



# 2025 Global Impact Engagement Report

A REVIEW OF EQUITY ENGAGEMENTS BY OUR IMPACT EQUITY TEAM

## 2025 HIGHLIGHTS OF OUR GLOBAL IMPACT ENGAGEMENT ACTIVITY

# 233

engagement topics

# 78

portfolio companies

# 125

meetings with companies  
not held in the portfolio

### CONSIDER THE RISKS

Investors should consider the risks that may impact their capital, before investing. The value of your investment may fluctuate from the time of the original investment.

**We believe that partnership and engagement with our portfolio companies can enhance our positive social and environmental impact and create lasting value for our clients.**

**In our view, material environmental, social, and governance (ESG) issues are strategic business issues that can affect financial performance, competitiveness, and sustainability. The more we understand material ESG issues, the more informed our investment decisions will be. To ensure the viability of our theory of change — the impact thesis — for each company, we seek to support and influence positive outcomes through informed and active ownership.**

Our team approaches engagement as we do our investment research, leveraging multidisciplinary analysis that spans equity, fixed income, impact, and ESG perspectives across public and private markets. As a fiduciary of our clients' capital, we believe it is our duty to understand the full mosaic of a company's business model, industry structure, and capital allocation. We also believe that this approach is the most effective way to achieve our intended positive impact on people and the planet.

## Objectives of engagement

The Global Impact investment team, collaborating with Wellington's ESG analysts, takes a hands-on approach to engagement, meeting in person with boards and management teams, writing letters, and hosting calls multiple times each year. During our engagements, we have three main objectives:

1. To understand material E, S, and/or G considerations for companies in the portfolio.
2. To gain insight into matters relevant to our investment thesis and impact thesis and take corrective action if repeated engagement does not provide the necessary levels of comfort.
3. To educate management on our impact goals and develop key performance indicators (KPIs) to measure the impact generated.

Active engagement helps us identify where improvements can be made, encourage companies to measure their impact — both positive and negative — and report meaningful data. Ultimately, engagement creates an important feedback loop and mechanism for delivering and measuring impact as well as helping meet our financial goals.

A successful engagement starts by defining the opportunity. We tend to approach engagement with the initial objective of learning how management sees the company's ability to effect positive change; this helps us outline longer-term goals. While management teams are increasingly receptive to our requests for transparency or additional reporting on business strategies, they sometimes still need time and support to develop resources that enable them to evolve their practices and assess and measure impact. In our view, successful engagement outcomes result in improved communication on how the organization's business strategy can be applied more effectively to impact contribution, which can help management articulate a stronger value proposition. We believe this communication and transparency lead to better alignment across stakeholder groups.

Overall, in 2025, we engaged on 233 topics across 78 portfolio companies and had further engagements with 125 companies not held in the portfolio to support research in our themes. Throughout the year, we used engagements to better understand industry- and company-level effects of policy changes, track progress on innovation, and assess steps businesses have been taking to navigate fundamental challenges. Engagement remains a key mechanism to gain deeper understanding of the enterprises in our portfolio and validate the underwriting of our investments.

In addition to our engagements with individual firms, we continued to engage with the broader impact and sustainable investment communities through our participation in industry conferences and working groups over the course of the year. For example, Global Impact's investment director and a member of Wellington's Impact Measurement & Management Practice (IMM) presented at the Global Impact Investing Network conference in October, sharing insights and lessons learned from 10 years of impact investing. We continued to engage with other impact practitioners, including joining working groups to discuss impact-reporting best practices, evolving regulations, and greenhouse gas (GHG) emissions calculations.

## Sample engagements and outcomes from 2025

### OUR IMPACT THEMES



#### LIFE ESSENTIALS

- Affordable housing
- Clean water & sanitation
- Health
- Sustainable agriculture & nutrition



#### HUMAN EMPOWERMENT

- Digital divide
- Education & job training
- Financial inclusion
- Safety & security



#### ENVIRONMENT

- Alternative energy
- Resource efficiency
- Resource stewardship

Below we share examples of our engagements that focused on material ESG issues and many of the 11 impact themes across our Life essentials, Human empowerment, and Environment categories. Three key areas of focus included:

**Policy changes** — We used engagement with companies to better understand and evaluate how they have been adjusting to shifting trade dynamics and industry-level policy proposals to mitigate fundamental disruption.

