



April 2026

2025 Impact Report

Enabling a Sustainable Planet for Society



TERRA ALPHA
INVESTMENTS

About Terra Alpha

Terra Alpha Investments is grounded on the belief that our economic system can, and must, transition to one that is truly sustainable – one that provides for the needs of society while operating within our planet’s regenerative natural resource limits. Our positive vision of a sustainable economy underlies every aspect of our work: how we invest, engage with companies, and advocate for broader change via our thought leadership work.

Our firm was founded in 2014 by highly experienced investment professionals to provide asset owners with a differentiated way to invest in our rapidly changing world. We utilize our proprietary Environmental Productivity and Enduring Business Model analytical frameworks to identify investment opportunities and to allocate investor capital into publicly traded companies that are profitably leading the transition to a truly sustainable economy. We are a signatory of the Net Zero Asset Managers initiative and 100% dedicated to sustainable investment strategies.

<http://www.terraalphainvestments.com>

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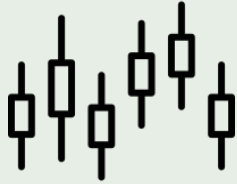
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I. By The Numbers – Terra Alpha’s Impact

86% science-based targets (SBT) portfolio coverage as of YE 2025



1st and only US-based asset manager with a validated science-based target



SCIENCE
BASED
TARGETS

55,000+

total views on Terra Alpha publications sent throughout the year



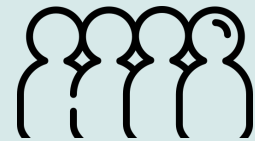
100% AUM we have committed to manage in line with net zero emissions by 2050



20+ social and governance metrics being tracked



75% of portfolio companies have boards with more than one-third female members



Terra Alpha Team:

56% Identify as women

28% Ethnically diverse



90% less carbon intensive portfolios versus the benchmark



966

proxy proposals voted by Terra Alpha Investments



140 Active engagements with our portfolio companies



114,000

cubic meters of water usage avoided compared to the same \$1M invested in the benchmark since inception



45% less waste generated compared to the same \$1M invested in the benchmark since inception



II. Introduction

As Terra Alpha enters our second decade, I am proud to reflect on the work we have done since our founding to catalyze positive impact, particularly on corporate environmental disclosures and actions. While we celebrate our work and the positive impacts, by some measures the environmental and societal challenges we face are greater today than ever before. **This does not deter us, rather it increases our resolve to continue, in fact to deepen, the impact work that we share in this report.**

As a reminder, Terra Alpha's overall purpose is to **enable a sustainable planet for all society in a science-driven, caring, rigorous, and transparent manner.** We do that via our investment process, the companies we invest in, and through our engagement work where we aim to catalyze the reduction of greenhouse gas (GHG) emissions, the use of and impact on freshwater systems, raw material usage and waste streams, as well as advocating for progress toward improved corporate environmental efficiency in business practices.

As we have noted in previous communications, U.S. leadership continues to aggressively roll back environmental regulations and ignore broadly recognized environmental threats and societal imbalances. The most concerning action being the February 12, 2026 repeal of the Endangerment Finding by the Environmental Protection Agency. This action removes the legal basis for many federal regulations and rules on GHG emissions. At the same time, the impacts from climate change are becoming more evident and powerful. This raises the importance of the private sector's role in mitigating and adapting to climate change. Terra Alpha remains committed to our work that supports our investors' desire to have their capital allocated in a manner that serves their goals, including creating positive environmental impact, while seeking competitive financial returns.

We thank our investors, portfolio companies, partner organizations, and community for your active support.



Tim Dunn, CFA
Co-Founder and CIO

III. Report Overview

Through our sixth Impact Report, we aim to provide our investors and stakeholders with a comprehensive overview of our efforts and achievements over the past year.

Terra Alpha was founded to enable a sustainable planet for society, and we are fully committed to leading the shift to a sustainable economy, which we pursue through our three core pillars:

Our Portfolio

- + We aim to invest in companies that are profitably leading the transition toward a truly sustainable economy (forward thinkers, enablers, and pioneers)
- + Our portfolio has significantly lower carbon emissions, water usage, and waste streams per \$ of revenues versus market indices and the overall economy
- + We are committed to moving our portfolio's coverage of companies with science-based targets for carbon to 95% by 2030 (85.8% as of 12/31/2025)

Corporate Engagement

- + We broadly advocate for corporations to adopt environmentally smart business practices and disclosure
- + We have analyst-driven customized engagement with portfolio holdings based on identified highest opportunities and risks
- + Our active ownership ranges from proxy voting aligned with policies to filing shareholder resolutions if necessary

Thought Leadership

- + We contribute to peer learning organizations and collaborate with like-minded investors
- + We are active participants in webinars, conferences, lectures, and academia
- + We compose EP Insights, Terra Alpha white papers, and Terra Alpha Voices
- + We engage in public advocacy, including direct communication with federal agencies

Our first step is through our investment process and portfolio construction. Secondly, through engagement directly with portfolio companies, including proxy voting, thematic campaigns across companies, and company-specific interaction. Thirdly, we express our voice in thought leadership and advocating with collaborative efforts on the policy front.

A few of the most notable actions and impacts from 2025 are that we:

Portfolio:

- + Financed 75% fewer carbon emissions, 78% less water usage, and 25% less waste generation (compared to the global index) via our investment portfolio, and
- + Surpassed our original 2025 portfolio science-based target (SBT) coverage goal of 75%. Coverage stands at 86% as of year-end 2025, from 43% baseline in 2020.

Corporate Engagement and Advocacy:

- + Had a total of 140 active engagements with portfolio companies,
- + We requested companies to continue commitments to sustainable strategies and inclusion in the face of political opposition to these themes,
- + Continued a portfolio-wide campaign on Net Zero commitments and action plans,
- + Continued a water campaign across the portfolio focused on addressing key water risks and engaging with companies to improve disclosures and perform water risk assessments,
- + Continued our engagement regarding data centers' resource use and impact, and

- + Implemented an engagement framework focused on plastic usage, waste reduction, circularity, and setting plastic-related targets.

Thought Leadership:

- + We added more depth to our Advisory Board by [welcoming back Jean Rogers](#),
- + Collaboratively engaged in policy advocacy alongside peer organizations and companies,
- + Led a weeklong Wall Street Development Accelerator bootcamp, and
- + Expanded our reach through podcasts, webinars, a university course, and participation on conference panels, with over 55,000 views on Terra Alpha publications throughout the year.

We are eager to see where we can move these areas of impact work in 2026. The regulatory and political environment may represent headwinds to the themes we see as important for long-term business success, yet we hold confidence in our portfolio holdings, our investment strategy and selection process, and our engagement efforts broadly, to continue to demonstrate that sustainable business practices lay a path to greater success for corporations and investors.

We hope the following pages provide a good sense of how we go about our impact work at Terra Alpha, and specifically over the past twelve months.

IV. 10 Year Reflection

10 IN 10

A DECADE OF  **TERRA ALPHA**
INVESTMENTS

In 2025 we celebrated a major milestone – **10 years of growth, impact, and sustainable investing.**

Of course, we are most proud of delivering to our investors the combination of competitive financial returns, superior environmental returns, and real-world impact through our thought leadership and corporate engagement.

Yet, there is so much more we have accomplished that is worth highlighting.

To mark this milestone, we shared 10 key accomplishments from our first 10 years – or “10 in 10” – that have helped define our journey, offering a glimpse into the moments and achievements that shaped who we are today.



Our **first installment** shared [Terra Alpha's Founding Story](#) and the vision that inspired the firm's creation. Frustrated by short-term market thinking and the lack of consideration for environmental risks, Co-Founder and CIO Tim Dunn set out to build an evolved investment approach — one that integrates environmental performance into company analysis to drive both competitive financial returns and real-world impact.



Our **second feature** highlighted [our commitment to a Low-Carbon Economy and Science-Based Targets \(SBTs\)](#). From early advocacy for emissions transparency to becoming the first and only U.S. asset manager with a validated Science-Based Target for financed emissions, this milestone reflects our conviction that climate-aligned investing supports both resilient portfolios and a more sustainable world.



Our **third spotlight** highlighted [our partnership with 1% for the Planet](#), a meaningful extension of our mission to support environmental progress. Since 2017, Terra Alpha has pledged to donate 1% of management fee revenues annually to environmental nonprofits, reinforcing our belief that businesses should play an active role in protecting the planet.



Our **fourth installment** celebrated [our Team](#) – our greatest strength. With deep investment expertise, diverse academic backgrounds, and specialized environmental knowledge, our team brings a collaborative, mission-driven approach to sustainable investing, helping us navigate complex global challenges and deliver long-term value and impact.



to investing.

Our **fifth feature** recognized the invaluable guidance of [our Advisory Board](#), a group of trusted experts who provide guidance, perspective, and thought partnership across sustainability, science, policy, and finance. Their insights have helped shape our strategy, deepen our understanding of emerging risks and opportunities, and strengthen our mission-driven approach



Our **sixth installment** highlighted [our Internship Program](#) – which provides undergraduate students with hands-on sustainable investing experience. Interns work directly with our investment team on real research and investment decisions, gaining insight into how capital can drive both financial and environmental impact – and helping shape the next generation of sustainable investing leaders.



to advance an evolved approach to investing.

Our **seventh feature** highlighted the [launch of the Terra Alpha Concentrated Strategy Fund \(TACS\)](#), an investor-driven extension of our diversified strategy. Launched in 2020 with the support of an anchor investor and 16 Founders Series investors, TACS showcases TAI’s ability to collaborate with investors to design strategies that align with both market needs and our mission



Our **eighth spotlight** highlighted [our Partnerships](#), which have strengthened our work and impact. They have been vital in sharpening our conviction and education – helping us stay grounded in science, informed by global best practices, and connected to leaders shaping a more transparent, accountable, and sustainable economy.



informed business practices.

Our **ninth installment** highlighted one of Terra Alpha’s three pillars of Impact – [Thought Leadership](#). Through collaboration with peers, public engagement, research and publications, and public advocacy, this pillar extends our influence beyond the portfolio, strengthening dialogue across the investing community and supporting the adoption of environmentally



work every day.

Our **tenth and final feature** celebrated what has made our first decade possible: [our Community](#). From our investors and partners, to our team, Advisory Board, and the broader network of aligned individuals and institutions, this collective force has been the foundation of our impact.

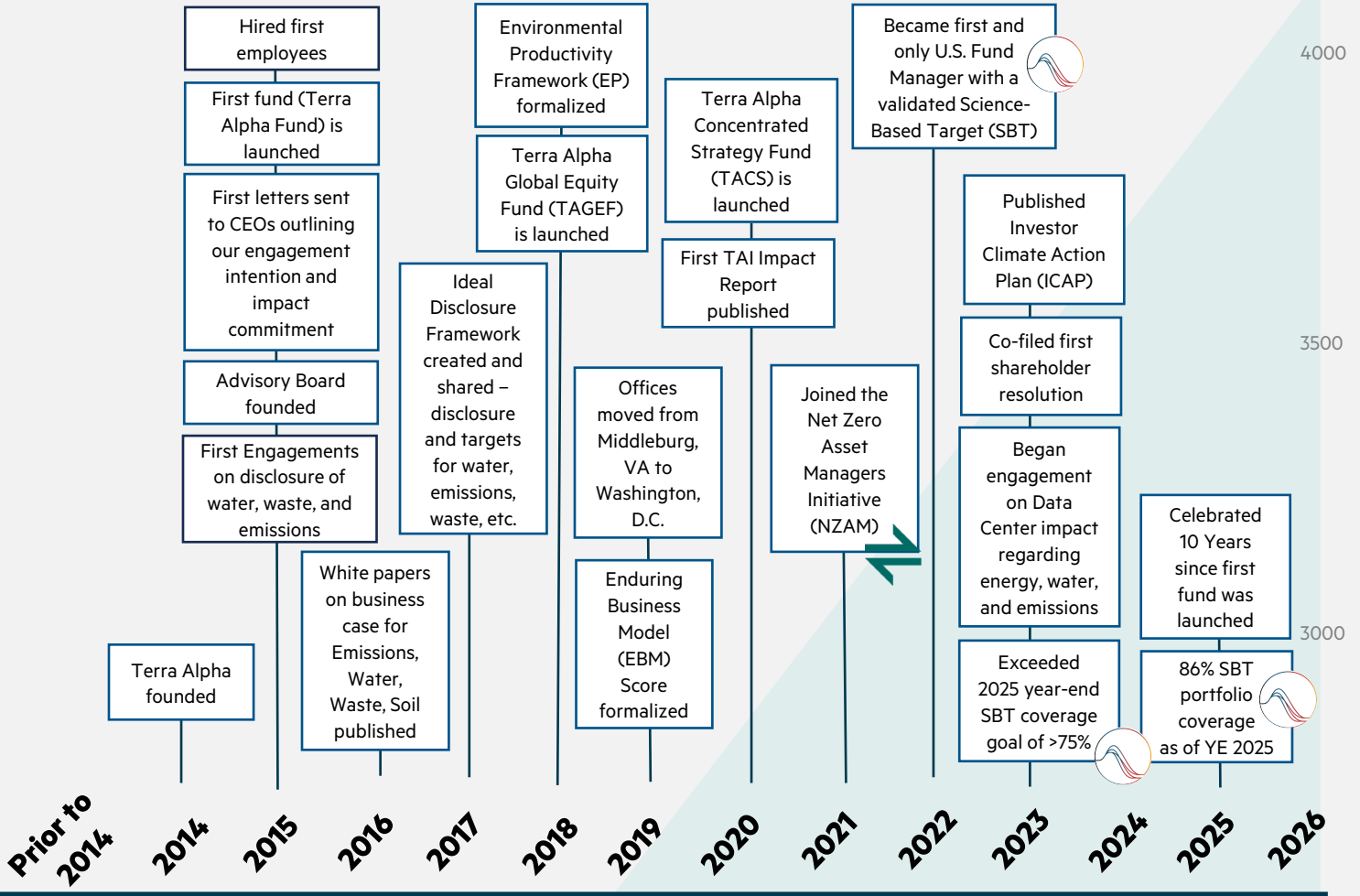
Our work is also inspired by Finley Broaddus, a close friend of several team members, whose life and legacy of hope, action, and belief in a healthier, more sustainable world continues to guide and inspire our

