Investing in China's Clean Energy Transition: The Calamos Sustainable Equities Team Approach

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China is the second-largest market in the world by market capitalization, so investors cannot overlook it. However, they must tread carefully. The Chinese Communist Party has a heavy hand and rarely signals market participants ahead of policy decisions. Investors are therefore subject to policy shocks.

Over recent years, stock market action has provided investors with many lessons about why it is imperative to be on the right side of the government when investing in China, and the government's 2021 crackdowns on technology platforms and private tutoring companies showed how quickly the tides can shift. Geopolitical tensions and trade friction with the United States have added another layer since then. An emphasis on industries aligned with China's Five-Year Plan remains key. A focus on strong governance and exposure to supported industries will help mitigate risk and increase the chances for a sustainable valuation premium.

That plan is now the 15th Five-Year Plan, covering 2026–2030, approved at the National People's Congress in March 2026. The 14th Five-Year Plan called for reduced CO2 intensity, lower energy consumption, and increased use of renewables and electric vehicles. The 15th goes further, treating clean energy not as a policy priority alongside economic growth but as a driver of it. The plan reaffirms China's "dual carbon" goals—peaking emissions before 2030 and achieving carbon neutrality by 2060—and sets a target to cut carbon intensity by 17% over the plan period.[1]

That said, the 17% carbon intensity target is weaker than the 18% set under the 14th plan, which China fell short of by five percentage points. The 15th plan sets no absolute emissions cap, leaving real ambiguity about whether China will peak before 2030 as pledged. Some analysts have called it a quiet recalibration.[2] At the same time, the plan continues to support massive expansion of renewable energy, energy storage, hydrogen, and grid infrastructure. China's clean energy deployment has repeatedly exceeded its own targets. In 2025, for the first time, growth in renewable electricity generation surpassed the annual increase in total electricity consumption.[3]

China Is All-In on the Environment

Innovation and green development remain common themes in the 15th Five-Year Plan. The plan specifically names new energy, energy storage, hydrogen, and advanced nuclear as strategic emerging industries, with funding mechanisms and industrial cluster development to follow. The plan aims to establish approximately 100 national zero-carbon industrial parks and expand west-to-east transmission capacity from clean energy bases to over 420 gigawatts by 2030.[4]
Big subsidies are up for grabs, and companies whose interests align could thrive. China currently accounts for roughly 80% of global solar PV production and more than 70% of wind turbine and EV battery manufacturing.[5]

Governance Still Matters, and Is Getting More Measurable

Despite improvements, corporate governance still lags in China. There are some structural differences that complicate comparisons to Western companies, making the evaluation of governance in China more of a relative exercise. That said, there is a positive correlation between good governance practices and stock price multiples in emerging markets.

[1] 15th Five-Year Plan text, October 2025 / National People's Congress March 2026; Carbon Brief Q&A on 15th FYP, March 2026
[2] Carbon Brief, Centre for Research on Energy and Clean Air analyses, March 2026; Climate Action Tracker, March 2026
[3] Climate Action Tracker statement on 15th FYP, March 2026
[4] China Briefing analysis of 15th FYP clean energy provisions, April 2026; Sightline Climate analysis, March 2026
[5] IDDRI analysis of 15th FYP, March 2026

What has changed since we wrote our 2021 piece on sustainable investing opportunities in China is the regulatory environment for sustainability disclosure. In 2024, China's three main stock exchanges jointly issued *Guidelines for Sustainability Reporting*, requiring major index constituents and dual-listed firms to publish sustainability reports annually. The first mandatory reporting cycle covered fiscal year 2025, with reports due by April 30, 2026.[6]

The Ministry of Finance finalized national sustainability disclosure standards in December 2024, aligned with international frameworks. The shift is from voluntary reporting to mandatory, enforceable compliance. Regulators are explicit that sustainability data should now meet the same standards of reliability as financial reporting.[7]

The first mandatory reporting cycle tests whether companies can translate these standards into audit-ready outputs, and the results will bear watching. The Shanghai Stock Exchange has raised penalties for greenwashing and selective disclosure.[8] Investors who have done the work to evaluate governance quality independently, rather than relying on self-reported scores, will have an advantage.

