

Vontobel

Impact Report 2026

Vontobel Fund – Global Environmental Change

October 2026

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Introduction



“Energy security and climate action used to compete. Today, they’re the same investment thesis, and that’s where we believe capital will flow over the next decade.”

If this year has shown one thing, it’s that the energy transition is no longer steered by climate considerations alone. The conflict in the Middle East and the resulting closure of the Strait of Hormuz have laid bare the vulnerabilities of import-dependent energy systems. Coupled with growing trade fragmentation and fragile global supply chains, energy security and affordability have moved back into the limelight for policymakers and businesses alike.

Geopolitical tensions may create uncertainty in the short term. But they also make a stronger case for the energy transition. Accelerating the use of clean alternatives is not just about cutting emissions anymore, but it has become a question of economic resilience and national security. Governments and businesses are investing in electrification, renewable energy, stronger domestic energy systems, and more robust supply chains to reduce reliance on imports.

Rising temperatures and more frequent extreme weather are making climate mitigation and adaptation more urgent. Decarbonizing energy systems is still one of the most effective ways to limit future climate damage, while investments in resilient infrastructure, cooling technologies, and resource efficiency can help protect economic productivity, public health, and infrastructure. For investors, these risks have become financially material, given their potential to cause market volatility, impair assets, and disrupt supply chains. As such, adaptation and mitigation are now seen as two sides of the same coin. Electrification is where these forces meet. Transport, buildings, and industrial processes are becoming more electrified, while the expansion of artificial intelligence (AI) and data centers is pushing electricity and water demand higher for years to come. Technologies supporting economic growth and climate adaptation, from AI and cooling to renewable energy, are adding pressure to electricity systems. Declining renewable-energy costs and the push for greater energy independence could continue to support the transition, but they also expose bottlenecks that can’t be ignored, such as modernizing power grids or building storage.

We believe these developments are giving rise to a multi-decade investment cycle across clean energy, water, grids storage, energy efficiency, and circular economy solutions. While much of the capital invested so far has flowed into established renewable energy sectors, we see opportunities in climate adaptation, strong infrastructure, and technologies that help create more efficient and flexible energy systems. Impact investing seeks to direct capital toward scalable solutions that intend to generate measurable environmental outcomes while supporting long-term economic resistance. Advances in AI are also changing the way investment decisions are made, improving due diligence, sustainability and risk analysis, product development, and impact measurement. We believe the next phase of the energy transition will require capital to flow into the infrastructure, technologies, and business models needed for a more secure, low-carbon energy system.

—

Pascal Dudle, CEFA
Head Impact & Thematic Investing and Lead Portfolio Manager
Vontobel Fund – Global Environmental Change

Executive summary

Our impact investment strategy is built around the concept of what we have dubbed a "double dividend," meaning we aim to generate financial returns while making a positive contribution to the planet. We seek to exceed our clients' expectations by continually improving our resources, processes, and reporting methods.

This year's Impact Report for the Vontobel Fund – Global Environmental Change (hereinafter referred to as "Vontobel Fund – GEC" or "the Fund") takes the reader from the big picture to the company level, exploring the global trends shaping sustainable investing, how these developments inform our impact investment strategy, and the measurable outcomes of our portfolio and stewardship activities.

We begin with a broad view of global developments and the structural forces shaping the sustainability landscape. The report then examines four interconnected themes that we believe will play an important role in the transition toward a more resilient, sustainable, and resource-efficient economy: energy sovereignty, grid modernization, energy storage, and circular-economy solutions. We believe that these themes will show how geopolitical developments, technological innovation, resource constraints, and sustainability considerations are reshaping long-term investment opportunities.

The report then turns to sustainability developments at Vontobel, including updates to key sustainability-related documents and policies. We also provide an overview of our impact investing strategy, methodologies, and recent developments, including the integration of our new impact data provider, Net Purpose. We look at each of our impact pillars and present a company case study to demonstrate how we apply our Theory-of-Change[1] framework in practice.

We subsequently quantify the impact generated by the strategy, with the results independently verified by ISS STOXX. Portfolio-level outcomes remained strong and stable, with 80 percent of revenues classified as impactful, alongside an impact strategy score of 1.36 and SDG contributions. The following page illustrates the potential impact of a EUR 1 million investment in the Vontobel Fund – GEC, translating the portfolio companies' reported environmental outcomes into tangible real-world equivalents.

During the reporting period, the Fund's impact profile continued to evolve, supported by the integration of Net Purpose data and an increased allocation to utilities, transmission and distribution equipment providers, renewable energy developers, and semiconductor firms. As a result, contributions related to renewable energy equipment, electrification, and water efficiency increased, while indicators associated with circular economy activities and low-emission transportation declined following reduced exposure to several holdings in these areas.

The Fund's potential avoided emissions (PAE)[2] ratio amounted to 12.6 times its Scope 1 and 2 carbon footprint, despite the adoption of a more stringent methodology that focuses solely on annual avoided emissions, as opposed to the lifetime avoided emissions of a product or service used previously (please refer to page 40 for the details of the changes to the methodology). While PAE attributable to the Fund declined compared with the previous year, avoided emissions reported by portfolio companies remained broadly stable. These developments reflect a shift in (impact) allocation rather than a reduction in overall impact ambition and demonstrate the continued strength of the underlying impact generated by the portfolio's holdings.

Apart from the company impact, a key component of our investor impact is realized through active ownership. The report therefore covers our voting and engagement activities, supported by case studies. We continue to place greater emphasis on targeted objectives and measurable outcomes, in addition to our ongoing fact-finding discussions with portfolio companies. The report concludes with an overview of the Fund's sustainability credentials as assessed by external ESG rating providers, offering an external perspective on our own impact assessment.

[1] Theory of Change describes how and why a set of actions is expected to lead to a specific desired outcome or impact.

[2] Avoided emissions are emissions that would have been released if an action or intervention had not taken place. The emissions avoided by using a more efficient product or service are often conditional on either consumer or market behavior. This analysis does not make absolute predictions about behavior or market developments.

The potential impact of a EUR 1 million investment in Vontobel Fund – GEC
For illustrative purposes only

Generation of renewable energy
72 MWh

Providing clean energy to
47 people
over one year

Shipment of renewable energy devices
93 kW

Replacing
127 t
of annual coal consumption

Circular economy (recovery, reuse)
12 t

Reusing packaging waste caused by
67 people
over one year

Provision of drinking water
863 m³

Supplying water to
18 people
over one year

Water saved, recycled or treated
58,500 m³

Treating wastewater of
1,232 people
over one year

Waste management
13 t

Treating waste caused by
26 people
over one year

Cargo / passenger transport by rail
215,400 km

Saving
5,445 liters
of diesel / gasoline

Carbon footprint (scope 1&2)
44 t CO2e

Causing annual emissions equivalent to
34 cars
on the road

Potential avoided carbon emissions (PAE)
554 t CO2e

Avoiding annual emissions equivalent to taking
420 cars
off the road

Source: Vontobel. As of June 30, 2026. Figures are rounded and reflect the adoption of a more conservative methodology that focuses on annual rather than lifetime avoided emissions. The Global Environmental Change calculator is provided for informational purposes only to illustrate the potential impact that an investment may represent in the Vontobel Fund – GEC. The companies in which the portfolio is invested fit in at least one of the six core impact pillars of the strategy and not all companies will have an impact on all of the nine environmental indicators. Impact investing must take into consideration the capital allocation and engagement strategies of the portfolio.

Global developments shaping ESG and impact investing

Global standard settings

SFDR 2.0 developments

The European Commission has unveiled its long-awaited proposal to overhaul the SFDR[3], the EU's transparency framework for financial products integrating environmental or social objectives. The move represents a significant redesign in EU sustainable disclosure framework since its inception in 2021. It aims to simplify the regime and reduce compliance burdens for financial market participants, while improving the usability for end investors by making sustainability related products easier to understand and compare. The proposal also seeks greater coherence across the broader EU's sustainable finance framework, including Markets in Financial Instruments Directive (MiFID II), EU Taxonomy, and corporate sustainability reporting requirements. This overhaul replaces legacy classifications with three defined product pillars: "Transition" funds targeting credible decarbonization pathways, "ESG Basics" for funds integrating sustainability factors, and "Sustainable" for products pursuing defined environmental, social, or impact investing goals. In light of this impact investing strategy, the proposed "Sustainable" category appears relevant. The potential implications will continue to be assessed as the legislative process progresses and the final regulatory requirements are clarified.

ESMA fund naming rules

The implementation of ESMA's Fund Naming Guidelines marked an important step in strengthening anti-greenwashing safeguards within the European fund industry. The guidelines introduce minimum portfolio standards and exclusion requirements for funds using sustainability-related terms such as "sustainable," "green," "climate," "transition" or "impact" in their names. For certain sustainability-related terms, these requirements are linked to exclusion criteria derived from the EU Climate Transition Benchmark (CTB) and Paris-Aligned Benchmark (PAB) frameworks, including restrictions on exposure to controversial weapons, tobacco, and selected fossil fuel-related activities. By linking fund naming more closely to underlying investment characteristics, the guidelines aim to enhance investor protection and strengthen confidence in sustainable investment products.

UK stewardship code revision

Stewardship continued to gain prominence as a key mechanism through which investors seek to contribute to environmental and social outcomes. In 2025, the UK Financial Reporting Council published revisions to the UK Stewardship Code, placing greater emphasis on outcomes and effectiveness while reducing reporting complexity. The revised framework reflects growing expectations that investors demonstrate how stewardship activities contribute to real-world change.

Trends in impact investing globally and in Switzerland

Despite a challenging backdrop of economic uncertainty, declining international aid flows, and escalating climate risks, the impact investing market continued to expand in 2025. According to the Global Impact Investing Network (GIIN)[4], impact assets under management increased by 11 percent year-on-year to a total of USD 450 billion in 2025 and have grown at a compound annual growth rate of 21 percent over the past six years, pointing to the sector's resilience and increasing maturity. The majority of investors surveyed by GIIN expect to increase allocations to climate solutions, water and sanitation, and sustainable agriculture in the coming years. GIIN expects the market to continue maturing as participation from pension funds and other institutional investors increases.

In Switzerland, impact investing remained a significant and stable segment of the sustainable investment market. According to the Swiss Sustainable Investment Market Study[5], impact investing accounted for 12 percent of sustainability-related assets under management in 2025, equivalent to approximately CHF 233 billion. The study also found that 84 percent of investors expect impact investments to generate market-rate risk-adjusted returns, while 13 percent expect above-market returns, suggesting that investors see measurable social and environmental outcomes and competitive financial performance as compatible objectives. This is consistent with our double dividend philosophy that seeks to pursue positive impact and attractive financial returns simultaneously. Impact capital continues to be concentrated in sectors where investment opportunities are well established and can be scaled, particularly housing, community development, energy, and environmental solutions.

[3] European Commission. 2025. Commission simplifies transparency rules for sustainable financial products. November 20, 2025. finance.ec.europa.eu/publications/commission-simplifies-transparency-rules-sustainable-financial-products_en

[4] GIIN (2025). "State of the Market 2025: Trends, Performance and Allocations". s3.amazonaws.com/giin-web-assets/giin/assets/publication/giin-stateofthemarket2025.pdf

[5] www.sustainablefinance.ch/api/rm/JDDUCK857PBP27P/ssf-2026-investment-market-study-final.pdf

Developments in impact measurement
Two themes receiving increasing attention are the use of AI across investment processes and the broader adoption of impact measurement and management practices. The Swiss Sustainable Investment Market Study reports a significant increase in the use of AI for investment due diligence, sustainability scoring, and risk assessment, as AI becomes more widely used in investment activities. At the same time, GIIN highlights the potential for AI to improve impact measurement and data analysis, while stressing the importance of robust standards and accountability.

GIIN also identifies impact data convergence as a key priority for the industry.[6] While investors increasingly use common impact frameworks and metrics, approaches to organizing and linking impact data remain fragmented. Making impact data more interoperable could make it easier to compare results, inform portfolio-level decisions, and support the use of AI in impact investing. These issues are also explored in the publication "How Much Change? Addressing Challenges for Investors in Measuring Impact" by Swiss Sustainable Finance and the Swiss Platform for Impact Investing, which looks at the practical challenges investors face in measuring, comparing, and communicating impact outcomes.[7] As part of advancing industry thinking on impact measurement, Vontobel contributed to this publication. It features Vontobel Fund – GEC as a case study, describing our investment approach focused on companies that provide environmental solutions through listed equities and discussing the practical challenges associated with measuring and reporting impact.

GIIN's Listed Equities Working Group
After prior discussions on the topic of how to measure impact in 2025, GIIN's Listed Equities Working Group met on June 23, 2026. This time, a key theme of the discussion was how public equity impact investors can demonstrate "additionality" despite investing primarily through secondary markets, where capital is not directly provided to companies. Participants in the discussion expressed the view that corporate engagement may represent an important lever for creating investor contribution, as structured and outcome-oriented engagement can influence company strategy, sustainability performance, and broader systemic change.

Sean Gilbert, GIIN's Chief Investor Network Officer, also introduced a conceptual four-bucket framework: Product Design, Theory of Change, Investor Contribution, and Impact Measurement, which will guide the group's future work. The aim is to move the industry beyond marketing-driven narratives that assume investment expertise, portfolio construction, and engagement automatically translate into positive impact outcomes. Instead, the working group aims to develop a more standardized and evidence-based approach under which managers to clearly articulate how their investment decisions and stewardship activities contribute to addressing specific systemic environmental and social challenges, supported by measurable impact outcomes.

[6] thegiin.org/publication/opinion/from-fragmentation-to-insight-why-data-convergence-matters-for-scaling-impact/

[7] www.sustainablefinance.ch/api/rm/52U75K52R8DH78G/2026-02-12-ssf-spotlight-how-much-change-en.pdf

Our world in flux calls for energy sovereignty

In an increasingly fragmented geopolitical landscape, energy security has become a strategic priority. Recent disruptions, including tensions in the Middle East and the shift away from Russian energy supplies, have highlighted the vulnerabilities associated with dependence on imported fossil fuels. As a result, many countries are pursuing energy sovereignty, building energy systems that are more resilient, self-reliant, and less exposed to geopolitical risks. This is being pursued through a combination of supply diversification and strategic autonomy, including investment in domestic energy production, infrastructure, manufacturing capabilities, and critical supply chains.

At the heart of this transition are electrification, renewable energy, and energy efficiency. Electricity is expected to play a much larger role in the global energy system over the coming decades, with renewable sources providing most of the additional power demand. Beyond their environmental benefits, renewable technologies can enhance energy independence by reducing reliance on imported fuels while offering increasingly attractive economics.

However, the transition also creates significant challenges. Existing electricity networks were not designed for the rapid growth of renewable generation, electric vehicles, heat pumps, industrial electrification, and digital infrastructure. Aging grids are becoming a structural bottleneck, requiring substantial investment in modernization, expansion, storage capacity, and smart-grid technologies to ensure reliability and resilience. As electrification accelerates, power networks are increasingly becoming one of the most critical enablers of both energy sovereignty and economic competitiveness.

At the same time, the transition is shifting dependencies from fossil fuels to critical raw materials. Technologies such as wind turbines, solar panels, batteries, and power networks require large quantities of lithium, copper, nickel, cobalt, and rare earth elements. Industry forecasts generally project increased demand for many of these materials, while supply chains remain highly concentrated. China currently plays a dominant role in the mining, processing, and manufacturing of many critical energy-transition technologies, creating new geopolitical dependencies and supply-chain risks. In response, governments are increasingly implementing industrial policies designed to strengthen domestic supply chains, encourage strategic investment, and secure access to critical resources.

To reduce these vulnerabilities, governments and companies are pursuing strategies that include supply-chain diversification, domestic production, strategic stockpiling, and the development of recycling capabilities. Recycling is particularly important because many metals can be recovered and reused without losing their properties, supporting both resource security and sustainability objectives.

The energy transition therefore extends far beyond renewable power generation. It depends on an interconnected ecosystem of upstream and downstream industries. Upstream opportunities include mining, processing, refining, and recycling critical materials. Downstream opportunities include renewable energy generation, power-grid infrastructure, energy storage, efficiency technologies, electrified transportation, sustainable buildings, automation, and industrial decarbonization solutions.

Overall, energy sovereignty is becoming a powerful driver of investment and innovation. The transition toward a cleaner, more resilient, and self-sufficient energy system will require substantial investment across the entire value chain. Understanding these interdependencies is essential, as energy security, resilience, competitiveness, and decarbonization are increasingly converging into a single long-term structural theme.

More details can be found in a recently published Viewpoints: “Our world in flux calls for energy sovereignty” and “Power moves: The new energy order.”

Powering up the grid

Global electricity demand is rising rapidly after years of modest growth, driven by electrification across transportation, heating, industry, and the rapid expansion of data centers and AI. While this transformation creates significant opportunities, it also exposes one of the biggest bottlenecks in the energy transition: power grids.

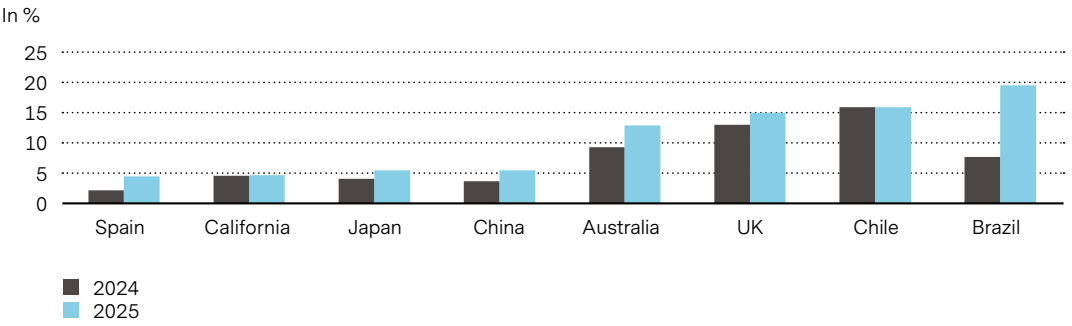
Most electricity networks in developed economies were built decades ago for centralized fossil-fuel-based systems and were not designed to accommodate today's increasingly decentralized, renewable-heavy energy landscape. Years of underinvestment, combined with aging infrastructure, have left many grids struggling to keep pace with growing demand. In the US, more than 70 percent of grid infrastructure is over 25 years old, while around 40 percent of Europe's networks are more than 40 years old.

