



Harbour

ASSET MANAGEMENT

IMPACT REPORT

2024



ABOUT THIS REPORT

The 2024 Impact Report has primarily been prepared to provide transparency into the impact the Harbour Sustainable Impact Fund ('Impact Fund' or 'Fund') makes. It takes a deep dive into Harbour's approach to impact investing and the companies the Impact Fund invests in. This report is broken into five sections:

- 1 The Fund's impact** – how we measure impact across various pillars
- 2 Portfolio highlights** – a selection of case studies
- 3 Our approach to impact investing** – our team, philosophy and impact investment process
- 4 Active ownership** – how we act as stewards of capital; how we as owners can help shape impact outcomes
- 5 Appendix** – summary information of all holdings within the Fund

We welcome investor feedback and engagement.

IMPORTANT NOTICE AND DISCLAIMER

This report is provided for general information purposes only. The information provided is not intended to be financial advice. The information provided is given in good faith and has been prepared from sources believed to be accurate and complete as at the date of issue, but such information may be subject to change. Past performance is not indicative of future results and no representation is made regarding future performance of the Fund. No person guarantees the performance of any funds managed by Harbour Asset Management Limited.

Harbour Asset Management Limited (Harbour) is the issuer of the Harbour Investment Fund. A copy of the Product Disclosure Statement is available at <https://www.harbourasset.co.nz/our-funds/investor-documents/>. Harbour is also the issuer of Hunter Investment Funds (Hunter). A copy of the relevant Product Disclosure Statement is available at <https://hunterinvestments.co.nz/resources/>. Please find our quarterly Fund updates, which contain returns and total fees during the previous year on those Harbour and Hunter websites. Harbour also manages wholesale unit trusts. To invest as a wholesale investor, investors must fit the criteria as set out in the Financial Markets Conduct Act 2013.

HIGHLIGHTS



1 MWp
of solar energy systems
installed on properties



34 USD billion
Investment in R&D from
health care companies



20 million
tons of recyclable
material processed



500,000
Homes powered by
renewable landfill
gas-to-energy projects



3 USD billion
invested in water
infrastructure



12,003 billion
gallons of water treated
or recycled using
companies' products

113,683 MW
total renewable
capacity installed

13,902 MW
new renewable
capacity installed

2,905 MW
new energy storage
capacity

283 million
patients reached

445,000
Medical facilities
equipped

Over **100,000**
children and
their families
served through a
combination of
full-time child care,
back-up dependent
care, and educational
advisory programs

Helped students from
over **100** countries find
education opportunities in
English-speaking nations

1 billion
people reached with
handwashing programs
and hygiene education

326 USD billion
disbursed to SMEs
(total)

4,573 billion
gallons of water
saved

113,683 MW
total renewable
capacity installed

OUR COLLECTIVE CHALLENGE

Climate change, biodiversity loss, and resource depletion remain pressing concerns, but crises like the war in Ukraine, escalating conflicts in the Middle East, and global cost-of-living pressures are pulling attention away from long-term environmental, social and health goals. Rising poverty and inequality further exacerbate this shift, as communities struggling to meet immediate needs deprioritise sustainability efforts. According to the World Bank, extreme weather events and rising food prices pushed tens of millions back into poverty in 2023 alone, demonstrating the fragility of our systems in the face of both environmental and economic shocks.

The importance of addressing long-term challenges does not diminish. To ensure enduring progress, investments in sustainability must also drive economic inclusion and social equity. Achieving the Sustainable Development Goals requires not just the commitment of governments, but the collective innovation, capital, and willpower of investors alike. Impact investing is, in part, a financial strategy, but it is also an essential vehicle for securing a resilient, equitable, and thriving future.

INVESTING FOR IMPACT/FUND AT A GLANCE

At Harbour we believe that a solely exclusionary approach, whereby some sectors are barred from investment, is not sufficient. The environmental, health and social challenges the world faces cannot be solved by allocating away from companies, but rather by allocating towards change makers. It is with this belief that the Fund was born.



This Fund provides exposure to a mix of domestic and global investments with a focus on the positive impact that these will have on various objectives linked to the United Nations Sustainable Development Goals (SDGs). It aims to exceed the Official Cash Rate + 4% over rolling 5-year periods, investing approximately 20% in domestic impact equities and 40% in domestic impact fixed interest (both managed by Harbour), as well as approximately 35% in global impact equities and 5% in impact private equity (managed by sector specialist managers).



Portfolio holdings contribute to some of the world's most pressing challenges, including decarbonisation and access to affordable health care. We believe the companies that can contribute solutions will be valued by society and financial markets and therefore see opportunity to add value to investors.



We employ a strategy of integration and company engagement, meaning our team researches the companies we invest in and actively checks for any environmental, social or governance (ESG) risks that may apply. They also develop an impact thesis for each security, linked to at least one UN SDG. The Fund also utilises external managers, who must meaningfully integrate ESG and impact into their processes.



The Impact Committee, made up of Harbour and external members, provides guidance and oversight on impact issues and SDGs.



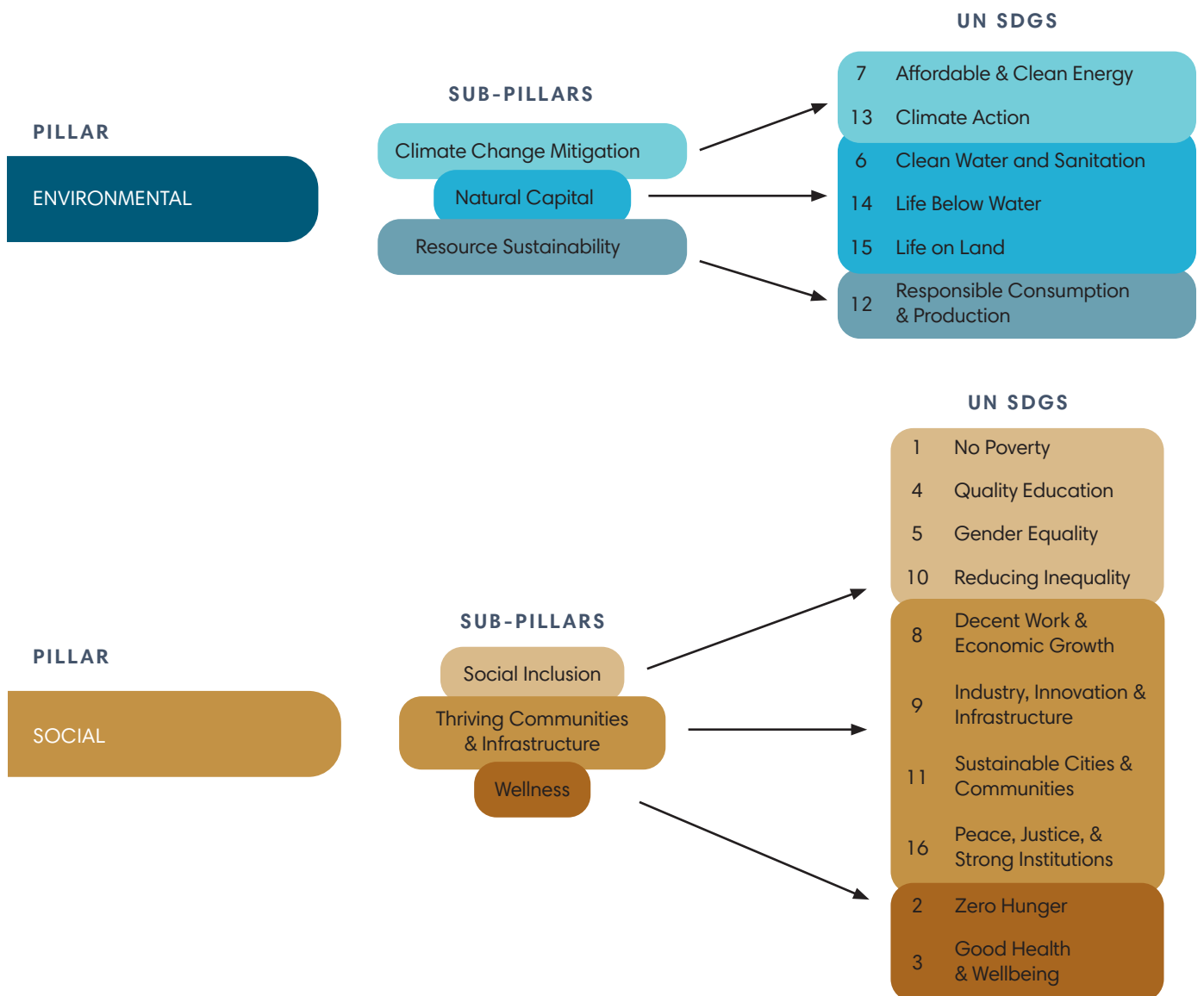
While the Fund will likely have a lower carbon footprint than the market benchmark by design, any carbon held in the Fund is offset by Harbour, through investment in projects which actively prevent carbon release and contribute to multiple UN SDGs.

