scrutiny, urging companies to balance innovation with sustainability goals.



## Investment Screenings

### Sanctions Screenings

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

### Norms-Based Global Standards Screenings

The Strategy promotes environmental and social characteristics by excluding investments in investee companies in violation of the UN Global Compact or the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises (OECD Guidelines)

### Investment Exclusions

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

- 0% Controversial Weapons
- 5% Military Contracting, manufacturing military weapon systems or integral, tailor-made components of these weapons
- 5% Military Contracting, providing tailor-made products or services that support military weapons
- 0% Small Arms, assault weapons
- 0% Small Arms, small arms or key components to small arms
- 5% Adult Entertainment
- 5% Alcoholic Beverages
- 5% Gambling
- 0% Tobacco Products, manufacturing of tobacco products

For investors and corporate leaders, the challenge lies in navigating these risks while capitalising on opportunities, ensuring that AI deployment is ethical, inclusive, and resilient to regulatory shifts that are emerging across different jurisdictions.

At C WorldWide we are actively researching both the opportunities and challenges which come with increased AI adoption. We are analysing the bottom-up impact this megatrend has on global corporations and investing in companies which are set to benefit from this significant capex investment cycle. At the same time, we are monitoring regulatory, societal and environmental risks which could negatively impact this growth.

## Portfolio Changes

During the quarter, we initiated new positions in the following companies.

### Compass Group

Compass is the largest operator of outsourced canteens globally. Outsourcing canteen operations enable enterprises to focus on core operations, reduce costs, and improve employee satisfaction. Material sustainability risks include product governance, environmental and social impact of products and services as well as human capital management. By operating canteens, Compass generates food waste. Compass was early in adopting and investing in technologies tracking and measuring food waste and aggressively implementing initiatives to reduce waste. In our meeting with Compass' CFO earlier this year, Compass has reduced food waste by double-digits in the past two years. It is reaching the threshold of "natural waste". Generally, 40-50% of total waste cannot be reduced. Compass is a signatory to the UNGC and has good labour relations and publicly available policies. Further mandatory corruption and bribery training is applied across the group.

### Uber Technologies

Uber is the leading platform for both ride-hailing and food delivery, with over 170 million people using it every month. The global shift toward urbanization, sustainability, and convenience supports this trend over the long term. Material sustainability risks include labour practices, data security, and anti-competitive practices. While Uber has policies addressing various stakeholders, Uber is currently involved in multiple lawsuits regarding labour laws and anti-competitive practices. Sustainability has placed Uber on its watchlist for violating Principle 1 of the UN Global Compact and OECD guidelines due to several incidents of cybersecurity breaches where drivers and customers data were leaked. Uber however maintains its ISO 27001 (Information Security Management System (ISMS)) certification for its enterprise business as well as core rides business, which provides confidence in management's ability to address material sustainability risks. In addition, initiatives from Uber's ethics and compliance team -





- 5% Tobacco Products, distribution or retail sale of tobacco products or in the supply of tobacco related products or services
- 5% Oil & Gas, oil and gas exploration, production, refining, transportation, or storage
- 10% Oil & Gas, generation of electricity from oil or gas
- 0% Thermal Coal, thermal coal extraction
- 5% Thermal Coal, generation of electricity from thermal coal
- 0% Oil Sands
- 0% Shale Energy

conducting its own internal risk assessments as well as engages in independent external assessments indicates that Uber is dedicated to addressing the matters.

### Meta Platforms

Meta is the largest social media company in the world, boasting close to 4 billion monthly active users worldwide. The firm's "Family of Apps," its core business, consists of Facebook, Instagram, Messenger, and WhatsApp. Meta packages customer data, sourced from its application ecosystem and sells ads to digital advertisers. Meta is investing heavily into AI as the foundation for its next phase of growth.

Material sustainability risks include energy management, data security, and competitive behaviour. Meta is one of the largest corporate buyers of renewable energy in the world and the company matches 100% of the electricity used in its data centres and offices with renewable energy. The company has SBTi targets set since 2024 and has been an UNGC signatory since 2021. However, Meta has been placed on Sustainalytics' the Global Standards Screening Watchlist as they consider the company to be at risk of violating Principle 1 of the UN Global Compact and Chapters IV and VIII of the OECD Guidelines for Multinational Enterprises. Although the company has addressed some issues regarding data privacy and the human rights impacts of its products, the company continues to face significant public controversy and is currently involved in numerous lawsuits regarding data-sharing via tracking tools (Meta Pixel) and content moderation practices.

Further, Sustainalytics has two ongoing engagement cases with Meta specifically on social impact of Products, and Data Privacy & Security. Meta's high volume of user data collection through Facebook, Instagram, Messenger, and WhatsApp is exposing the company to elevated data privacy and security risks. Meta operates under a comprehensive privacy and data security governance program, including board-level oversight and a Federal Trade Commission (FTC) consent order requiring third-party privacy assessments and strict operational controls. Additionally, significant investments have been made in cybersecurity infrastructure, with a global CISO-led team deploying threat intelligence, AI-driven monitoring, and annual employee-wide security and privacy training.