As a result, grid congestion, connection delays, and renewable energy curtailment have become increasingly common. Thousands of renewable energy, storage, and electrification projects worldwide are currently waiting to be connected to the grid, slowing both decarbonization efforts and economic growth.

The challenge extends beyond capacity. Aging networks create reliability, efficiency, and security risks, while climate change is increasing exposure to extreme weather events such as heatwaves, floods, and storms. At the same time, electricity infrastructure has become a strategic national asset, underpinning critical services, digital infrastructure, and economic resilience. Consequently, governments are placing greater emphasis on grid hardening, cybersecurity, energy storage, and resilience measures.

These structural challenges are driving a multi-year investment cycle. A significant share of spending is currently focused on replacing aging assets, but investment in grid expansion, automation, digitalization, and advanced grid technologies is expected to grow rapidly in the coming years. Solutions such as smart grids, advanced power-flow controls, AI-enabled network management, and digital monitoring systems are becoming increasingly important to maintain reliability in more complex electricity systems.

Figure 1: Wind and solar curtailment rates in 2024 and 2025 by market



Source: BNEF, "Power Grids: Seven Things to Watch in 2026." As of February 2026.

Energy storage is emerging as another critical component of the modern power system. As solar and wind generation continue to expand, batteries and other storage technologies are needed to balance intermittency, provide backup power, improve grid flexibility, and shift electricity demand away from peak periods. Falling battery costs and growing energy security concerns are accelerating deployment globally.

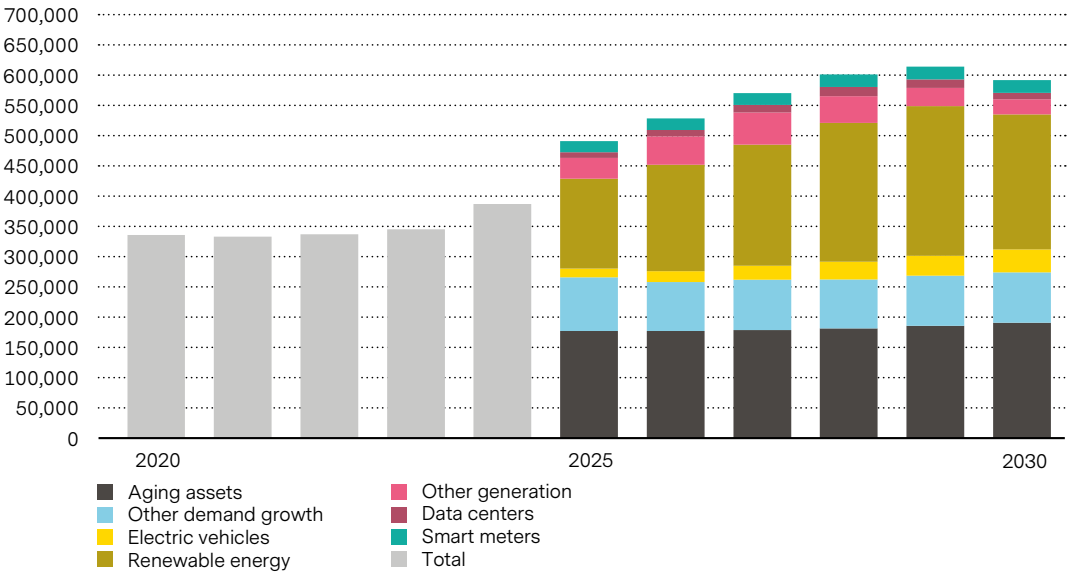
The resulting investment cycle benefits both regulated utilities and the industrial companies supplying essential grid equipment, including transformers, high-voltage cables, power electronics, smart grid technologies, metering systems, and storage solutions. High capital requirements, strict regulation, long permitting processes, and engineering complexity may create significant barriers to entry, supporting long-term demand for established industry leaders.

Overall, the convergence of electrification, digitalization, decarbonization, and energy security is driving a sustained wave of investment in power infrastructure. Modernizing and expanding electricity grids will be essential to supporting economic growth, enabling the energy transition, and building a more resilient and reliable energy system.

More details can be found in a recently published Viewpoint: "Make grids great again."

Figure 2: Global annual grid investment by main driver

In USD billion



Source: BNEF, "New Energy Outlook: Grids." As of August 2025.

24 / 7 power: The future runs on storage

The global energy system is undergoing a fundamental transformation. What began as a gradual shift toward cleaner energy sources has evolved into a broader restructuring of how electricity is generated, transmitted, and consumed. At the center of this change is the growing combination of renewable energy and battery storage. As costs decline and technology improves, energy storage systems are becoming a critical component of modern power markets, helping renewables move beyond intermittent generation and become a dependable source of electricity.

Battery technology itself is not new, having existed for more than two centuries. However, recent advances in technology, falling production costs, and economies of scale have significantly improved its commercial viability. Utility-scale solar-plus-storage projects can often be developed within two to three years, much faster than traditional gas-fired power plants. We believe battery projects are becoming increasingly attractive to investors because they can generate revenues from multiple sources, including electricity price arbitrage, power purchase agreements, grid support services, and capacity markets.

One of the most important contributions of storage is its ability to address the intermittency of renewable energy. Solar and wind power depend on weather conditions and time of day, which can create challenges for grid operators. Battery systems solve this problem by storing excess electricity during periods of high generation and releasing it when demand is greater. This can help improve the predictability, increases its value to the grid, and enables it to provide reliable electricity closer to baseload levels. In many markets, solar-plus-storage systems are already competitive with gas-fired generation while offering greater flexibility.

The rapid growth of data centers provides a practical example of the importance of reliable renewable energy. Data centers require continuous, high-quality electricity, and energy demand from the digital economy continues to increase. According to BloombergNEF, solar-plus-storage systems can already provide around 70 percent of the baseload electricity required by data centers in several regions at costs comparable to combined-cycle gas turbines. This may be especially applicable in areas with strong solar resources and high gas prices, such as Spain, India, and parts of the Middle East. Although achieving even higher levels of reliability may require larger solar and storage installations, the trend clearly suggests that solar-plus-storage is becoming a viable alternative to conventional fossil-fuel generation.

Energy storage also plays an increasingly important role in energy security and grid modernization. Countries that depend heavily on imported fossil fuels are vulnerable to supply disruptions and volatile commodity prices. Renewable energy paired with storage reduces this dependence by relying primarily on domestic energy resources. At the same time, batteries help address growing grid congestion by absorbing excess electricity, supplying power during peak demand periods, and acting as flexible distributed assets. In effect, storage can help utilities maximize the use of existing infrastructure while reducing the need for costly transmission upgrades.

Despite expectation for continued growth, the storage industry faces several challenges. Battery production relies heavily on critical minerals such as lithium, nickel, and cobalt, whose prices can be volatile and whose supply chains are concentrated in a limited number of countries, particularly China. To reduce these risks, governments and companies are working to diversify supply chains, localize manufacturing, and develop alternative technologies such as sodium-ion batteries. Battery recycling is also expected to become increasingly important, helping recover valuable materials, improve supply security, and reduce the environmental impact of battery production.

Overall, the rise of renewables and energy storage is creating opportunities across the entire value chain, from mining and battery manufacturing to grid infrastructure and renewable power development. What was once viewed primarily as a solution to renewable intermittency is now supporting broader goals, including decarbonization, energy security, and grid reliability. As electricity systems become increasingly electrified, decentralized, and digital, renewables combined with storage are likely to form the backbone of the future energy system.

More details can be found in a recently published Viewpoint: “24/7 power: The future runs on storage”.

Closing the loop: The case for circularity

The circular economy has become a prevalent theme in corporate sustainability reporting. Terms such as "recycled" and "circular" are used frequently, but many of these claims are often supported by little evidence. In many cases, companies don't explain how their claims are measured. This lack of substantiation can make it difficult for investors, customers, and other stakeholders to trust such messages. As impact investors, our objective is to allocate capital to businesses that can demonstrate tangible, verifiable improvements in areas such as circular economy. Our engagement with portfolio holdings is an important part of our aim to strengthen disclosures, imrlying data quality, and help ensure that circularity claims are backed by measurable actions.

The need for substantiation is even more critical given the scale of inefficiencies in today's economy. According to the Circularity Gap Report 2026[8], an estimated EUR 25.4 trillion in economic value is lost each year through inefficient use of materials, premature disposal of products, and the underutilization of assets. That is equivalent to almost one-third of global gross domestic product (GDP). On the one hand, these losses are environmental in nature. On the other, they also reveal how much economic value (embedded in materials, products, and infrastructure) is discarded instead of being preserved. As such, we believe circularity isn't solely an environmental objective, but a core driver of value preservation, resilience, and long-term economic performance.

The understanding of circularity is also changing. It's increasingly being reframed from a focus on material flows alone to a broader concept of value retention. As highlighted by the Circularity Gap Report 2026, the goal is to maximize the functional value of materials, products, and assets for as long as possible, and not to simply increase recycling rates. This requires moving away from measuring activity, such as tons recycled, and instead understanding how effectively value is preserved through longer lifespans, greater utilization, and the recovery of materials and components at their highest possible value.

These developments are strongly aligned with our own investment approach. Within our "Lifecycle Management" impact pillar, we seek to address challenges created by growing material consumption, inefficient waste management, and unsustainable use of natural resources. Our objective is to support a more circular economy by investing in business models that extend the life of products and materials, such as repair, reuse, remanufacturing, and high-quality recycling, all of which reduce waste while extending product and material lifecycles. We place particular emphasis on solutions that preserve material value at the highest possible level for as long as possible.

Turning circular economy ambitions into practice requires functioning material loops across the value chain. In our view, this involves three complementary activities.

1. The first is collection and sorting: companies that capture material and waste streams from their own operations or directly from consumers, before separating them into appropriate recovery pathways.
2. The second is processing into secondary raw materials. This is typically carried out by specialized waste management and recycling operators that sort, clean, and process these collected materials into high-quality secondary materials with clear specifications and market value.
3. The third is sustained demand for these secondary materials. Circular systems only function when manufacturers are willing to incorporate recycled inputs into their own production processes. By replacing virgin raw materials with secondary alternatives, companies can boost demand for recycled materials and the economics of circular supply chains.

[8] "The Circularity Gap Report 2026", Circle Economy, February 2026, accessed here: circulareconomy.europa.eu/platform/sites/default/files/2026-04/The%20Circularity%20Gap%20Report%202026%20%281%29.pdf

But material flows are just one side of the coin. Value is also lost through a set of systemic mechanisms embedded in current linear systems. Materials are often mismanaged across supply chains, products are often replaced long before they reach the end of their useful lives, and valuable infrastructure and long-lived assets are still underutilized or deteriorate unnecessarily. Environmental and social costs are also still excluded from market prices, which creates incentives that favor linear consumption over circular solutions.

Not all material loops are equally effective. Steel, aluminum, and glass can often be recycled multiple times while maintaining their quality. Other materials, including many types of cardboard, paper, and plastics, tend to degrade with each recycling cycle. Maintaining their productive use depends on innovation in product design, sorting technologies, and new end-use applications. New challenges are also emerging as increasing numbers of solar panels, wind turbine components, and batteries reach end of life. These products contain significant quantities of critical and precious materials, including rare earth elements and strategic metals with high economic and strategic value. Cost-competitive, scalable processes to recover, separate, and refine these materials are still developing and need to keep up with increasing waste volumes, which in turn is giving rise to an expanding urban mining industry focused on recovering valuable resources from existing infrastructure, electronic waste, and other anthropogenic stocks.

To assess how companies contribute to a more circular economy, our impact reporting looks at two core indicators within the “Lifecycle Management” pillar. The first, “waste collected and/or recycled,” measures the extent to which material flows are diverted from uncontrolled disposal into managed recovery pathways. The second is “materials captured for circular economy,” which measures the quantity of materials that are actually reintroduced into new products or production processes. Taken together, these metrics provide a more complete picture of circular performance because it helps us better understand how our portfolio companies contribute to functioning circular systems in practice. It also reflects the move beyond high-level commitments and narratives toward evidence-based impact. In doing so, we align our impact measurement with a broader shift in the market toward assessing not only how much economic activity is generated, but how much value is retained rather than lost through linear practices.

Several companies within our investment universe illustrate how these approaches can be applied in practice. One example is Smurfit WestRock, a global producer of sustainable paper-based packaging with operations in 35 countries, more than 500 converting facilities, and 63 paper mills. The company focuses on corrugated packaging, containerboard and paper-based consumer packaging, offering inherently renewable and recyclable alternatives to plastic and other conventional materials. Circularity is embedded in both design and operations. Packaging is designed to minimize material use through right-sizing, which comes with a positive side effect of reducing emissions. Other innovations, including integrated folding solutions, remove the need for additional packaging materials like polystyrene. Its “Better Planet” sustainability framework combines strong resource stewardship with measurable targets, including sourcing 100 percent of virgin fiber from responsibly managed forests and ensuring all products are recyclable, reusable, or compostable. It also uses a majority share of recycled fiber across production, returning around 90 percent of the water used in manufacturing back to the environment in good condition. This combination of product innovation, resource efficiency, and clear, measurable targets illustrates how circular economy principles can be implemented at scale with tangible and verifiable outcomes across the value chain.

Sustainability at Vontobel

Our guiding strategy
Sustainability and corporate responsibility have a long history at Vontobel. Since the company's founding in 1924, the Vontobel owner family has always championed long-term value creation, which is important for our path toward sustainability.

The six Sustainability Commitments (see Sustainability Framework) set out the key levers we have as an investment firm and as a corporate citizen to deliver on our sustainability positioning, which states that:

"Sustainability has always been a focus for our owner families, now in their fourth generation. As corporate citizens, we honor their commitment by contributing to the health of our local communities. As an investment firm, we empower investors with the necessary knowledge, tools, and investment options to consider sustainability in the building of their better futures. Through these efforts, we contribute to the UN's SDGs and aim for our impact to be proportionate to our reach."

To ensure Vontobel's six Sustainability Commitments remain relevant, they are reviewed every two years. Following the 2024 review, the Sustainability Commitments have been refined to include clearer targets and internal KPIs, which serve as the underlying metrics to monitor progress. Vontobel has made a conscious decision to eliminate terms like "net zero" from the commitments, due to varying interpretations among different stakeholder groups. Consequently, the climate ambitions now refer to the Group-wide GHG emission reduction targets for parts of Vontobel's operations and Paris-aligned reduction paths for the financed emissions[9] of parts of its own assets.

Figure 3: Vontobel's six Sustainability Commitments

Being a responsible citizen	Partnering with our clients
Climate & Environment Taking significant steps to reduce GHG emissions across our operations and in our banking and trading books.	**Advice for Private Clients** Advise our private clients on the benefits, opportunities and risks of ESG investments.
Equality, Diversity & Inclusion Continue creating a great workplace where everyone can thrive.	**Investment Solutions** Incorporate ESG consideration into active investment decisions.
Community Engagement Be an active member of the local community.	**Governance & Transparency** Empower our stakeholders to challenge us through governance and transparency.

Source: Vontobel, Sustainability Report 2025.

[9] The scope of this includes corporate bonds within our treasury books (banking- and trading books).

ESG principles, policies, and reports

- As a signatory to the ***Principles for Responsible Investment*** (PRI), Vontobel is committed to gradually implementing the six principles that promote the broad integration of ESG issues into investment processes, while also encouraging other market participants to adopt them. We publicly report on our responsible investment activities each year.
- At Group level, Vontobel publishes a ***Sustainability Report*** as part of its Annual Report. It includes a detailed GRI (Global Reporting Initiative) and TCFD (Task Force on Climate-Related Financial Disclosures) index and disclosure of how we implement TCFD recommendations at Vontobel.
- The ***Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors*** demonstrates how Vontobel considers principal adverse impacts on sustainability factors in all investments made during the year 2025.
- Vontobel has a Group-wide ***ESG Investing and Advisory Policy*** that explains our rationale on sustainable finance, our objectives, our governance structure, and how this policy is implemented across business divisions.
- Vontobel Asset Management has ***Voting*** and ***Engagement Policies*** that define how we fulfill our active ownership responsibilities. It details how we maintain an active dialogue with all companies in which the Vontobel funds invest and how we actively exercise our voting rights whenever authorized to do so.
- As a signatory to the UK Stewardship Code since 2021, we submit the ***ESG Integration and Stewardship Report*** that highlights and summarizes the engagement and voting efforts undertaken across Vontobel's investment teams, which reflects our application of the Code's principles and our compliance with its revised requirements. The ***Engagement Report*** highlights the efforts of Vontobel's Conviction Equities Boutique, of which the impact investing team is part of.
- Vontobel funds apply exclusions which have been aligned and split into three levels, as described in the ***Exclusion Framework***.
- The ***Compensation Regulation*** of Vontobel Holding AG outlines the key elements of the fixed and variable compensation system. It also elaborates on the link between the compensation system and the business strategy, the defined objectives, values, and long-term interests, including ESG risks and goals of Vontobel.
- At the end of 2024, Vontobel introduced its Group-wide ***Greenwashing Prevention Framework***, complemented by a mandatory training series, to empower employees to confidently engage with stakeholders about sustainability-related initiatives.

Our impact investing strategy

Our core belief
Our impact investing approach is built around the concept of the "double dividend": the belief that attractive financial returns can be considered alongside positive real-world outcomes. We seek to invest in companies with scalable, competitive technologies that deliver real-world impact. By focusing on businesses whose products and services address some of the world's most pressing environmental challenges, we aim to capture the growth opportunities arising from the transition to a more sustainable economy while pursuing measurable positive impact and competitive returns.

