WORLDWIDE ASSET MANAGEMENT

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# Sustainability Report

Global Equities

Q3 2025

# C WorldWide Global Equities

## 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

## 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

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

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.

**Schneider Electric**

Located in France, Schneider Electric, is a global supplier of electrical and industrial automation equipment and well positioned in the accelerating electrification of infrastructure. Its portfolio spans electrical distribution, data centre power systems, industrial automation, and energy management software, each aligned with the themes of decarbonisation, grid modernisation, and the circular society. The integration of sustainability has been a focus for Schneider Electric for 15 years. Material sustainability risks include energy management and business ethics. As for the former, the company's largest climate impact stems from Scope 3 emissions. Schneider Electric targets net zero emissions by 2050 (entire value chain) and net-zero ready operations by 2030 (scope 1 and 2) and aligns with both TCFD and SASB reporting standards. The company has allegedly been involved in antitrust violations and has some multiple cybersecurity incidents. Schneider Electric publicly disclose its ethics and compliance program, including strong supplier oversight, high rates of training employees, and channels for reporting misconduct.

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

**Prosus**

Prosus is a consumer internet group operating across a variety of platforms and geographies. The group's businesses and investments are organised around the following segments: Ecommerce, which comprises its interests in Classifieds, Payments, and Fintech, Food Delivery, Etail, Travel, and other Ecommerce, Social and Internet Platforms, which also comprises its 23% stake in Tencent. Prosus reports in line with the EU CSRD, TCFD and SASB standards. Material sustainability risks are mainly found in the structure of the portfolio companies and the nature of this business that includes exposure to emerging markets governance (e.g., Brazil, India, China), digital platform labour practices, and data privacy/security. E.g. PayU fintech adds financial inclusion positives, while food delivery portfolio companies raise potential gig-worker rights controversies. These are issues that Prosus is addressing in public statements and principles.

## Direct Engagements

We met with several of the investee companies during the latest quarter, including ASML, Siemens, and LVMH. 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.

**Siemens**

Also with Siemens we discussed responsible AI. Siemens is leveraging digitalisation and AI to enhance productivity and efficiency, with digital twins and AI reducing work and development time by up to 58%. The company is retraining employees to adapt to new technologies and is actively promoting responsible AI through participation in a German AI alliance. Siemens' vast industrial data and experience position it strongly in developing "Industrial GPT"-like capabilities, although customer intellectual property restrictions currently limit the full scope of AI training.

Siemens aims to achieve net-zero emissions by 2030 in its own operations and has already met seven out of fourteen targets under its DEGREE program. The company has updated its sustainability framework to include avoided emissions, while its climate goals are aligned with the Science Based Targets initiative, using offsets capped at 10%. Key challenges remain in reducing supplier emissions, particularly from oil-related partners. Siemens is also developing a green digital twin to support decarbonisation.

According to Siemens, around 90% of its product portfolio contributes to sustainable solutions, although alignment with the EU Taxonomy is significantly lower due to methodological differences. The company awaits further clarity from the EU on the Corporate Sustainability Reporting Directive (CSRD), which has been put on hold by the 'Stop-the-Clock' amendment, noting that double materiality is likely to be a major benefit despite the complexity of data requirements.

We further discussed supply change management and resilience. Siemens operates under stringent German regulations that already exceed the proposed EU Corporate Sustainability Due Diligence Directive (CSDDD). The company applies over 80 KPIs for supplier verification, covering environmental and human rights criteria, and includes mitigation measures for high-risk geographies. Instances such as denying business from the UAE due to potential Russian links demonstrate its cautious compliance stance. Negative financial impact from such exclusions is considered negligible, as business will materialise elsewhere, according to Siemens.

**LVMH**

We have met LVMH a few times the latest year, specifically to discuss issues with labour rights in its supply chain. Regular readers of this quarterly update will remember how we discussed the challenges in the company's Dior branch

at the same time last year. In September we met with LVMH at its headquarter in Paris to discuss yet another issue in its Loro Piana branch. It was no secret that LVMH was quite disappointed to see such an issue occur following the increased audits, extra reporting to management and organisational focus the issue in the Dior supply chain led to, including limiting subcontracting as much as possible.

Specifically, LVMH controls supplier tier 1 and 2, which are also the supply layers that are audited on a regular basis. Starting Q1 2025 Loro Piana had an indication of issues in tier 3 and acted upon this by seizing the relationship with the sub-supplier. Nonetheless, the Italian authorities are very focused at controlling issues with illegal immigration and large corporation such as LVMH has a name that can be used to expose this agenda. LVMH is part of fashion associations together with Kering, Chanel and others to share experiences as the once in Italy and to work collaboratively to combat the use of illegal workers at sub-suppliers.

Following the Loro Piana case LVMH has as of 1 September appointed Ludovic Pauchard as Director of Industry and Craftsmanship at LVMH meaning overseeing production across LVMH's maisons including ensuring ethical practices in the supply chain. Further, CEO Arnault has stated that there are no human resources or financial limitations to avoid future incidents in the company's supply chains. We feel confident that LVMH works intensively to secure sound supply chains going forward.