MAPPING SDGs TO IMPACT PILLARS

The SDGs provide a set of priorities to deliver a more prosperous, sustainable future. The Fund defines investment as impactful if it contributes to at least one SDG, and specifically references the more tangible sub-goals.

History teaches us that the greatest financial rewards accumulate to companies that deliver highly valued solutions to challenges. The SDGs outline some of the greatest challenges facing humanity and we believe the companies that aim to address these issues will not just deliver environmental or social value, but also generate significant financial value.

To simplify the communication of the Fund's impact, we have mapped the SDGs to two 'impact pillars': Environmental and Social. Within these umbrella classifications are six sub-pillars: Climate Change Mitigation, Natural Capital, Resource Sustainability, Social Inclusion, Thriving Communities and Infrastructure, and Wellness.



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THE FUND'S IMPACT

Introduction

Impact measurement provides a proof-point to combat greenwashing. This section outlines how we work to quantify the impact of the Fund.

Impact measurement across different environmental and social pillars can be challenging, especially when trying to compile metrics for the entire portfolio and make meaningful comparisons. Most available data relate to climate metrics, but the Fund's impact is much broader than this. So, alongside presenting various climate related statistics, we also try to quantify the total portfolio impact using an independent impact assessment provided by ISS ESG.

IMPACT MEASUREMENT

Overall Impact Scoring

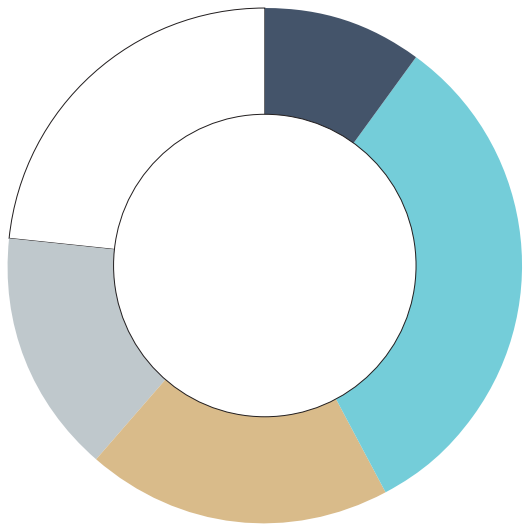
For each company we use ISS's SDG alignment score for the company's primary SDG contribution. For ease of interpretation, we normalise to a score from 0-10. We then aggregate individual company data for the Fund's portfolio, classifying by impact pillar and sub-pillar (for an explanation of impact pillars please refer to Mapping SDGs to Impact Pillars).

Due to differences in the way that ISS, Harbour and our external partners classify the primary contribution of a company's impact, the ISS mapping to each SDG may differ to our qualitative assessments.

We note, yet again, that due to the fact that a portion of the bond holdings in the portfolio are 'labelled issuance' (i.e. 'Green' bonds, 'Social' bonds, etc), the ISS impact scores for the issuers do not take into account the specific goals of the bond issue in question. As a result, the calculated score for the fixed income portion of the portfolio may be on the conservative side compared to the specific impact goals of any particular bond issues in the portfolio.

Output for the Fund as of 30 June 2024 is seen on the next page. Sub-pillar scores are weighted averages based on the weight of securities in the Fund – with the sum of the weights showing a coverage ratio of over 80% of the total portfolio. Our overall portfolio score comes in at 7.6/10 – this is an improvement from 2023's score of 7.4/10, which was also an improvement on the year before that. This compares to a score of 7.2/10 for our equity benchmark.

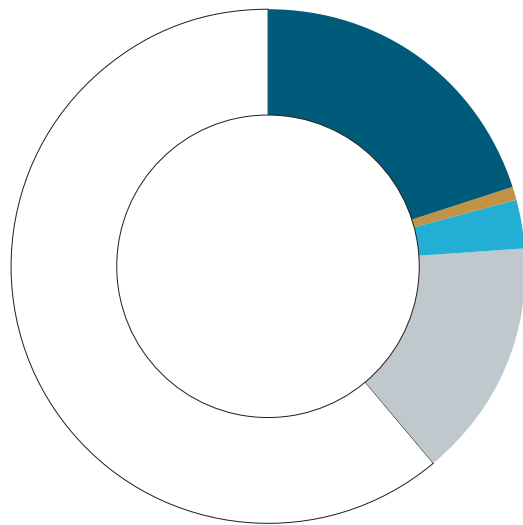
SOCIAL



- Social Inclusion
- Thriving Communities and Infrastructure
- Wellness
- Not Covered
- Rest of Portfolio

Sub-Pillar	Portfolio Weight	Average Score
Social Inclusion	9.9%	6.9
Thriving Communities & Infrastructure	32.4%	6.8
Wellness	19.0%	8.8
SOCIAL TOTAL	61.3%	

ENVIRONMENTAL



- Climate Change Mitigation
- Natural Capital
- Resource Sustainability
- Not Covered
- Rest of Portfolio

Sub-Pillar	Portfolio Weight	Average Score
Climate Change Mitigation	19.7%	8.2
Natural Capital	0.8%	8.3
Resource Sustainability	2.9%	7.0
ENVIRONMENTAL TOTAL	23.5%	

Avoiding significant harm

We also utilise ISS data to flag any companies that may make negative contributions to SDGs beyond their primary area of contribution. As outlined in our philosophy, we seek to avoid companies that confer material negative externalities. For transparency, below are listed all companies in the Fund that flag as having a 'significant negative contribution' under ISS' definition as well as a brief explanation of why the company is still held. Use of flags such as this informs our engagement with external managers.