Thank you for being part of our first decade. We’re honored to continue this journey together. [Explore the full “10 in 10” series here.](#)

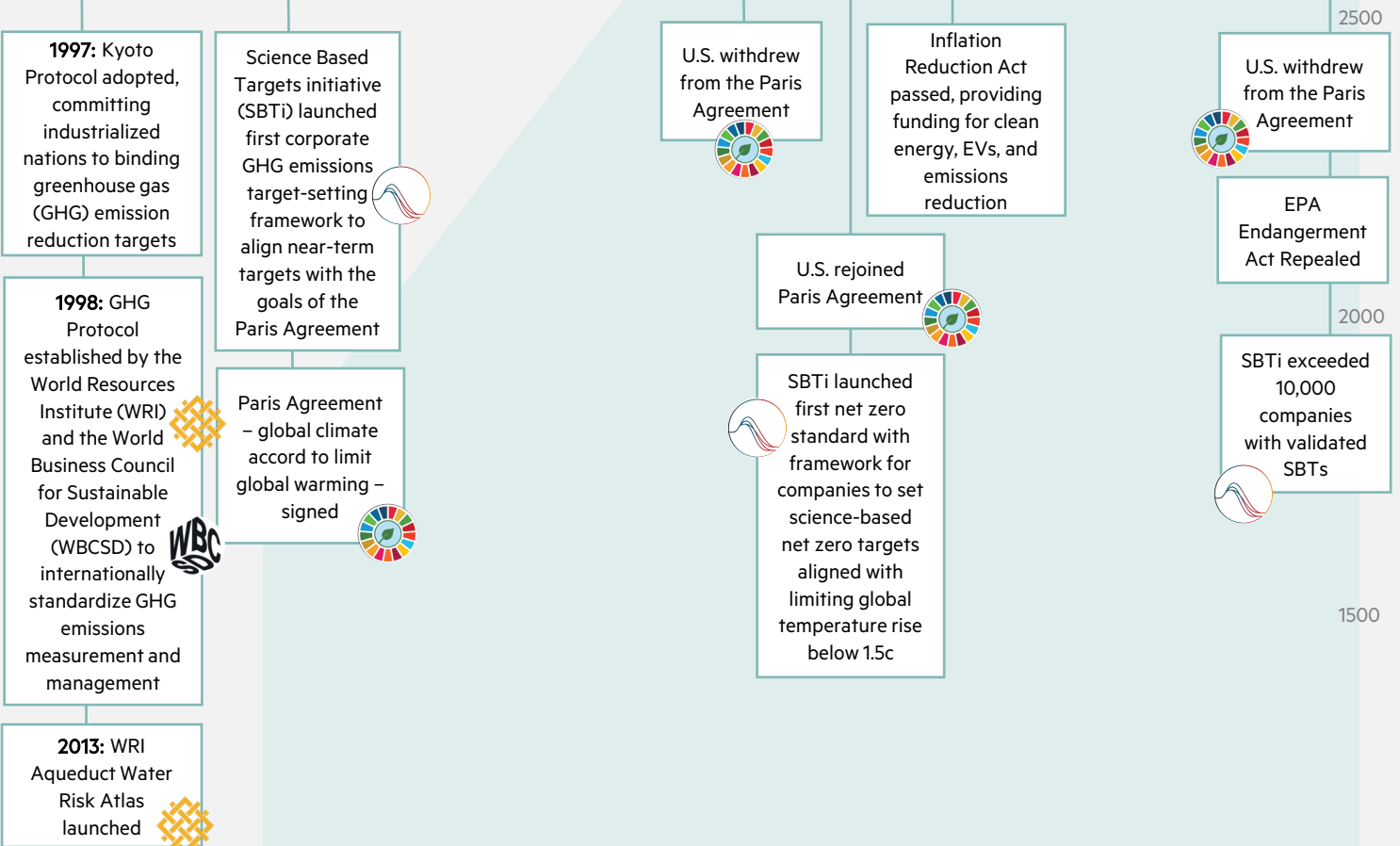


Terra Alpha Evolution & Global Market Events – A Timeline of our First Decade

Terra Alpha Internal Milestones



World Events



Number of Companies that Disclose Some Sort of Environmental Data

This graph illustrates the number of companies that disclose some sort of environmental data. It has risen from ~1700 in 2015 to 4000+ in 2026. Source: Originally Trucost, now CDP/Bloomberg

1000

V. Firm Initiative Updates



I. Low Carbon Economy: Priorities and Progress

Decarbonization has been a central focus for Terra Alpha since our founding, both in terms of our investment approach and our ambitions for societal impact. We continue to believe that climate change is ever more material to investors with a long-term horizon, and that climate change-related stewardship is as urgent as ever.

In 2025, our climate-related engagement priorities remained constant. We continue to advocate that companies:

1. Disclose their greenhouse gas (GHG) emissions,
2. Set science-based GHG reduction targets,
3. Disclose action plans to achieve their targets, and
4. Transparently disclose progress toward their targets.

Progress in 2025

The table below summarizes our portfolio companies' progress on each decarbonization-related engagement priority versus last year:

Priority & Status	Progress versus last year ¹
Greenhouse gas emissions disclosure	Scopes 1&2 + 100% of portfolio companies continued to disclose Scope 1 and either location- and/or market-based Scope 2 + 90% pursued external assurance on Scope 1 and either location- and/or market-based Scope 2, compared to 89% last year Scope 3 + 85% disclosed a reasonably complete Scope 3 inventory, compared to 84% last year + 64% pursued external assurance on Scope 3, compared to 52% for the previous year
Science-based emissions reduction targets ²	Share of assets under management (AUM), excluding cash, covered by validated science-based targets (SBTs): + Increased from 76.4% at year-end 2024 to 85.8% at year-end 2025 + Making strong progress toward our goal of reaching 95% coverage by 2030 Note: Of the remaining 14.2% of portfolio companies not covered by validated science-based targets, all were either committed to setting science-based targets or working toward non-SBTi emissions reduction targets

¹ Reflects portfolio constituents as of year-end 2025 and emissions data for the year 2024 (most recent available)

² By "science-based" targets, we mean those that are ambitious enough to result in near-term absolute emissions reductions, inclusive of Scope 3 emissions as appropriate, without over-reliance on offsets/removals, and with validation by the [Science Based Targets initiative](#)

Developing and disclosing robust plans to achieve their targets (including resource allocation)	According to Terra Alpha analysts' assessments: <ul style="list-style-type: none"> + 10% of portfolio companies have disclosed a robust plan to achieve their emissions targets, including resource allocation/anticipated financial impacts, versus 6% last year, + 51% have disclosed a detailed roadmap, and + 39% have disclosed only a simple or incomplete roadmap
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Priority & Status	Progress versus last year ³
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Demonstrating absolute emissions reductions over time	<p><u>Data year 2024 vs 2023</u></p> <p>Using the emissions database we have compiled for our portfolio companies⁴ and defaulting to location-based⁵ Scope 2 data when available, we see that:</p> <ul style="list-style-type: none"> + 49% of portfolio companies reported a decline in absolute Scope 1&2 emissions for 2024 versus 2023, + 34% of companies reported a decline of 4.2% or greater in magnitude⁶ <p>Using the emissions database we have compiled for our portfolio companies⁴ and defaulting to market-based⁵ Scope 2 data when available, we see that:</p> <ul style="list-style-type: none"> + 66% of portfolio companies reported a decline in absolute Scope 1&2 emissions for 2024 versus 2023, + 56% of companies reported a decline of 4.2% or greater in magnitude⁶ <hr/> <p><u>Data year 2024 vs portfolio company-specific baseline year</u></p> <p>Using the emissions database we have compiled for our portfolio companies⁴ and defaulting to location-based⁵ Scope 2 data when available, we see that:</p> <ul style="list-style-type: none"> + 68% of portfolio companies reported a decline in absolute Scope 1&2 emissions for 2024 versus the baseline year of their emissions reductions targets, + 28% of companies reported a linear average decline of 4.2% or greater in magnitude, versus the baseline⁶ <p>Using the emissions database we have compiled for our portfolio companies⁴ and defaulting to market-based⁵ Scope 2 data when available, we see that:</p> <ul style="list-style-type: none"> + 82% of portfolio companies reported a decline in absolute Scope 1&2 emissions for 2024 versus the baseline year of their emissions reductions targets, + 73% of companies reported a linear average decline of 4.2% or greater in magnitude⁶
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Table 1. Source: Terra Alpha Investments

³ Reflects portfolio constituents as of year-end 2024 and emissions data for the year 2023 (most recent available).

⁴ Please see **Appendix 2** for a summary of our data compilation process (such as backfilling data when companies restate historical years) and instances where human judgment was required.

⁵ Generally, market-based Scope 2 accounting methods give credit for corporate renewable power procurement efforts, while location-based Scope 2 accounting methods assume the company relies on local power grids.

⁶ Note that 4.2% is the minimum linear annual reduction required by the Science Based Targets initiative in its near-term corporate target-setting guidelines.

The share of companies in our portfolio that have science-based emissions reduction targets (SBTs) remains a key performance indicator that we track closely. Why? Because we believe a net zero investment portfolio requires all of its constituent companies to be working toward ambitious emissions reductions.

Between year-end 2024 and year-end 2025, our SBT coverage increased from **76.4%** to **85.8%**, which is the net result of:

- + Four existing portfolio companies setting validated SBTs,
- + New investments in eight companies that already had validated SBTs,
- + Sales of eight companies with validated SBTs, and
- + Changes to the relative weights of each constituent in the portfolio, driven by market movements, portfolio manager conviction, and rebalancing of the concentrated strategy.

We are making strong progress toward our 95% SBT coverage goal for 2030. As we get closer, our engagements must increasingly focus on achieving real emissions reductions in addition to target-setting as an interim step.

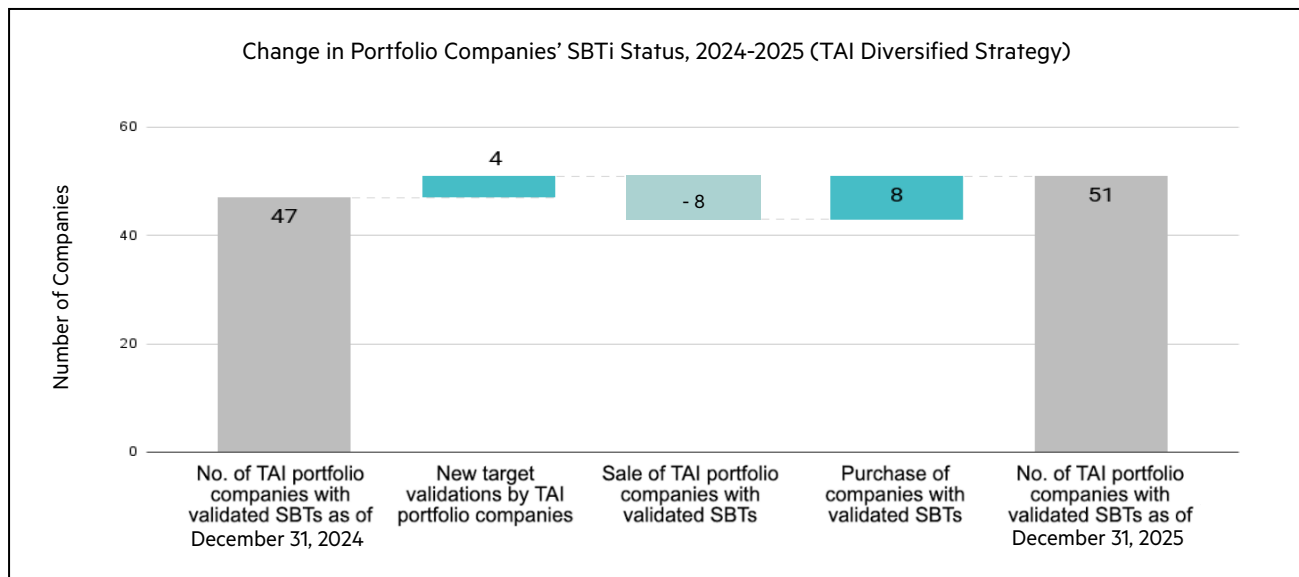


Figure 1. Portfolio coverage evolution in 2025

Financed Emissions

Terra Alpha continues to report our financed emissions in line with the emerging best practice standard developed by the [Partnership for Carbon Accounting Financials](#) (PCAF). Please see **Appendix 2** for the updated data tables and methodology notes.