Green finance has grown substantially. By the end of 2024, the outstanding balance of green loans in China reached RMB 36.6 trillion ($5.1 trillion). Total ESG investment reached RMB 40.31 trillion ($5.6 trillion), up approximately 22% year over year.[9]

Regulatory Risk Has Not Faded

The Chinese government remains sensitive to antitrust issues and the social fabric of the country at large. We believe companies at risk of stricter enforcement are best left alone by investors, as are monopolistic industries and products or services that exploit consumer vulnerabilities. The aforementioned crackdowns on technology platforms and private tutoring companies remain a vivid reminder that the government will move decisively when it perceives industries as running counter to social priorities, with little advance notice to markets.

The 15th Five-Year Plan's emphasis on "common prosperity" indicates that the government's approach is unlikely to change. Industries that accumulate disproportionate economic power or compete with state priorities remain exposed.[10]

Geopolitical Risk Remains a Live Variable

Sanctions, delistings, and market access restrictions, largely theoretical in 2021, are now real risks for investors in Chinese equities. In January 2025, the US blacklisted both Tencent and battery maker CATL for alleged links to the Chinese military, and the Biden administration moved to further restrict AI chip exports to China. That was followed by the Trump administration's tariff escalation. The MSCI China Index entered bear market territory at the start of 2025, declining 20% from its October 2024 high, as investors priced in the prospect of worsening trade and geopolitical friction.[11]

Case Studies: Three Companies at the Center of the Energy Transition

While our multi-faceted risk management leads us to a cautious stance on China, we have found select opportunities in three Chinese companies, each with a commanding position in a different part of the clean energy economy. All three sit at the intersection of the two biggest decarbonization themes of our time: electrification of transportation and the buildout of clean power infrastructure. Each has scale advantages and global reach that competitors have struggled to match.

CATL. CATL is the world's dominant EV battery manufacturer. For the full-year 2025, it held a 39.2% global market share in EV battery installations—the only manufacturer above 30%—with installations up 35.7% from 2024. Its customers include Tesla, BMW, and Volkswagen, as well as the fastest-growing Chinese brands. That breadth is hard to replicate.

BYD. BYD is simultaneously CATL's closest battery competitor and one of its largest customers. It controls everything from raw materials to finished vehicles, making it one of the most cost-efficient EV producers on the planet. Together, CATL

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[6] Clifford Chance briefing on CSR Guidelines, April 2024; Capital Markets Law Journal (Oxford Academic), November 2025
[7] China Briefing, January 2026; CMS China, July 2025
[8] Chambers and Partners ESG 2025 China guide, November 2025
[9] Capital Markets Law Journal (Oxford Academic), citing PBOC data, November 2025; Syntao / B-CCaS, 2024
[10] 15th Five-Year Plan text, CPC Central Committee recommendations, October 2025
[11] Bloomberg News, "Chinese Stocks Enter Bear Market as Geopolitical Risks Mount," January 9, 2025.

and BYD accounted for over 55% of global EV battery installations in 2025, in a market growing at more than 30% annually. We are also encouraged by BYD's accelerating international expansion.

Sungrow. Sungrow is a leading manufacturer of solar (PV) inverters, which convert solar power into grid-usable electricity, and an increasingly significant player in utility-scale battery storage. The company has ranked first or second globally in PV inverters for ten consecutive years. Its energy storage business overtook inverters as its largest revenue segment in 2025, growing nearly 50% year over year, with more than 60% of revenue now coming from outside China.

We hold these positions not as a bet on China broadly, but because we believe electrification and decarbonization are long-term secular trends worth investing in, and because within those trends, we believe these companies offer high-quality fundamentals. The transition itself is not automatically an investment opportunity. The companies worth owning have built durable advantages: scale, proprietary technology, and customer relationships that competitors cannot easily replicate. CATL, BYD, and Sungrow have each met that bar. All three hold dominant, difficult-to-displace positions in the global energy transition and, in our view, present an investment case strong enough to warrant the country risk.