Company	SDG negatively impacted	Explanation
Directly held investments		
Calix Ltd.	13: Climate Action	Calix is a company that can help decarbonise the world's hardest-to-abate industries, like cement, steel, aluminium and lithium. The company is in expansion phase as their technologies are implemented in a number of pilot plants under construction. The company has gone from a handful of employees to over 150 in a few years, operating in 13 countries. Whilst the building of industrial plants and the addition of more staff inevitably will add to the carbon footprint of Calix, the principal impact Calix's technology is set to make is large-scale industrial decarbonisation.
Third-party investments		
Tesla, Inc.	8: Decent Work	We note that, even with industry-typical labour practices, the company is subject to lawsuits alleging racial discrimination and moderate controversy regarding anti-union behaviour. Despite this, we feel that the positive impact of the progress made by Tesla in the electrification of vehicles and battery technology outweighs the negative issues, which, in our opinion, mitigates the risk of negative impact.
Veralto Corp.	13: Climate Action	Veralto's core business, particularly through its Water Quality (WQ) and Product Quality & Innovation (PQI) segments, provides essential technology that directly addresses key environmental issues. Brands like Hach, Trojan Technologies, and ChemTreat are focused on improving water quality, ensuring safer and more sustainable water resources. These efforts are increasingly critical in a world facing water scarcity and pollution challenges. The company was recently spun-off from Danaher Corp. and so is still in the process of establishing GHG emission reduction goals as a standalone entity. We would expect in future years for these targets to be set and to see progress against them. Whilst we note that the company's manufacturing processes and supply chains may contribute to carbon emissions, energy consumption, and waste generation, we are of the opinion that the positive impact from operations outweighs the negative externalities, which we expect to see mitigated in future years.
Waste Connections	6: Clean Water	Waste Connections operates landfills. To our knowledge, the company does not have a history of contaminating water supplies; however, some of its facilities are older and therefore more at risk of leaching. Acknowledging this impact risk, focus is on how the company operates its facilities and the third-party manager's impact thesis is predicated on Waste Connections' conversion of landfill gases to energy.

Company	SDG negatively impacted	Explanation
Third-party investments		
MSA Safety	12: Responsible Consumption	MSA Safety is a manufacturer of safety equipment. While it has developed products such as a reusable respirator for frontline healthcare products, many safety products are single use. We are engaging further with the third-party manager regarding the degree to which the company strikes the right balance between safety and circularity.
IDEX Corporation	13: Climate Action	One of the areas IDEX delivers positive impact through are its products focused on specialty fluid control (incl. pumps, valves, meters). Its equipment can be used for treatment of wastewater and contaminated soils, giving rise to potential toxic releases from its operations. We judge that this risk is moderate and outweighed by the potential for positive impact, given IDEX maintains appropriate ISO standards for relevant operations, and the companies hazardous waste intensity (tons/USD million sales) decreased c. 33% YOY in FY 2022.
Brookfield Renewable Partners LP	16: Peace, Justice and Strong Institutions	<p>Brookfield Renewable Partners LP is a global leader in renewable energy and decarbonisation solutions. The company owns, operates, and invests in a diverse portfolio of hydroelectric, wind, solar, and energy storage facilities across five continents.</p> <p>ISS claims that a Brookfield subsidiary is a supplier of equipment used by the US Government to make tritium, an essential component in US warheads. In T. Rowe Price's enquiries into the subsidiary, Brookfield confirmed it supplies fuel for nuclear power plants, but denied producing equipment used or customised for the express purpose of making tritium. It is estimated this componentry is less than 0.1% of the company's revenue. In further detail, ISS claims that componentry is first used by a state-owned electricity plant before the waste is sent to a government facility and used to keep US nuclear weapons operational which Brookfield denies knowledge of. An engagement is scheduled subsequent to this report being published to understand the supply chain.</p>

CARBON FOOTPRINT AND OFFSETTING

Measuring equity vs fixed income carbon emissions

We first reported carbon emissions for our fixed income portfolio in 2023 noting that, due to the convention of ascribing emissions to the equity owners, we would only report the weighted average carbon intensity (WACI) of the fixed income portfolio (see [Navigator](#) article about WACI and fixed income). In 2024, we are expanding our approach to include an Enterprise Value Including Cash (EVIC) based measure of financed carbon emissions that includes fixed interest securities.

Financed Carbon Emissions
tons CO₂e/NZD M invested

Allocated emissions to all financiers (EVIC) normalised by \$m invested. Measures the carbon emissions, for which an investor is responsible, per NZD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalisation).

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{current portfolio value (\$M)}}$$

The availability of data for our listed equity benchmark means calculation of these carbon metrics is relatively simple. However, when it comes to fixed income, over 60% of the relevant benchmark is government-related securities. Given that these entities do not actively report on emissions data (as detailed in our [Navigator](#)), we feel it is not appropriate to calculate a level for the remaining securities in the benchmark and gross this number up, as it is simply not representative of the universe. This rationale applies to the overall impact scoring as well. Therefore, we have elected to show all of our scoring against our equity benchmark.

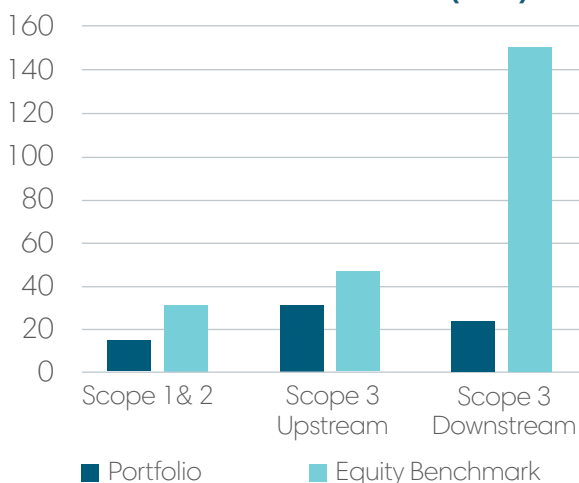
Measurement

Previously Harbour used third-party data from ISS to measure carbon emissions related data for portfolios. During the Climate Related Disclosures reporting process, Harbour conducted a review of data providers and selected MSCI to provide climate-related data after concluding it would best be able to assist in providing useful climate data and analytics to both enhance our investment process and help meet regulatory requirements.

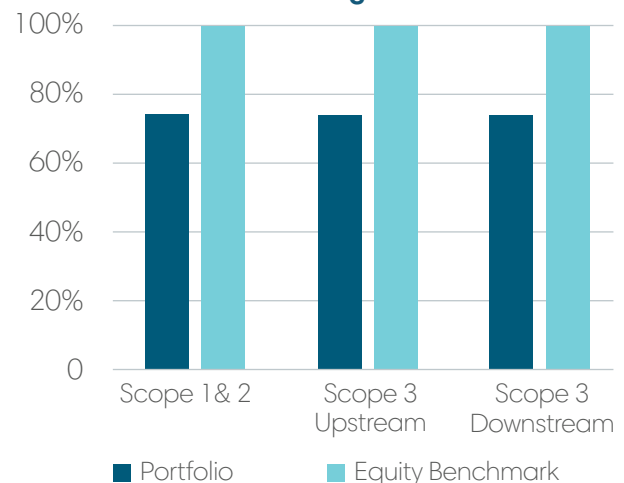
In displaying carbon footprint alongside the Fund's equity benchmark, we exclude the small allocation to venture capital owing to data availability. As data availability improves, we hope to also measure private company emissions.

As discussed in the [Navigator](#) mentioned earlier in this section, the New Zealand Government (and related entities) is one of the non-reporting issuers in the portfolio when it comes to carbon data. The vast majority of the uncovered portion of the portfolio is securities issued by the New Zealand Government (and related entities).

Financed Carbon Emissions (NZD)



MSCI Coverage Ratios



Harbour offsets the Fund's owned emissions each year – a description of this process and the projects used to access credits are laid out later in this report.

TEMPERATURE SCORE AND SCIENCE BASED TARGETS INITIATIVE (SBTi)

Temperature Score

The Fund experienced an uptick in the temperature score from 1.5° to 1.9°. This move was due to a change in data provider from ISS to MSCI. It can be explained by a difference in methodology and assumptions used to model various companies' temperature scores. Overall, the portfolio remains 'Paris-aligned' with the temperature score coming in below 2°C. 54% of companies within the portfolio align with the goal of limiting temperature increase to below 2°C, compared to 44% for the equity benchmark.

The temperature score examines how the issuer's and portfolio's emissions over- or undershoot the Sustainable Development Scenario (SDS)¹ by year 2050. The score includes the relationship between increase in emissions vs increase in temperature for the scenarios available in the IEA World Energy Report (WEO)². SDS is a Paris-aligned scenario, and the trajectory is well within the envelope of 1.5°C scenarios used in the IPCC SR 1.5 report³. An issuer or portfolio that is aligned with the SDS in year 2050 is also expected to have a temperature score of 1.5°C.