Impact strategy assessment
Our proprietary impact strategy assessment remained unchanged, with all our holdings undergoing an annual renewal and update process. The assessment comprises six criteria: four that evaluate a company's ability and commitment to generate positive impact, and two that assess risks associated with both impactful and non-impactful activities. The first four assessment criteria, covering management culture and strategy, growth potential driven by internal and external factors, and impact measurement and reporting, range from neutral to strongly positive scores. The two risk-related criteria, by contrast, range from negative to neutral, reflecting varying levels of exposure to regulatory, technological, competitive, or reputational risks. We seek companies that demonstrate strong positive impact characteristics across the first four criteria while maintaining limited risk exposure in the final two.

Impact pillars
Our investment process is aligned with the GIIN guidance on pursuing impact in listed equities, a topic we elaborated on in detail in the impact report for 2023. Through our Theory of Change exercise, we identified the challenges we want to solve. We have grouped these challenges into six impact pillars and identified solutions that can help address them. Portfolio holdings are then allocated to a pillar, scope, and sub-scope based on the environmental solutions their products and services provide. Over the past 12 months, we have integrated a large language model (LLM) into our investment process to provide an initial mapping of each company to the most appropriate impact pillar. Starting on page 21, we outline each pillar and the sustainability challenges it addresses, followed by a company case study each.

Impact indicators
We have broken our impact pillars down into quantifiable impact indicators that align with the impactful activities and reported metrics of our portfolio holdings. Each year, ISS STOXX independently verifies a sample of this data. Figure 8 presents all the impact indicators collected for the Vontobel Fund – GEC.

While our key impact indicators can be aggregated at the portfolio level, we also introduced company-specific indicators. This reflects our approach to evaluating and selecting impactful companies across the entire value chain of our impact pillars. These indicators capture the positive impact of individual business activities. However, due to their specificity, they are not suitable for aggregation at the portfolio level.

Avoided emissions have been a staple impact indicator of our strategy since 2016, reflecting the positive climate impact of products and services that enable emissions reductions beyond a company's own operations. While traditional greenhouse gas accounting focuses on the emissions companies generate, avoided emissions seek to quantify the emissions prevented through climate solutions compared with a relevant baseline scenario. This provides an additional perspective on how companies contribute to the transition towards a low-carbon economy and supports a more comprehensive assessment of climate impact.

The concept has gained more traction over the past decade as investors, companies, and standard setters have increasingly recognized the value of measuring the contribution made by climate solutions. According to the International Energy Agency (IEA)[10], solar PV, wind power, nuclear power, electric vehicles, and heat pumps together avoided around 3 Gt of CO_2 emissions in 2025, equivalent to approximately 8 percent of global energy-related emissions. Solar PV alone accounted for around 1.5 Gt of avoided emissions, while wind power avoided a further 1.1 Gt of CO_2, highlighting the increasingly important role of clean technologies in global decarbonization.

[10] IEA's Global Energy Review April 2026.

Purity factor
The concept of purity refers to the revenue contribution from impactful activities. We have consistently applied investment principles to identify companies whose products and services can create real-world impact in one of the areas defined by our impact pillars. Under our definition, we consider a company impactful and sustainable when a material share of its revenues comes from products and services that contribute to at least one of our impact pillars.

SDG contributions
We map contributions generated through companies' products and services to the SDGs, excluding their internal, operational, or philanthropic contributions. This SDG mapping is aligned with the objectives of the corresponding impact pillars. Beyond the contribution from products and services, management's behavior and initiatives, e.g., the focus on research and development, funds available for capital expenditure, or activities tied to mergers and acquisitions, also play a significant role. As a result, the number of SDGs we assign tends to be lower than what companies claim or what rating agencies may attribute to them.

Principle adverse impact indicators
Principal Adverse Impacts (PAIs) refer to the most significant negative impacts of investment decisions on sustainability factors, including environmental, social, and employee matters, respect for human rights, and issues related to anti-corruption and anti-bribery. PAI indicators are divided into 14 mandatory indicators and 18 voluntary indicators. They cover a broader range of sustainability impacts, allowing for more detailed transparency.

For the Vontobel Fund – GEC, we take into consideration all mandatory and multiple optional PAI indicators. A description of how we deal with PAIs can be found in the Sustainability Related Website Disclosure as well as in our Impact & Sustainability Guidelines. These PAI indicators also form the foundation of our SFDR periodic reporting. We report on these PAI indicators in our EET file, which is distributed monthly through FE Fundinfo.

Comprehensive data provider
A core objective of our impact investing strategy is to assess and measure the environmental impact generated by the products and services of our portfolio companies. Robust, transparent, and company-level impact data are essential to achieving this.

To further strengthen our impact measurement framework, we conducted a structured evaluation to identify a comprehensive impact data provider. We assessed several providers based on the breadth and quality of their impact indicators, methodological transparency, source traceability, and the availability of raw company-level data, particularly on avoided carbon emissions.

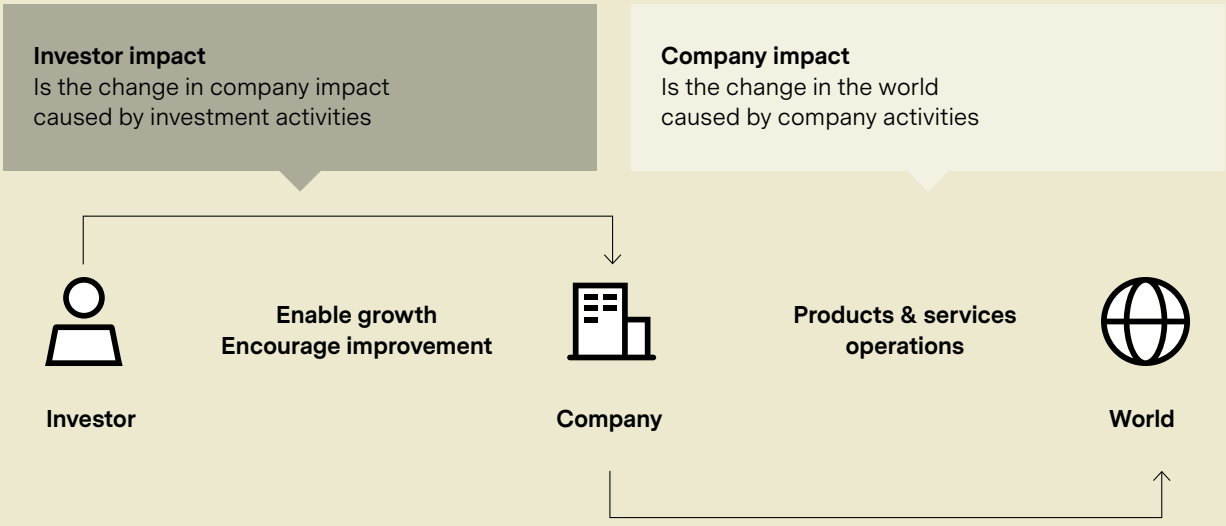
The evaluation concluded with the selection of Net Purpose as our new strategic impact data partner. This partnership enhances our ability to integrate impact data into investment decisions, engagement activities, and client reporting, while further supporting the transparency, consistency, and credibility of our impact measurement framework.

More information on Net Purpose can be found in our interview with Samantha Duncan, the founder and CEO of Net Purpose on page 19.

Active ownership
We believe that active ownership is an important way for investors to contribute to positive impact in public markets. We distinguish between two complementary but distinct concepts: investor impact and company impact. Investor impact refers to changes in a company's behavior, strategy, policies, or performance that may be influenced by investor actions, including engagement, voting, and other stewardship activities. Company impact refers to the environmental and social outcomes generated by a company's products, services, and operations. While companies ultimately deliver these outcomes, we seek to influence those outcomes indirectly through active ownership. Our aim is to encourage changes at the company level that can strengthen its impact over time. Figure 4 illustrates the pathway from company activities to environmental and social outcomes, highlighting company impact and the role companies play in creating real-world change.

Our guidelines
Between 2025 and 2026, we successfully completed the recertification process for the Belgian "Towards Sustainability" label.[11] A central task during this period was amending our Impact & Sustainability Guidelines to comply with the label's new "Quality Standard". This update involved further specifying our exclusion criteria regarding fossil fuels, power generation, controversial weapons, and tobacco, alongside introducing a new chapter detailing our ESG data providers and analytical tools. The newly released guidelines are now accessible on the Fund Website.

Figure 4: The two types of impact



Source: Heeb, F., & Kölbel, J. (2020). The investor's guide to impact. University of Zurich, Center for Sustainable Finance & Private Wealth (CSP).

[11] Created by Febelfin, the Belgian Financial Sector Federation, this label is among the most rigorous in Europe and is reviewed every two years to stay aligned with consumer demands, societal trends, scientific advancements, available data, and regulatory changes. www.towardssustainability.be

Beyond ESG scores: A conversation with Samantha Duncan

Sustainable and impact investors are under growing pressure to demonstrate the real-world outcomes of their investments. As the founder and CEO of Net Purpose, Samantha Duncan has spent the past several years building the data infrastructure needed to make that possible. We spoke with Samantha about the origins of Net Purpose, the challenges of impact measurement, the evolution of sustainable investing, and how investors can move from ambition to evidence when assessing their impact.



Samantha Duncan is an Australian entrepreneur and impact measurement pioneer, and the founder and CEO of Net Purpose. She has dedicated her career to building the data infrastructure needed for sustainable investing.

— Samantha, could you briefly tell us about the history of Net Purpose and the idea behind it?
I founded Net Purpose in 2019 with a mission to make impact measurement more effortless for investors and help make capitalism more sustainable. Today, we're really proud to partner with clients with over USD 20 trillion in assets, and some of the most sophisticated sustainable and impact investors in the world, including Vontobel.

The idea for Net Purpose evolved at my former job in a financial institution, where every investment decision was powered by data, but that data only ever captured financial returns. The companies we advised clearly had broader impacts on the world, yet there was no rigorous way to measure them. Afterwards, I worked with microfinance borrowers in Peru and later served as Head of Impact at LeapFrog Investments. There, we helped make major contributions to the frameworks for impact measurement in the industry, but despite operating at the frontier, our small team spent 95 percent of their time manually transferring numbers between spreadsheets. The data infrastructure simply did not exist, and I decided it was time to change that.

— What are the unique strengths and differentiators of Net Purpose?
Net Purpose is a measurement platform for sustainable and impact investors, and we exist to help investors launch, grow, and report on sustainable and impact strategies.

Net Purpose is unique for many reasons, but our core differentiator is that we provide data to investors, not ratings or scores; and we provide data on the real-world outcomes of companies and portfolios, instead of policies, inputs, or proxies.

The question we help investors answer isn't whether a company has financial risk due to social or environmental factors, but whether there is scientific evidence that a specific business activity produces a measurable, positive impact or meets a given sustainable objective. That focus on real-world outcomes is what we hope allows investors to consider social and environmental impact as rigorously as they consider financial returns.

What makes that possible is the data infrastructure underneath it. Where companies disclose impact indicators, every data point is fully traceable back to its origin—click-to-source transparency all the way to the specific page of the annual report or sustainability filing it came from. We host almost 200,000 sustainability reports in our central databases, so even if a company's report goes offline, that audit trail remains intact. Regulators and auditors are increasingly expecting exactly that level of granularity, and our clients need to be able to stand behind every number they put in front of them.

Our in-house research team (specialists with PhDs in relevant thematic domains) also draws on scientific literature and life cycle assessments to quantify the positive impact of products and services where company reporting

"We provide data on the real-world outcomes of companies and portfolios."

is incomplete. The methodology is always transparent and traceable. That combination of reported data and rigorous research-led estimation is what ultimately allows investors to measure their sustainable performance and compare it to other investors, in exactly the same way they benchmark financial performance.

— How would you describe the broader challenges associated with collecting, standardizing, and comparing reliable and meaningful impact data?
Net Purpose is a data company, so we think a lot about collecting, standardizing, and comparing data.

The most basic problem in collecting data is whether a company actually discloses the data investors need. Thankfully, company disclosure has advanced dramatically in recent years. However, company reports are not (yet) machine-readable, the data can be inconsistent, and what gets reported can vary across markets and sectors. We build tools to first collect data as reported at source, so investors can then engage with companies to continue to improve disclosure, and do that efficiently, accurately, and at scale.

After collecting data, we then invest in standardizing data so it can be compared across companies and portfolios. Similar data points can vary in how they are disclosed (metrics, units, time periods, and methodologies), so we deploy the right tools to solve these problems to provide a comparable dataset investors can use.

— You recently joined forces with the Asset Owner Platform for Sustainable Development Investing (SDI AOP). How do you collaborate with them and how do you see the institutional landscape for impact investing evolving?
In October 2025, Net Purpose announced the acquisition of SDI AOP and joined forces with the SDI founders and community. SDI AOP was founded by four of the largest and most sophisticated sustainable investors in the world—APG, PGGM, BCI and AustralianSuper—to create a shared standard for identifying investments that contribute to the SDGs. Net Purpose was founded with the same mission. When we came together, the methodological alignment was extraordinary: both grounded in scientific literature, both committed to measuring outcomes rather than intent. Joining forces was the natural next step.

The founders remain actively involved. They sit on our board and continue to shape the platform's strategy and methodology. Every taxonomy change passes through rigorous independent review with formal client consultation before anything material is implemented. Together, we now serve clients representing more than USD 20 trillion in assets. The evidential bar for what counts as a sustainable investment is rising fast, and the expectations of regulators globally are moving the conversation from intent to evidence. That is precisely where we operate, and it is why this combination gives me so much confidence about what comes next.

— How do you view your relationship with large asset managers as clients?
The relationships I find most meaningful are built around genuine, shared purpose. Our clients don't come to us to tick a box. They come because they are deeply committed to demonstrating that the capital they deploy is achieving the outcomes it's intended to achieve, and they need the data infrastructure to back that up. Vontobel implements a structured approach to impact measurement. Their goal is to analyze the portfolio to determine exactly which holdings contribute to sustainable outcomes, understand the underlying drivers, and provide investors with evidence-based reporting. That is the standard we build to.

What makes these relationships real is what happens after onboarding. Our quarterly User Advisory Group brings investment practitioners from across the client base directly into how we build and evolve the platform. Our most recent taxonomy consultation is a good example: the feedback was so thoughtful and evidence-based that it genuinely moved our thinking. On the question of hybrid vehicle classification, for instance, a number of respondents opposed a full "Positive" impact classification, noting that hybrid vehicles continue to generate tailpipe emissions and that PHEVs frequently fail to achieve official test-cycle efficiency figures under real-world driving conditions. That depth of engagement led us to reclassify hybrid vehicles as having "Potentially Positive" impact, rather than proceeding with the originally proposed "Positive" impact classification—a direct reflection of client input shaping our methodology. We were humbled by the rigor of it. When that happens, you know the relationship has moved beyond vendor and client into something closer to genuine co-development.

Note: This written interview was conducted on June 19, 2026.

Company case studies



Impact pillar

Clean Energy Infrastructure

We apply the "Guidance for Pursuing Impact in Listed Equities" developed by GIIN.[12] One of the sustainability challenges we have identified through this framework—and one of the focus areas of our impact strategy—is clean energy infrastructure. We begin by examining why this issue presents a challenge, followed by a case study highlighting a portfolio company that is aligned with this impact pillar.



What are the challenges?

- Escalating global warming: The energy sector remains one of the largest sources of greenhouse gas emissions, exacerbating climate change. Energy consumption accounts for two-thirds of total global greenhouse gas emissions, and despite progress, current emission levels are still far too high to meet global climate goals.[13]
- Insufficient progress toward sustainable energy targets: Although the world is making strides toward sustainable energy, the pace is alarmingly slow. Electricity access has risen from 84 percent in 2010 to 92 percent in 2023, and renewables now supply around 30 percent of global electricity consumption with renewable energy projected to surpass coal as the primary source of electricity in 2025.[14] Still, without accelerated efforts, we risk falling short of critical milestones.
- Energy access inequality: At the current trajectory, roughly 645–666 million people will still lack access to electricity by 2030.[15]
- Disparities in renewable energy capacity: Global installed renewable energy capacity per capita hit a record 478 watts per person in 2023 (up 13 percent from 2022), but sharp disparities remain.[16]

What are the main impact objectives?

- Accelerate the transition to renewable energy: Substantially increase the share of renewables in the global energy mix to reduce dependence on fossil fuels.
- Ensure energy access for all: Provide affordable, reliable, and modern energy services to underserved populations, bridging the energy access gap.
- Modernize and adapt power infrastructure: Upgrade power grids to accommodate higher renewable energy penetration, while enhancing reliability, flexibility, and resilience.

What are specific investment scopes?

- Clean energy technologies (e.g., wind, solar, hydrogen, batteries).
- Clean energy operators.
- Infrastructure construction, power and grid equipment.
- Financing solutions to build out renewable energy.

[12] GIIN, Guidance for Pursuing Impact in Listed Equities, March 2023.

[13] United Nations, The Sustainable Development Goals Report 2025, July 2025.

[14] United Nations DESA, SDG Goal 7: Energy, 2025 update.

[15] IEA, IRENA, UN Statistics Division, World Bank, WHO, Tracking SDG7: The Energy Progress Report 2025, June 2025.

[16] United Nations, The Sustainable Development Goals Extended Report 2025—Goal 7.

Ørsted

Impact pillar

Clean Energy Infrastructure

Ørsted is a Danish energy company and the world's largest offshore wind operator. It is majority-owned by the Danish State (50.1 percent) and operates across Europe, North America, and Asia-Pacific. Over the past two decades, it has transformed itself from one of Europe's most carbon-intensive utilities into a predominantly renewable energy business, closing its last coal-fired combined heat and power plant in 2024.

Impact relevance

As a leading producer of renewable electricity from offshore wind, onshore wind, and solar PV, Ørsted's assets displace more carbon-intensive generation, helping reduce greenhouse gas emissions and air pollution while supporting decarbonization of the power sector. This transformation is already reflected in its own numbers: Ørsted cut the carbon intensity of its Scope 1 and 2 emissions by more than 98 percent since 2006 and reaching a 99 percent renewable share of generation in 2025. Beyond generation, the company is extending its impact into the value chain, sourcing lower-emissions steel under a long-term agreement and promoting circularity through commitments to keep turbine blades out of landfill and re-use towers where possible.

