



Terra Alpha Newsletter

A Note from Our CIO

The first quarter of 2026 provided two powerful reminders for me: the misguided and damaging approach this current U.S. Administration is taking in regard to stewarding our planet’s natural resource systems, and the critical importance of more rapidly reducing our economy’s dependence on fossil fuels. Together, these reinforce the importance impact investing and business actions have in shaping the future of our planet and its inhabitants.

In mid-February, the U.S. Environmental Protection Agency (EPA) rescinded the Endangerment Act, which had established that greenhouse gases (GHG) threaten public health and welfare. As part of this repeal, the EPA stated that the Clean Air Act no longer authorizes the regulation of GHG emissions to redress climate change. Almost immediately thereafter, the EPA cancelled the existing vehicle (light-, medium-, and heavy-duty) manufacturers’ tailpipe emissions standards. That same week, the Pentagon announced its intent to support coal-powered electricity via long-term Power Purchase Agreements, and the Department of Energy committed \$175 million to upgrade six coal-powered plants. These actions were the most recent, and perhaps the most consequential, taken by the Trump Administration to roll back climate-related regulations.

A few weeks later, the U.S. launched a joint military action with Israel on Iran, the third largest oil and gas rich country in the world.¹ What was presented as a clinical, defensive operation based on superior U.S./Israel military capabilities quickly became a broader regional conflict with global economic implications. This has included a spike in oil and gas prices and a significant drop in the stock market. While the U.S. and Iran have agreed to a temporary ceasefire (and we have seen a rebound in the stock markets), the economically critical Strait of Hormuz waterway remains largely

¹ [Worldometers Oil Reserves by Country \(2025\)](#)

closed to shipping. The concerns about the impact on oil and gas supply and prices across the global economy underlines the risks posed by our fossil fuel dependence – especially given the facts that 81% of current global energy production (including energy used to power vehicles, buildings, factories, and electricity generation) is fossil fuel based,² and that the majority of the planet’s oil and gas reserves are controlled by what are seen by many as high-risk and/or adversarial countries.

Both actions by the U.S. Administration emphasize a disregard for the human health, economic, and/or national security risks of a fossil fuel-dependent economy. They also highlight the co-benefits of a low-carbon economy – driven by improved energy efficiency, renewable power generation (including nuclear), and improved energy storage. A low-carbon economy can reduce the future impacts of climate change while building a more resilient economy and enhancing national security. On the positive side, the transition toward a low-carbon economy continues, with 34% of current global electricity generation from renewable power and a growing percentage of global car sales being electric and plug-in hybrid vehicles (25% of 2025-unit sales).³

Since our founding, Terra Alpha’s highest priority impact goal has been to catalyze a rapid reduction in global GHG emissions. This is the most effective path to slowing the rise in atmospheric GHG concentration levels, which would limit the increase in global temperature rise and subsequent climatic changes.

This newsletter features our recently released 2025 Impact Report, which discusses all of our ambitious impact goals, as well as the plans and actions we are taking to achieve them. It also includes our latest Terra Alpha Voices and Environmental Productivity Insights – each reflecting the work we do to enable a sustainable planet for all society.



Tim Dunn, CFA
Co-Founder and CIO

² [Energy Institute 2025 Statistical Review of World Energy](#)

³ [The International Council on Clean Transportation - Electric Vehicles Capture 25% of Global Passenger Car Market as Growth Rates in Emerging Economies Outpace Established Leaders](#)

Terra Alpha Impact

2025 Impact Report: Enabling a Sustainable Planet for Society

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	Corporate Engagement	Thought Leadership
<ul style="list-style-type: none"> + 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) 	<ul style="list-style-type: none"> + 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 	<ul style="list-style-type: none"> + 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.

[Read the Full 2025 Impact Report Here](#)



Amy Dine
Director of Corporate Engagement

1% for the Planet



[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 \$110,000 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



Net Zero Asset Managers (NZAM) Initiative Relaunch



Terra Alpha welcomed February 25th's relaunch of the Net Zero Asset Managers (NZAM) initiative. We remain committed to supporting investing in line with the global goal of net zero greenhouse gas emissions and advancing the transition to a low-carbon economy, while addressing climate-related financial risks and opportunities alongside our fellow 250+ asset managers as signatories.

[Read more about NZAM here.](#)

Thought Leadership

Terra Alpha Voices | Andrew Geller



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

In our latest Terra Alpha Voices, [KK](#) sat down with [Andrew Geller](#), co-founder of Terra Alpha Investments, who in January transitioned from his day-to-day roles at the firm and moved to France. After 11 remarkable years helping to build Terra Alpha, this long-planned transition marks an exciting new chapter for Andrew, and we are incredibly grateful for the years he devoted to building and shaping the firm.

In their conversation, Andrew reflects on his 40+ year career, from starting as a buy-side equity analyst, to nearly two decades in institutional equity sales, to the moment [Tim Dunn](#) approached him with an idea for a new firm.

"We'd be long-term investors, and thoughtful employers that care about things in a way other companies usually do not...The idea of moving companies to do the right thing, I thought, was interesting and great as well. It would become a virtuous circle."

Andrew now serves as an **Emeritus Advisory Board Member**, remaining connected to provide guidance as needed. In the interview, he shares the moments and lessons that helped shape Terra Alpha, leaving a strong foundation that will guide the firm for years to come.

We are thrilled for him as he begins this next stage, and celebrate the lasting impact of his leadership.

[Read the full Terra Alpha Voices here.](#)

EP Insight | Inditex: Advancing Circular Fashion



Fast-fashion is often criticized for its environmental impact – from resource-heavy production to millions of tons of textile waste each year.

In our latest EP Insight, we highlight how [Inditex](#), the parent company of Zara, is taking a different approach. Through the Zara Pre-Owned platform, consumers can repair, resell, donate, or buy second-hand garments to extend their useful

life. Complementing this, Zara’s clothing collection program allows customers to deposit used garments, footwear, and accessories from any brand; items are then sorted for reuse, charitable resale, or recycling, diverting millions of garments from landfills annually.

Together, these initiatives show how apparel retailers can extend the life of products and reduce waste, with Inditex demonstrating how a global company can manage environmental impacts at scale while adapting to evolving regulations and consumer expectations.

[Read the full EP Insight here.](#)

Industry Engagement

- Director of Corporate Engagement, Amy Dine, attended [Confluence Philanthropy’s 16th Practitioner’s Gathering](#) in Asheville, NC.

Website Refresh

- In 1Q26, we refreshed and modernized our website with updated language to better communicate our investment philosophy and approach to impact.

We invite you to visit www.terraalphainvestments.com



About Terra Alpha

Terra Alpha Investments is a public equity manager founded in 2014 by highly experienced investors who share the conviction that our rapidly evolving world requires a change in investing thinking. Our rigorous and proprietary Environmental Productivity (EP) analysis values our planet’s natural resources and sits at the center of our investment process. Our unique combination of quantitative and qualitative analysis helps us identify companies with the optimal combination of enduring business models and superior EP; which we believe is the primary driver as we seek to deliver superior long-term investment returns for our investors.

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