For the month ending 30 June 2024, the temperature score of the Fund¹ was 1.9°C, whilst the Fund's equity benchmark had a score of 2.7°C.

Science Based Targets initiative (SBTi)⁴

The SBTi is an NGO founded in partnership with the United Nations Global Compact, World Resources Institute, CDP and WWF. It provides technical assistance and certification to companies who set science-based targets in line with the latest climate science. We are supportive of the SBTi's work to provide integrity to assessing companies' climate ambitions.

Currently 95 issuers of the 124 in our portfolio of listed equities and bonds, have committed to a published climate goal, with 75 of these having targets approved by SBTi. To demonstrate the progress made year-on-year we have created the illustration on the next page.

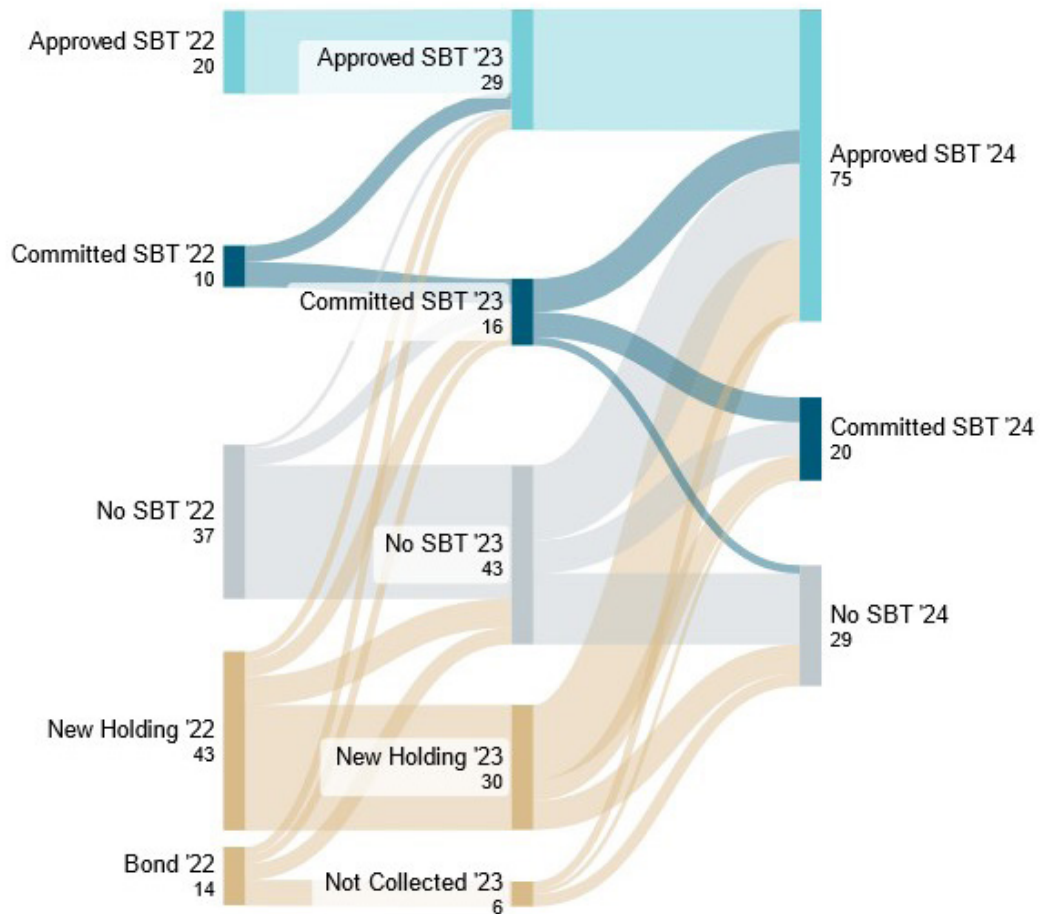
1 <https://www.iea.org/reports/world-energy-model/sustainable-development-scenario-sds>

2 <https://www.iea.org/reports/world-energy-model/understanding-weo-scenarios>

3 <https://www.ipcc.ch/sr15/>

4 <https://sciencebasedtargets.org/>

Investee companies with Science Based Targets: 2024 vs 2023 vs 2022



Pleasingly, the general trend within our holdings tends to be of an upwards trajectory, with a total of 34 issuers ‘upgrading’ from their 2023 outcome (including 18 issuers that had no target in 2023 and now have ‘Approved’ targets).

Since the SBTi was launched in 2015, the uptake has grown exponentially. In 2023, there was another 102% increase in the number of companies with science-based targets – taking the total to 4,205. Currently these companies comprise 39% of the global equity market capitalisation (as measured by the Forbes 2000).

Despite this significant take-up on a global scale, there are still regional differences. For instance, Oceania has only 2% of listed companies with approved targets or commitments. In contrast, Europe (the best-performing region) has 53% of listed companies⁵.

Putting our portfolio into context, 95 companies from our portfolio have approved targets or are committed to science-based targets, representing 76% of the total number of companies, while globally this number is 26% (as measured by the Forbes 2000 list of the 2000 largest public companies in the world).

5 <https://sciencebasedtargets.org/resources/files/SBTiMonitoringReport2023.pdf>



NET-ZERO CASE STUDY⁶ – ASTRAZENECA

(Listed equity holding held by both external managers T. Rowe Price and Mirova)

A leading global biopharmaceutical business with a revenue of over \$37.4bn in 2021, AstraZeneca was one of the first of seven companies to receive validated net-zero targets from the SBTi. AstraZeneca's scope 3 footprint is 20 times greater than scope 1 and 2 combined, so it is working closely with its supply chain partners and peers, with the goal to increase the share of spend with companies with verified science-based targets.

What is AstraZeneca's supplier engagement target?

As part of its full suite of science-based targets, *'AstraZeneca commits that 95% of its suppliers by spend, covering purchased goods and services and capital goods, and 50% of its suppliers by spend covering upstream transportation and distribution and business travel, will set science-based targets by FY2025, and to reduce absolute scope 3 GHG emissions 50% by FY2030 from a FY2019 base year.'*

To achieve its targets, AstraZeneca has developed a supplier engagement programme and believes in communicating clear expectations to suppliers. The company has worked with other pharmaceutical companies to accelerate decarbonisation for their shared supply chains by standardising

messaging and simplifying the target-setting process. AstraZeneca's engagement programme can serve as a useful example to other international businesses.

How does AstraZeneca enable and track supplier performance?

Besides its annual conferences, AstraZeneca hosts internal webinars and training to bring procurement teams up to speed to support its suppliers through direct engagement.

AstraZeneca enables and tracks supplier performance in multiple ways. Firstly, by using public reporting tools such as EcoVadis and CDP's global disclosure system. Furthermore, AstraZeneca and other companies involved in the Pharmaceutical Supply Chain Initiative, an initiative of major pharmaceutical industry brands, collaborate to ensure consistent messaging around sustainability through a capability building programme, aiming to build supplier knowledge and expertise to make the target-setting process clearer for their shared suppliers.

AstraZeneca's commitment to sustainability is a powerful incentive for suppliers to set science-based targets. Having an ambition to set science-based targets is a minimum requirement for working with them.

⁶ Supplier Engagement Case Study - AstraZeneca - Science Based Targets Initiative

GENDER DIVERSITY

One of the Fund's stated targets is for portfolio holdings to be consistent with the 40:40:20 principle of management gender equality.

To that end, we show the breakdown of our portfolio holdings meeting the criteria across various levels of seniority. It is notable that within this sphere, data reporting is limited, and we see from 124 issuers the small number of issuers that are reporting metrics across various levels, with Board level being the most widely reported (due to data being more obviously publicly available).