We further discussed LVMH's somewhat reluctance to transparent reporting. Specifically, we are missing details on the company's remuneration structure, which has also been highlighted for several years at the LVMH's AGM. LVMH confirmed that they "are not champions of disclosure" but also stated that shareholder feedback is addressed internally at the highest level.

## 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 perfor-

mance 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.**

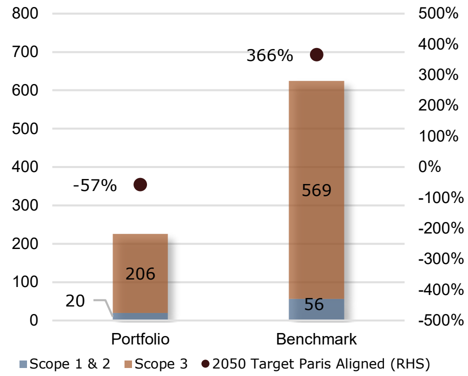
We voted in favor of all proposals, with management, with our proxy voting provider, and in line with our policy. The agenda included items such as the adoption of the consolidated and standalone accounts and reports, elections of Renu Sud Karnad and Kaizad Bharucha, appointment of secretarial and statutory 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

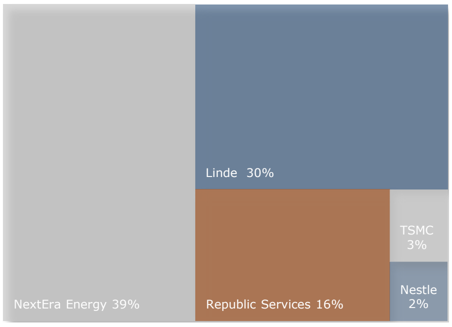
**Sustainalytics Portfolio Risk Rating: Low**
*Benchmark: MSCI All Country World* Index

### Emissions Exposure & SDS (t$CO_2$e)

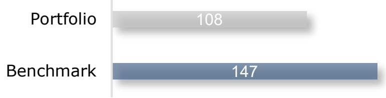



The above graph summarises the portfolio's carbon footprint compared with the benchmark. The Sustainability Development Scenario (SDS) pathway on the right-hand side of the graph is fully aligned with the Paris Agreement. The graph indicates whether the portfolio and benchmark are expected to over-/undershoot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

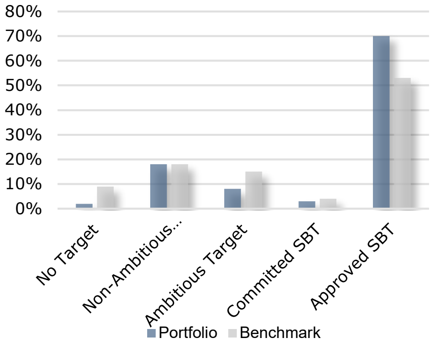
### Top 5 Contributors to Portfolio Emissions




### Carbon Intensity (t$CO_2$e/mill. USD revenue)




### Climate Target Assessment

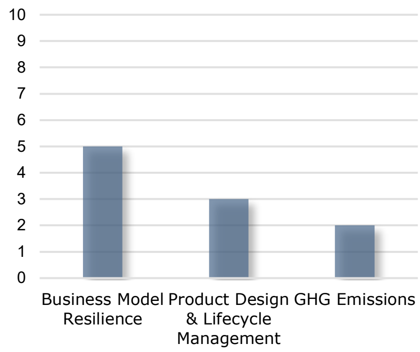



The above graph shows how many of the companies in the portfolio have set climate targets and how ambitious these are. Having ambitious targets, being committed to Science-Based Targets (SBT) or having approved SBT shows close alignment with the Paris Agreement.

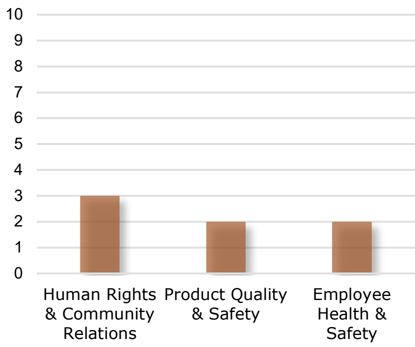
Source: ISS Data Desk (Climate Assessment). Based on a portfolio Value of 1,000,000 USD. Portfolio as of 30th of September 2025

### Direct Engagement Topics

**Environment**




**Social**

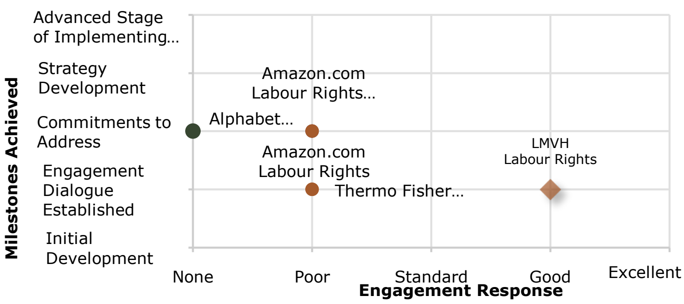



**Governance**


**Total direct company engagements for the portfolio: 8**

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 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 |
| | 12% | Capital Management |

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 30th of September 2025

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