II. Diversity, Equity, and Inclusion

As a firm, we strongly believe that diversity of experiences and opinions can lead to better decision-making. Therefore, it remains important that we look internally and externally at factors that can encourage such a work environment. We continue to collect perspectives that might help us maintain an enviable work culture, as well as help us assess the companies we invest in.

In 2025, our Diversity, Equity & Inclusion work continued to be centered on our four pillars: Talent Acquisition, Belonging at Terra Alpha, Advocacy & Education, and Investment Analysis.

An update on the Four Pillars



Talent Acquisition

Diversity, equity, and inclusion considerations and best practices are formally built into our hiring process and internship program. Focusing on diversity, equity, and inclusion in every step of the process, from the job description to the interview questions, has yielded great results. Applicant pools for open positions are increasingly competitive and diverse and have led to outstanding hires that have strengthened our team and increased our diversity in a number of important ways.

Our internship program continues to be an excellent way for us to build a pipeline of talent to be considered for future openings, as well as a way for our small firm to have an outsized impact in addressing the lack of diversity in the investment industry. The goals of our internship program are to augment our research capacity, educate the next generation of investors, provide meaningful opportunities for underrepresented groups in finance, and build a pipeline of talent for future hiring.

As in previous summers, in 2025 we hired two summer interns who provided valuable research and insights while gaining hands-on industry experience. Their [intern profiles](#), as well as those of past participants, are available to learn more about their contributions and growth.



Belonging at Terra Alpha

Building a strong sense of belonging at Terra Alpha is a continuous pursuit, aiming for a culture of inclusiveness and respect that celebrates diverse thinking. We have conducted annual self-reported demographic surveys and annual belonging surveys (which continue to result in very high scores), reviewed our teamwide [DiSC assessment](#) and individual Gallup CliftonStrengths assessments, and we annually pledge to uphold a Social Commitment to one another. Fostering a sense of belonging is always a top priority at our annual offsite retreat and an underlying objective at each of our team events.



Advocacy and Education

Through our investments, our internal programs, and our external outreach, we strive to advocate for and demonstrate diversity, equity, inclusion, and educate others on its importance. In our proxy guidelines and voting, we have taken a clear stance on supporting diversity, equity, and inclusion in our corporate action. We continued our disclosure to the CFA Institute as signatories of the CFA's Diversity, Equity, and Inclusion Code. In 2025 a number of corporate diversity, equity, and inclusion experts shared their professional experiences and insights with us.

Terra Alpha's internship program continues to hire bright and ambitious students and deliberately provides students with diverse backgrounds with valuable hands-on experience in the investment industry. Each of Terra Alpha's interns is guided through extensive market research and individual company research projects that culminate in a stock pitch to our entire investment team.

In Terra Alpha's fourth year of partnering with the [Wall Street Development Accelerator](#) (WSDA), we led one of the WSDA's bootcamp groups which entailed a week-long curriculum covering the basics of equity research and financial statement analysis. This partnership allows us to reach a larger audience and increase our leverage in our quest to promote diversity, equity, and inclusion across the investment industry and beyond.



Investment Analysis

Diversity, equity, and inclusion analysis is an important piece of the puzzle in our Enduring Business Model framework. We evaluate the traits of the workforce along with the policies and practices of each company we invest in. As part of our investment process, analysts and portfolio managers incorporate this information into their assessment of the governance, management, and human capital of each company in recognition of the reality that diversity, equity, and inclusion are often indicators of strength, and can give a sense of a company's ability to execute on its business model.

Diversity, equity, and inclusion data on our portfolio can be found on pages 19 and 20 in the "VI. Portfolio Impact" section.

VI. Portfolio Impact

Our portfolio remains the area where we can have the greatest impact for our investors, the environment, and society through both our investment decisions and our active ownership approach. As of year-end 2025, our strategies were invested in companies with a combined market capitalization of \$23.7 trillion and revenue of \$3.1 trillion. The companies in which we invest have an impact not only through the products and services that they provide, but also through how they utilize natural resources throughout their value chains. When we are determining whether to invest in a company, we assess its enabling, pioneering, and forward-thinking qualities:

- + **Enabling qualities** reflect how the firm considers our changing world in the products and services they offer. These companies often allow or help other industries or customers to be more efficient at utilizing natural resources through their goods or services (e.g., Xylem, an American water technology and equipment provider, is a leader in developing innovative water solutions with the use of smart technology). We believe that around **85%** of our holdings exhibit these enabling characteristics.
- + **Pioneering qualities** reflect disruptive tendencies toward traditional industries in an effort to adapt to our changing world (e.g., SalMar, a Norwegian fish farm company, is demonstrating how offshore salmon farming can be used to produce a more environmentally friendly protein to feed our growing population). We believe that around **5%** of our holdings showcase these types of pioneering characteristics.
- + **Forward-thinking qualities** reflect how a company considers the risks and opportunities related to our changing planet in how they operate (e.g., Unilever, a British consumer goods company, is trying to minimize its operational footprint). We believe that around **92%** of our holdings exude forward-thinking tendencies.

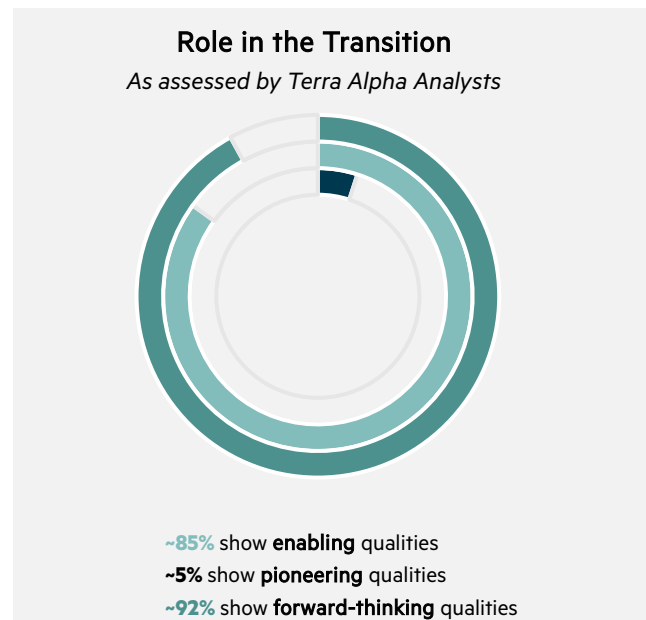


Figure 2. Source Terra Alpha Investments

Given our science-driven and intentional approach to investment decision making, our funds naturally gravitate toward companies with significantly lower carbon, water, and waste footprints than those of their industry peers and the overall global economy, translating to better environmental outcomes. Our active ownership approach then allows us to continue to build our understanding of a company's dependencies and impacts, while giving us an opportunity to provide input on the firm's plans, initiatives, and outcomes.

I. Portfolio Intensity Metrics

We provide transparent reporting to our investors by sharing holding-level information, which includes each company's Environmental Productivity Rating, Enduring Business Model Score, and carbon, water, and waste intensity measures (when available).

Figures 3 & 4 below show snapshots of the relative intensity measures for both our diversified and concentrated strategies as of year-end 2025. These charts are an example of the type of information we regularly provide to our investors.

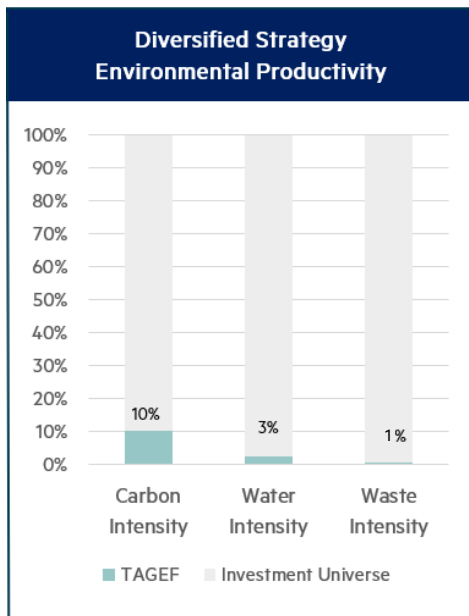


Figure 3. Terra Alpha diversified strategy intensity measures as of year-end 2025

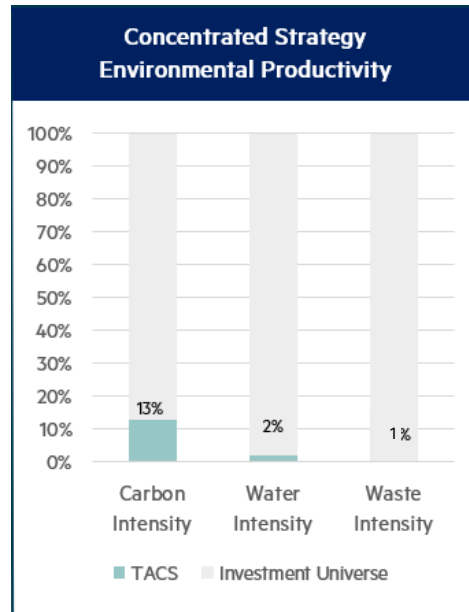


Figure 4. Terra Alpha concentrated strategy intensity measures as of year-end 2025

II. Cumulative Portfolio Environmental Impact

We calculate our funds’ carbon, water, and waste impacts (e.g., the resources our funds are “responsible” for via our investment in companies) on an annual basis. Below we show the cumulative impacts through 2025 of our global diversified strategy as compared to a standard global index. Due to data disclosure limitations, some portfolio footprint measurements include the use of estimated data where corporate-disclosed data is unavailable. The data for 2024 was restated to reflect updated information from companies.

Methodology note: The metrics provided within this section reflect an equity-only approach to measurement. That is, the percentage of ownership is determined by using market capitalization information rather than enterprise value information. For more information around our financed emissions (aligned with [PCAF methodology](#)), please refer to the section Firm Initiative Updates: Low Carbon Economy: Priorities and Progress.

Carbon

In 2025, based on a \$1 million investment, our diversified strategy financed 75% fewer emissions than the global index; thereby, avoiding 34 tonnes of CO₂e (Scope 1 and 2 emissions). Cumulatively since the strategy’s launch in May 2015, based on a \$1 million investment, the strategy has financed 83% fewer emissions than the global index, avoiding 902 tonnes of CO₂e. *Please note that the 2025 calculation uses 2024 emissions data, as 2025 emissions data is not yet available.*

Figure 5 below shows the cumulative annual GHG emissions (measured by CO₂e) avoidance from a \$1 million investment in Terra Alpha’s diversified strategy vs. the same dollar invested in the iShares MSCI World ETF.