We see below that the portfolio compares relatively well to the benchmark when looking across Board level. When looking at other management levels, the data availability becomes much sparser, and the performance is at a more comparable level to the benchmark. Looking at the overall employee base, we again see more data availability, and a marginal outperformance of benchmark.

		Board Level	Management	Middle-Management	Total Employees
Fund	Total Issuers Reporting	122	64	52	102
	Issuers meeting 40:40:20	46	12	14	45
	Proportion of reporting issuers	38%	19%	27%	44%
Benchmark	Total Issuers Reporting	2435	1239	988	2150
	Issuers meeting 40:40:20	500	234	324	923
	Proportion of reporting issuers	21%	19%	33%	43%

This is the first year we have reported such a metric, and, whilst performance against it could be described as underwhelming, we hope that data availability improves over coming years as companies become more transparent in both their reporting, and their initiatives towards achieving diversity metrics. Having more data can help drive our engagement priorities.

PORTFOLIO HIGHLIGHTS

ENVIRONMENTAL

Climate Change Mitigation



Air Liquide
Atlassian
Auckland Council Bonds
Basis
Brighte Asset Backed Security
Brookfield Renewable Partners
Calix
Cetogenix
Contact Energy
DocuSign
Hubbell
Humm Asset Backed Security
Iberdrola
Ingersoll Rand
International Finance Corporation Bond
Linde
Manawa Energy Bonds
Mercedes-Benz Group
Mercury NZ Bonds
Meridian Energy
Monolithic Power Systems
New Zealand Government Bond

NextEra Energy Partners
Nibe Industrier
OpenStar
Orsted
PG&E
Powerco Bonds
Red Phase
Rockwool
Schneider Electric
SeaChange
SolarEdge Technologies
Spark Sustainability-linked Bond
Sunrun
Syrah Resources
Tesla
Trane Technologies
Transpower Bonds
Trimble
UBCO
Vestas Wind Systems
Waste Connections
Woolworths Sustainability-linked Bonds

Atlassian Corp PLC
Auckland Council Bonds
Brookfield Renewable Partners
Calix Ltd
Chart Industries Inc
Contact Energy Ltd
Fortinet Inc
Hubbell Inc
Humm Bonds
Iberdrola SA
IFC Bonds
Linde PLC
Manawa Energy Bonds
Mercury Energy Bonds
Mercury Nz Ltd
Meridian Energy Ltd
NextEra Energy Inc
Nibe Industrier AB
Orsted AS
Osho
ROCKWOOL A/S

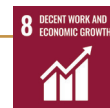
Salesforce Inc
Schneider Electric SE
SeaChange
ServiceNow Inc
Shoals Technologies Group Inc
Sika AG
SolarEdge Technologies Inc
Spark Bonds
Sunrun
Syrah Resources Ltd
Tesla Inc
Trane Technologies PLC
UBCO
Vestas Wind Systems A/S
Waste Connections Inc
Woolworths Sustainability-Linked Bonds
Zoom Video Communications Inc
American Water Works Co Inc
Ball Corp
CarbonCrop

Resource Sustainability

AGCO
Ashtead Group
Avertana
Badger Meter
Darling Ingredients
Hot Lime Labs
IDEX
Keyence
Mint Innovation
NewFish
Nilo
TOMRA Systems
Trex Co
Unilever
Zincovory

SOCIAL

Wellness



Agilent Technologies
Asian Development Bank Health Bonds
AstraZeneca
Becton Dickinson & Co
CSL
Daiichi Sankyo Co
Danaher
DSM-Firmenich
Edwards Lifesciences
Eli Lilly & Co
EssilorLuxottica
Evotec
Hamamatsu Photonics
HeartLab
Intuitive Surgical

Kerry Group
Metlifecare Bonds
Novo Nordisk
Sartorius
Stryker
Symrise
Takeda Pharmaceutical Co
Terumo
Thermo Fisher Scientific
Toku Eyes
UnitedHealth Group
Veeva Systems
Volpara Health Technologies
Zoetis

AIA Group
APM Human Services International
Asian Development Bank Gender Bonds
Bright Horizons Family Solutions
Credit Agricole
Estepe Lauder Cos
Housing NZ Bonds
IDP Education
International Bank for Reconstruction and Development Bonds
Legal & General Group
NWB Bonds
Visa

Adobe
Adyen
Aptiv
ASML Holding
Axis Bank
Bank Central Asia Tbk
BDO Unibank
Capitec Bank Holdings
Chailease Holding Co
eBay
Ebos Group
Fortinet
Goodman Property Green Bonds
HDFC Bank
HDFC Life Insurance Co
HubSpot
Intuit
Kanzhun

KBC Group
Macquarie Group
Mastercard
Microsoft
MSA Safety
NU Holdings
NVIDIA
OneMain Holdings
Pacific Edge
Precinct Property Bonds
Roper Technologies
SAP
Sekisui House
Shopify
Synopsis
Taiwan Semiconductor Manufacturing Co
uTecture
Verizon Communications





Te Huka 3 (opened late 2024) steam blow. Source: Contact Energy

Contact Energy capturing geothermal CO₂

ENVIRONMENTAL
Climate Change
Mitigation

Contact Energy is one of the ‘big four’ electricity generators in New Zealand. Historically, Contact had a meaningful portion of its generation capacity coming from thermal (fossil) fuels, providing important base load and peak-demand generation for the national grid.

Over time, Contact has invested significantly in renewable generation to phase out thermal assets. The renewable portfolio is heavily skewed to hydro and geothermal, but work is underway into solar and wind generation developments as well. The acceleration of renewable capacity installations has allowed Contact to decommission thermal (fossil fuelled) capacity – often ahead of market expectations.

Geothermal generation is a key energy source to allow New Zealand to decarbonise. Although emissions from geothermal are small relative to coal or gas, it does have some carbon emissions as geothermal gasses are released into the atmosphere.

At Contact Energy’s Te Huka geothermal plants (including the older Te Huka 1 and 2 plants, and the brand-new Te Huka 3), there are capture and storage solutions installed (retrofitted at Te Huka 1 and 2 whilst original on Te Huka 3), where over 90% of emissions that would historically be released into the atmosphere are captured and reinjected into underground geological structures.

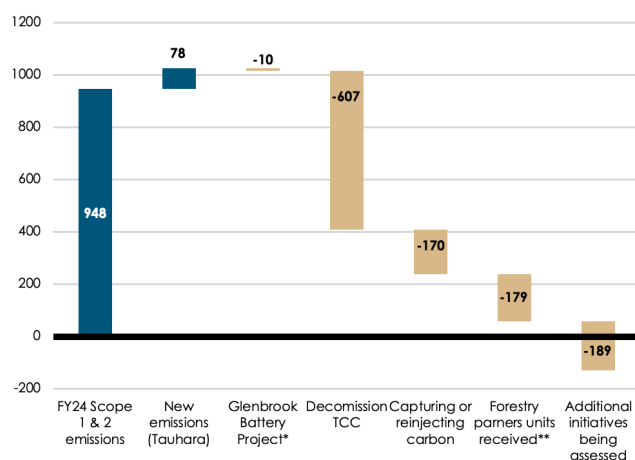
Contact Energy is in the process of assessing the suitability of carbon capture and storage (CCS) and carbon capture and usage (CCU) at its other geothermal plants, with potential for retrofitting of carbon capture technologies if suitable for the specific sites.

Interestingly, after the Marsden Point oil refinery was permanently closed, New Zealand experienced a shortage of food-safe CO₂ (principally used in beer, soft drinks and other carbonated beverages). This CO₂ is currently



imported from offshore, adding carbon emissions along the supply chain. Contact has developed a way to capture carbon from its Ohaaki geothermal plant in Taupo that can be converted to food-grade quality. This could potentially be another use-case for up to 65,000 tonnes of CO₂ each year, bringing home-grown sparkles to the local food industry.