Long-term strategy

Having largely decarbonized its own generation, Ørsted's strategy now centers on two forward-looking priorities: cutting upstream and downstream (Scope 3) value-chain emissions and expanding renewable capacity responsibly. The company has a comprehensive set of SBTi-validated climate targets, anchored by a commitment to net-zero emissions across Scope 1, 2, and 3 by 2040. Ørsted was the first energy company to receive SBTi validation for a net-zero target. Including projects under construction, Ørsted expects to reach 27.3 GW of installed renewable capacity by the end of 2027. It also aims for all new renewable projects commissioned from 2030 onward to deliver a net-positive biodiversity impact, backed by biodiversity and community initiatives already running across project development, construction, and operations.

Weight allocation in the portfolio (as of June 30, 2026)
0.94%

Revenue Purity Level[17]
100%

Impact Strategy Score[18]
1.33

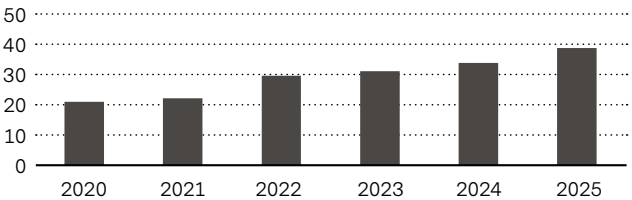
SDG contribution



IMPACT PATHWAY	
Inputs	Human capital, financial capital, technology
Activities	Develop, construct, and operate offshore and onshore energy infrastructure
Outputs	Installed renewable energy capacity and clean electricity generation
Outcomes	Reduced fossil fuel dependence and lower GHG emissions
Impacts	Decarbonized energy systems and climate change mitigation

Annual renewable energy generated

In TWh



Renewable energy generation has nearly doubled since 2020, reaching 38.8 TWh in 2025. Offshore wind generation increased despite lower wind speeds, while Ørsted achieved its target of a 99 % renewable share of generation.

Source: Ørsted Annual Reports. As of June 30, 2026.

[17] More information on the purity can be found on page 17.

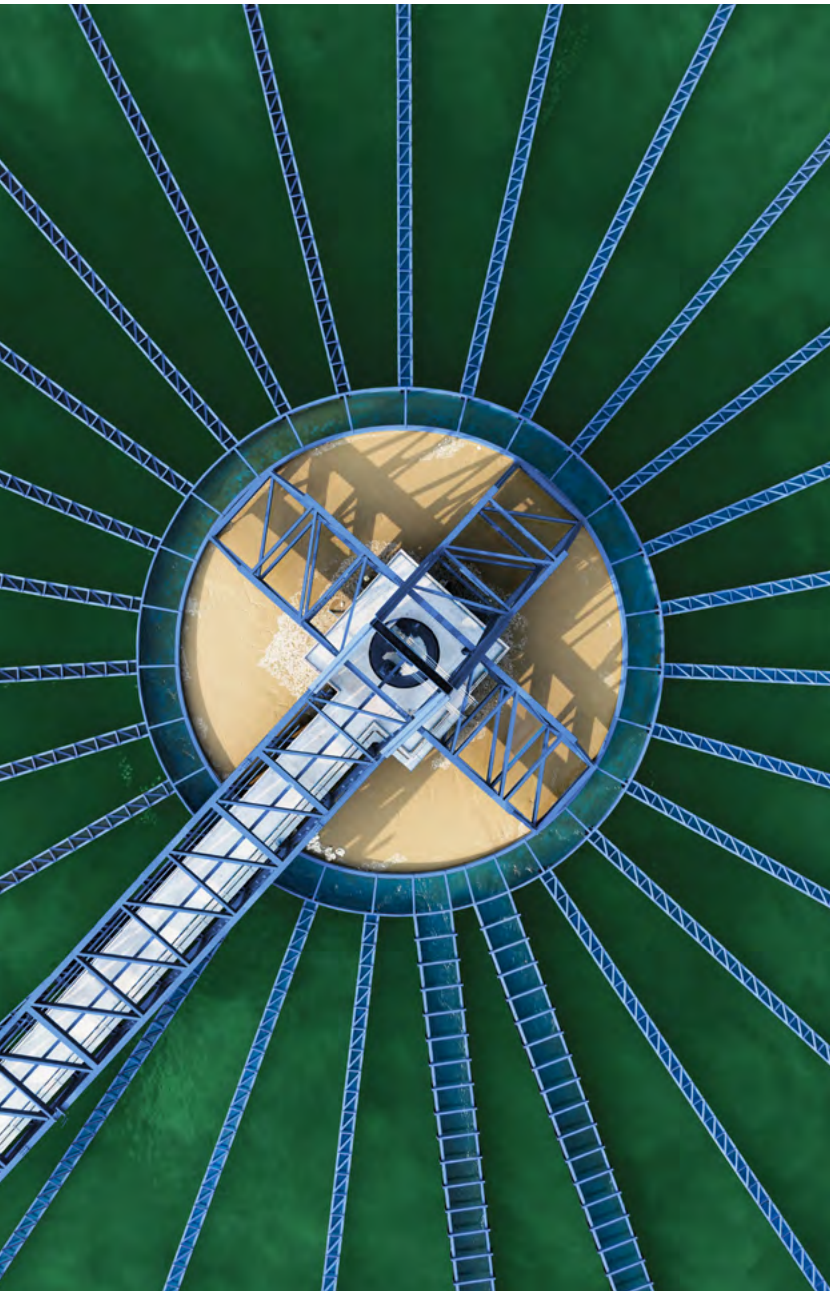
[18] More information on the impact strategy assessment can be found on page 16.

Note: Investment case studies presented for illustrative purposes only and should not be considered a recommendation to buy, sell, or hold any security. This serves as an example of the companies' ESG activity and evaluation of this activity as part of our investment process. No assumption should be made as to the profitability or performance of any company identified or security associated with them.

Impact pillar

Clean Water Infrastructure

We apply the "Guidance for Pursuing Impact in Listed Equities" developed by GIIN.[19] One of the sustainability challenges we have identified through this framework—and one of the focus areas of our impact strategy—is clean water. We begin by examining why this issue is a challenge, followed by a case study highlighting a portfolio company that is aligned with this impact pillar.



What are the challenges?

- Rising demand for water: Rapid population growth and urbanization are driving unprecedented increases in water demand, putting pressure on existing water resources. The global urban population facing water scarcity is projected to more than double, from 930 million in 2016 to 1.7 – 2.4 billion people by 2050.[20]
- Water stress and scarcity: Water stress and water scarcity remain a concern and decades of misuse, over-extraction contamination and weather disruptions have exacerbated the situation. Global water stress held roughly steady at 18 percent in 2022, but this masks regional disparities. In 2022, roughly half the world's population experienced severe water scarcity for at least part of the year, and one quarter faced extremely high water stress levels.[21]
- Lack of access to safe water and sanitation: Despite global efforts, in 2024, 2.1 – 2.2 billion people still lacked safely managed drinking water and 3.4 billion went without safely managed sanitation.[22]
- Inadequate wastewater treatment: Estimates suggest that only 56 percent of domestic wastewater was safely treated in 2022, with stalled progress.[23]

What are the main impact objectives?

- Expand access to safe and affordable drinking water: Ensure that underserved populations have access to clean water for drinking, sanitation, and hygiene.
- Enhance water-use efficiency and sustainability: Promote efficient water use across all sectors and ensure sustainable freshwater withdrawals and supplies to mitigate water scarcity.
- Improve water quality: Reduce water pollution and untreated wastewater while substantially increasing recycling and the safe reuse of water resources.

What are specific investment scopes?

- Drinking water operators.
- Clean water infrastructure.
- Water efficiency (including recycling and reuse technologies, desalination).
- Water quality.

19 GIIN, Guidance for Pursuing Impact in Listed Equities, March 2023.

20 United Nations, SDG Goal 6: Water and Sanitation, 2025 update.

21 United Nations DESA, The Sustainable Development Goals Report 2025, Goal 6.

22 United Nations DESA, The Sustainable Development Goals Report 2025, Goal 6; WHO/UNICEF Joint Monitoring Programme, Progress on Household Drinking Water, Sanitation and Hygiene 2000 – 2024, 2025.

23 United Nations DESA, SDG Goal 6, 2025 update.

Xylem

Impact pillar

Clean Water Infrastructure

Xylem is a leading global water technology company focused on the transport, treatment, testing, and efficient use of water. The company provides products and solutions across the water cycle, serving municipal, industrial, residential, commercial, and agricultural customers. Established in 2011 through the spin-off of ITT Corporation's water-related businesses, Xylem is a pure-play water company with a broad portfolio spanning pumps, treatment systems, analytics, smart metering, and network solutions. Demand for the company's products is supported by long-term trends, including population growth, urbanization, aging water infrastructure, and increasing water scarcity. Xylem generates approximately 60 percent of its revenue in the US, 20 percent in Europe, 12 percent in emerging markets, and 8 percent in the rest of the world.

Impact relevance

Xylem's technologies help utilities, businesses, and communities improve water access, water quality, and water efficiency across the entire water cycle. The company's solutions support the treatment and reuse of water, the reduction of water losses from distribution networks, and the prevention of pollution from entering waterways. In 2025, Xylem enabled the reuse of more than 22 billion m^3 of water, prevented over 13 billion m^3 of polluted water from entering communities and waterways, and reduced more than 4.3 billion m^3 of non-revenue water lost through leaks, meter inaccuracies, or unauthorized use. Through improved water management and efficiency, the company also helped customers reduce their carbon footprint by more than 8 million metric tons of carbon dioxide equivalent (CO_2e).[26]

Long-term strategy

Xylem has established ambitious sustainability targets for 2030 focused on improving water security and resilience. The company aims to help customers reduce water demand, lower water intensity across its operations and supply chain, and increase accountability among high-impact suppliers. In addition, Xylem seeks to improve water security for 80 million people by enabling climate-resilient water, sanitation, and hygiene (WASH) access and supporting capacity-building initiatives in under-resourced and water-stressed communities.

Weight allocation in the portfolio (as of June 30, 2026).
1.69%

Revenue Purity Level[24]
100%

Impact Strategy Score[25]
2

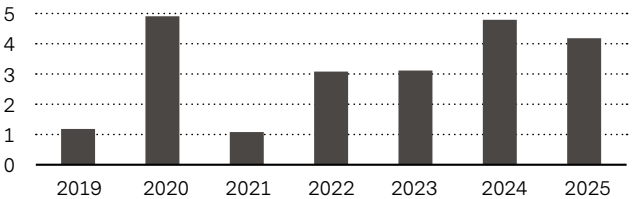
SDG contribution



IMPACT PATHWAY	
Inputs	Human capital, financial capital, technology
Activities	Develop and provide water transport, treatment, monitoring, and efficiency solutions
Outputs	Water treatment systems, smart metering solutions, and water infrastructure technologies
Outcomes	Improved access to clean water, increased water reuse, and reduced water losses and pollution
Impacts	Enhanced water security, improved public health, and more sustainable water resource management

Water treated

In billion m^3



Xylem's treatment of wastewater for reuse applications is steadily increasing, with a peak in 2020 driven by contract win of the expansion of the Shenyang water treatment infrastructure in China.

Source: Xylem Sustainability Reports. As of June 30, 2026.

[24] More information on the purity can be found on page 17.

[25] More information on the impact strategy assessment can be found on page 16.

[26] Co_2e is a standard measure that expresses different greenhouse gases in equivalent amounts of CO_2.

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Impact pillar

Resource-Efficient Industry

We apply the "Guidance for Pursuing Impact in Listed Equities" developed by GIIN.[27] One of the sustainability challenges we have identified through this framework—and one of the focus areas of our impact strategy—is resource-efficient industry. We begin by examining why this issue presents a challenge, followed by a case study highlighting a portfolio company that is aligned with this impact pillar.



What are the challenges?

- Rising CO_2 emissions: Global energy-related CO_2 emissions reached a new record of nearly 38.4 gigatons in 2025.[28] Emissions growth continues to lag behind global economic expansion, pointing to a continued decoupling of emissions from economic activity. Still, the trend remains firmly in the wrong direction. The increase coincided with record atmospheric CO_2 concentrations of about 427 parts per million, roughly 50 percent above pre-industrial levels.
- Inefficient use of raw materials: Inefficient manufacturing processes use excessive quantities of raw materials, which depletes natural resources and increases waste. Global domestic material consumption grew, while the efficiency of resource use has remained essentially unchanged, meaning that economic growth has still not decoupled from rising material extraction.[29]
- Toxic and hazardous materials: Industrial processes often emit and incorporate toxic and hazardous substances, even though cost-effective and environmentally friendly alternatives are readily available. More than 140,000 different chemical substances are in use across global industry today.[30]

What are the main impact objectives?

- Increase energy and resource efficiency: Promote energy and resource efficiency, through the adoption of environmentally sound technologies to optimize energy and resource use in industrial processes.
- Reduce emissions, waste, and resource consumption: improve industrial and manufacturing processes.
- Enhance product life-cycle footprints: Support the development of components that lower the life-cycle footprint of products or improve the affordability and accessibility of technology.

What are specific investment scopes?

- Digitalization (semiconductors, information technologies).
- Modern manufacturing equipment, sensors, and controllers as well as process automation.
- Functional materials, industrial gases, lightweight and high-strength materials.

27 GIIN, Guidance for Pursuing Impact in Listed Equities, March 2023.

28 IEA, Global Energy Review 2026, April 2026.

29 United Nations DESA, The Sustainable Development Goals Report 2025, Goal 12.

30 United Nations DESA, SDG Goal 12 tracking data, 2025; UNEP SDG Indicator 12.4.1 metadata.

Linde

Impact pillar

Resource-Efficient Industry

Linde is a global industrial gases and engineering company that produces and distributes atmospheric gases, including oxygen, nitrogen, and argon, as well as process gases such as hydrogen, carbon dioxide, helium, and specialty gases. The company serves a broad range of industries, including healthcare, chemicals, energy, manufacturing, metals and mining, food and beverage, and electronics. Linde is also a leading provider of engineering solutions for industrial gas production facilities and is at the forefront of innovation in gas processing technologies that support the energy transition, with almost half of its project backlog linked to energy transition-related applications.

Impact relevance

Linde's products and technologies help industrial customers improve resource efficiency, reduce emissions, and support the transition to lower-carbon production processes. For example, oxygen can improve combustion efficiency, reduce energy consumption, and enable greater use of alternative fuels in industrial applications. The company is also a leading supplier of hydrogen and participates in large-scale projects supporting clean hydrogen production and use, helping to decarbonize hard-to-abate sectors such as steel, chemicals, and refining. In addition, Linde's gases play an important role in wastewater treatment, environmental remediation, food preservation, and healthcare, contributing to improved environmental performance and resource efficiency across a range of industries. Through its carbon capture and clean hydrogen solutions, the company supports efforts to reduce emissions in some of the world's most carbon-intensive sectors.

Long-term strategy

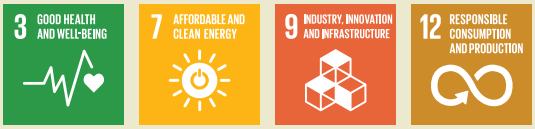
Linde aims to support the development of a lower-carbon economy through the deployment of clean hydrogen, carbon capture and utilization, and large-scale storage technologies, and of course energy-efficient industrial solutions. The company continues to expand its hydrogen business, with a growing focus on blue and green hydrogen production, infrastructure, and distribution. In parallel, Linde collaborates with industrial customers across sectors to reduce emissions, improve process efficiency, and accelerate the adoption of low-carbon technologies.

Weight allocation in the portfolio (as of June 30, 2026).
2.73%

Revenue Purity Level[31]
55%

Impact Strategy Score[32]
1.6

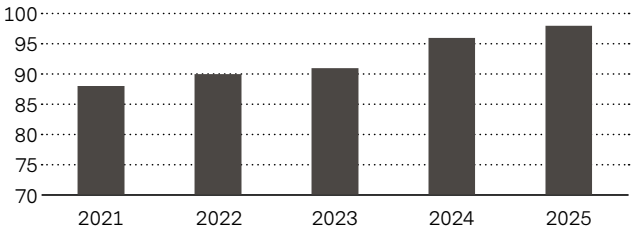
SDG contribution



IMPACT PATHWAY	
Inputs	Human capital, financial capital, technology
Activities	Produce and supply industrial gases and engineering solutions
Outputs	Industrial gases, hydrogen solutions, carbon capture, utilization and storage systems, and process efficiency technologies
Outcomes	Improved industrial efficiency, reduced emissions, and lower resource consumption
Impacts	Decarbonization of industrial sectors and contribution to a more resource-efficient economy

Avoided emissions

In million tCO_2e



Linde has increased the emissions avoided through its products while reducing its own operational emissions. In 2025, it enabled 66.1 Mt CO_2e of avoided emissions through hydrogen used for ultra-low sulfur diesel production, 17.7 Mt CO_2e from through barrier coatings that improve industrial gas turbine and jet engine efficiency, and 12.3 Mt CO_2e through oxygen used in steelmaking.

Source: Linde's Sustainable Development Reports. As of June 30, 2026.