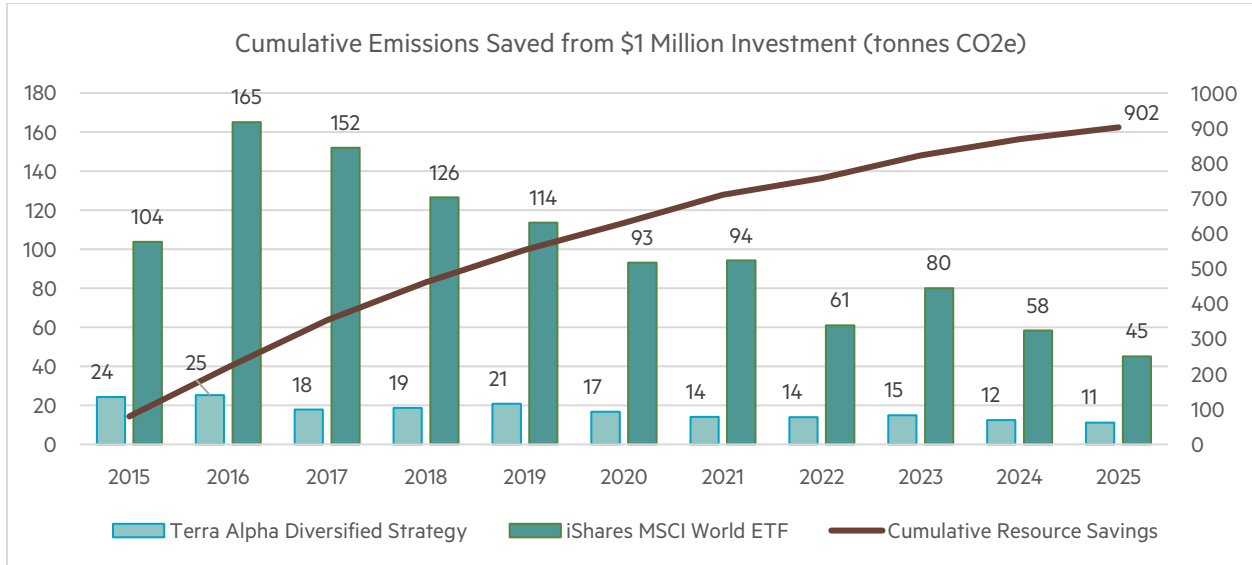


Figure 5. Source: Terra Alpha Investments

Water

In 2025, based on a \$1 million investment, our diversified strategy financed 78% less water usage than the standard global index, avoiding nearly 5,300 cubic meters of water withdrawals. Cumulatively since the strategy’s launch in May 2015, based on a \$1 million investment, the strategy has financed 80% less water withdrawals than the global index; thereby, avoiding about 114,000 cubic meters of water withdrawal. *Please note that the 2025 calculation uses 2024 water data, as 2025 water data is not yet available.*

Figure 6 below compares the cumulative annual water withdrawals (cubic meters) associated with a \$1 million investment in Terra Alpha’s diversified strategy vs. the same dollar amount invested in the iShares MSCI World ETF.

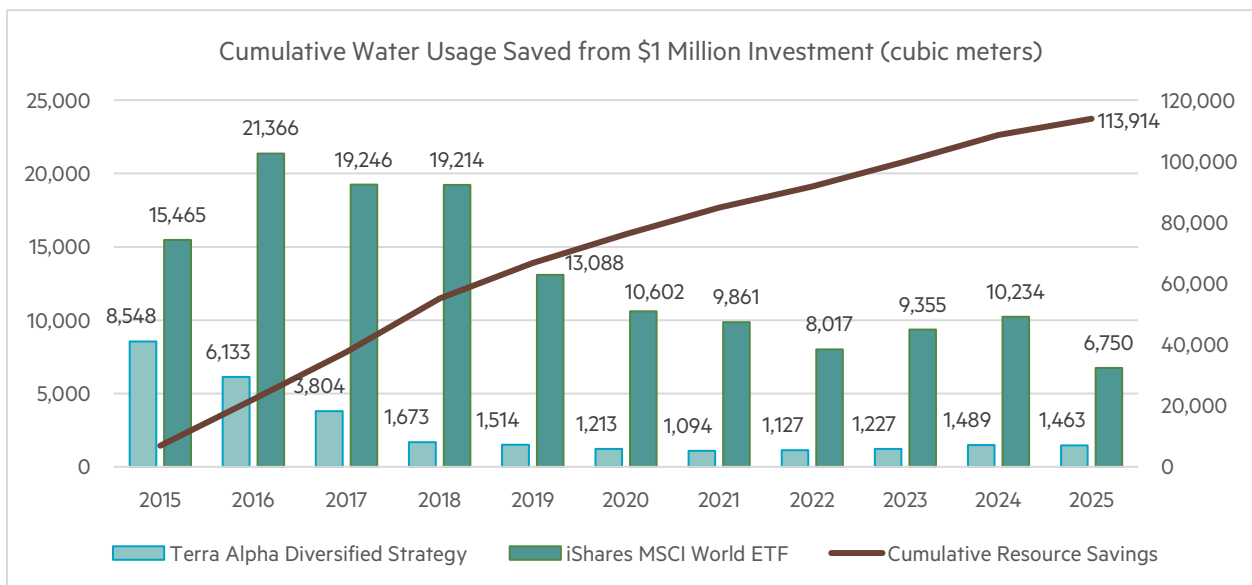


Figure 6. Source: Terra Alpha Investments

Waste

In 2025, based on a \$1 million investment, our diversified strategy financed 25% less waste generation than the standard global index, avoiding 1.0 metric tons of waste generation. Cumulatively since the strategy's launch in May 2015, based on a \$1 million investment, the strategy has financed 45% less waste generation than the global index; thereby, avoiding 41 tonnes of waste. *Please note that the 2025 calculation uses 2024 waste data, as 2025 waste data is not yet available.*

Figure 7 below compares the cumulative annual waste generation (tonnes) associated with a \$1 million investment in Terra Alpha's diversified strategy vs. the same dollar amount invested in the iShares MSCI World ETF.

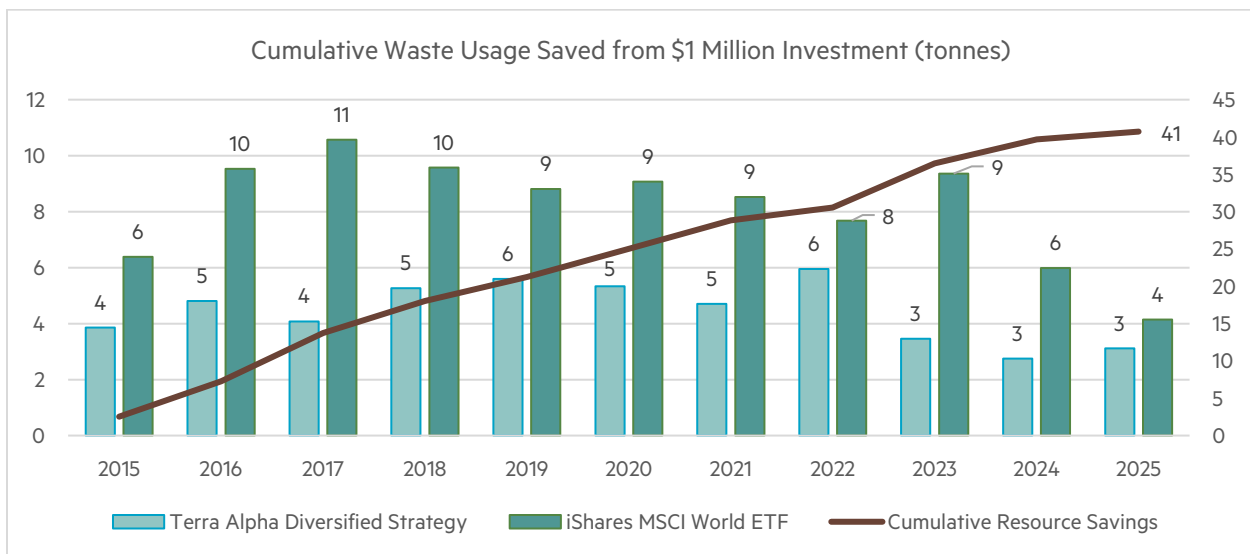


Figure 7. Source: Terra Alpha Investments

Portfolio Reporting on Social & Governance Factors

As reflected previously within the Firm Initiative Updates: Diversity, Equity, and Inclusion section of this report, diversity, equity, and inclusion analysis are formally part of our Enduring Business Model framework, assuring that each analyst incorporates this information into their assessment of a company's governance, management, and human capital.

Building upon the commitment to research and reporting on diversity, equity, and inclusion that we made in 2021, we are now able to track progress over time. Below is a selection of the metrics we track at the portfolio level. In many of these categories, and in others, our portfolio companies made progress toward improving their diversity, equity, and inclusion.

Disclosure Item	2021	2022	2023	2024	2025
Boards with >33% Female Members	64.6%	67.7%	69.2%	68.8%	75.4%
Conducts Global Gender Pay Equity Analysis	44.6%	50.8%	50.8%	50.0%	57.4%
Boards with >75% Independent Directors	66.2%	67.7%	61.5%	67.2%	73.8%

Disclosure Item	2021	2022	2023	2024	2025
EEO-1 Disclosure (US Companies Only)	62.5%	86.7%	90.3%	90.0%	90.0%
Avg. % Ethnic Diversity on Board of Directors (US Companies Only)	23.1%	24.3%	26.3%	26.9%	25.9%
Avg. % Ethnic Diversity on Executive Teams (US Companies Only)	19.2%	21.5%	26.7%	23.7%	25.6%

Table 2. Year-end 2021, 2022, 2023, 2024 & 2025 Sample Diversity, Equity, and Inclusion Metric Disclosure from TAI Portfolio Companies

VII. Corporate Engagement Impact

We strive to actively engage as shareholders with corporations, and believe capital markets participants play a significant, impactful role in the shift to a more sustainable economy. At Terra Alpha, we want our work to catalyze capital markets and companies to value sustainable business activity that results in successful investments for our portfolio. Our intention from the beginning has been to have an integrated approach to our investment process and our engagement work. Our engagements continue to flow from our investment research and analysis to identify and prioritize material engagement priorities, and are guided by our Engagement Strategy, Engagement Escalation Policy, Proxy Voting Guidelines and Policy, and our diversity, equity, and inclusion frameworks and governance considerations. We made progress in our engagement goals in 2025 and are motivated to move forward the 2026 plans already in progress.

In the 2025 Impact Report’s coverage period we continued:

- + To engage companies on science-based targets for emissions and transition plans to achieve them, (as of year-end 2025, coverage stood at 85.8%),
- + Direct engagements with our portfolio companies, ending the year with well over 100% engagement,
- + To encourage better operational efficiency with natural resources, plans to achieve such, disclosure, and identifying and managing risks and opportunities around emissions reductions, water, waste, workforce factors, and governance considerations,
- + To focus our attention on concerns around water disclosure, specifically,
- + To remain focused on keeping companies to a high standard on diversity, equity, and inclusion factors, and
- + To advocate on Capitol Hill with federal policy lawmakers and regulators to support sustainability investments and initiatives, acknowledging the important role policy holds in how companies operate.

Quantifying our engagement interaction:

- + We had 140 engagements with companies over the 2025 Impact Report period.
- + 81 were meaningful⁷ responses/interactions on topics we have identified as **priorities for engagement** specific to that company, which in this period also included “simply” continuing commitments to sustainability priorities and workforce inclusion.
- + Many were engagements related to our **continued portfolio-wide science-based target (SBT) campaign**. We are focused on making progress with the 14.2% of companies who have yet to set and verify targets.

We recognize that as we take our engagement work into our second decade, there will be evolving and new challenges – regulatory shifts, workforce adjustments, and a continuing change in climate. Our direct engagement with companies is focused on material operational impacts and encouraging business practices that aid in the shift to a more sustainable economy.

We include some specifics about our engagement with companies and our thematic campaigns. This includes insights into our portfolio-wide outreach requesting companies maintain their **commitments to sustainability practices, efforts to achieve science-based targets, continuing to assess potential/continued concerns about**

⁷ We do not count a perfunctory answer to clarifying financials questions as an engagement. A Meaningful Engagement needs at least an acknowledgement to probing questions, if not a robust conversation, and a better sense of the company’s intended actions.

water needs and effects, data center expansion, and waste impacts. We also include a review of our proxy voting record.

I. Thematic Engagements

1. Sustainability and Inclusivity Commitment

In light of political pressures on corporations in 2025, we wanted to actively communicate Terra Alpha's strong support for existing corporate commitments on environmental sustainability, and company efforts to support an inclusive workplace. Via a letter campaign across the portfolio, we commended our portfolio companies' work and encouraged an ongoing commitment to managing their:

- + Conscientious use of and impact on natural resource systems (e.g. energy efficiency, reduced use and impact of freshwater systems and ecosystems, and lower material intensity),
- + Human capital management with diversity and inclusion,
- + Commitments to Science Based Targets for greenhouse gas emissions and,
- + Formal water risk assessments.

Encouragingly, we heard back from over 50% of companies, with a mix of appreciation and offers to discuss their efforts, and overall assurance the letter was shared internally. Hearing from a shareholder with continued conviction on these fronts was clearly welcome and impactful. As an example of a response received:

Thank you for your recent letter outlining your views on the importance of maintaining and advancing climate and workforce commitments. We value your perspective and appreciate your continued support. I confirm that this has been sent to our lead independent director and also the CEO. The company is steadfast in our sustainability commitments and we will continue to fully support our workforce and human capital programmes, as reflected in our ranking 14th on the World's Best Workplaces 2024 list. We also are committed to our climate strategy and have validated science-based near-term targets.