Closing Thoughts

We have spent more than 30 years evaluating sustainability risks and opportunities. We're pleased to see an improved disclosure environment in China and believe our experience will help us draw insights that less-seasoned investors would miss. We're also encouraged that the 15th Five-Year Plan demonstrates China's continued commitment to the energy transition. That said, our investments in Chinese companies do not reflect a top-down country bet. We are clear-sighted about the potential risks in the Chinese markets but believe select business cases justify the risk.

As of April 16, 2026, the 10 largest positions in Calamos Antetokounmpo Global Sustainable Equities ETF are as follows: Alphabet, Inc. – Class A, 6.29%; NVIDIA Corp., 4.57%; Microsoft Corp., 3.68%; Apple, Inc., 3.44%; Taiwan Semiconductor Manufacturing Company, Ltd. (ADR), 3.17%; Amazon.com, Inc., 2.22%; SK Hynix, Inc., 2.11%; Broadcom, Inc., 2.09%; Applied Materials, Inc., 1.42%; and Visa, Inc. – Class A, 1.36%. As of April 16, 2026, Contemporary Amperex Technology Company, Ltd. (CATL) represented 0.98%, BYD Company, Ltd. – Class H represented 0.96%, and Sungrow Power Supply Company, Ltd. – Class A represented 0.47% of Calamos Antetokounmpo Global Sustainable Equities ETF. The fund held 0.0% Tencent. Complete holdings for the fund can be found at www.calamos.com.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be appropriate for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

Before investing, carefully consider the Fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information which can be obtained by calling 1-866-363-9219. Read it carefully before investing.

Environmental, social and governance (ESG) is based on the premise of investing in companies that have good environmental records, are ethically run and have a positive social impact.

An investment in the Fund is subject to risks, and you could lose money on your investment in the Fund. There can be no assurance that the Fund will achieve its investment objective. Your investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The risks associated with an investment in the Fund can increase during times of significant market volatility. The Fund also has specific principal risks, which are described below. More detailed information regarding these risks can be found in the Fund's prospectus.

The principal risks of investing in the **Calamos Antetokounmpo Global Sustainable Equities ETF** include: equity securities risk consisting of market prices declining in general, growth stock risk consisting of potential increased volatility due to securities trading at higher multiples, value stock risk, foreign securities risk, forward foreign currency contract risk, emerging markets risk, small and mid-sized company risk and portfolio selection risk. As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.

The Fund's ESG policy could cause it to perform differently compared to similar funds that do not have such a policy. The application of the social and environmental standards of Calamos Advisors may affect the Fund's exposure to certain issuers, industries, sectors, and factors that may impact the relative financial performance of the Fund-positively or negatively-depending on whether such investments are in or out of favor.

Calamos Antetokounmpo Asset Management LLC ("CGAM"), an investment adviser registered with the SEC under the Investment Advisers Act of 1940, serves as the Fund's adviser ("Adviser"). CGAM is jointly owned by Calamos Advisors LLC and Original C Fund, LLC, an entity whose voting rights are wholly owned by Original PE, LLC which, in turn, is wholly owned by Giannis Sina Ugo Antetokounmpo.

Mr. Antetokounmpo serves on the Adviser's Board of Directors and has indirect control of half of the Adviser's Board.

Mr. Antetokounmpo is not a portfolio manager of the Fund and will not be involved in the day-to-day management of the Fund's investments, and neither Original C nor Mr. Antetokounmpo shall provide any "investment advice" to the Fund. Mr. Antetokounmpo provided input in selecting the initial strategy for the Fund.

Mr. Antetokounmpo will be involved with marketing efforts on behalf of the Adviser.

If Mr. Antetokounmpo is no longer involved with the Fund or the Adviser then "Antetokounmpo" will be removed from the name of the Fund and the Adviser. Further, shareholders would be notified of any change in the name of the Fund or its strategy.

Giannis Sina Ugo Antetokounmpo is the majority shareholder of Original C, with a 68% ownership interest.

The Adviser is jointly owned and controlled by Calamos Advisors LLC and, indirectly, by Mr. Antetokounmpo, a well-known professional athlete. Unanticipated events, including, without limitation, death, adverse reputational events or business disputes, could result in Mr. Antetokounmpo no longer being associated or involved with the Adviser. Any such event could adversely impact the Fund and result in shareholders experiencing substantial losses.

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