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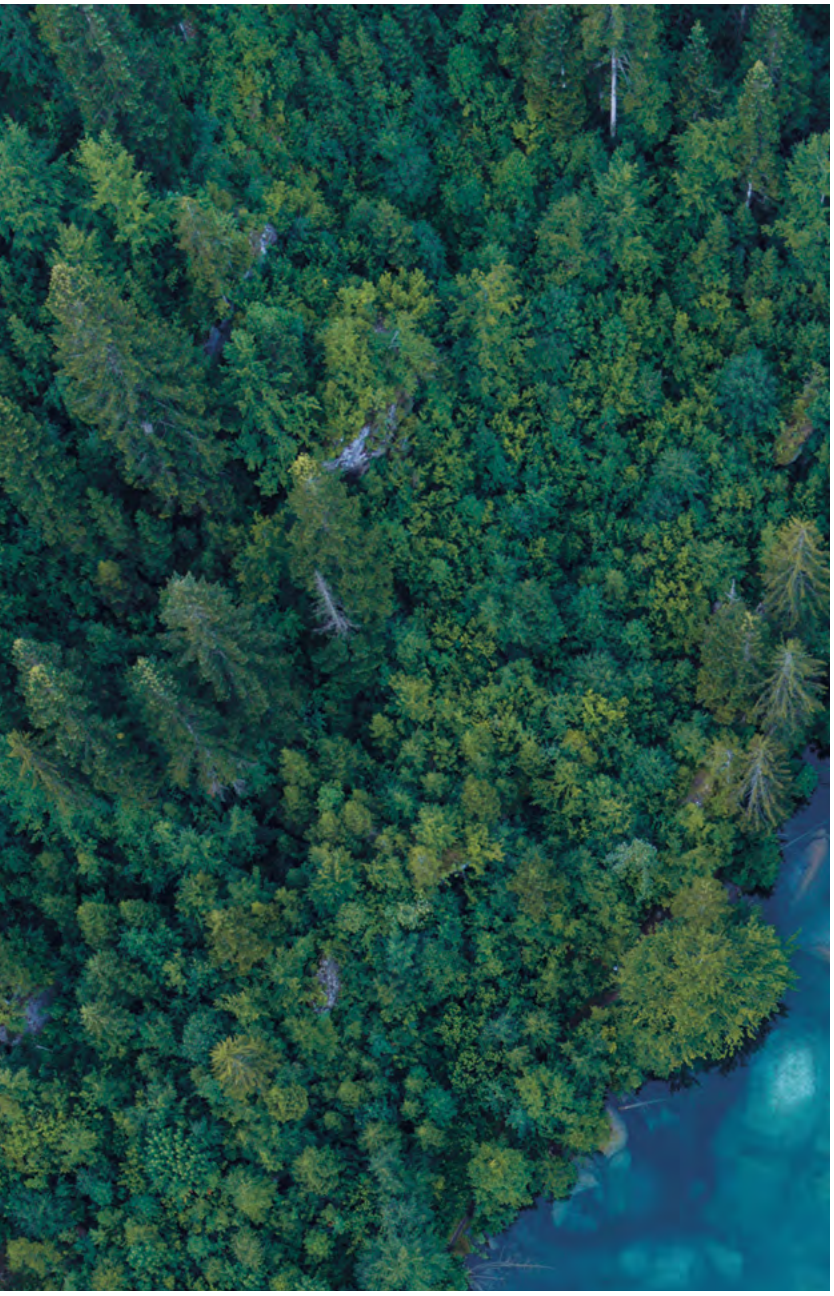
[31] More information on the purity can be found on page 17.

[32] More information on the impact strategy assessment can be found on page 16.

Impact pillar

Lifecycle Management

We apply the "Guidance for Pursuing Impact in Listed Equities" developed by GIIN.[33] One of the sustainability challenges we have identified through this framework—and one of the focus areas of our impact strategy—is lifecycle management. We begin by examining why this issue presents a challenge, followed by a case study highlighting a portfolio company that is aligned with this impact pillar.



What are the challenges?

- Rising global material footprint: Current production and consumption practices rely heavily on resource extraction and high levels of waste. Global domestic material consumption grew 23.3 percent between 2015 and 2022 to 113.6 billion metric tons, while material footprint grew 21.3 percent over the same period. Critically, global resource-use efficiency has remained essentially unchanged, meaning economic growth has still not decoupled from rising material extraction.[34] Unsustainable consumption patterns: Cost often outweighs sustainability, with industries such as fast fashion and consumer electronics favoring cheaper materials over those with lower life-cycle footprints. This leads to higher environmental costs and increased waste generation.
- Inefficient waste management: Large volumes of waste are frequently disposed of in landfills. The world generated 2.56 billion tons of municipal solid waste in 2022, a level not expected until 2030, which is on track to reach 3.86 billion tons annually by 2050.[35] The world generated 65 million tons of e-waste in 2023, yet only around 22 percent was documented as formally collected and recycled, as generation continues to outpace recycling infrastructure.[36]

What are the main impact objectives?

- Enable a circular economy: Promote practices such as repair, reuse, and recycling to reduce waste and extend the lifecycle of materials and products.
- Extract valuables from waste: Support technologies and processes that recover valuable materials from scrap before final and safe disposal.
- Improve the life-cycle footprint of materials: Develop and invest in solutions that facilitate reuse, recycling, and low greenhouse gas processes to minimize environmental impact.

What are specific investment scopes?

- Recycling operators and services.
- Waste management services.
- Sustainable materials.
- Sustainable products.

[33] GIIN, Guidance for Pursuing Impact in Listed Equities, March 2023.

[34] United Nations DESA, The Sustainable Development Goals Report 2025, Goal 12.

[35] Kaza, Silpa, et al., What a Waste 3.0: A Global Snapshot of Solid Waste Management, World Bank, 2026.

[36] Global E-waste Monitor 2024, UNITAR / ITU, March 2024; United Nations DESA, SDG Goal 12 tracking data, 2025.

Weyerhaeuser

Impact pillar

Lifecycle Management

Weyerhaeuser is one of the world's largest private owners of timberlands, managing over 12 million acres of forests in the US and an additional 14 million acres in Canada under long-term licenses. Founded in 1900, the company operates a vertically integrated business spanning sustainable forest management, timber harvesting, and wood product manufacturing. Its products include lumber, oriented strand board, engineered wood products, and cellulose fibers used in residential, industrial, and commercial construction.

Impact relevance

Weyerhaeuser's business model is centered on the sustainable management and utilization of renewable forest resources. Sustainably managed forests can function as carbon sinks that remove and store CO_2 from the atmosphere while continuously producing renewable raw materials. The company supplies wood products that can serve as lower-carbon alternatives to more emissions-intensive construction materials such as steel and concrete, while also storing carbon throughout their lifecycle. Through responsible forestry practices, reforestation, and certification programs, Weyerhaeuser supports the long-term productivity of forest ecosystems, biodiversity conservation, and sustainable resource use.

Long-term strategy

Weyerhaeuser's sustainability strategy is guided by its "3 by 30 Sustainability Ambitions," which focus on climate solutions, sustainable homes, and thriving rural communities by 2030. The company aims to maximize the climate benefits of its forests and wood products, increase the use of sustainable building materials, and support economic development in rural regions. More recently, Weyerhaeuser has expanded its focus on forest-based climate solutions through the development of biocarbon products that could help replace coking coal in industrial processes, creating additional pathways for emissions reduction in hard-to-abate sectors.

Weight allocation in the portfolio (as of June 30, 2026).
2.10%

Revenue Purity Level[37]
93%

Impact Strategy Score[38]
1.17

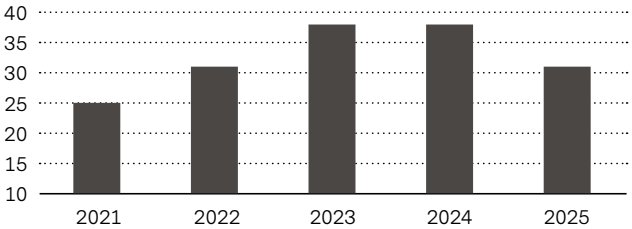
SDG contribution



IMPACT PATHWAY	
Inputs	Human capital, timberland assets, financial capital
Activities	Manage forests sustainably and produce renewable wood products
Outputs	Certified timber, wood products, and forest-based renewable materials
Outcomes	Carbon sequestration, sustainable resource use, and substitution of carbon-intensive materials
Impacts	Lower lifecycle emissions, sustainable forest ecosystems, and support for a circular bioeconomy

Avoided emissions

In million tCO_2e



In 2025, Weyerhaeuser's forests absorbed CO_2 from the atmosphere and store it in growing trees and manufactured wood products. Their growing forests removed 14 million tCO_2e from the atmosphere while the harvested trees allowed 17 million tCO_2e to be transferred into manufactured wood products. Additionally, their forests store between 2.3 – 3.7 billion tCO_2e.

Source: Weyerhaeuser Carbon Record. As of June 30, 2026.

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[37] More information on the purity can be found on page 17.

[38] More information on the impact strategy assessment can be found on page 16.

Impact pillar

Building Technology

We apply the "Guidance for Pursuing Impact in Listed Equities" developed by GIIN.[39] One of the sustainability challenges we have identified through this framework—and one of the focus areas of our impact strategy—is building technology. We begin by examining why this issue presents a challenge, followed by a case study highlighting a portfolio company that is aligned with this impact pillar.



What are the challenges?

- Rising urbanization: More than half of the global population already lives in cities, projected to reach nearly 70 percent by 2050. This rapid growth demands the development of critical infrastructure. Cities already account for 60–80 percent of energy consumption and around 75 percent of carbon emissions, underscoring how central urban infrastructure is to the broader climate challenge.[40]
- Inefficient buildings and high CO_2 emissions: Buildings are often energy-inefficient. Buildings account for around 30 percent of global energy demand and roughly a third of total energy-system CO_2 emissions. Renewables make up only around 21 percent of energy used for heat and just under 4 percent of transport energy consumption, even though heating and transport together still account for roughly 80 percent of total final energy consumption globally.[41]
- Increased vulnerability to climate-related hazards: Infrastructure is increasingly exposed to extreme weather events such as hurricanes, floods, wildfires, and heatwaves. Many existing structures are not built to withstand such events. By 2040, more than 2 billion urban residents could face an additional temperature rise of at least 0.5°C. An estimated 1 billion people already lived in areas prone to severe riverine flooding in 2025.[42]

What are the main impact objectives?

- Develop sustainable building materials: Create and promote materials that reduce the environmental impact over the entire lifecycle of a building, from construction to demolition.
- Enhance energy efficiency in buildings: Minimize power consumption for heating, ventilation, and cooling (HVAC) by combining energy-efficient equipment with optimized building envelope designs.
- Strengthen climate resilience: Improve the resilience and adaptive capacity of infrastructure to withstand climate-related hazards and natural disasters.

What are specific investment scopes?

- Building envelopes and insulation materials.
- Energy-efficient HVAC and appliances.
- Building control technology.
- Infrastructure equipment and services.

39 GIIN, Guidance for Pursuing Impact in Listed Equities, March 2023.

40 United Nations DESA, SDG Goal 11 tracking data, 2025; UNEP, Goal 11: Sustainable Cities and Communities, 2025.

41 IEA, Buildings – Energy System, World Energy Outlook 2025 data (accessed 2026); United Nations DESA, The Sustainable Development Goals Report 2025, Goal 7.

42 United Nations DESA, The Sustainable Development Goals Report 2025, Goal 11.

Stantec

Impact pillar

Building Technology

Stantec is a global provider of sustainable engineering, architecture, planning, and environmental services. The company supports the design, development, and delivery of infrastructure across transportation, water, buildings, energy, and community development. Stantec's technical expertise helps public- and private-sector clients address challenges related to urbanization, climate resilience, environmental remediation, biodiversity protection, and resource efficiency. Demand for its services is supported by the need to modernize aging infrastructure, improve climate resilience, expand clean energy systems, and address emerging environmental challenges such as PFAS contamination.

Impact relevance

Stantec's services play a critical enabling role in the development of sustainable infrastructure and buildings. Through planning, engineering, environmental assessment, and project design, the company helps clients improve energy and resource efficiency, reduce environmental impacts, and comply with regulatory requirements. Its expertise supports the delivery of climate-resilient transportation, water, and energy infrastructure, while environmental remediation and water treatment projects help address pollution and improve environmental quality. By integrating environmental and community considerations into project design, Stantec contributes to more sustainable and resilient built environments.

Long-term strategy

Sustainability has been central to Stantec's business strategy for decades. Building on its strong heritage in water and environmental services, the company increasingly focuses on projects that improve resource efficiency, climate resilience, and environmental performance. Stantec seeks to embed sustainability throughout the project lifecycle, helping clients reduce environmental impacts while creating long-term value for communities. Safety, ethical conduct, and responsible project delivery remain core principles across all business activities.

Weight allocation in the portfolio (as of June 30, 2026).
0.81 %

Revenue Purity Level[43]
54 %

Impact Strategy Score[44]
1.33

SDG contribution



IMPACT PATHWAY	
Inputs	Human capital, technology, financial capital
Activities	Design and deliver sustainable infrastructure and environmental solutions
Outputs	Infrastructure projects, environmental assessments, and engineering solutions
Outcomes	Improved resource efficiency, climate resilience, and environmental performance
Impacts	More sustainable communities and infrastructure; support for the low-carbon transition

Impactful revenues

In %



35	Infrastructure
33	Buildings
100	Water
50	Environmental Services
60	Energy & Resources

This results in a revenue purity level of 54 % for Stantec.

Source: Stantec Annual Reports, Vontobel analysis. As of June 30, 2026.

[43] More information on the purity can be found on page 17.

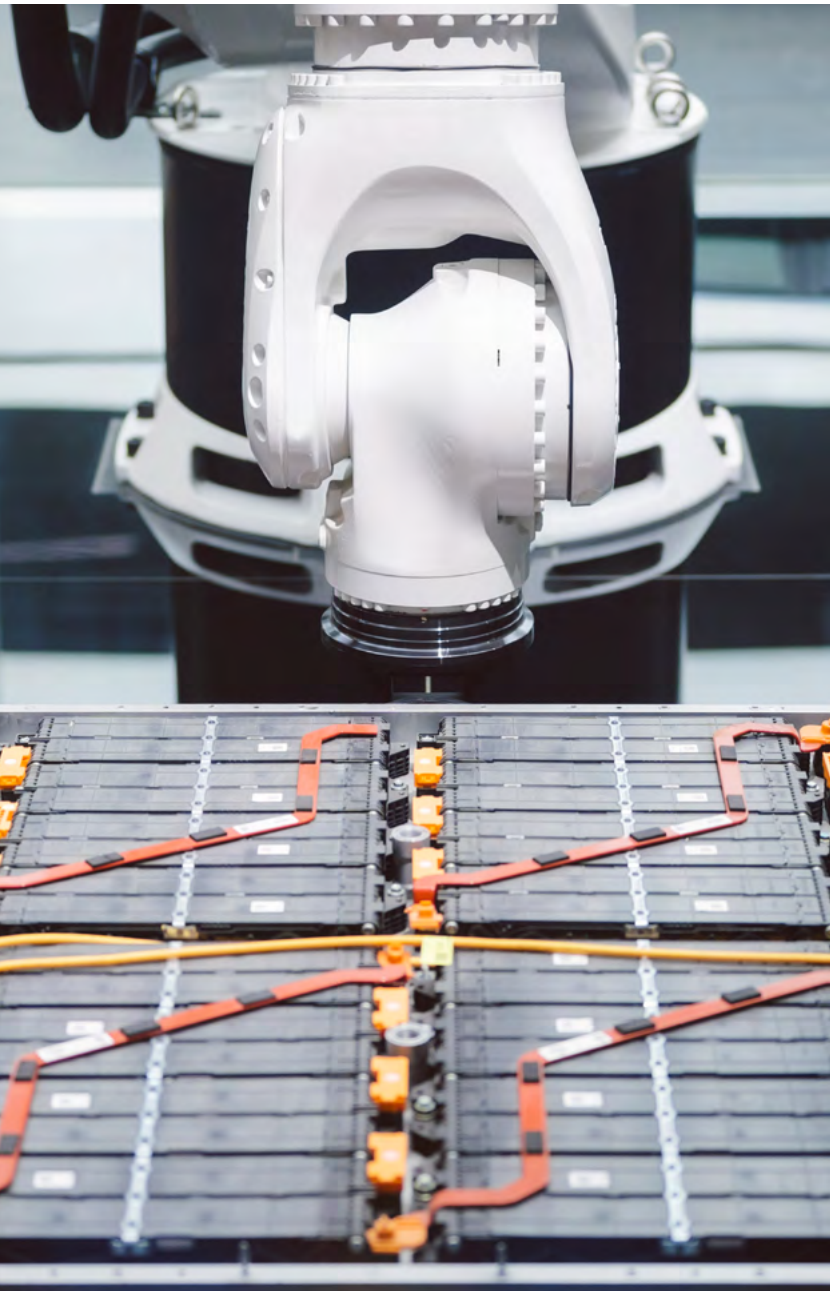
[44] More information on the impact strategy assessment can be found on page 16.

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Impact pillar

Low-Emission Transportation

We apply the "Guidance for Pursuing Impact in Listed Equities" developed by GIIN.[45] One of the sustainability challenges we have identified through this framework—and one of the focus areas of our impact strategy—is low-emission transportation. We begin by examining why this issue presents a challenge, followed by a case study highlighting a portfolio company that is aligned with this impact pillar.



What are the challenges?

- High contribution to global CO_2 emissions: The transport sector is a major and growing source of global CO_2 emissions, primarily due to road transport and the widespread use of diesel and gasoline in internal combustion engine vehicles. Road transport alone emitted just over 6 gigatons of CO_2 in 2024, 8 percent higher than in 2015, with passenger cars and vans responsible for over 60 percent of that total, followed by trucks (roughly one-third).[46]
- Limited adoption of renewable energy in transport: Despite advances in renewable energy, its integration into transport remains especially limited: renewables make up just under 4 percent of transport energy consumption, far behind heating (21 percent) and electricity (30 percent). Together, heating and transport account for roughly four-fifths of total final energy consumption, making transport one of the hardest sectors to decarbonize.[47] On a positive note, global EV sales surpassed 17 million in 2024, growing nearly 30 percent year-on-year.[45]
- Aging and inadequate transport infrastructure: Aging, degraded, or non-existent transport infrastructure hinders economic growth and restricts societal progress, particularly in underserved regions.

What are the main impact objectives?

- Develop sustainable and resilient transport infrastructure: Provide affordable, sustainable, and resilient infrastructure for both passenger and freight transport to reduce emissions and improve accessibility.
- Promote innovative low-emission transport technologies: Support the development and deployment of innovative technologies for low-emission transport and logistics.
- Encourage environmentally friendly mobility concepts: Support and grow new concepts for environmentally friendly mobility, such as shared transportation, micromobility, and smart logistics solutions.