Other companies were keen to note specific actions, too:

Recognising our dependency on water, we are committed to its conservation and stewardship. We work with partners to address shared water challenges, for example where there are water scarcity or supply issues close to our sites. As outlined in our Approach to Water Stewardship, we strive to use water responsibly, recognising that our business, employees, local communities and the ecosystems surrounding our sites all depend on water. Across our sites, we are focused on decoupling water demand from business growth with water efficiency key performance indicators via site-specific water targets in line with local context. We are also taking collaborative action in enhancing our understanding of local water contexts, both at our sites and across our supply chain, including through our use of the World Wide Fund for Nature (WWF) Water Risk Filter Tool that helps us to identify water risks and prioritise action across our value chain. As members of the Alliance for Water Stewardship (AWS), we also support a global movement to advance good water stewardship practices. Our strong progress across climate and nature action is made possible by the commitment and efforts of our people. We continue to cultivate an inclusive and diverse work environment where employees can thrive and are empowered to make an

impact. We have also increased our focus on learning and development – building the skills and capabilities that will sustain our success – as well as continuing to cultivate an inclusive culture that reflects our patients and communities and supports innovation. Importantly, we promote ethical, transparent and inclusive policies, both internally and with our partners and suppliers.

2. Science-Based Targets Campaign

As elaborated earlier in this report, we continue to raise our preference for validated SBTi targets and robust plans to achieve them with those companies in our portfolio that are not yet part of this group. We began our SBT campaign at a baseline in 2020 with less than half (43%) of our portfolio holdings having validated SBTs. As the first U.S.-based asset manager to set science-based targets validated by SBTi, we remain proud of the fact that we achieved our original 2025 commitment of 75% of the portfolio to have SBTs early, and then set a more ambitious target of 80% for 2025.

At year-end 2025, 85.8% of our portfolio holdings had set validated science-based targets to reduce their emissions.

There remains work to be done to reach our 2030 goal of 95%.

Notably, a technology company surprised us in 3Q25 by finally setting emissions reduction targets through the Science Based Targets initiative (SBTi). We had engaged the company on its greenhouse gas reduction plans since 2018, advocating particularly for more comprehensive Scope 3 reporting, and had co-filled a 2022 shareholder resolution. The company was cautious to commit, wanting to ensure any goals were achievable given the enormous demand for computing overshadowing the impressive efficiency gains in their semiconductors. The company set a target once updated SBTi guidance for semiconductor companies allowed consideration of efficiency gains – an area where they have long led the industry. Setting the SBTi targets is a milestone that reflects both the company’s leadership in improving product energy efficiency, and serves as a notable example of our company-specific, analyst-led engagement in action.

3. Water Campaign

At Terra Alpha, we view water as a critical business issue for all companies, and as such, we strive to have all portfolio companies be engaged in their use of and impact on global freshwater resources. Key threats to groundwater – such as eutrophication, depletion, metals contamination, and plastic pollution – pose significant risks to the environment and human health. **Without deliberate management of our limited water resources, businesses, supply chains, livelihoods, and infrastructure face serious vulnerabilities.**

Further, climate change disrupts global water cycles, influencing precipitation and weather patterns that are already impacting business in their value chain. According to CDP’s May 2022 article, [High and Dry: How Water Issues Are Stranding Assets](#), “69% of listed equities, reporting via CDP, state that they are exposed to water risks that could generate a substantive change in their business. The potential value at risk tops out at US \$225 billion.”

Since our founding in 2015, Terra Alpha has considered companies’ attention to water-related issues and asked companies to disclose water data. Building on this foundation, we launched a water campaign in 2024 that addressed a set of specific concerns, requests for disclosure, and for performing a Water Risk Assessment (WRA), and in 2025, took this further in our assessment of companies. We utilized our dashboard that tracks water-related metrics and engaged with each of our portfolio companies, setting a baseline understanding, and focusing particularly on the “laggards” that either do not disclose water data or conduct WRAs. We consider such disclosures as investment-critical for understanding business use and impact of freshwater resources, and for assessing the level of risk a business faces.

We recognize that no company is “perfect” at this time. When we engaged with the “leaders” in our portfolio who do disclose such data, such engagements revolved around target-setting and plans to achieve those targets.

Going into 2026, we are focused especially on moving the needle for companies we have deemed “laggards” – those who are behind their industry peers by providing weak to no water risk assessment or have not disclosed operational water data. The good news is that this category was only about a third of our portfolio at the launch of our Water campaign in 2024, and **by the end of 2025, 69% of our portfolio had comprehensive disclosure on water, 23% had comprehensive Water Risk Assessments and disclosure**, and 92% had at least conducted and disclosed something pertaining to a Water Risk Assessment.

We will engage with companies, monitor their progress, and escalate our communication efforts as needed. Detailed information on our approach and expectations regarding water is in the two-page document shared with our portfolio companies, located in **Appendix 4**.

Water Data		Water Risk Assessment	
12/31/2025	% of portfolio companies	12/31/2025	% of portfolio companies
Comprehensive disclosures	68.85%	Comprehensive disclosures	22.95%
Some, but not all, relevant disclosures	22.95%	Useful, but not fully comprehensive	50.82%
No disclosure	8.20%	Preliminary / simplistic	18.03%
	100.00%	Has conducted, but not disclosed	3.28%
		None	4.92%
			100.00%

See below for definitions

Table 3. Source: Terra Alpha Investments

Definitions

Comprehensive	e.g., clearly articulates risks and opportunities across both operations and value chain, demonstrates an understanding of the magnitude of those risks, and does not require additional information
Useful, but not fully comprehensive	e.g., communicates risks and opportunities, but only discusses operational or value chain risk; additional information is needed to form a complete picture
Preliminary / simplistic	e.g., only discloses operations in water-stressed regions with minimal context

Table 4. Source: Terra Alpha Investments

We believe that the best way to set best-in-class targets and have robust mitigation plans is to understand location-, business-, and industry-specific context. While pushing the laggards, our individual analysts also engage on material water areas for individual companies that are not classified as disclosure laggards. One important area we discuss internally is the degree of materiality of any environmental measure for each company’s operations and footprint, as this can vary greatly. For example, the extent to which a textile company emphasizes water efficiency in its agricultural supply chain or in the color-dyeing process is perhaps more significant than the water usage of a service company whose footprint mainly resides in leased, office-building space.

Lastly to note, in an effort organized by [Ceres](#), we continue to be part of the [Valuing Water Finance Initiative](#) – a global investor-led effort with 108 investors representing \$18.1 trillion USD in assets under management. The intention is to engage with companies to mitigate financially material water risks while encountering “pressing” water challenges.

4. Data Center Campaign

In 2025, we continued our awareness and concerns surrounding the **rapid acceleration of data center expansion**. While data centers are essential to modern infrastructure – powering everything from cloud storage to artificial intelligence – as digital demand rises, especially intensifying attention to AI, so does the energy consumption required. **The rapid expansion of data center capacity is outpacing renewable energy supply in many regions, leading to increased reliance on fossil fuels.** Nuclear power is a viable clean energy option, and has been identified as an intended power source for some companies building data centers, but this requires long-term preparation. There have been numerous setbacks in 2025 for the clean energy industry; without renewed attention and action to scale all forms of clean energy, the damage from climate change continues to escalate.

In 2023, Terra Alpha launched our initial research investigation and engagement campaign about data center energy and water usage, and in 2024 we began to delve deeper into the issue via letters and direct engagements with portfolio companies that have meaningful exposure to data center expansion. This effort addresses how each company plans to achieve their stated emissions goals amid rapid data center capacity growth, or on how they may be impacting natural resources and emissions through that company’s products involved in data center expansion. Additionally, we relay Terra Alpha’s recommendations for enhancing their Environmental Productivity.

In 2025, we continued to think and dig deeper into the sphere of data center impacts, and are continuing this campaign area in 2026. Amidst the growth, our engagement focus continues not only with companies driving the data center usage growth – think technology companies who provide cloud computing and storage space and have been promoting their artificial intelligence (AI)-based growth – but also with companies that provide energy-intensive equipment inside the data centers. We are encouraging renewable energy sources, non-fossil fuel sources, and attention to the water systems impacts in communities where they operate.

5. Waste Strategy

In 2025, the waste and, particularly, the plastic crisis remains urgent. In the last 5 years, plastic pollution has increased by 21%, according to a study by Pew Charitable Trusts.⁸ In this global context where countries did not ratify the expected Global Plastics Treaty, progress continued in data disclosure efforts and in Terra Alpha's own engagement process.

CDP – a trusted collector of corporate environmental data – elevated plastics into its main, streamlined questionnaire alongside other key environmental considerations, including climate change, water security, biodiversity, and forests, in recognition of the growing significance of plastics concerns. From 2023 to 2025, plastics disclosure increased by 44%, with 4,262 companies disclosing their plastic risks and impacts in 2025.⁹

In terms of our engagement process, TAI's proprietary Environmental Productivity framework was also updated to better reflect the nuances of waste and circularity, including the life cycle of plastic products. This was reflected in our portfolio analysis and our 22 waste/circularity engagements.

For example, in our engagement with a global pharma company, it became clear that the lack of global regulation on plastics limited progress, particularly due to concerns about sterility, which limits innovation and reductions in virgin plastic.

Our goal is still to encourage disclosure and support solutions for reducing plastic across the value chain. We believe thinking about the life cycle impacts of material inputs, packaging materials, and product content – particularly for plastic – are key stewardship actions that will contribute to the durability of a company's long-term sustainability and success. We continue to monitor global updates in regulation and company innovation for reduction in the plastics and broader waste space.

II. Third Party Assessment of Terra Alpha Impact

Impact Evaluation Lab



Terra Alpha Received High Impact Authenticity and Execution Scores from Impact Evaluation Lab

In 2024, Terra Alpha was among the first cohort of impact firms assessed by [Impact Evaluation Lab](#) (IEL) in their effort to create a new framework for evaluating funds that claim to have

⁸ [Pew: Breaking the Plastic Wave 2025: An Assessment of the Global System and Strategies for Transformative Change](#)

⁹ [CDP: Breaking the Plastic Wave: Why Transparency is Key to Turning the Tide](#)

impact. Founded to help inform asset owners with growing interest in impact investing, IEL aims to bring greater standards, discipline, and accountability to assess the viability of a fund's impact strategy and the firm's actual execution to deliver their stated impact goals.

Terra Alpha received an IEL [Impact Authenticity Score](#) of 87 out of a possible 100, and an **Execution Score** of 97. We were recognized for our **"rigor and thoroughness in incorporating impact through the investment process."**

In 2025, our Co-Founder and CIO, Tim Dunn, joined IEL's CEO [Terry Keeley](#) for a video discussion on sustainable investing in public equity markets.

"I did not expect Terra Alpha to come through our process as well as you did, Tim, I really didn't." Terry admitted. *"I have been skeptical about public equity funds. I am thrilled to eat my words...I think there are a lot of people who claim to do what you do and don't do it."*

Terry also dove deeper in a companion article, "[Can Public Equity Funds Have Impact?](#)" where he reflects on Terra Alpha as a firm not merely claiming to make a difference, but consistently doing the hard, disciplined work to align financial performance with real-world environmental outcomes – demonstrating that public equity can be a powerful lever for meaningful change.

At Terra Alpha, we believe large companies have the potential to drive significant change – which is why we engage with them directly, encouraging progress toward a more sustainable future. In the article, Terry explores how our investment approach aims to deliver competitive financial returns, superior environmental outcomes, and real-world impact.

Read the Full Article: [Can Public Equity Funds Have Impact?](#)

Watch the Interview:

- + Short version (8 mins): [Aligning Profit with Planet: How Terra Alpha Invests for a Sustainable Future](#)
- + Full interview (37 mins): [FULL EPISODE - Aligning Profit with Planet: How Terra Alpha Invests for a Sustainable Future](#)

We encourage our readers to visit [Impact Evaluation Lab's website](#) to learn more about the evaluation process.

III. Proxy Voting Record

Voting our shares continues to be a foundational expectation of our shareholder engagement and fiduciary responsibility on behalf of our investors. We vote at all shareholder annual meetings except in cases where the international local structure for holding shares prohibits it. We vote according to our internal Proxy Voting Policy and use Glass Lewis as our administrator to execute our votes. We retain the final say for every vote.

From January 1, 2025 through December 31, 2025 Terra Alpha participated in 966 votes. We voted with management 677 times, against management 53 times, took no action 186 times, and had ten votes that were mixed. We voted against management on social and environmental proxy items in 0.4% of votes (3/677), and 7% of the votes were against management on governance topics (50/677). Our votes aligned with Glass Lewis's own recommendations 693 times, and against Glass Lewis's recommendations 39 times.¹⁰

¹⁰ Took No Action typically means in country markets where we are not able to vote our shares, and Mixed votes are typically when there is more than one ballot, often in a contested vote.