We are assessing and monitoring all these ongoing issues, in collaboration with Sustainalytics.



## Direct Engagements

We met with several of the investee companies during the latest quarter, including ASML, and L'Oréal. Below are highlighted select key aspects of these meetings.

### ASML

We met ASML to discuss latest sustainability developments including geopolitical risks and technological expansion.

Changed landscapes both within geopolitics and technological shifts impact ASML. Its recent partnership with French Mistral can be seen as structurally supporting the focus of EU to decrease dependence on US tech companies, however ASML underscores this is a strategic expansion to secure customers are offered the best solutions globally.

We further discussed the indication of Chinese development of competing products to ASML's monopoly. Having the size of ASML today can no longer keep them under the radar, which demands a tight security framework for intellectual property and R&D. Since issues in the past of certain data leakage, ASML has worked dedicated to heightening security barriers and training employees on data and cybersecurity, including how engineers develop and test to continue innovation to be the preferred supplier to its customers.

We raised the topic of responsible AI, as this is difficult to avoid in the significant expansion of AI use by everyone everywhere. ASML has not yet developed a framework or policy on how to address AI responsibly, besides clear guidelines on what information to share and not to share with large language models. ASML are however currently exploring responsible AI internally and were also keen to know our position and how we define responsible AI and what we experience from others, including big tech.

### L'Oréal

We met with L'Oréal in Paris for an update on its recently adjusted sustainability targets as well as governance transparency.

L'Oréal's sustainability programme 'L'Oréal for the Future' launched in 2020, has just undergone its halfway review of its 2030 strategy. The programme is centred on four key pillars: climate transition, nature, circularity and communities. There are in total 15 strategies under these four pillars. Key focus in the review process has been to see where L'Oréal can liaise experiences thus far to future targets, which resulted in a quite dense list of targets. Several of the company's initial targets and objectives have now become systematically integrated into standard practices and operational policies, available on its website, and applied across the group. During the process L'Oréal also reflected on the progress that tech can offer e.g. within circularity. Specifically, L'Oréal has launched an accelerator program endowed with 100 million euros over 5 years





to further catalyse breakthrough technologies within low-carbon solutions, alternative ingredients, eliminating fossil plastic use and plastic waste, low-impact processes, water resilience, and nature-based solutions.

On the regulatory reporting site, L'Oréal aligns with EU CSRD and have used many efforts to meet the requirements within the framework. On the question to align with TNFD on nature, the company has considered the framework but has not yet applied it due to further reporting burden and do not claim to align with TNFD for now. Instead, L'Oréal Focus on SBTi and reporting within this framework, besides CSRD.

As a follow up from its AGM in April, we requested further transparency on alignment with the French corporate governance code and EU SFDR Good Governance guidelines, specifically how clawback provisions are incorporated into executive remuneration policies. L'Oréal has listened to shareholders and further information will be available in its universal registration documents going forward.

## **Proxy Voting**

### **Linde**

We voted against the shareholder proposal on lobbying activity alignment with climate goals, in line with management and our proxy voting advisor, and against our policy. Our decision reflects the view that while lobbying practices can present reputational and strategic risks, Linde already meets or exceeds disclosure requirements and provides accessible information on its policies and oversight. We did not identify shortcomings in the company's approach that would warrant adoption of the shareholder proposal, nor evidence that such adoption would clearly enhance shareholder value at this time.

We voted in favor of the advisory vote on executive compensation, in line with management and our proxy voting advisor, and against our policy. Although our framework generally prefers longer vesting periods and stronger performance linkages, we found the current plan's structure, including a 25% threshold payout and improved alignment between pay and performance, to be a meaningful enhancement over prior years.

Finally, we voted in favor of the election of Victoria E. Ossadnik, with management, against our proxy voting advisor, and against our policy. While external commitments could raise overboarding concerns, Ms. Ossadnik has served effectively on Linde's board for seven years and previously on Linde AG's supervisory board. We found no evidence of insufficient capacity or commitment to her board responsibilities.

### **HDFC Bank Ltd.**

We voted in favor of all proposals, with management, with our proxy voting provider, and in line with our policy. The agenda included items such as the adoption of the consolidated and standalone accounts and reports, elections of



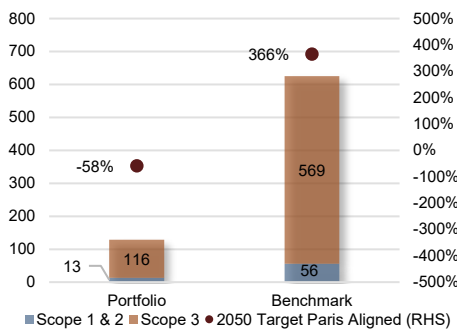
Renu Sud Karnad and Kaizad Bharucha, appointment of secretarial and statutory auditors, allocation of profits and dividends, authority to set auditor's fees, issuance of debt instruments, increase in authorized capital with related amendments to the memorandum, and a bonus share issuance.