Contact Energy pathway to net zero Scope 1 and 2 emissions by 2035



Note that the FY24 emissions used above are the actual Scope 1 and 2 emissions during the fiscal year. Going forward, these will vary depending on hydro sequencing and new technologies, which again drive the need for the gas peaker turbines. *The battery estimate is primarily driven by an assumption of the extent of which the battery replaces the need for gas peaker generation (150 hours base case). **Includes expected units from Drylandcarbon One Ltd Partnership and Forest Partners Ltd Partnership. This may fluctuate based on climate conditions and/or regulatory updates. This chart does not include any impact from the proposed acquisition of Manawa Energy.



Calix Global

New partnerships driving the project pipeline expansion to decarbonise major industries.

ENVIRONMENTAL
Climate Change
Mitigation

There are a small number of competing technologies in the race to decarbonise the steel industry, and a similar small group of technologies targeting to decarbonise cement manufacturing – between them, they are the two most CO₂-intensive industries, responsible for 15-17% of man-made greenhouse gas emissions. There is, however, only one company that we are aware of that could have a leading role in decarbonising both cement and steel manufacturing – Calix Global.

Spotlight: The Calix Kiln

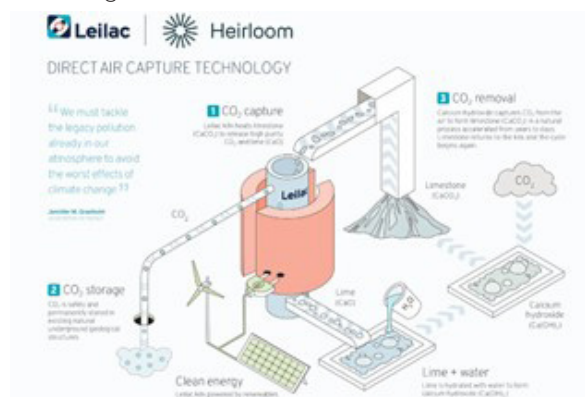
- Fuel agnostic and can run on renewable energy only, while conventional kilns rely on combustion fuels.
- Captures any greenhouse gases that are produced from chemical reactions when materials are heated up and mixed inside the kiln (avoiding the unavoidable release of CO₂e in a traditional kiln).

Calix's technology is unique in that it is transferrable across multiple industries and is already a leader in wastewater treatment. In 2025 the company is on target to commission its first lithium spodumene processing plant with JV partner Pilbara Minerals, marking a major milestone and starting a new revenue stream for the company.

According to the life cycle assessment of the sustainable lithium project, using the Calix kiln technology fuelled by 100% renewable electricity, the carbon-intense lithium calcination process could see its carbon emissions reduced by 90% vs. using a conventional coal-fired process.

Calix reached several important milestones during the last financial year, including the inking of a global licence agreement with U.S.-based Heirloom for direct air capture (DAC), targeting first licensing revenues in late 2026. Heirloom has indicated that two DAC plants will be commissioned in the next three years, between them

capturing and storing >300,000 tonnes per annum. DAC is a technology to capture and store excess carbon that is already in our atmosphere, potentially reversing global warming if done on a grand scale.



Depiction of an Heirloom and Calix direct air capture plant using carbon free lime to capture atmospheric carbon in a matter of days.

The planned Leilac-2 pilot cement plant saw a setback in 2023 when the JV partner decided to decommission the original plant site. However, it didn't take long for a new site to be announced and work is now underway to commence construction in 2025 with commissioning in 2026.

We are also encouraged by the Leilac JV running a parallel workstream for construction of Leilac-3 (full commercial scale plant and the final step in the sequence of proving the Leilac technology) to commence subject to a successful Leilac-2 plant. Each Leilac-3 plant will be designed to capture between 500,000 tonnes and 1 million tonnes of CO₂e per year. As a point of reference, Fletcher Building's Scope 1 and 2 emissions in FY24 were 969,000 tonnes, indicating that each Leilac plant can capture as much carbon as that emitted by one of New Zealand's largest industrial companies.

Several other initiatives are underway and 2025 is shaping up as another year of new partnerships and projects being initiated between Calix and industrial partners.



Mueller Water

ENVIRONMENTAL
Natural Capital

Pressure Points: Global water use has increased by approximately 1% every year since the 1980s, primarily due to rising industrial and domestic demand, creating global pressure on supplies.¹ Approximately 16% of all treated water in the U.S. is lost through leaks and other system inefficiencies, equating to 6.4 billion cubic meters of wasted drinking water. This costs the nation approximately USD 2.6 billion annually.²

Impact Thesis: Mueller Water Products helps municipalities deliver clean, safe drinking water and manufactures fire hydrants to improve the safety of properties and life. We attribute approximately 90% sustainable revenue alignment to water infrastructure and flow control products for use in water distribution networks, water and wastewater treatment facilities, and fire protection piping systems. We exclude exposure to natural gas utilities, which accounts for roughly 10% of company revenues.³

KPI: Water saved from use of products

Five Dimensions of Impact:

What: Improve the conservation of clean, safe drinking water through treatment, distribution, and leak detection solutions.

Who: Planet

How much: Mueller's EchoShore® leak detection product saved approximately 4.9 million cubic meters of water.

Contribution: Mueller's EchoShore® product has saved 10.6 million cubic meters of water for customers since 2020 with a target of 29.1 million cubic meters by 2027.⁴

Risks: Potential product issues and system outages can lead to product quality and safety issues.

Progress Monitoring: The firm is progressing toward its goal to save 29.1 million cubic meters of water by 2027 and impact disclosure has improved, which we welcome. We would like to see additional disclosures and detail related to how the company is achieving its progress. We are keen to see how the company might benefit from the U.S. Infrastructure Investment and Jobs Act, signed into law in 2021.

Impact Journey

Input USD 55 million of investment in 2022 including acquisitions and capital expenditures³

Output Broad range of products and services that increase access to clean and safe drinking water and minimize water loss

Outcome Replacement of aging, and build-out of new, water infrastructure supports resilience to climate change events such as high-volume rainfall or drought