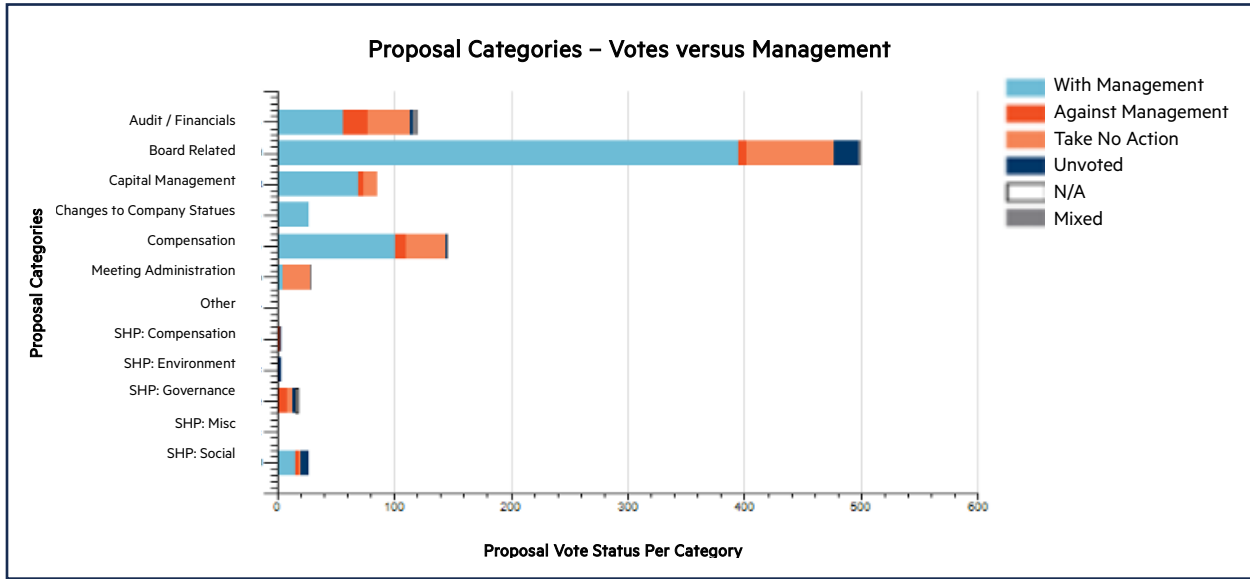


Figure 8. Terra Alpha's 2025 proxy voting record as compared to management.

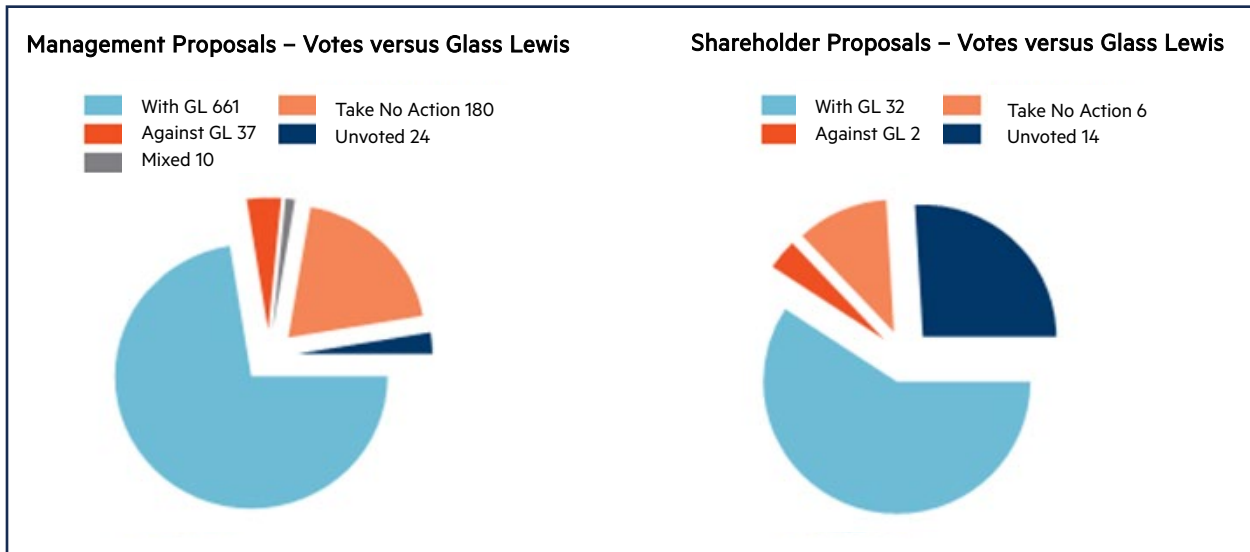


Figure 9. Terra Alpha's 2025 proxy voting record as compared to Glass Lewis.

VIII. Thought Leadership

I. Public Advocacy

Elected Officials Advocacy

A key component of our Thought Leadership pillar is engaging in public advocacy. Advocating for broader adoption of sustainability considerations in the capital markets and in public policies that support expansion and standard-setting has been part of Terra Alpha’s tenets from the beginning.

This past year we continued to support and take part in collaborative public policy efforts, including: In June, Co-Founder and CIO, Tim Dunn, and Director of Corporate Engagement, Amy Dine, attended the U.S. Sustainable Investment Forum (US | SIF) FORUM 2025 in Washington, DC. Terra Alpha was proud to sponsor this event – the largest gathering of sustainable investment professionals in the U.S. – as a Peter DeSimone Program sponsor, supporting student and emerging professional participation. The annual forum brings together leaders from across the capital ecosystem to advance impact, sustainable investing, stewardship, advocacy, and more.

Tim and Amy also joined the US | SIF Capitol Hill Day and members meeting. They participated in public advocacy efforts on the policy front through meetings with Congressional offices and industry colleagues. The meetings focused on preserving green credits and investments in the budget bill, the continuation of funding for Community Development Financial Institutions (CDFIs), and support for shareholder rights by advocating for the SEC to uphold its prior commitments to allow individual/shareholder proposals and to protect organizations that provide shareholders with information about annual meeting proposals. They also met with a handful of Senate and House offices from both Republican and Democratic parties.

II. Publications Throughout the Year

EP Insights

In our [EP Insights](#), we identify meaningful company actions or broader issues that are relevant to the transition to a sustainable economy.

In 2025 we published the following EP Insights:

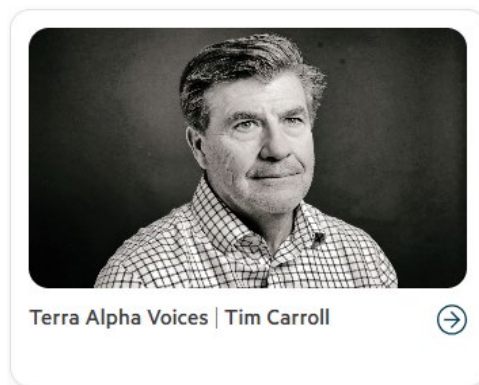
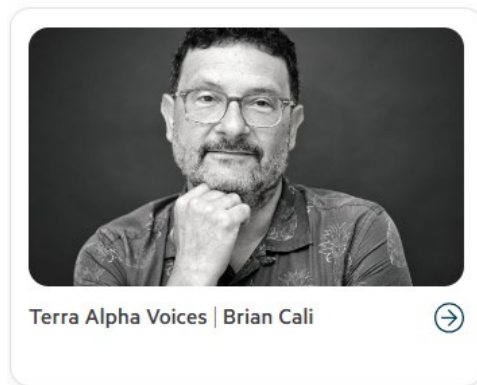




Terra Alpha Voices

In November 2020, we launched [Terra Alpha Voices](#), a series of interviews created in partnership with author and photographer [KK Ottesen](#). Terra Alpha Voices highlights thought leaders who inform our investment process, our impact work, and our understanding of current global affairs, and seeks to shed light on the subjects' diverse perspectives rather than their illustrious careers.

In 2025 we published the following Terra Alpha Voices, featuring true thought leaders:



III. Collaborating and Supporting Intellectual and Environmental Organizations

We partner with several peer-to-peer learning organizations to facilitate conversations and collaboration across a wide breadth of sustainability initiatives. Through these partnerships, we have formed meaningful connections to like-minded professionals, shared our expertise with a broader audience, and signed on to shared commitments that align with our mission and amplify our voice. We enter each partnership with intentionality, as we hold ourselves and these networks to the high standards necessary to create a better world. Through [1% for the Planet](#), we have committed to sending profits to environmental organizations and have sent over \$100,000 as of year-end 2025. (See the box below for further information).

Terra Alpha was fortunate to actively contribute to several organizations throughout the year, including:

- + [US Sustainable Investment Forum \(USISIF\)](#)
- + [Principles for Responsible Investment \(PRI\)](#)
- + [Confluence Philanthropy](#)
- + [Ceres](#)
- + [CDP](#) (formerly Carbon Disclosure Project)
- + [1% for the Planet](#)
- + [Intentional Endowments Network's \(IEN\)](#)



[1% for the Planet](#) is an international organization whose members contribute at least one percent of their annual revenue to environmental causes to protect the environment.

Terra Alpha has been a member of 1% for the Planet since 2017 and has committed to sending profits to environmental organizations. As of year-end 2025, we have donated **over \$100,000** to nonprofits, including:

- + 1% for the Planet
- + CDP (formerly Carbon Disclosure Project)
- + Ceres
- + Columbia Earth Institute
- + Confluence Philanthropy
- + Intentional Endowments Network (IEN)
- + Sustainability Accounting Standards Board (SASB)
- + UN Principles of Responsible Investment (PRI)
- + US Sustainable Investment Forum (US | SIF)
- + World Resources Institute



IV. Education, Transparency, and Reporting

In 2025, Terra Alpha continued to engage with other investors and investment industry stakeholders on climate-related topics. Our team has also actively contributed as thought leaders as panelists and speakers at events and on podcasts in 2025. Some highlights include:

1. Terra Alpha was honored to [welcome back Jean Rogers](#) to our Advisory Board. [Jean](#) was previously an active member of the board but stepped away in 2022 for conflict-of-interest reasons when she joined Blackstone as their Global Head of ESG. We are delighted she is now able to return, bringing both her deep expertise in sustainability and fresh perspectives from her leadership roles since.
2. We have continued to report our “financed emissions” using the [Partnership for Carbon Accounting Financials](#) (PCAF) methodology. (See **Appendix 2** for more details).
3. Co-Founder and CIO, Tim Dunn, was a panelist at the [Wharton ESG Initiative](#), where he spoke on how Terra Alpha approaches making real impact via public equities.
4. Terra Alpha was a sponsor of the Intentional Endowment Network's [Higher Education Climate Leadership Summit](#) in Washington, D.C. Tim was a panelist and the topic was Net Zero Asset Management. Our Director of Corporate Engagement, Amy Dine, also attended the Summit.
5. Tim Dunn was a guest for a [Georgetown University McDonough School of Business Speaker Series on Sustainability](#), which features conversations, discussions, and panels with alumni and practitioners working in different areas related to sustainable business.
6. Director of Business Development, Phil Swan, attended [Confluence Philanthropy's 15th Practitioner's Gathering](#) in San Francisco, California.
7. In May, Tim Dunn attended the [Total Impact Summit '25](#) in Philadelphia, hosted by [ImpactPHL](#) – a regional non-profit supporting endowments and foundations in integrating impact into their portfolios. Tim spoke in the closing session on the transition to a sustainable world and the importance of systems-level action.
8. Tim Dunn was featured on the [Future of Finance podcast](#) hosted by [Georges Dyer](#) of the [Intentional Endowments Network](#). Tim discussed how Terra Alpha leverages Environmental Productivity to drive financial performance, environmental returns, and real-world impact, and shared Terra Alpha's journey, why we engage companies on science-based targets, and how integrating sustainability into investment decisions is not just responsible – it's essential.
9. Terra Alpha was a proud sponsor of the [Intentional Endowments Network's](#) (IEN) Virtual Forum, held June 2-5. The event brought together endowments, foundations, and sustainable investing leaders to discuss how to maintain intentional investing momentum. Topics included navigating political risk, climate, artificial intelligence, and advancing diversity, equity, and inclusion.
10. In June, Tim Dunn and Amy Dine, attended the U.S. Sustainable Investment Forum (US | SIF) [FORUM 2025](#) in Washington, D.C. Terra Alpha was proud to sponsor this event – the largest gathering of sustainable investment professionals in the U.S. – as a [Peter DeSimone Program sponsor](#), supporting student and emerging professional participation.
11. Research Advisor, Nathaniel Schwartz, led a weeklong bootcamp that covered equity research basics and financial statement analysis for the [Wall Street Development Accelerator](#) (WSDA).
12. Amy Dine led Terra Alpha's effort in submitting our 2025 Report to [Principles for Responsible Investment](#) (PRI).
13. Tim Dunn attended Climate Week in NYC, an annual gathering of business, policy, civic, and environmental entities and leaders, held during the same week as the United Nations (UN) General Assembly. Over four days, Tim attended 26 official events, alongside numerous side conversations.
14. In September, Terra Alpha hosted an event in Los Angeles with [The Nature Conservancy, California](#), highlighting the vital role nature plays in addressing today's most pressing environmental challenges. [Tom Dempsey](#), Director of Conservation Programs and the California Oceans Program, shared how TNC turns [bold ideas into measurable impact](#) through science-driven, collaborative conservation strategies.