**Innovation** — Engagements provided an opportunity to check in on progress with innovative products and services that have the potential to expand a business's impact and customer reach.

**Fundamental challenges** — Engagement touchpoints with several companies allowed us to better evaluate how they have been navigating idiosyncratic business issues.

## ENVIRONMENT (E)

The company is focused on developing next-generation products designed to tackle complex issues...

**SAFETY & SECURITY**

We hosted the CEO, CFO, and head of investor relations of a UK specialty insurer in our Boston office. Management highlighted that they are building out a “transition risk team” focused on assessing climate transition and renewable energy risks and opportunities, and how to underwrite these. The devastating wildfires in Los Angeles, California, in January 2025 offered a timely example of the potential economic impacts and liability associated with extreme weather events and natural disasters. Additionally, the company explained that new climate technologies such as carbon capture and renewable energy infrastructure are still uninsured or underinsured. Management views climate-related insurance as a growth opportunity and is investing more resources to capture business in this market over time.

**ALTERNATIVE ENERGY**

Our engagement with a US solar-tracking business showcased its commitment to technological innovation. Its engineering capabilities and leading technology, coupled with its localized supply chain, have established what we believe is a durable edge over competitors from China. The discussion also highlighted the company’s forward-thinking research and development strategy, which should further support its market leadership. It is focused on developing next-generation products designed to tackle complex issues such as shading on panels in less favorable environments or conditions. These innovations should continue to improve energy yield.



**SOCIAL (S)**

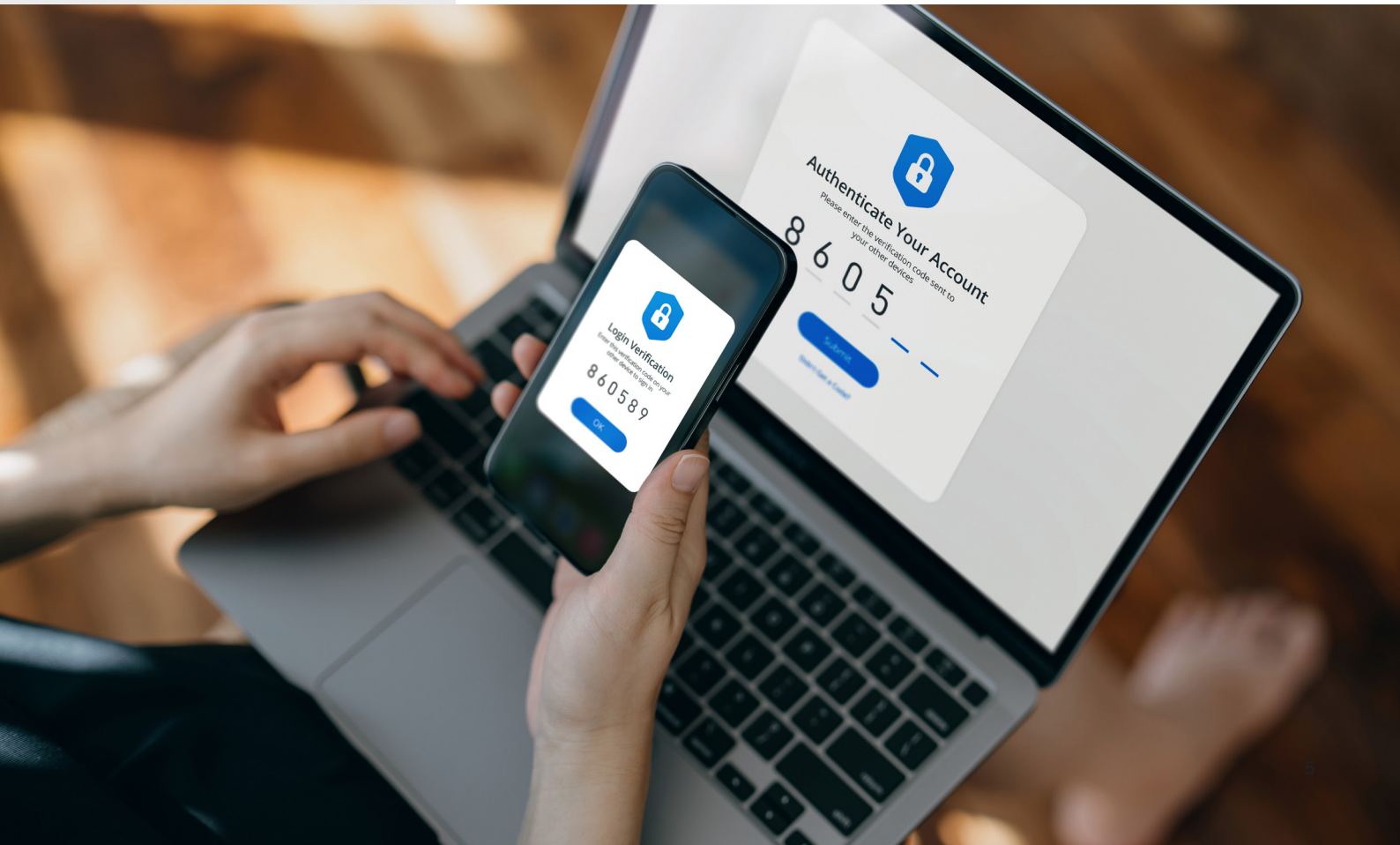
... the company’s commitment to providing fresh food at low prices represents a differentiated value proposition that should support loyalty.