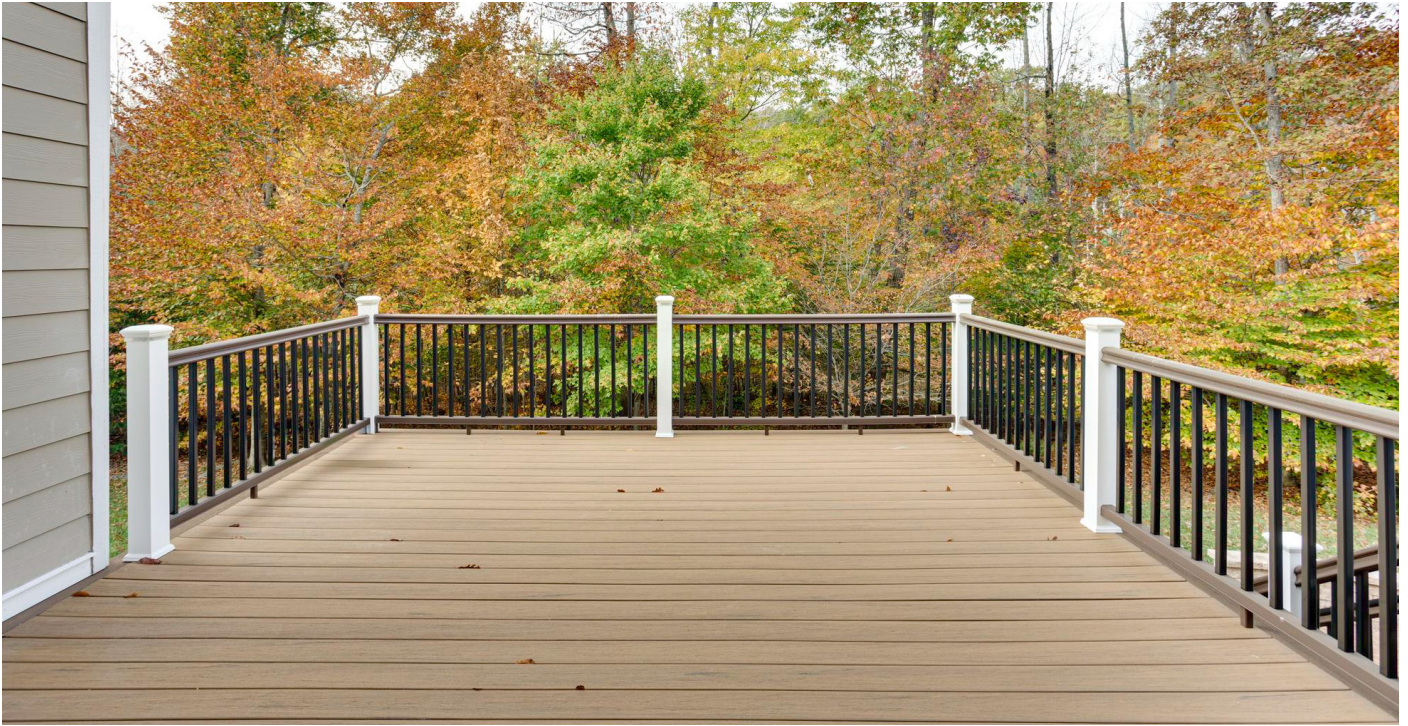
Impact 4.9 million cubic meters of water saved through use of Mueller's EchoShore® leak detection product⁴

1 United Nations World Water Development Report 2023

2 United States Geological Service

3 Mueller 2022 annual report

4 Mueller Water 2022 ESG Report



Trex

ENVIRONMENTAL
Resource
Sustainability

T. Rowe Price Example¹:

Nurturing Circular Economies: Trex

Pressure Points: Plastic pollution is one of the most pressing environmental issues our planet faces. Over the past twenty years, annual plastic production and plastic waste generation have more than doubled. In 2019, only 9% of plastic waste was ultimately recycled, while 19% was incinerated and almost 50% went to sanitary landfills. The remaining 22% was disposed of in uncontrolled dumpsites. The carbon footprint of the plastics lifecycle is significant, contributing 3.4% of global greenhouse gas emissions throughout the lifecycle, coming primarily from their production and conversion from fossil fuels.² Innovation in waste prevention and recycling, leading to more affordable solutions from the private sector, in tandem with more ambitious public policies, are paramount to reducing the environmental impact of plastics.

Impact Thesis: Trex is a manufacturer of wood-alternative composite decking products. Trex’s manufacturing approach uses recycled materials as a feedstock to the extent possible. Recycled plastic film and reclaimed wood fibre make up 95% of its residential decking products.

Key Performance Indicator (KPI): Amount of recycled plastic and wood used/ diverted from landfill (lbs millions).

Five Dimensions of Impact :

What: Reducing plastic waste otherwise sent to landfill or oceans by recycling it as a feedstock, while contributing to forest preservation by using reclaimed wood fibre by-products (as opposed to cutting trees).

Who: Planet

How much: Largest manufacturer of composite decking globally with growth in capacity of 70% between 2019 and 2021.

Contribution: Trex has completed a USD\$200m expansion plan while investing in material science and product development to be able utilise “cruder” and more contaminated feedstock. This will enable additional waste reduction.

Risks: Trex’s impact potential is tied to demand volumes and therefore linked to macroeconomic growth, as well as adoption of its specific composite products, which is inherently dependent on quality and affordability versus competitors.

Impact Journey

Input USD \$881m Total Revenue

Output Composite decking and railing products (largest global manufacturer)

Outcome R362m lbs of plastic recycled, 547m lbs of wood recycled in 2020³

Impact 476,736 MT CO₂ mitigated, reduced deforestation and landfill³

1 © 2022 T. Rowe Price. All Rights Reserved. Used with permission.
2 Source: OECD (2022), Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options.
3 Source: Trex 2020 annual report, 2020 ESG report. Potential impact estimated by Netpurpose.



Zincovery

ENVIRONMENTAL
Resource
Sustainability

The Technology: Zincovery is a cleantech company that has developed a novel, low-energy process for recycling zinc from electric arc furnace dust (EAFD). This unique solution addresses the high energy costs and significant emissions associated with traditional zinc recycling methods. Zincovery's technology allows for the production of fully recycled, high-purity zinc while drastically reducing both production costs and carbon emissions compared to conventional methods like the Waelz kiln.

The Potential for Impact **Environmental Impact:**

Zincovery's process has significant environmental benefits, primarily through the decarbonisation of zinc recycling. The incumbent Waelz kiln method produces 6.5 tons of CO₂ per ton of zinc, whereas Zincovery's process reduces emissions by up to 95%, generating only 0.3 tons of CO₂ per ton of zinc when powered by renewable energy. This makes the company a key player in the effort to reduce greenhouse gas emissions within heavy industries like steel manufacturing, aligning with SDG 13 (Climate Action).

Furthermore, Zincovery's technology supports the circular economy by enabling the recycling of zinc-rich waste that would otherwise end up in landfills or be exported at a high environmental cost. The company's process is applicable to the vast amounts of zinc contained in EAFD, a hazardous byproduct of steel recycling. By recovering this zinc, Zincovery minimises waste and reduces the need for zinc mining, further decreasing environmental degradation. This contributes to SDG 12 (Responsible Consumption and Production).

Social Impact: Zincovery's innovation promotes sustainable industrial practices by reducing hazardous waste and enabling local recycling solutions, which enhances the sustainability of the steel production supply chain. This benefits steel producers by reducing their environmental footprint and promoting cleaner production methods. In turn, Zincovery's technology has the potential to create new jobs in the growing green technology sector, fostering inclusive economic growth (SDG 8 - Decent Work and Economic Growth).

Pilot Plant Milestones:

- Successfully recovered 200kg of high-purity zinc
- Processed industrial zinc dust from 9 different sources
- Achieved over 90% zinc recovery rate



GLP-1

SOCIAL
Wellness

The Problem: The World Health Organisation estimates 422 million people worldwide struggle with Type 2 diabetes which links to 1.5 million deaths each year. Obesity and other metabolic risk factors are the dominant drivers of disease globally, costing the global economy c.2.5% of global GDP according to the World Obesity Foundation.

According to Novo Nordisk 40% of US adults have obesity and, of the global population living with obesity, only 2% are medically treated today.

The Impact Opportunity: Recent advances in GLP-1 drugs, as a type of anti-obesity medication, represent a watershed development in the health care sector given their efficacy in treating both diabetes and obesity. Evidence is emerging that they offer benefits beyond treating obesity and diabetes.

While GLP-1 drugs date back to 2005 as targeted treatments for Type 2 diabetes, interest in GLP-1 has skyrocketed having shown clear efficacy in weight management and FDA approval for obesity. The strong preliminary evidence of cardiovascular benefits (including a ~20% reduction in heart attack and stroke) and other possible use cases has further boosted perceptions of the enormous addressable market opportunity¹.

The increasing use of GLP-1s should also benefit other industries such as medical technology, as more people can become eligible for surgical procedures.

Portfolio companies benefitting from this theme:

Eli Lilly & Co is a pharmaceutical company with one of the most comprehensive diabetes portfolios. The impact thesis hinges on the company's ability to further grow its impact in diabetes and to address obesity with a new class of GLP-1 drugs.