What are specific investment scopes?

- Transport solutions (cargo and passenger).
- Equipment manufacturing (low emission cargo transport and passenger car manufacturing).
- Battery materials and manufacturing.

[45] GIIN, Guidance for Pursuing Impact in Listed Equities, March 2023.

[46] IEA, Road transport – Breakthrough Agenda Report 2025, 2025; IEA, Global Energy Review 2026, April 2026.

[47] United Nations DESA, The Sustainable Development Goals Report 2025, Goal 7; IRENA/IEA/UNSD/World Bank/WHO, Tracking SDG7: The Energy Progress Report 2025, June 2025.

Yunnan Energy New Materials

Impact pillar

Low-Emission Transportation

Yunnan Energy New Material Co., Ltd. (SEMCORP) is a leading Chinese advanced materials manufacturer and the world's largest producer of lithium-ion battery separator films by volume. The company specializes in wet-process and dry-process separator technologies, including high-performance coated separators that enhance battery safety, durability, and energy density. SEMCORP supplies major global battery manufacturers such as CATL, BYD, LG Energy Solution, and Samsung SDI, serving end markets including electric vehicles, stationary energy storage systems, and consumer electronics. Headquartered in China, the company is expanding internationally through production facilities in Hungary and the US to support growing regional battery manufacturing ecosystems.

Impact relevance

SEMCORP's products are a critical enabling technology for the low-carbon transition. Battery separators play a fundamental role in lithium-ion cells by preventing electrical short circuits while allowing ion transfer between electrodes. By improving battery safety, thermal stability, cycle life, and charging performance, SEMCORP's advanced separator technologies support the wider deployment of electric vehicles and renewable energy storage systems. These applications are essential to reducing greenhouse gas emissions from transport and facilitating the greater integration of intermittent renewable energy into power systems.

Long-term strategy

SEMCORP is pursuing a strategy centered on technological leadership and global localization. The company continues to invest in advanced separator technologies, including coated and high-performance products designed for next-generation batteries with higher energy density and more stringent safety requirements. At the same time, SEMCORP is establishing manufacturing capacity in key international markets to support local supply chains, meet customer localization requirements, and strengthen resilience across the battery value chain. This strategy aligns the company's future growth with the continued expansion of electric mobility and energy storage markets, increasing the contribution of transition-enabling products within its portfolio.

Weight allocation in the portfolio (as of June 30, 2026).
0.95%

Revenue Purity Level[48]
85%

Impact Strategy Score[49]
1.17

SDG contribution

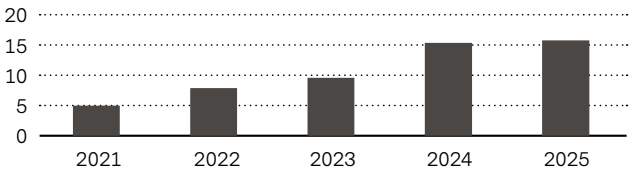


IMPACT PATHWAY

Inputs	Human capital, financial capital, technology, infrastructure
Activities	Design, manufacture, and supply lithium-ion battery separator films for EV and energy storage batteries
Outputs	High-performance wet-process, dry-process, and coated battery separators
Outcomes	Improved battery safety, performance, and lifespan; greater deployment of EVs and energy storage systems
Impacts	Accelerated electrification and renewable energy integration, contributing to lower greenhouse gas emissions and a low-carbon economy

Avoided emissions

In million tCO_2e



The increase in PAE was primarily driven by the rapid growth in separator shipment volumes, reflecting the scaling of global battery and electric vehicle production.

Source: SEMCORP Annual Reports, Vontobel analysis. As SEMCORP does not report avoided emissions, the figures presented are indicative estimates derived using a Fermi-style methodology, converting separator shipment volumes into battery capacity, estimated EV deployment, and associated annual operational emissions savings relative to comparable internal combustion engine vehicles. As of June 30, 2026.

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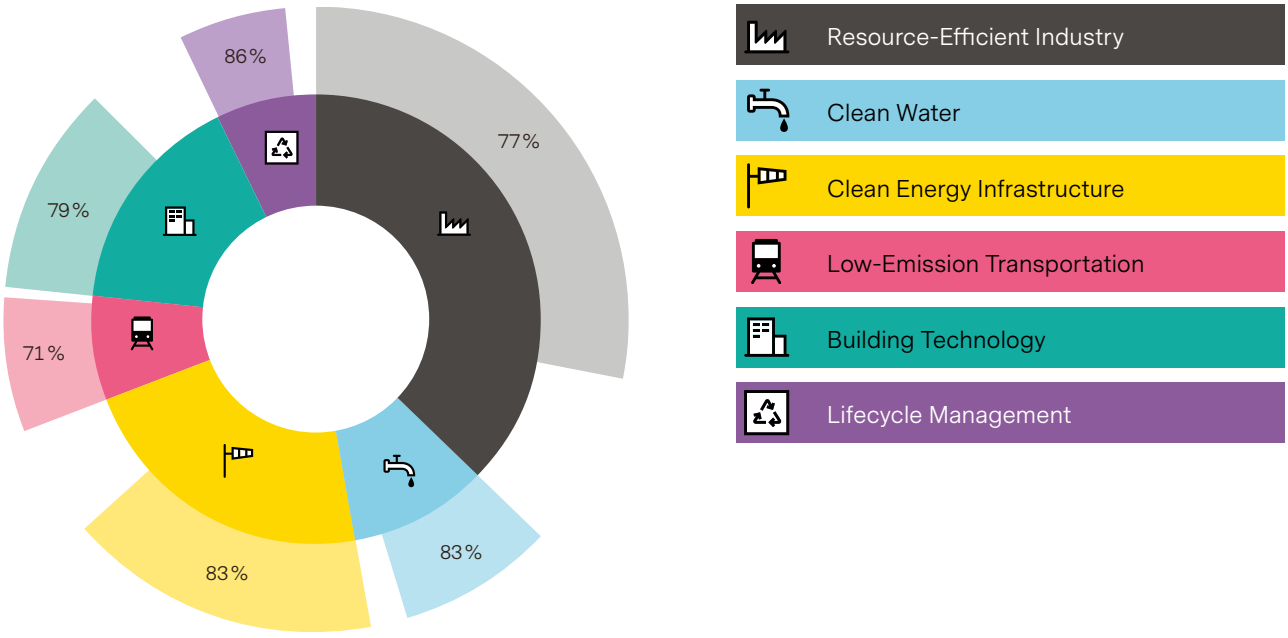
[48] More information on the purity can be found on page 17.

[49] More information on the impact strategy assessment can be found on page 16.

Quantifying the Fund's impact

Purity factor
The inner circle in Figure 5 shows the portfolio's allocation to the six impact pillars of the Vontobel Fund – GEC, while the outer circle represents the percentage of the revenues from the Fund's holdings that come from impactful activities within each pillar. Across the whole portfolio, an average of 80 percent of all revenues are considered to have a direct or indirect positive impact. For companies with activities in several impact pillars, all relevant revenue shares are allocated to the main impact pillar. The pillar weights in the portfolio add up to 99 percent; the remainder is held in cash.

Figure 5: 80 percent purity of the portfolio

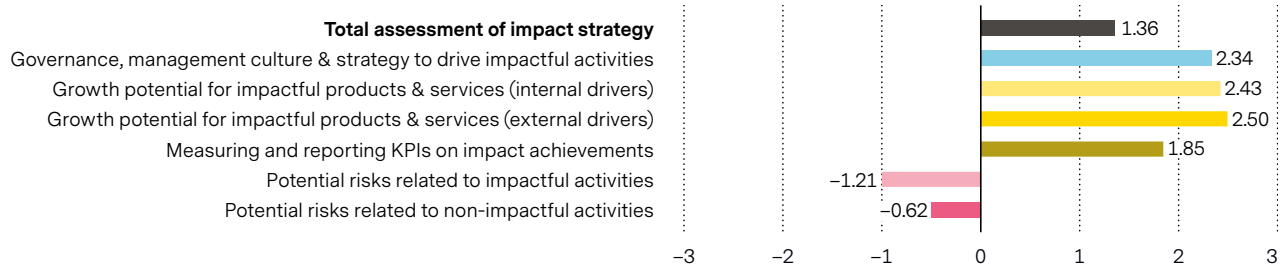


Source: Vontobel. As of June 30, 2026.

Impact strategy assessment
The overall impact strategy assessment score of the Vontobel Fund – GEC dropped from 1.49 to 1.36 in the one-year period from June 30, 2025, to June 30, 2026. Both risk assessment criteria increased in perceived risk, while only some positive assessment criteria improved.

Positive trends included an increase in internal growth drivers for impactful products and services, despite a decline in external drivers. Additionally, we are seeing an increase in the quantity and quality of companies' measurement and disclosure of their (positive and negative) impacts.

Figure 6: Portfolio weighted impact strategy assessment



Source: Vontobel. As of June 30, 2026.

SDG contributions
We enable our clients to invest in companies that contribute to the United Nations Sustainable Development Goals 6, 7, 9, 11, 12 and 13, which are mapped to our impact pillars.

Figure 7: Contribution to the SDGs



Source: UN, Vontobel. As of June 30, 2026.

Impact indicators
Figure 8 presents the impact indicators collected from the 65 individual companies within the Vontobel Fund – GEC portfolio. It shows both the aggregate impact of portfolio companies and the proportion attributable to the Fund, based on its ownership share in each company.

These indicators reflect significant contributions from products and services provided by companies active in the relevant impact pillar (for example, a power utility producing renewable energy from a wind farm). They also capture smaller operational contributions from various holdings (for instance, an industrial company installing solar panels at its manufacturing sites for its own electricity use). While these operational contributions are not considered in company selection or when determining the portfolio's purity factor, they might contribute to positive outcomes that we believe are worth highlighting.

In terms of continuity, we aggregate the 12 impact indicators above into nine key impact indicators that measure the favorable impact of the companies in the Vontobel Fund – GEC. To make these indicators more tangible, we translate each positive impact into easier-to-grasp equivalents. Investing EUR 1 million in the Vontobel Fund – GEC corresponds to ownership in companies that delivered the following impactful activities during their latest reporting year (Figure 9).

Throughout the year, capital was increasingly allocated to utilities, transmission and distribution equipment providers, renewable energy developers, power electronics companies, and semiconductor firms. Additions such as TE Connectivity, Ørsted, Eversource, Arista Networks, Sungrow Power Supply, and Broadcom, as well as the continued emphasis on grid build-out, rising electricity demand growth, and electrification, illustrate this trend. At the same time, exposure to several companies contributing strongly to water provision, circular economy, and low-emission transportation was reduced.

Figure 8: The portfolio company's contribution to the impact indicators

IMPACT INDICATOR DESCRIPTION	TOTAL FROM ALL PORTFOLIO COMPANIES	ATTRIBUTABLE TO THE FUND	MAJOR CONTRIBUTORS	TOTAL REPORTING COMPANIES
CO_2 emitted (carbon footprint, scope 1+2)	194M tCO_2e	107k tCO_2e	NextEra Energy, Linde, and Air Liquide	65
CO_2 avoided	2.2B tCO_2e	1.3M tCO_2e	Sungrow Power Supply, and TE Connectivity	48
Renewable energy generated	276 TWh	174 GWh	NextEra Energy, Iberdrola, Orsted, and EDP Renovaveis	13
Annual renewable capacity shipped	294 GW	225 MW	Sungrow Power Supply	5
Renewable energy use in production	108 TWh	135 GWh	Smurfit Westrock	53
Drinking water provided	1.4B m^3	2M m^3	American Water Works	2
Water recycled or saved	68B m^3	116M m^3	Veralto	19
Wastewater treated	14M m^3	25M m^3	Veralto and Xylem	5
Passengers transported in an eco-friendly way	134B passenger-km	262M passenger-km	East Japan Railway	2
Cargo transported on rail	353B ton-km	258M ton-km	Canadian Pacific Kansas City	1
Waste collected / recycled	28M tons	32k tons	Waste Management, Weyerhaeuser, and Clean Harbors	50
Materials captured for circular economy	23M tons	29k tons	Smurfit Westrock and Saint Gobain	5

Source: Vontobel. As of June 30, 2026.

Deep dive

Key drivers of year-on-year changes in impact indicators



Emissions: The portfolio carbon footprint (Scope 1 and 2) declined by one-third year-on-year, reflecting the increased allocation to software, semiconductor and digital infrastructure companies, which generally exhibit lower operational emissions. Yet, avoided emissions also declined at the portfolio level. This was primarily driven by the adoption of a more conservative methodology focusing on annual rather than lifetime avoided emissions, combined with portfolio composition changes. Meanwhile, company-level avoided emissions reported by portfolio companies remained broadly stable, indicating continued strong underlying impact generation. Further detail is provided in the dedicated PAE section starting on page 40.



Renewable energy: Renewable energy generation declined modestly to 72 MWh. We maintained our conviction that rising electricity demand from data centers, electrification, and industrial investment will require substantial additions of new generation capacity. Consequently, the portfolio remained invested in renewable power developers and utilities such as NextEra Energy, Iberdrola, and EDP Renewables, while adding Ørsted and Eversource Energy. While the main contributors increased renewable power generation at the company level, changes in portfolio holdings and weightings reduced the impact attributable to Fund ownership, leading to a modest decline in this indicator.



Renewable capacity: Renewable energy device shipments increased significantly, reflecting the growing emphasis on grid modernization, electrification, and renewable energy supply chains. Rising electricity demand from AI-related data centers, industrial reshoring, and energy security concerns strengthened the need for power generation and network investments. The largest increase came from Sungrow Power Supply, which became one of the most significant contributors to the indicator following its addition to the portfolio. Higher contributions from Vestas and stable contributions from Andritz also supported the increase.



Drinking water: Drinking water provision declined as the portfolio increasingly focused on energy infrastructure, electrification, and digital infrastructure opportunities, reducing the relative importance of direct water utilities. Veolia Environnement, previously the largest contributor to this indicator, is no longer held in the portfolio. While American Water Works maintained a broadly stable contribution, the reduction in dedicated water utility exposure led to significantly lower drinking water provision.



Water saved, recycled, or treated: This impact indicator increased to 58,500 m^3. This reflects the increasing allocation to companies that help improve resource efficiency and infrastructure resilience. The largest contributions come from Veralto, Xylem, and American Water Works. All three were able to increase their company-level indicator, Veralto increased its water treatment and recycling, Xylem its water treatment, and Ecolab its water saved through its efficiency programs. As a result, the portfolio's water-related impact shifted from direct water provision toward more efficient use, treatment and reuse of water resources.



Circular economy: This indicator declined year-on-year. This was primarily driven by the absence of former contributors such as Veolia Environnement and West Fraser, and the portfolio's broader shift towards electrification, power infrastructure and technology-related holdings. The decline was, however, partly mitigated by Smurfit Westrock, which increased its use of recycled and recovered materials, thereby improving its contribution to the circular economy indicator.

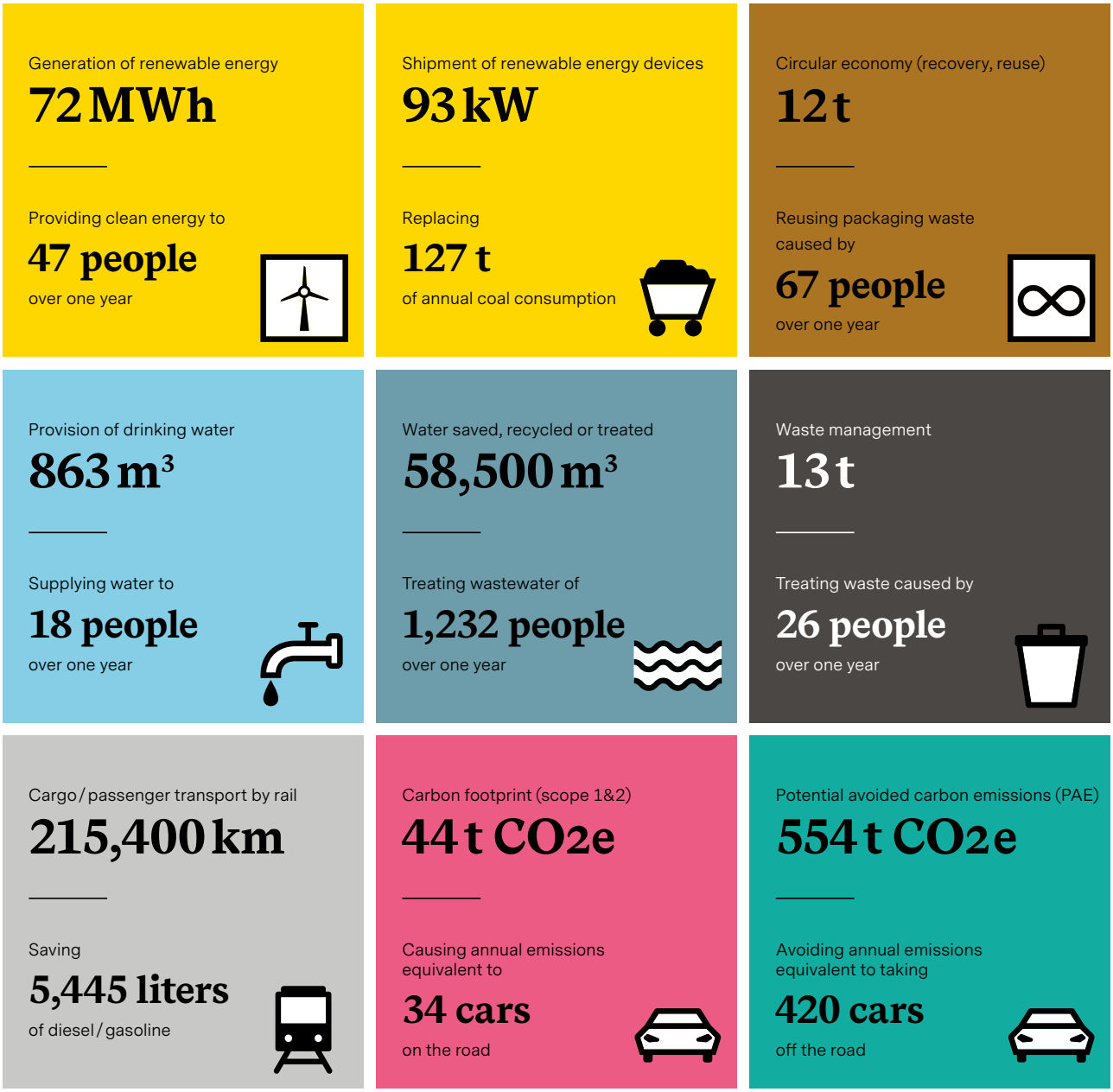


Waste management: This indicator also declined compared with the previous year. Although Waste Management remained a significant holding and increased its contribution year-on-year, and Weyerhaeuser was added to the portfolio, these positive developments were insufficient to offset the loss of Veolia Environnement, which had been the portfolio's most significant contributor to this indicator. All major remaining contributors increased their reported waste recovery and recycling activities year-on-year.