**SUSTAINABLE AGRICULTURE & NUTRITION**

We engaged three times with management of a large Latin American retailer to better understand its value proposition to customers, ability to balance price and promotion with margins, and plans to compete with other retailers. Our view is that this company’s commitment to providing fresh food at low prices represents a differentiated value proposition that should support loyalty and, ultimately, long-term growth. While there is a tension between consistently selling at the lowest possible price and sustaining margins, we believe the organization’s strategy of offering smaller packages rather than simply discounting products should ensure some margin stability. Elevated regional wage inflation during the year may be another positive that drives consumer demand and spending. Finally, the organization’s expansive distribution networks are an advantage, enabling it to expand its store and e-commerce footprint. The larger scale also supports the ability to offer greater food assortment, faster delivery to customers, and a competitive edge.

**SAFETY & SECURITY**

We engaged with the CFO and field CTO of a cybersecurity firm in the wake of a widespread digital breach. During our engagement, we emphasized the need for a strong company response — one that prioritizes transparency and addresses customers’ concerns as the situation unfolds. We were subsequently impressed by the speed, transparency, and thoroughness of management’s response in the aftermath of the incident. While the CFO has remained cautious, the event appeared to have limited financial impact, with no notable customer churn. The company remains a beneficiary of AI adoption and, more broadly, of the increasing complexity of modern compute environments. This engagement increased our confidence in the organization’s ability to weather future incidents, deliver continued cyber protection, and generate revenue growth.



## GOVERNANCE (G)

The simplified store layout and flow improvements resulted in a “treasure hunt” experience that enabled us to shop efficiently and find good value.

**SUSTAINABLE AGRICULTURE & NUTRITION**

We visited a US discount grocery retailer’s headquarters in California and toured two pilot stores with the CEO and several members of the entity’s management team. In these locations, the company aims to improve store-level execution to drive sales increases. It intends to roll these new processes out to the other stores in 2026. During our tours, the simplified store layout and flow improvements resulted in a “treasure hunt” experience that enabled us to shop efficiently and find good value. We believe simple changes in store layout and merchandising are quick wins that have the potential to drive traffic and individual purchase volumes. We were impressed with the CEO’s operational savvy and a skill set applicable to the business’s current needs. This engagement reinforced our conviction in the enterprise.

**SAFETY & SECURITY**

We engaged several times with a manufacturer of impact-resistant glass early in the year to discuss its preparations for potential tariffs given its existing large production footprint in Colombia. We learned that beginning in 2025, the company started shifting from Colombian-sourced aluminum to US-sourced aluminum for most of its impact-resistant products, because of impending tariffs. While these material costs are incrementally higher, management sees them as manageable given the company’s strong gross-margin profile relative to competitors. It has also begun to vet sites to expand US-based production and could accelerate those plans should the policy and cost environment support such a shift.