15. Tim Dunn attended the [Intentional Endowment Network Annual Forum](#) at Goucher College; Terra Alpha was a proud sponsor.
16. In October, Phil Swan attended and served as a panelist at the [Trellis Impact 2025 conference](#) in San Jose, CA – (formerly GreenBiz).
17. In November, Terra Alpha hosted our first Limited Partner Webinar, which provided our investors with an overview of the firm, goals, process, and outcomes. It also touched on the challenging environment in 2025 and how that helped inform ways to improve our work.
18. Nathaniel Schwartz was a guest lecturer on the ABCs of sustainable investing for a William & Mary MBA class.
19. Tim Dunn joined other [Nature Conservancy](#) trustees on Capitol Hill to advocate to protect environmental funding.

IX. Conclusion

As we conclude our sixth Impact Report, we do so with a profound sense of gratitude for the journey of our first decade. Celebrating our **10-year milestone** has allowed us to reflect on the progress Terra Alpha has made and the work still to be done. We remain focused on enabling a sustainable planet for society **in a science-driven, caring, rigorous, and transparent manner** through our investment strategy that aims to deliver not only competitive financial returns, but also superior environmental outcomes, and real-world impact.

As we enter 2026, we are acutely aware of the significant headwinds posed by the evolving political and regulatory environment and the continued rollback of environmental protections. These actions do not weaken our conviction; rather, they clarify the urgency of our work. We believe the responsibility of the private sector to lead on climate mitigation and resource efficiency has never been more critical.

We continue to have confidence in our investment strategy, our portfolio holdings, and the efficacy of our engagement efforts to demonstrate that sustainable business practices can drive long-term success for both corporations and investors. Looking ahead to our second decade, the work we've outlined in this report will serve as the foundation for continued impact.

We greatly appreciate the trust our investors have placed in us as a firm and the collaborative support we have received from other entities (NGOs, academics, etc.). We welcome any questions or feedback about this report and our overall impact work.

X. Appendices

Appendix 1: Environmental Performance Data for TAI Operations

While reducing the emissions associated with our investing activities (our “financed emissions,” or “portfolio emissions”) is our top priority, it is still necessary to account for and reduce emissions that allow Terra Alpha to effectively function as an investment firm – otherwise known as operational emissions.

The top two drivers of our firm’s operational emissions are electricity consumption (used in our D.C. office space and when employees work from home) and our business travel. We have identified electricity consumption (Scope 2 emissions) as our top priority for reduction and, in accordance with the Science Based Targets initiative’s guidance, set a goal of reducing our absolute emissions 46% by 2030 versus 2019.

Although we do not have a formal target regarding business travel emissions, we seek to minimize travel-related emissions through thoughtful planning – such as maximizing the number of client or prospect visits per flight or combining work travel with personal travel when feasible. We continue to collect detailed data on each business trip to track our annual emissions.

TAI Operational Emissions Inventory

Absolute Emissions (CO ₂ -e metric tons)	2019	2020	2021	2022	2023	2024*	2025**
Scope 1	0	0	0	0	0	0	0.0
Scope 2 (location-based), DC Office	10.9	8.7	7.8	9.0	10.3	Not Available*	19.2
Scope 2, Work from Home	0.3	3.6	1.9	1.5	1.2	1.3	1.25
Sub-total: Scopes 1 and 2	11.2	12.3	9.7	10.5	11.5		20.5
Scope 3, Categories 1-14, sub-total	20	2.8	6.2	11.8	15.1		9.8
<i>Employee commute</i>	8.1	0.7	1.5	1.9	3.1	3.7	2.5
<i>Employee business travel</i>	10.7	0.9	3.5	9.1	11.6	12.1	4.7
<i>Waste generated in operations</i>	1.4	1.2	1.2	0.3	0.2	Not Available*	0.4
<i>Purchased goods & services</i>				0.5	0.3	0.3	2.1
Total	31	15	16	22.2	26.6		30.3

Table 5. Source: Terra Alpha Investments

*Certain data is not available for 2024 due to the change in our office landlord/building management.

**2025 data is based on the simplifying assumption that we occupied our new office space for the entirety of the year, although we actually transitioned offices May 1, because data from the previous landlord/building manager is not available.

The increase in our Scope 1 and 2 emissions compared to prior years was driven by our move to a new office space, which roughly doubled our leased square footage – a key driver of the location-based emissions measurement method we are using to estimate Scope 2 emissions. However, it is important to note that environmental considerations were a key aspect of our choice of new office building. For instance, the building is LEED Platinum certified, and the building manager purchases wind RECs to match electricity consumption annually (which is not reflected in the location-based Scope 2 methodology).

In 2025, our pro rata share of our office building’s waste sent to landfill was 0.59 tonnes, and of the building’s total water use was 40.9 kgal.

Appendix 2: Calculation of Financed Emissions

An investment manager’s share of its portfolio companies’ emissions – i.e., the manager’s emissions from investing activities – is referred to as its “financed emissions.”

Methodology

Terra Alpha’s financed emissions calculations are based on the publicly available guidelines in: [PCAF \(2025\). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Third Edition.](#)

The [Partnership for Carbon Accounting Financials](#) (PCAF) is an industry partnership that has developed standardized methodologies for financial firms to measure their financed emissions – i.e., the emissions associated with their investing and lending activities. The [GHG Protocol has reviewed](#) the PCAF Standard to be in conformance with its expectations for reporting Scope 3 – Category 15 (emissions from investing activities).

Definition of “Financed Emissions”

Per section 5.1 of the PCAF Standard (2025, Third Edition), the financed emissions associated with equity investments are defined as:

$$\text{Financed emissions} = \sum_c \text{Attribution factor}_c \times \text{Company emissions}_c$$

(with $c = \text{borrower or investee company}$)

For listed companies:

$$\text{Attribution factor}_c = \frac{\text{Outstanding amount}_c}{\text{Enterprise Value Including Cash}_c}$$

The “**outstanding amount**” refers to the market value of Terra Alpha’s investment in the portfolio company at year-end. As such, the “**attribution factor**” approximates the percentage of total debt and equity value owned by Terra Alpha at year-end. By multiplying our percentage ownership of each portfolio company by the portfolio **company emissions**, we estimate Terra Alpha’s share of its emissions. Summing across all our portfolio company holdings results in our “**financed emissions**” estimate.

Financed Emissions 2020-2025

Table 6 shows our financed emissions for the years 2020 to 2025. By definition, the financed emissions metric increases when (1) we increase our ownership in a company by purchasing more of its stock, and/or (2) the portfolio company increases its absolute emissions. Thus, the change in financed emissions between any two years is a combination of those two effects.

Table 7 shows financed emissions normalized to Terra Alpha’s assets under management (“economic emissions intensity”) and to portfolio company revenue (“average carbon intensity” and “weighted average carbon intensity”). For technical definitions of additional carbon intensity metrics, see **Appendix 3**.

Financed Emissions - PCAF Methodology	2020	2021	2022	2023	2024	2025*
Diversified Strategy						
Financed Emissions (Scope 1)	493.2	511.2	538.8	667.4	596.2	579.7
Data Quality Score (Scope 1)	1.10	1.09	1.08	1.07	1.07	1.07
Financed Emissions (Scope 2)	365.2	337.4	377.7	579.5	552.6	457.4
Data Quality Score (Scope 2)	1.36	1.29	1.32	1.29	1.24	1.26
Financed Emissions (Scope 3)	20,865.6	28,334.2	34,726.9	47,336.6	42,598.9	55,391.4
Data Quality Score (Scope 3)	2.23	1.94	1.70	1.59	1.54	1.60
Financed Emissions (Scopes 1 & 2)	858.3	848.6	916.5	1,246.9	1,148.9	1,037.1
Financed Emissions (Scopes 1, 2, & 3)	21,724.0	29,182.7	35,643.5	48,583.5	43,747.8	56,428.5
Concentrated Strategy						
Financed Emissions (Scope 1)	256.9	510.7	462.3	438.5	374.8	360.4
Data Quality Score (Scope 1)	1.05	1.05	1.05	1.03	1.02	1.03
Financed Emissions (Scope 2)	118.6	182.9	183.6	188.0	194.3	172.3
Data Quality Score (Scope 2)	1.35	1.27	1.05	1.03	1.02	1.03
Financed Emissions (Scope 3)	6,978.9	9,865.9	14,384.9	7,995.4	14,241.1	12,363.9
Data Quality Score (Scope 3)	2.19	1.78	1.27	1.25	1.13	1.26
Financed Emissions (Scopes 1 & 2)	375.5	693.6	645.9	626.5	569.1	532.7
Financed Emissions (Scopes 1, 2, & 3)	7,354.4	10,559.5	15,030.8	8,621.9	14,810.2	12,896.6
Total (Diversified Strategy + Concentrated Strategy)						
Financed Emissions (Scope 1)	750.1	1,021.9	1,001.1	1,105.9	971.0	940.1
Financed Emissions (Scope 2)	483.8	520.3	561.3	767.5	747.0	629.6
Financed Emissions (Scope 3)	27,844.5	38,200.1	49,111.8	55,331.9	56,840.0	67,755.3
Financed Emissions (Scopes 1 & 2)	1,233.9	1,542.2	1,562.4	1,873.4	1,718.0	1,569.8
Financed Emissions (Scopes 1, 2, & 3)	29,078.4	39,742.3	50,674.3	57,205.3	58,558.0	69,325.1

Table 6. Terra Alpha’s Financed Emissions, 2020-2025.

*2025 is calculated using year-end 2025 portfolio constituents and their 2024 emissions data (which is the most recent data available as of this writing).

Additional Portfolio Metrics	2020	2021	2022	2023	2024	2025*
Diversified Strategy						
Weighted Average Carbon Intensity (scopes 1 & 2)	47.24	39.60	36.98	33.02	34.02	33.93
Average Carbon Intensity of Holdings (scopes 1 & 2)	46.36	40.35	36.71	33.91	33.48	31.74
Economic Emissions Intensity (scopes 1 & 2)	12.17	10.05	12.35	10.84	9.32	7.93
Concentrated Strategy						
Weighted Average Carbon Intensity (scopes 1 & 2)	70.50	65.94	57.29	55.08	44.66	45.25
Average Carbon Intensity of Holdings (scopes 1 & 2)	69.67	61.57	52.45	48.43	41.29	41.50
Economic Emissions Intensity (scopes 1 & 2)	15.94	14.91	13.31	11.40	9.22	8.56
Total (Diversified Strategy + Concentrated Strategy)						
Weighted Average Carbon Intensity (scopes 1 & 2)	53.14	49.15	45.13	40.19	37.62	38.95
Economic Emissions Intensity (scopes 1 & 2)	13.12	11.77	12.73	11.02	9.29	8.13

Table 7. Portfolio carbon intensity metrics, 2020-2025.

*2025 is calculated using year-end 2025 portfolio constituents and their 2024 emissions data (which is the most recent data available as of this writing).

Company Emissions: Data Quality & Recency Notes

Terra Alpha collected Scope 1, 2, and 3 data for each of our portfolio companies in order to calculate our financed emissions. In many cases, we used human judgment to choose what we believe to be the best data available for this purpose.

Below is the preferential **data quality hierarchy** we applied during data aggregation. The data quality scores stem from PCAF’s guidelines.

- + *First choice: company-reported¹¹ emissions with external assurance/verification (data quality score = 1)*
- + *Second choice: company-reported emissions without external assurance/verification (data quality score = 2)*
- + *Third choice: estimated/modeled data based on economic activity inputs (data quality score = 4).*

Use of restated data: Many of our portfolio companies have restated their historical emissions data at one point or another, due to, for example, acquisitions, divestitures, improvements in emissions estimation methodology, or updates to standardized emissions factors used in their calculations. When companies disclosed such restatements clearly via their sustainability report and/or CDP surveys, Terra Alpha endeavored to utilize the most recently restated data available at the time of our data collection.