Our support reflects that all proposals were considered routine, aligned with shareholder interests, and consistent with sound governance practices. We found no concerns regarding disclosure, oversight, or board composition, and determined that management's recommendations were reasonable and in line with long-term shareholder value creation.

# C WORLDWIDE GLOBAL EQUITIES ETHICAL

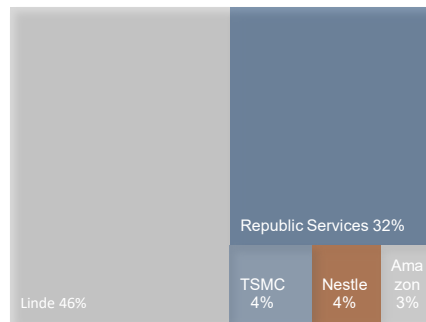
**Sustainalytics Portfolio Risk Rating: Low**  
Benchmark: MSCI All Country World Index

## Emissions Exposure & SDS (tCO<sub>2</sub>e)

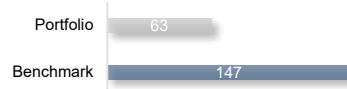


The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

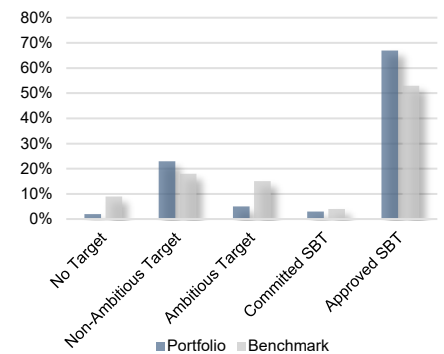
## Top 5 Contributors to Portfolio Emissions



## Carbon Intensity (tCO<sub>2</sub>e/mill. USD revenue)



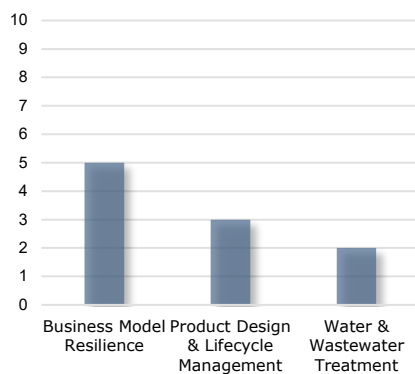
## Climate Target Assessment



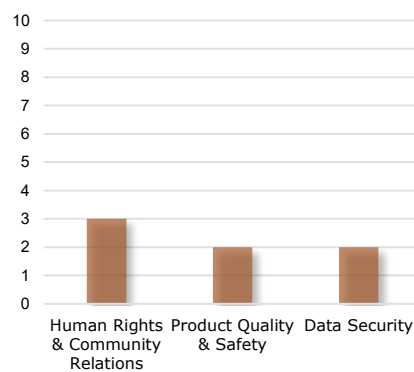
The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

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

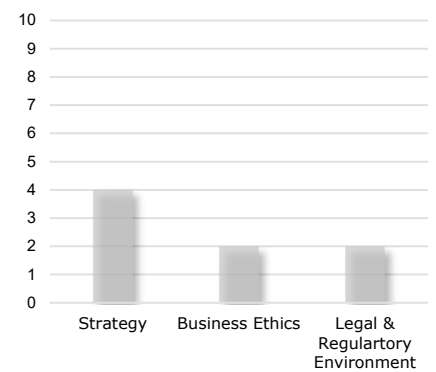
## Direct Engagement Topics Environment



## Social



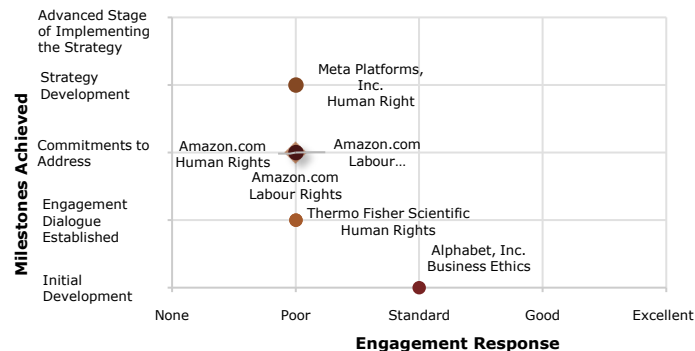
## Governance



**Total direct company engagements for the portfolio: 7**

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 30<sup>th</sup> of September 2025

## Proxy Voting

Meetings Voted	100%	3
Proposals Voted	100%	26
Proposal Voted Against Management	0%	0
Proposal Categories (Top 3)	46%	Board Related
	31%	Audit/Financials
	8%	Compensation

We utilise 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 30<sup>th</sup> of September 2025



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