## IMPACT (I)

The engagement clarified how the organization measures its overall impact, reinforced our confidence in its robust impact approach, and informed how we assess and monitor that impact.

### CLEAN WATER & SANITATION

The impact investment team and IMM team collaborated on an engagement with a US-based water sanitation firm to strengthen our understanding of its impact measurement framework and the key drivers underpinning its strong, consistent impact outcomes. The discussion covered impact KPIs from across its subsidiaries — measuring amounts of water treated, saved, and reused. We also explored the organization’s methodology for calculating these metrics, as well as its broader sustainability priorities and targets amid increasing water scarcity. The engagement clarified how the organization measures its overall impact, reinforced our confidence in its robust impact approach, and informed how we assess and monitor that impact.

### HEALTH

We engaged with the CEO and senior management of a US large-cap pharmaceutical firm at Wellington’s health care buy-side conference in Washington, D.C., in November. We were encouraged by the business’s pipeline development, including its recent acquisition of a smaller firm, which we believe will bolster long-term revenue growth and overcome potential medium-term losses from the upcoming patent expiry of its blockbuster immunotherapy drug franchise. Our discussion deepened our understanding of how pricing agreements with the US government have set the company up to deliver improved results and revenue. Its own agreement (announced after our engagement, in December) was in line with our expectations. We see this as a favorable outcome for the company, which is advancing approximately 80 programs through its Phase 3 pipeline. We expect its improved pricing clarity and new pipeline developments to expand access to medicine for patients and positively affect fundamentals.

## Looking ahead

Our engagements in 2025 gave us valuable insight into companies’ impact progress as well as their fundamental strengths and weaknesses. These discussions helped confirm that our companies are delivering positive impact alongside the potential for strong long-term financial returns for our clients. For 2026, we remain focused on how these businesses can continue to deliver both, and we are watching developments that may affect our financial and impact goals. Specifically, we are monitoring the risks and opportunities associated with the rapid advancement and adoption of generative AI and the related infrastructure build-out. We believe the demand for the innovative products and services that the companies in our impact opportunity set are providing remains strong. We look forward to reporting on our continued engagement with investees in the coming year.

## 2025 engagements

■	E	Environment
▲	S	Social
●	G	Corporate governance
◆	I	Impact
*		Sold during 2025
†		No engagement data

ISSUER NAME	E	S	G	I
<b>ENVIRONMENT</b>				
<b>ALTERNATIVE ENERGY</b>				
First Solar Inc	■	▲	●	◆
HA Sustainable Infra*	■	▲	●	◆
Nextpower Inc	■	▲	●	◆
<b>RESOURCE EFFICIENCY</b>				
A O Smith Corp	■		●	◆
Aaon Inc	■	▲	●	◆
Arcadis NV	■		●	◆
Autodesk Inc	■		●	◆
Flex Ltd			●	◆
Hubbell Inc	■		●	◆
Infineon Tech	■		●	◆
Kingspan Group Plc	■	▲	●	◆
Landis+Gyr Group AG	■	▲	●	◆
Modine Mfg Co	■	▲	●	◆
NFI Group Inc	■		●	◆
Schneider Electric	■	▲	●	◆
Trane Tech PLC	■	▲	●	◆
Westinghouse Air			●	◆
<b>RESOURCE STEWARDSHIP</b>				
AZEK Co Inc/The*	■	▲	●	◆
Clean Harbors Inc	■	▲	●	◆
Cleanaway Waste Mgmt*†				
Crown Holdings Inc*†				
Darling Ingredients	■		●	◆
James Hardie Ind PLC	■	▲	●	◆
Waste Connections In	■		●	◆
<b>HUMAN EMPOWERMENT</b>				
<b>DIGITAL DIVIDE</b>				
GoDaddy Inc		▲	●	◆
MediaTek Inc	■	▲	●	◆
Telefonica Brasil SA			●	◆
Vodacom Group Ltd			●	◆
Wix.com Ltd*			●	◆
<b>EDUCATION &amp; JOB TRAINING</b>				
Adtalem Global Educa		▲	●	◆
Laureate Education			●	◆
Recruit Holdings Co*			●	◆
Stride Inc*	■	▲	●	◆
<b>FINANCIAL INCLUSION</b>				
Block Inc			●	◆
Globe Life Inc		▲	●	◆
MercadoLibre Inc			●	◆
nCino Inc			●	◆
Old Mutual Ltd			●	◆
OneMain Holdings Inc			●	◆