Time lag: For our 2025 portfolio holdings, the most recently disclosed company emissions data is typically from the calendar year 2024. As such, our 2025 financed emissions disclosures are “preliminary,” because we will update them to reflect the 2025 calendar year company emissions when such data is widely available.

Mapping of the most recently available emissions data for Terra Alpha’s financed emissions calculations:

Terra Alpha portfolio composition	CY 2025 holdings	CY 2024 holdings	CY 2023 holdings	CY 2022 holdings	CY 2021 holdings
Most recent company-reported data available	CY 2024 emissions data	CY 2023 emissions data	CY 2023 emissions data	CY 2022 emissions data	CY 2021 emissions data

Market-based vs. location-based (Scope 2): Terra Alpha uses location-based Scope 2 data whenever available, unless otherwise noted. If location-based data was unavailable, market-based Scope 2 data is used instead.

¹¹ By “company-reported,” we mean emissions data sourced from one of the following: a company’s annual report, sustainability report, or CDP Climate Change Survey.

Data Disclosure and Assurance Trends: Greenhouse Gas Emissions

Terra Alpha’s portfolio companies continue to show high rates of Scope 1, 2, and 3 emissions data disclosure. We have seen a positive trend in data assurance coverage, particularly for Scope 3 emissions.

Emissions Data Disclosure by TAI Portfolio Companies (Diversified)	% of 2020 Diversified Constituents	% of 2021 Diversified Constituents	% of 2022 Diversified Constituents	% of 2023 Diversified Constituents	% of 2024 Diversified Constituents	% of 2025 Diversified Constituents (based on 2024 data*)
Scope 1 emissions	98%	100%	100%	100%	100%	100%
Scope 2 emissions (location-based)	94%	95%	97%	97%	97%	97%
Scope 2 emissions (market-based)	89%	94%	94%	94%	94%	93%
Scope 3 emissions (reasonably complete inventory, per analyst judgment)				80%	84%	85%

*2025 reflects portfolio composition as of YE2025, but 2024 emissions data disclosure since 2025 emissions data is not yet widely available

Table 8. Source: Terra Alpha Investments

Emissions Data Disclosure w/ Assurance (Diversified)	% of 2020 Diversified Constituents	% of 2021 Diversified Constituents	% of 2022 Diversified Constituents	% of 2023 Diversified Constituents	% of 2024 Diversified Constituents	% of 2025 Diversified Constituents (based on 2024 data*)
Scope 1 emissions	91%	91%	91%	92%	92%	90%
Scope 2 emissions (location-based)	68%	68%	63%	69%	71%	72%
Scope 2 emissions (market-based)	80%	80%	80%	85%	84%	82%
Scope 3 emissions	26%	40%	46%	58%	65%	64%

*2025 reflects portfolio composition as of YE2025, but 2024 emissions data disclosure since 2025 emissions data is not yet widely available

Table 9. Source: Terra Alpha Investments

Appendix 3: Calculation of Other Carbon-Related Metrics

Economic Emissions Intensity

The Economic Emissions Intensity calculation divides the financed emissions (as defined in **Appendix 2**) by our firm's assets under management (in \$ millions) as of the end of the reporting year.

Average Carbon Intensity of Holdings

The average carbon intensity of holdings calculates the arithmetic mean of portfolio companies' carbon intensities. A portfolio company's carbon intensity is its Scopes 1 and 2 emissions divided by its annual revenue (in \$ millions). The calculation defaults to using the sum of Scope 1 emissions and location-based Scope 2 emissions for the given year. If location-based Scope 2 emissions data is unavailable, market-based Scope 2 emissions data will be used.

Weighted Average Carbon Intensity (WACI)

The weighted average carbon intensity is calculated via the summation of the product of emissions intensity of each holding, and the end-of-reporting-year weight of the holding within the portfolio. For company emissions, the calculation defaults to using the sum of Scope 1 emissions and location-based Scope 2 emissions for the given year. If location-based Scope 2 emissions data is unavailable, market-based Scope 2 emissions data will be used. If a company is missing the given year's emissions data, then it will use the prior year's emissions data. The emissions data for a company is then divided by the revenue (\$ million) value for the reporting year to form an emissions intensity value.

This metric is recommended by the [Taskforce on Climate-related Financial Disclosures](#) (TCFD) for asset managers (see Table 3, page 52, in [TCFD \(2021\), Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures](#)).

Appendix 4: Water Campaign 2-Pager



Terra Alpha Investments: Expected Water Consideration and Actions in our Portfolio

As shareholder owners, we view freshwater consumption and impact to be business-critical considerations for any company. As such, we have laid out a framework of key areas we assess and monitor at companies we are invested in and are considering as part of our global equity funds.

Conduct and disclose water risk assessments (WRAs):

- WRAs help companies identify risks and opportunities for the enterprise based on business activities, location, and context. We expect WRAs to consider not only the company's direct operations, but also all relevant aspects of the value chain. We also expect that the identified physical, regulatory, and reputation risks are evaluated and communicated to shareholders.
- It is necessary to conduct a WRA because they help companies determine where to set targets and act first, help companies analyze environmental significance and societal considerations, evaluate the relationship between water-related issues and how these issues can be a business risk, inform business objectives in the short- to long-term, and begin water stewardship strategy development.

Report necessary and investment-critical water data:

- We consider the minimum necessary water data disclosure to be water withdrawals, consumption, any instance of noncompliance with regulatory standards, and the percentage of operations in water stressed regions, which is dependent on the findings of the conducted and disclosed water risk assessment.
 - If the company's water risk assessment highlights supply chain water risk as material, we ask that the company disclose the percentage of product/raw materials/commodities sourced from regions with High or Extremely High water stress, to understand the likelihood of disruption.
 - On the water quality side, we expect all companies that impact water quality in operations or through the value chain disclose pollutants of concern, where the pollutants occur in the value chain, and how the company is combating the usage of the pollutants, as water challenges can be reputational risks.
 - To understand dependencies on water resources, it is critical that companies disclose what percentage of operations are exposed to water risk through operating in water stressed regions.
 - For companies choosing not to disclose the above data, it is viewed as necessary that a statement is provided as to why the information is not material.
- We consider it to be best practice for all water data to be assured.

Set water-related targets in-line with best guidance available:

- We ask that all companies stay up to date with the evolving and improving understanding of water resources and how to best set targets to safeguard these resources while mitigating operational risks.
 - An example of this would be staying up to date with Science Based Target Network's (SBTN) resources and guidance for setting science based freshwater targets for both water quantity and quality. Currently, there is guidance available for the first several steps of the process. The organization will also be releasing updated target setting methods for freshwater in the near future. At this point, companies interested in using target validation services to set science-



Terra Alpha Investments: Expected Water Consideration and Actions in our Portfolio

based targets for nature can fill out an [expressions of interest form](#) via SBTN.¹

- Additionally, there are publicly available resources through SBTN, such as [Stakeholder Engagement Guidance](#)², that are helpful for understanding water risks within the catchment context.
- We ask that all companies set targets that are aligned with the findings of stakeholder engagement, specifically with communities around the local catchment.
- In lieu of SBTs for freshwater, companies can apply the methodology, along with methodology from other leading sources to set context-based targets. Context-based water targets go a step further than traditional targets to tackle priority locations and impacted communities through catchment-specific targets, initiatives, and restoration projects.

Release a publicly available strategy and plans to achieve water-related targets:

- We believe companies that credibly meet their water targets will be better-positioned than peers to succeed in the decade ahead.
- Components that make up a robust abatement plan include: intermediary targets to achieve the ultimate necessary abatement, discussion of initiatives/technology/innovation, discussion of priority locations and engagements, investment spend needed to achieve targets, and disclosure of personnel, working groups, and collaborations.
- Ultimately, a robust abatement plan makes it clear to shareholders what actions are taking place, where the actions are taking place, progress towards achieving targets, and that the necessary capex allocation to achieve targets is available.

Collaborate, engage, and enable parts of the value chain relating to water impacts

- After conducting a WRA, we ask that all companies that identify substantive water quantity and quality impacts throughout the value chain engage and enable partners to limit their impact on limited resources. Without companies utilizing their expertise and knowledge of water impacts to help other aspects of the value chain, we will never properly address society's dependencies and impact on water resources.
 - Companies can collaborate with suppliers and other organizations to drive change within the value chain through, for example, developing new technologies and retrofitting spaces with better technologies.
 - Companies can also utilize their knowledge to inform other areas of the value chain of their impact on water resources to highlight the necessity to transform.
 - Further, companies can enable parts of the value chain through funding, sharing innovations, and incentivizing responsible practices.

¹ <https://sciencebasedtargetsnetwork.org/target-submission-expression-of-interest/>

² <https://sciencebasedtargetsnetwork.org/wp-content/uploads/2023/05/Technical-Guidance-2023-Stakeholder-Engagement-Guidance-beta.pdf>

Appendix 5: Waste Strategy

Terra Alpha: Plastic as a Material Business Consideration

At Terra Alpha, we believe sustainable practices can lead to enduring business benefits. As an investor, we view the production of plastic as a fossil fuel derivative contributing to global greenhouse gases, the usage of plastic, and its subsequent generation of pollution as critical business considerations for the long-term success of any company.¹² Opportunity for sustainable practices around plastic is found throughout the value chain, as an input to products or packaging, and in the supply chain across product design through consumer waste management. The Global Plastics Treaty has amplified global awareness and accountability, driving collective action to tackle these challenges of plastic waste and production.¹³

We value the disclosure of plastic use as material information for an investor. We believe that disclosure begins with measurement, and the ability to manage the costs and risks associated are derived from this first step. Science-based market leaders initiatives like the Taskforce on Nature-related Financial Disclosures (TNFD), CDP, and the Global Reporting Initiative (GRI), are frameworks that help companies assess their plastic footprint. We have found the CDP annual survey is the most robust disclosure of plastic risk and opportunity.¹⁴

At Terra Alpha, we hope to see disclosure on the following points:

1. Measure plastics exposure across the entire value chain:

- + From supply chain inputs, to production, to the packaging of products, plastic waste is a growing operational risk.
- + We believe it is necessary for companies to start measuring their plastic footprint as soon as possible to be best prepared to understand their impact, as well as for disclosure initiatives and future regulatory changes, such as the Global Plastics Treaty.

2. Report and disclose necessary and investment-critical plastic data:

- + As investors looking at the long-term success of companies, we are looking to assess waste overall as part of our understanding of operational and brand/reputational management, and plastic usage and waste specifically. Formal disclosure provides decision makers with “clear, comprehensive, and comparable data on the production, commercialization, usage, and disposal of plastics across the global economy”.¹⁵
- + Given the alignment of the relevant disclosures we ask that all companies utilize one or multiple of the CDP, TNFD, or GRI disclosures to conduct at least annual reviews of their plastic-related risk and opportunity.
- + **We consider it best practice for all plastic data to be assured by a third party.**
- + By improving plastic disclosure and reducing their environmental impact, companies can also position themselves as leaders in sustainability and contribute to a more sustainable future for all.

¹² According to the United Nations Environment Program (UNEP) (2021) and Minderoo Foundation (2021) research, less than 10% of plastic gets recycled annually, and if growth in single-use plastic production continues at current rates, by 2050, they could comprise nearly 5-10% global greenhouse gas emissions.

¹³ UNEP's Intergovernmental Negotiating Committee on Plastic Pollution were developed to eventually adopt a historic, legally binding instrument on plastic pollution, including in marine environments (2024).

¹⁴ CDP Plastics Module (2024), is informed by existing plastics research including the Ellen MacArthur Foundation's Global Commitment framework, WWF ReSource Tracker, Pew Foundation, and GRI 306.

¹⁵ CDP Climate Questionnaire Guidance (2024)

- + We view CDP’s Module 10 – which is part of their Climate Questionnaire and in full alignment with TNFD, GRI, World Wildlife Fund (WWF), and the Ellen McArthur Foundation (EMF) – as the best-in-class resource for disclosure and a helpful basis for assessing plastic risk to companies and investors. It standardizes the metrics companies are disclosing publicly, such as the total amount of plastic produced, sold, and/or used, the amount of virgin versus recycled content, and the amount that is reusable or recyclable.

3. Set and publish plastic-related reduction and/or elimination targets:

- + We encourage companies to set plans and targets to reduce plastic use and waste.
- + We view collaboration as a tool for mitigating plastic-related risk as “achieving a circular economy requires coordinated efforts across the entire value chain, from manufacturers and designers to recyclers and consumers, to develop sustainable solutions and effectively manage plastic waste throughout its lifecycle”.¹⁶
 - + To investors, commitments like Alliance to End Plastic Waste or Plastics Pact or EMF’s Global Commitment on Plastics signal a great degree of preparation and an opportunity for companies to align toward a more circular and sustainable economy.

¹⁶ World Business Council for Sustainable Development’s insights on “A collaborative step toward ending plastic pollution” (2022)