Low-emission transportation: This indicator stayed stable year-on-year. East Japan Railway remained a significant holding and continued to contribute strongly, while Canadian Pacific Kansas City (CPKC) was added to the portfolio during the year. The contribution from CPKC largely offset the impact of exiting Union Pacific, which had previously been one of the largest contributors to this indicator.

Figure 9: The potential annual impact of a EUR 1 million investment
For illustrative purposes only



Source: Vontobel. As of June 30, 2026. Figures are rounded and reflect the adoption of a more conservative methodology that focuses on annual rather than lifetime avoided emissions. The Global Environmental Change calculator is provided for informational purposes only to illustrate the potential impact that an investment may represent in the Vontobel Fund – GEC. The companies in which the portfolio is invested fit in at least one of the six core impact pillars of the strategy and not all companies will have an impact on all of the nine environmental indicators. Impact investing must take into consideration the capital allocation and engagement strategies of the portfolio.

As outlined in Figure 4, we believe it is important to emphasize that impact creation unfolds in two distinct stages. First, investors channel capital into companies they view as impactful. Then, through their products and services, these companies generate tangible, real-world benefits. As dedicated impact investors and long-term capital providers, our goal is to support these companies in broadening and improving their offerings, refining their operations, and ultimately contributing to a more sustainable environment and infrastructure.

Wherever possible, we base our analysis on data reported by the companies in the Fund, drawing from annual reports, CSR publications, corporate websites, and other investor communications. Moreover, we collect information for the impact indicators by engaging directly with all portfolio holdings. While reporting practices vary across companies, we expect our active engagement to promote greater transparency and consistency in impact measurement over time.

For each company, the reported data is normalized by dividing it by the company's market capitalization (the total value of its listed shares in EUR) and then multiplying it by the Fund's investment in that company—an ownership approach that aligns impact with capital committed. The nine impact indicators presented provide an overview of the positive effects linked to the portfolio, though they may be subject to certain inconsistencies or double-counting. These can arise from underlying assumptions or from necessary conversions applied to disclosed figures to enable aggregation across holdings.

The following reference values and sources were used for the impact indicators in Figure 9 to translate the associated impact data into more tangible equivalents:

- Renewable energy generated: Household electricity consumption per capita in the EU in 2023 was 1,545 kWh.[50]
- Renewable energy devices shipped: 1 kW of renewable capacity added in 2024 displaces approximately 0.736 metric tons of coal per year. This assumption is based on newly installed wind and solar power operating at an average capacity of 21 percent. The 2024 renewable mix shows roughly 80 percent solar additions and 20 percent wind (onshore and offshore).[51] A reasonable global average for coal consumption in a power plant would be 0.40 kg per kWh.
- Drinking water provided and water recycled, treated, or saved: Household water use from public supply across Europe was 47.5 m^3 per inhabitant (data from 2022 – 2024).[52]
- Circular economy: In 2023, the EU generated an estimated 177.8 kg of packaging waste per inhabitant.[53]
- Waste treated, processed, or recycled: 517 kg of municipal waste per capita per year was generated in the EU in 2024.[54]
- Cargo or passengers transport by rail: Rail transportation replaces travel by car. Cars have an average occupancy of 1.55 passengers and an average fuel consumption of 5.8 l / 100 km in the EU. Rail freight transportation also replaces trucks on the road. A 40-t truck has a net load of 27 t and an average diesel consumption of 35 l / 100 km.[55]
- Carbon footprint and potential avoided emissions: In the EU, the average annual distance travelled by car was 12,349 km in 2024.[56] The average CO_2 emissions of newly registered cars in the EU in 2023 were 106.8 g CO_2 / km. Hence, the total CO_2 emissions per car/year amount to 1'318.87 kg CO_2 / year.[57]

[50] ec.europa.eu/Eurostat; Eurostat data (Statistics Explained, "Electricity and heat statistics")

[51] IRENA's Renewable Capacity Statistics 2025. www.irena.org/Publications

[52] EurEau, Europe's Water in Figures, 2026 Edition—eureau.org/wp-content/uploads/2026/06/FINAL_Europes-Water-in-Figures-Report-2026.pdf

[53] ec.europa.eu/Eurostat "Packaging waste statistics."

[54] ec.europa.eu/Eurostat; municipal waste per capita in 2024, published 30 March 2026

[55] UNP; ec.europa.eu/eurostat/; .iea.org

[56] ACEA's Vehicles on European Roads, January 2026 edition; www.acea.auto/files/ACEA_Report-%E2%80%93-Vehicles_on_European_roads_2026.pdf

[57] EEA, "CO_2 emissions performance of new passenger cars in Europe"; www.eea.europa.eu/en/analysis/indicators/co2-performance-of-new-passenger

Potential avoided emissions

For our tenth carbon analysis of the Vontobel Fund – GEC's equity holdings, we continued to apply our PAE concept, incorporating extensive carbon and avoided emissions data. This year, we began collaborating with Net Purpose as our provider for avoided emissions data, among other metrics. Net Purpose's methodology is aligned with leading international frameworks, including guidance from the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Its approach assesses the emissions avoided by a product or service relative to a relevant baseline scenario and applies a conservative methodology that focuses on annual avoided emissions, rather than lifetime projections, to improve comparability and avoid overstating impacts.

For example, Saint-Gobain estimates that the solutions it sold in 2025 will avoid approximately 979 million tons of CO_2 emissions over their expected lifetime.[58] Rather than using the full lifetime figure, our methodology considers only the annual share of those avoided emissions based on the expected product lifetime. We believe this provides a more realistic and comparable assessment, as the future emissions savings delivered by, in Saint-Gobain's case, insulation and building-efficiency products depend on a range of assumptions that may change over time. These include renovation rates, heating technology adoption by customers, building occupancy, energy prices, and the carbon intensity of the electricity and heating systems used throughout the life of a building. Applying this methodology reduced Saint-Gobain's contribution to the portfolio's PAE by approximately 95 percent. Focusing on annual avoided emissions therefore reduces the risk of overstating impacts and improves consistency and comparability across companies.

During the past year, the portfolio increasingly focused on companies supporting electrification, power grid modernization, renewable energy equipment, semiconductor manufacturing, and digital infrastructure. Rising electricity demand from AI data centers, energy security concerns, and the need to modernize aging power infrastructure reinforced our conviction in these themes. As a result, the portfolio increased its exposure to companies such as TE Connectivity, Sungrow Power Supply, Broadcom, Arista Networks, and Marvell Technology, while reducing exposure to some businesses whose impacts are more directly captured by avoided emissions metrics, such as Union Pacific and Veolia Environnement. Consequently, year-on-year changes in reported PAE should be viewed in the context of both methodological refinements and changes in portfolio composition.

We continue to prioritize company-reported avoided emissions data wherever available. We have observed that, while many companies continue to report avoided emissions, these disclosures are increasingly published outside of sustainability reports, as avoided emissions are not explicitly required under the CSRD framework. Instead, the information is often found in dedicated climate or impact reports, investor presentations, company websites, or other supplementary publications such as a Carbon Disclosure Project (CDP) report. Where company-reported avoided emissions are based on methodologies that differ from our approach, we review and, where necessary, align the reported figures to ensure consistency across the portfolio. For companies that do not disclose avoided emissions, we supplement the analysis with estimates from Net Purpose and, where appropriate, our own assessments. This helps ensure that avoided emissions figures remain robust, comparable, and grounded in credible evidence while reducing the risk of overstating positive climate impacts.

[58] Saint-Gobain, "A decarbonated home." www.saint-gobain.com/en/corporate-responsibility/our-pillars/climate-change

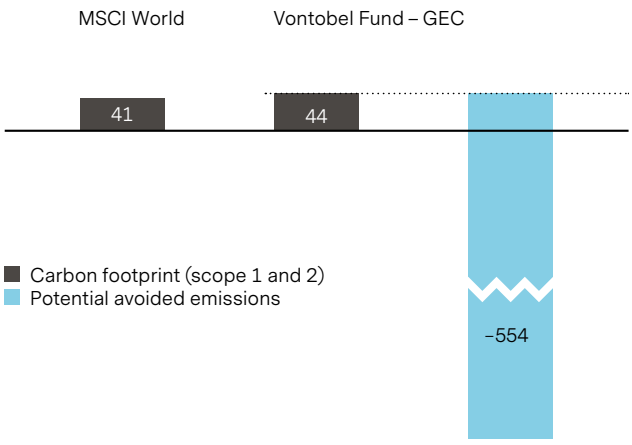
We have broadened our coverage by combining company disclosures, Net Purpose estimates, and our own research, providing a more comprehensive view of the avoided emissions associated with portfolio companies and their products and services. We were able to aggregate avoided emissions data from 48 companies. In absolute terms, the portfolio holdings' avoided carbon emissions stayed stable at approximately 2.2 billion tons. It was encouraging to observe that 30 portfolio companies disclosed avoided emissions, compared with 21 in the previous year. The increase may suggest a broader uptake of avoided emissions disclosure among companies and may also be the result of our continuous dialogue with the companies. Of the firms that reported data both in 2024 and 2025, 10 companies increased their self-reported PAE year-on-year, while only two saw a decrease (by an average of –6 percent).

Avoided emissions attributable to the Fund's ownership declined compared with the previous year to 1.3 million tons of PAE.[59] The three largest contributors to avoided emissions at the Fund level were Sungrow Power Supply, TE Connectivity, and Carrier Global. Together, their contributions made up 64 percent of all avoided emissions attributed to the Fund ownership. PAE per EUR 1 million invested in the Vontobel Fund – GEC also declined to a total 554 metric tons of PAE. This reduction reflects both the more conservative methodology applied and the portfolio's increased allocation to transition-enabling technologies. Companies facilitating electrification, renewable energy deployment, power grid modernization, and digitalization are often less directly captured in avoided emissions metrics. Consequently, the reduction should be interpreted in the context of both methodological refinements and portfolio composition changes. Even under this more rigorous methodology, the Fund's PAE level continues to reflect the substantial real-world impact enabled by its portfolio companies' solutions. As aggregate avoided emissions reported by portfolio companies remained broadly stable, the lower PAE per EUR 1 million invested and the reduction in ownership-attributed PAE primarily reflect methodological refinements and portfolio composition changes rather than weaker underlying impact generation.

To place these avoided emissions figures into context, we compare them with the portfolio's carbon footprint. The carbon footprint scope 1 and 2 of the Vontobel Fund – GEC turns out to be slightly higher than its benchmark index, the MSCI World index (Figure 10), yet year-on-year the portfolio's carbon footprint decreased, which is consistent with the shift of the portfolio towards software, semiconductor and technology companies. Businesses such as Synopsys, Marvell, Broadcom, Arista and other digital infrastructure providers generally have lower operational emissions than industrial manufacturers, transportation operators or resource-intensive businesses. Additionally, when considering Scope 1, 2, and 3 emissions, the portfolio is favorable in comparison to the benchmark index (Figure 19). The ratio of PAE at 12.6 times the portfolio's Scope 1 and 2 carbon footprint validates the significant and effective drive to reduce future carbon emissions.

Figure 10: Carbon footprint and potential avoided emissions

In tons of CO_2 per EUR 1 million invested in the Fund



Source: Vontobel, MSCI ESG, and Net Purpose. As of June 30, 2026.
FX rate USD-EUR: 0.85 EUR.

[59] The ownership of each company was based on the 65 portfolio holdings as of June 30, 2026. The total value of the Fund was EUR 2.41 billion.

SFDR-related reporting
The Vontobel Fund – GEC is categorized as an Article 9 SFDR financial product. To qualify for this category, an impact fund such as ours must reflect intentionality and have a sustainable investment objective, i.e., the ambition to contribute to environmental and / or social objectives.

While the EU Taxonomy classifies economic activities as "sustainable" or "non-sustainable" based on six environmental objectives, there is no universally accepted definition of sustainable investment objectives. Based on our own definition, a company identified as impactful and sustainable must contribute to one of our impact pillars through material revenues generated by its products and services. We believe this approach is aligned with the current broader EU definition of sustainable investment objectives.

We publish the Periodic Disclosure as requested by SFDR as part of the annual report of the SICAV Vontobel Funds for the fiscal year from September 1, 2024, to August 31, 2025. It includes, but is not limited to, the percentage of sustainable investments with an environmental objective aligned with the EU Taxonomy and the percentage of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy. The official periodic disclosure contained the following percentage figures for the portfolio as of August 31, 2025:

- Sustainable investments with environmental objectives: 98.56 percent
- Investments aligned with EU Taxonomy: 8.7 percent[60]
- Other investments with environmental objectives: 89.86 percent
- Not sustainable: 1.44 percent cash

From this year onwards, we incorporate both reported and estimated EU Taxonomy alignment data to increase portfolio coverage. Reported company disclosures remain our preferred source wherever available. Where companies do not disclose Taxonomy alignment, we complement the data with estimates provided by our third-party MSCI ESG.

[60] Sustainable EU Taxonomy aligned is revenue based.

Engagement and voting

Engagement
For the Vontobel Fund – GEC, we consider active ownership to be crucial for the development of sustainable economies, societies, and the environment. Material ESG issues can impact the future success of a company and, by extension, its investment potential. As a result, we place a strong emphasis on direct engagement with our portfolio holdings, particularly on environmental issues and related opportunities that align with the objectives of our impact investing strategy.

Our engagements with companies are conducted either directly by our analysts and portfolio managers or collaboratively. Since January 2022, we have partnered with Columbia Threadneedle Investments (CTI) reo®. This collaborative approach enables us to have greater influence than our individual holdings might otherwise allow.

Engagements may be initiated for several reasons. They can serve as fact-finding efforts to address data gaps or deepen our understanding of a company's performance and policies as part of our fundamental research. They may also be triggered by an identified ESG risk. In addition, we have defined in-house engagement priorities to focus our efforts on areas where we believe we can contribute to meaningful change (see Figure 12).

In our engagements, we share our views constructively and encourage companies to improve their risk management, impact, and sustainability practices. Our engagements address material sustainability issues relevant to our sustainable investment objective. As discussed in the chapter on our impact investing strategy, engagement and voting are important components of investor impact. We acknowledge, however, that changes at a company cannot be attributed to our efforts alone. They result from a combination of the company's own actions and the influence of the wider investment community.

Figure 11: Our engagement framework

Engagement

Our definition
- A purposeful, targeted company interaction on particular matters of concern

Our goal
- Committed to creating long-term value for the environment and / or society by promoting better environmental, social and corporate governance practices by driving positive change at an enterprise level

What we do
- Focused dialogue with a company, either ***bilaterally*** or ***collaboratively***
- We have a clear objective to address a material sustainability risk or opportunity
- We aim for a measurable outcome and track progress by objective milestones

How do we prioritize?
- Identify material ESG risk issues and evaluate how these are managed against best practices within the industry
- Define goals to improve impact disclosure and deliver positive change
- Timeline is set in relation to engagement and company
- Evaluate and monitor outcomes

Source: Vontobel. As of June 30, 2025. In line with the UK Investment Consultants Sustainability Working Group (ICSWG).
Please also refer to our Impact & Sustainability Guidelines for further details.

Figure 12: Our engagement priorities for 2026



Drive real-world decarbonisation
- Address gaps in science-based, NZIF*- and TPI**-aligned targets across Scopes 1–3
- Strengthen transition plans with interim milestones and 1.5°C-aligned capex
- Improve climate governance and accountability at board and executive level



Impact integrity and accountability
- Improve quantification and verification of impact KPIs
- Align management incentives with long-term sustainability KPIs
- Enhance transparency on impact pathways and intentionality



Protect biodiversity and natural ecosystems
- Assess and manage nature-related impacts and dependencies across operations and supply chains
- Implement mitigation or restoration actions
- Strengthen land-use, water stewardship, and ecosystem protection practices



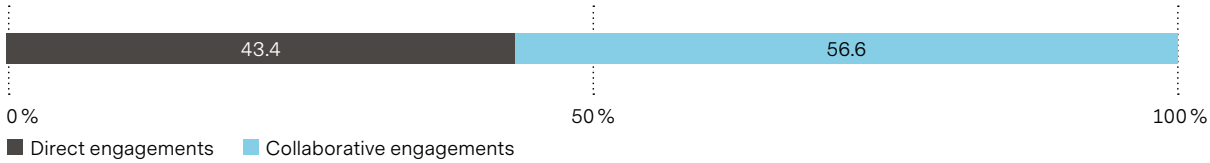
Advance circularity and eliminate pollution
- Address resource intensity through circular business models and design innovation
- Support phase-out and remediation of PFAS, hazardous chemicals, and other persistent pollutants
- Improve transparency and traceability across waste, recycling, and supply chains

*Net Zero Investment Framework. **Transition Pathway Initiative.

Source: Vontobel. As of June 30, 2025.

In 2025, the share of direct engagements decreased relative to collaborative engagements (see Figure 13) as we shifted from fact-finding discussions toward fewer, more targeted and outcome-oriented engagements (see Figure 14).

Figure 13: Our engagement activities over the past year
In %



Source: CTI reo® services, Vontobel. Time period: July 1, 2024 to June 30, 2025.