ISSUER NAME	E	S	G	I
Popular Inc			●	◆
Shriram Finance Ltd			●	◆
<b>SAFETY AND SECURITY</b>				
Beazley PLC			●	◆
Chroma Ate Inc	■	▲	●	◆
CyberArk Software	■	▲	●	◆
F5 Inc			●	◆
MIPS AB			●	◆
Renesas Electronic*	■	▲	●	◆
REV Group Inc			●	◆
SentinelOne Inc			●	◆
Tecnoglass Inc		▲	●	◆
<b>LIFE ESSENTIALS</b>				
<b>AFFORDABLE HOUSING</b>				
Barratt Redrow PLC	■	▲	●	◆
Independence Realty*			●	◆
Rocket Cos Inc			●	◆
Sun Communities Inc			●	◆
<b>CLEAN WATER &amp; SANITATION</b>				
Tetra Tech Inc	■	▲	●	◆
Veralto Corp			●	◆
Xylem Inc	■		●	◆
<b>HEALTH</b>				
Abbott Laboratories		▲	●	◆
Agilent Technologies			●	◆
AstraZeneca PLC	■	▲	●	◆
Boston Scientific	■	▲	●	◆
Danaher Corp	■	▲	●	◆
Eli Lilly & Co	■	▲	●	◆
GSK PLC*	■		●	◆
Insulet Corp			●	◆
Merck & Co	■	▲	●	◆
STERIS PLC			●	◆
Teva Pharma Industr		▲	●	◆
Veeva Systems Inc*	■	▲	●	◆
<b>SUSTAINABLE AGRICULTURE &amp; NUTRITION</b>				
DSM-Firmenich AG	■		●	◆
Genus Plc	■	▲	●	◆
Grocery Outlet Hldg		▲	●	◆
Nomad Foods Ltd			●	◆
Simply Good Foods Co			●	◆
Sprouts Farmers Mrkt*			●	◆
Vital Farms Inc	■	▲	●	◆
Wal-Mart de Mexico		▲	●	◆
<b>MULTI-THEME</b>				
Advanced Drainage Sy	■		●	◆
Sekisui House Ltd	■	▲	●	◆
Wolters Kluwer*		▲	●	◆

\*Sold during 2025.

†No Engagement data. E = Environment, S = Social, G = Corporate governance; I = Impact. The companies shown comprise a complete list of all engagement meetings in which Wellington Management's ESG Research and Impact Investing teams participated in 2025. The specific securities identified are not representative of all the securities purchased, sold, or recommended for clients. It should not be assumed that an investment in the securities identified has been or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all the securities listed. This is not to be construed as investment advice or a recommendation to buy or sell any specific security.

The engagement case studies presented are for illustrative purposes only and should not be viewed as representative of actual holdings. The engagement case studies chosen are based on meetings held during the year and our priorities, giving insight into our process. There can be no assurance that the portfolio would hold companies such as these or that they would be profitable in the future. Please refer to the annual and semi-annual report for the full holdings.

## Risks

**Concentration:** Concentration of investments in a relatively small number of securities, sectors or industries, or geographical regions may significantly affect performance.

**Currency:** Investments in currencies, currency futures contracts, forward currency exchange contracts, or similar instruments, as well as in securities that are denominated in foreign currency, are subject to the risk that the value of a particular currency will change in relation to one or more other currencies.

**Equity markets:** Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues.

**Foreign markets (includes emerging markets):** Investments in foreign markets may present risks not typically associated with domestic markets. These risks may include changes in currency exchange rates; less-liquid markets and less available information; less government supervision of exchanges, brokers, and issuers; increased social, economic, and political uncertainty; and greater price volatility. These risks may be greater in emerging markets, which may also entail different risks than developed markets.

**Smaller-capitalization stock:** The share prices of small- and mid-cap companies may exhibit greater volatility than the share prices of larger-capitalization companies. In addition, shares of small- and mid-cap companies are often less liquid than those of larger- capitalization companies.





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