Figure 14: Engagement summary split by engagement initiation reason

	FACT-FINDING	STRATEGIC PRIORITY			
		Combat climate change	Drive positive change	Increase ESG stewardship	Reduce critical chemicals
Ongoing		4		4	
Successfully concluded	10	4	2	6	3
Unsuccessfully concluded					

Source: Vontobel. Time period: January 1, 2025, to December 31, 2025.

Case study

Andritz

Rationale and context

In 2025 Andritz's MSCI ESG rating was downgraded from AA to BBB, primarily due to corporate governance concerns. The downgrade appeared inconsistent with our view of the company's governance developments and with assessments by other rating providers. In addition, we believed the company was not fully communicating the environmental benefits of its products and technologies, limiting investor and stakeholder understanding of its sustainability contribution.

Objectives

- Understand the reasons behind MSCI's governance-related downgrades.
- Encourage Andritz to communicate governance improvements more effectively to stakeholders.
- Encourage enhanced disclosure of the environmental impact delivered through its products and solutions.
- Support improvements in transparency, governance practices, and sustainability reporting.
- Seek appropriate recognition of governance and sustainability improvements in external ESG ratings.

Actions

- In June 2025, we approached management to assess whether the concerns listed by the rating downgrade accurately reflected current governance practices. In response, Andritz highlighted recent investments in its IR and ESG functions, expanded ESG reporting through CSRD disclosures, and ongoing efforts to strengthen governance processes.
- Discussions with the CFO and Investor Relations in August 2025 focused on governance enhancements, including executive remuneration improvements, transparency initiatives, and AGM voting outcomes. The company indicated that several governance improvements had not been reflected in the MSCI ESG rating despite receiving positive assessments from other ESG and governance rating providers. Andritz was encouraged to engage proactively with MSCI to communicate these developments and seek a reassessment.
- We encouraged Andritz to provide more detailed reporting on the environmental benefits generated through its products and technologies. Requests included additional disclosure on renewable electricity generation, hydropower capacity additions and retrofits, avoided emissions, energy efficiency benefits from metals technologies, excess energy generation from pulp and paper facilities, carbon capture solutions, and other positive environmental impacts. In response, the company provided additional data and examples demonstrating the environmental contribution of its business activities, although further improvements to public disclosure remain possible.
- We participated in Andritz's Governance Roadshow in November 2025 and engaged directly with Chairman Wolfgang Leitner and Vice-Chairwoman Elisabeth Stadler. Discussions covered governance reforms, board independence, executive remuneration, ESG targets, whistleblower mechanisms, and strategic priorities ahead of its 2026 AGM. Investor feedback supported the strengthening of board independence, the revised remuneration framework, and the integration of ESG metrics into executive compensation.

Outcomes

- Andritz strengthened its ESG and investor relations functions and improved transparency through enhanced sustainability and governance reporting. Governance improvements included greater independence within the Nomination & Remuneration Committee and a revised executive remuneration policy incorporating ESG metrics.
- The company provided additional information on the environmental benefits of its operations and technologies, including hydropower projects, carbon capture solutions, energy generation from pulp and paper facilities, and technologies supporting emissions reductions. This helps stakeholders to grasp the sustainability value of its products and services more easily.
- In 2026, MSCI upgraded Andritz's ESG rating to A, reflecting improved recognition of the company's governance framework and ESG performance.

Case study

Daikin Industries

Rationale and context

We engaged with Daikin regarding its involvement in white phosphorus munitions due to concerns about the associated ESG and reputational risks and its classification as a manufacturer of controversial weapons. Although the activity represented a small share of revenue, continued involvement in white phosphorus-related products was inconsistent with investor expectations on controversial weapons exposure.

Objectives

- Encourage Daikin to phase out its involvement in white phosphorus munitions.
- Reduce ESG and reputational risks associated with controversial weapons exposure.
- Encourage alignment with international norms and responsible business practices.
- Support efforts to address the controversial weapons classification assigned by ESG rating agencies.

Actions

- Engagement with management began in 2023 and focused on the ESG and reputational risks associated with white phosphorus munitions. Investor expectations were communicated that Daikin should reduce and ultimately phase out its involvement in white phosphorus-related military products, given their controversial nature and limited financial significance.
- Throughout the engagement, Daikin explained that the JM42A1 81mm white phosphorus smoke bomb was supplied exclusively to the Japanese Ministry of Defense, accounted for less than 0.1 percent of group revenue, was not exported, and that the defense business was not a strategic growth area.
- Persisting engagement reinforced expectations that the company discontinue white phosphorus applications in its military offering and reduce its exposure to controversial weapons-related activities.

Outcomes

Daikin committed to discontinue and phase out white phosphorus applications in its military offering by March 2026, directly addressing the primary objective of the engagement.

Case study

Smurfit WestRock

Rationale and context

As part of a collaborative engagement with CTI reo®, we engaged with Smurfit WestRock on the environmental and social impacts of its forestry and pulp operations in Colombia. Key areas of focus included sustainable forestry management, biodiversity stewardship, community relations, and the management of sustainability risks associated with the company's decarbonization initiatives.

Objectives

- Encourage continued improvements in biodiversity management and monitoring.
- Promote sustainable forestry practices and ecosystem restoration.
- Encourage sustainable sourcing of biomass feedstocks.
- Support positive social outcomes through community engagement and local economic development.
- Encourage constructive relationships with Indigenous communities and other local stakeholders.

Actions

- CTI reo® conducted a two-day site visit to Smurfit WestRock's forestry assets and pulp mill in Colombia, accompanied by the company's Chief Sustainability Officer. The visit included the company's forest research unit, forestry plantations, and the Cali pulp plant to evaluate environmental and social management practices.
- Discussions focused on sustainable forestry management, biodiversity protection, and the environmental benefits of afforestation. Plantations established on degraded cattle pastures were reviewed, demonstrating their role in reducing soil erosion and restoring previously degraded land.
- Engagement over the past two years encouraged stronger management of biodiversity impacts and the adoption of enhanced biodiversity monitoring practices. Recommendations included the use of eDNA-based monitoring solutions. In response, Smurfit WestRock confirmed that it was evaluating several of the suggested eDNA providers.
- The company's decarbonization efforts were discussed during a tour of the new biomass boiler under construction at the Cali plant, which will replace coal. Smurfit WestRock was encouraged to ensure that any third-party biomass feedstocks are sourced from certified sustainable suppliers.
- Community engagement initiatives were reviewed through visits to primary and secondary schools funded by the company. These programs help create educational opportunities and pathways to employment in economically disadvantaged regions, with alumni frequently recruited into company roles.

Outcomes

- The site visit provided evidence of strong sustainable forestry practices, robust forestry research capabilities, and meaningful community engagement initiatives.
- Smurfit WestRock demonstrated progress in managing operational biodiversity impacts, including eDNA-based biodiversity monitoring.
- The engagement provided greater confidence in the company's approach to balancing operational, environmental, and social considerations across its Colombian operations.

Next steps

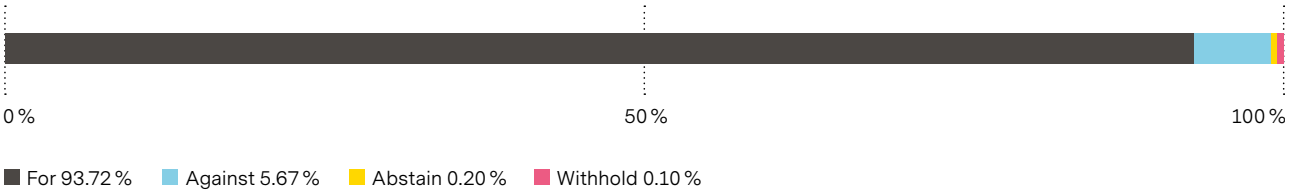
- Continue engagement on the sustainable sourcing of biomass feedstocks for the new biomass boiler.
- Monitor progress on biodiversity monitoring and management.
- Encourage the company to maintain constructive and productive relationships with local Indigenous communities and other stakeholders.

Voting
In 2025, we voted at 67 shareholder meetings. We voted at every meeting. Of the 988 total voting items, 93.72 percent received a vote in favor (see Figure 15). We voted in line with management on 93.93 percent of items (see Figure 16). Of the total voting items, 13 were shareholder proposals, fewer than in recent years. The number of such proposals has historically been low, as many of the companies in which we invest already have strong sustainability practices and we have no exposure to big oil and gas companies, which are predominantly targeted. Of the shareholder proposals, we voted in favor in 84.62 percent of cases and in line with management in 38.46 percent. Most voting items concerned governance matters, such as director elections and executive compensation (see Figure 17). The number of environmental and social-related proposals we voted on remained low. Through our partnership with CTI reo®, we follow an agreed-upon voting policy under which CTI reo® provides voting recommendations. However, we believe there are cases where our in-house analysts have additional insights. We therefore reserve the right to diverge from CTI reo®'s recommendations, which we did in 6.48 percent of cases.

At Linde's AGM in July 2025, a shareholder proposal requested that the company publish a report on its climate lobbying activities. We supported the proposal, voting against management's recommendation. We believed that greater disclosure would allow shareholders to better assess whether Linde's direct and indirect lobbying efforts align with its public commitment to achieving net-zero emissions by 2050. It would also help investors identify potential misalignments and better understand how Linde manages climate-related policy engagement. We considered such reporting to be in shareholders' best interests and voted in favor.

Ahead of Prysmian's AGM in April 2025, we reviewed the meeting agenda with our proxy advisor's assessment and voting recommendations. One of the management proposals concerned the approval of the second section of the remuneration report. Our proxy advisor recommended voting against the proposal due to concerns about the termination payments made to former CEO Valerio Battista. To better understand the arrangements, we engaged with Prysmian ahead of the AGM. The company explained that the termination payment did not exceed two years of remuneration and was consistent with its remuneration framework. This additional information addressed our concerns about the severance arrangements. As a result, we voted in favor of the remuneration report, in line with management's recommendation.

Figure 15: Votes cast in 2025



Source: ISS ProxyExchange, CTI reo® services, Vontobel. Time period: January 1, 2025, to December 31, 2025.

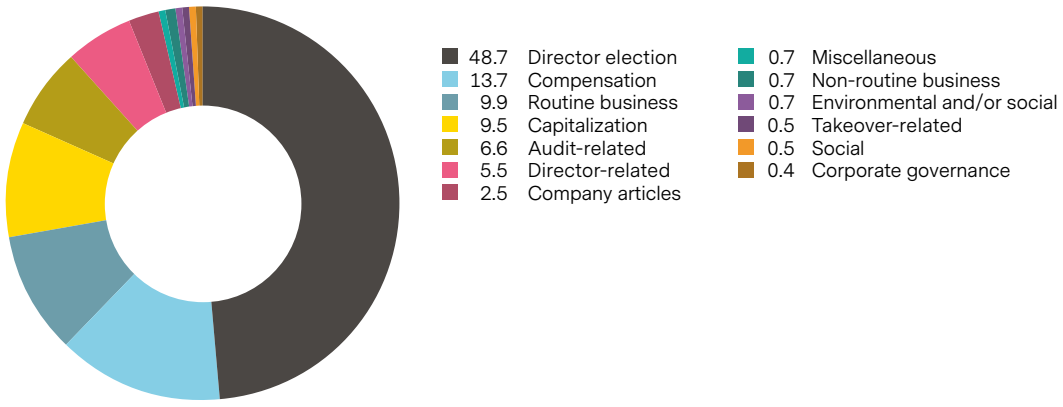
Figure 16: Voting summary 2025

	TOTAL		MANAGEMENT PROPOSALS		SHAREHOLDER PROPOSALS	
	Total	**%**	**Total**	**%**	**Total**	**%**
Votable proposals	988		975		13	
Proposals voted	988	**100.00**	975	100.00	13	100.00
Votes for	926	**93.72**	915	93.85	11	84.62
Votes against	56	**5.67**	54	5.54	2	15.38
Votes abstain	2	**0.20**	2	0.21	–	–
Votes withhold	1	**0.10**	1	0.10	–	–
Votes with management	928	**93.93**	923	94.67	5	38.46
Votes against management	60	**6.07**	52	5.33	8	61.54
Votes in line with CTI reo® policy	924	**93.52**	912	93.54	12	92.31
Votes not in line with CTI reo® policy	64	**6.48**	63	6.46	1	7.69

Source: ISS ProxyExchange, Columbia Threadneedle reo® services, Vontobel. Time period: January 1, 2025, to December 31, 2025.

Figure 17: Overview of the topics voted on in 2025

In %



Source: ISS ProxyExchange, Columbia Threadneedle reo® services, Vontobel. Time period: January 1, 2025, to December 31, 2025.

Ratings from external ESG data providers

To provide greater transparency on the Fund, we disclose not only our own impact data but also a selection of ESG, climate, and impact ratings from external sources. While improving our overall ESG rating is not our primary objective, the companies in which we invest often receive strong ratings from these agencies. At the same time, we remain committed to avoiding investments in companies involved in critical business activities. These third-party assessments provide an additional perspective alongside our own evaluation framework.

MSCI ESG

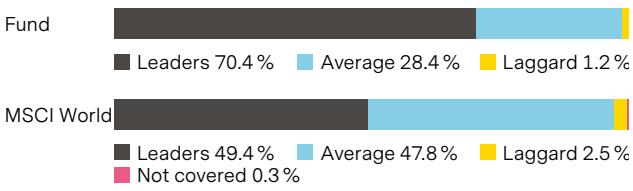
One such external rating is MSCI's "ESG Quality Score," which evaluates the ability of portfolio holdings to manage key medium- to long-term risks and opportunities related to environmental, social, and governance factors. This score, derived from MSCI ESG ratings, ranges from 0 to 10 (with 10 being the best). MSCI classifies ESG ratings into three categories: ESG Leaders (AAA and AA), Average (A, BBB, and BB), and Laggards (B and CCC).

For the Vontobel Fund – GEC, the ESG Quality Score is 7.94 (AA), compared to 6.88 (A) for the benchmark index. Over the past year, the score has improved both for the Fund as well as for the benchmark index, with the difference between the two having shrunk from 1.22 to 1.06, still reflecting the Fund's continued focus on high-quality impact investments with a relatively high ESG rating.

MSCI ESG Research defines financed carbon intensity as the tons of CO_2 emitted per EUR 1 million in sales.[61] The Scope 1 and 2 carbon emission intensity of the companies in the Vontobel Fund – GEC are 9 percent higher than those of the benchmark index MSCI World. The Scope 3 upstream emissions are also higher, but the Scope 3 downstream emissions come in considerably lower. In total, the Fund's carbon intensity per EUR 1 million in sales are 18 percent lower than those of the benchmark index.

Figure 18: MSCI ESG fund rating summary

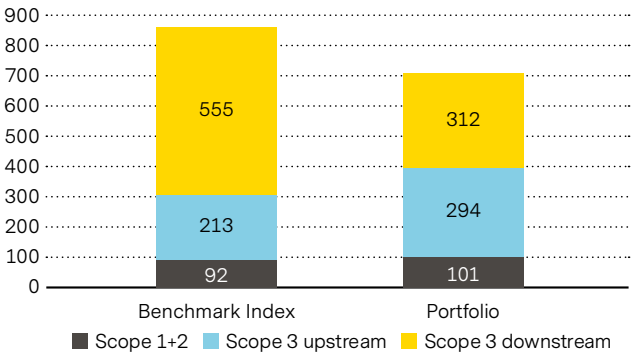
	VONTOBEL FUND – GEC	MSCI WORLD
ESG Quality Score	7.94	6.88
ESG Rating	AA	A



Source: MSCI ESG Research LLC. As of June 30, 2026. For illustrative purposes only. The MSCI ESG rating is not a binding element of the fund investment strategy. Past ESG outcomes are not a reliable indicator of current or future results.

Figure 19: The Vontobel Fund – GEC carbon emissions intensity

t CO_2 / mEUR sales



Source: MSCI ESG Research LLC. As of June 30, 2026.
FX rate USD – EUR: 0.85 EUR

[61] Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their equity ownership. Emissions and sales are apportioned based on equity ownership (percent market capitalization).

Third-party verification

ISS STOXX

VERIFICATION STATEMENT
Impact Indicators for Vontobel Fund – Global Environmental Change
August 27, 2026

Review Summary

ISS STOXX Sustainability has reviewed the impact indicators reported by Vontobel.

- *ISS STOXX Sustainability has reviewed the impact indicators stated by the Impact and Thematic Team in the Conviction Equities Boutique of Vontobel. The team sent out an inquiry for to the holdings to gather the necessary data points in Spring 2026.*
- *ISS STOXX Sustainability reviewed a self-selected sample of 2-3 data points per type of metric provided by the Impact and Thematic Team.*
- *The information revised corresponds to that communicated by the investee companies and reflects the positive impact generated by the holdings in the Vontobel Fund – Global Environmental Change.*

ISS STOXX Sustainability provides corporate and country Sustainability research and ratings that enables its clients to identify material social and environmental risks and opportunities, including through advisory services.

Contact us

We welcome feedback and suggestions from investors and companies to help us further develop our impact report.

For companies

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- Investments in foreign currencies are subject to currency fluctuations.
- Success of single security analysis and active management cannot be guaranteed.
- It cannot be guaranteed that the investor will recover the capital invested.
- Derivatives entail risks relating to liquidity, leverage and credit fluctuations, illiquidity and volatility.
- Price fluctuations of investments due to market, industry and issuer linked changes are possible.
- There is no guarantee that all sustainability criteria will always be met for every investment. Negative impact on sub-fund's performance possible due to pursuing sustainable economic activity rather than a conventional investment policy.
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- There is a risk of inaccurately assessing a security or issuer based on inaccurate or incomplete data from third party ESG– research data providers.
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The KID is available in Swedish.

The KID is available in Norwegian.

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Refer for more information regarding subscriptions in Italy to the Modulo di Sottoscrizione. For any further information: Vontobel Asset Management S.A., Milan Branch, Piazza degli Affari 2, 20123 Milano, telefono: 0263673444, e-mail clientrelation.it@vontobel.com.

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