Novo Nordisk is also a pharmaceutical company, uniquely positioned to deal with the unmet medical needs of chronic diseases and health issues such as diabetes and obesity. Between Eli Lilly & Novo Nordisk, the two companies currently comprise almost 100% of GLP-1 market share.

Thermo Fisher Scientific is an enabler to the R&D efforts of Eli Lilly & Co and Novo Nordisk. The company provides both products and outsourcing services that span the entire spectrum of drug development and manufacturing.

Intuitive Surgical is the global leader in robotic-assisted, minimally invasive surgery, and should benefit from the potential impact of more people becoming eligible for surgical procedures.

¹ Company announcement, Novo Nordisk



Scentian Bio

SOCIAL
Wellness

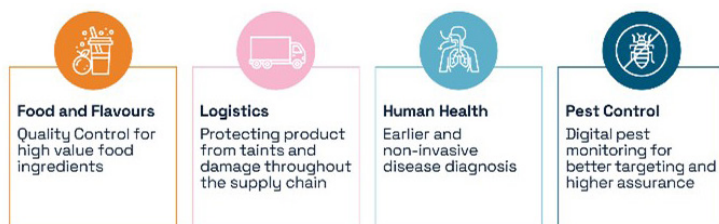
The Technology: Scentian Bio is developing a biosensor technology based on insect odorant receptors (iORs) for the detection of Volatile Organic Compound (VOC) signatures in both liquid and gas samples. In simple terms, Scentian Bio is creating advanced sensors that mimic nature, specifically an insects' powerful sense of smell, to solve real world problems. The Scentian device may be used for diverse applications to obtain VOC prints from both liquid and gas samples including:

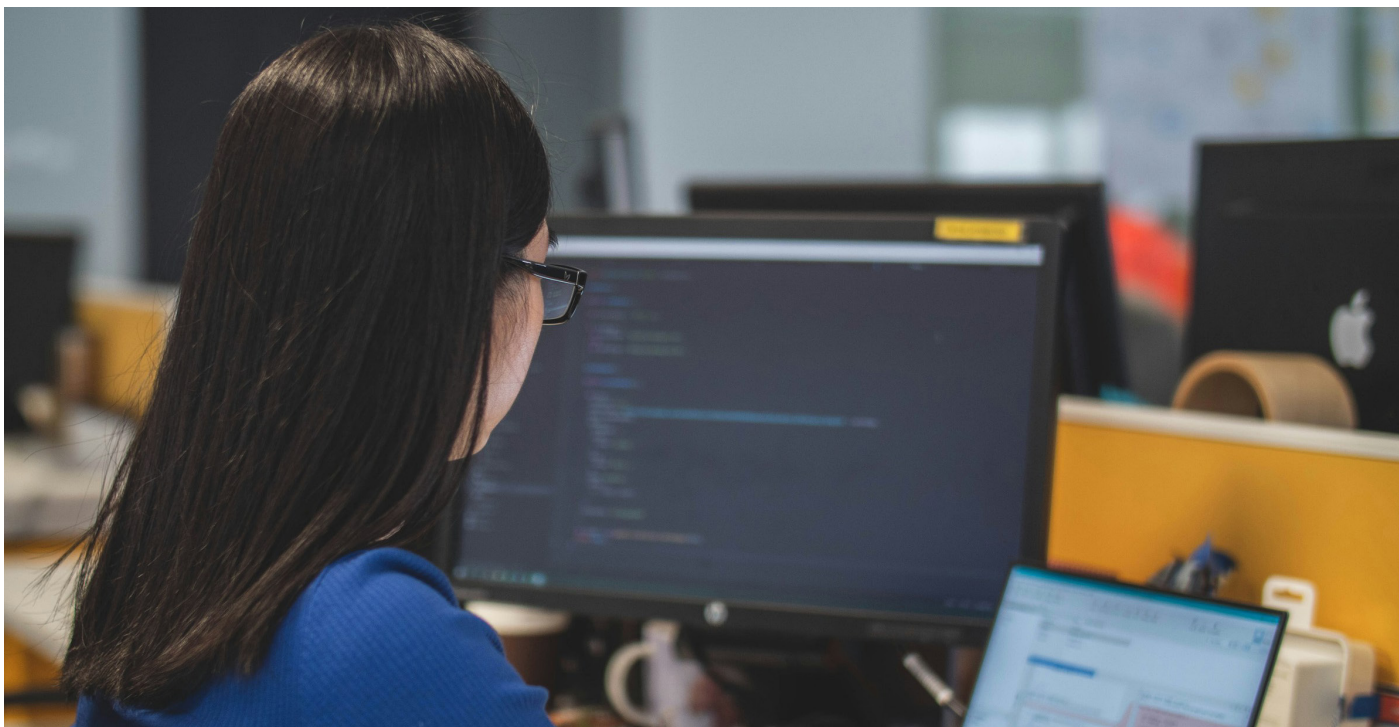
- medical diagnostics (breath, urine, blood, saliva)
- flavour & fragrance - quality control and new product development
- food & beverage - quality control and new product development, food safety
- air and water quality - environmental monitoring of hazardous VOCs, and
- crop protection - detection of pathogens and pest incursions in the field.

The Potential for Impact

Social Impact: The ability to diagnose diseases through urine or breath analysis using VOC detection offers a low-cost, accessible diagnostic tool for underserved populations, particularly in developing countries. With support from the Bill & Melinda Gates Foundation, Scentian Bio is advancing diagnostic tools to detect diseases like tuberculosis (TB), a leading cause of death worldwide, which predominantly affects lower-income populations. This innovation promotes SDG 3 (Good Health and Well-being) by enabling early detection and hence treatment of diseases such as TB, and potentially cancer and Parkinson's.

Environmental Impact: By leveraging VOC detection, Scentian's biosensors can monitor hazardous compounds in the environment more efficiently than traditional methods. For example, in agriculture, the technology may detect pest incursions and pathogens early, allowing for more precise pesticide application. This promotes sustainability by reducing unnecessary chemical use, thus minimising environmental degradation (SDG 13 - Climate Action). Additionally, the potential to monitor food quality more effectively reduces food waste, supporting SDG 2 (Zero Hunger).





ADB Gender Bonds

SOCIAL
Social Inclusion

Harbour Example: Supporting gender equality: Asian Development Bank

Description: ADB is a Philippines-headquartered regional development bank. The US and Japan are the largest shareholders at 15.5% each while China has subscribed for 6.4%. It is modelled on the World Bank and aims to improve economic and social outcomes in Asia. ADB issues 'themed' bonds aligned with SDGs across health, gender and education (the Fund holds both health and gender bonds).

Impact thesis: Proceeds of ADB's gender equality bonds are used to fund projects which support the following:

- **Women's economic empowerment.** Access to finance and/or credit, micro, small, and medium-sized enterprise development, agriculture development, value chain support, financial literacy, and entrepreneurship training.
- **Gender equality in human development.** Education, skills development, and technical and vocational education and training, including 'non-traditional' female subjects and/or job sectors such as science and mathematics, engineering, technology, sexual and reproductive health and rights, sanitation, and prevention of gender-based violence.
- **Reduced time poverty of women.** Reduced drudgery and time spent on unpaid care and domestic work through infrastructure (transport, water, sanitation, energy) or affordable child, elderly, or family care support.
- **Participation in decision-making and leadership.** Through community groups, local governments, and public and private sector management.

- **Women's resilience against risks and shocks including climate change and disaster impacts.** Environmental protection and/or rehabilitation, flood and disaster risk management, budget support, and social protection.

These outcomes are targeted either as part of the overall outcome of the project (a 'gender equity theme' project) or by incorporating them into specific project components (a 'effective gender mainstreaming' project):

Impact measurement: ADB provides transparency on all of the underlying projects but is yet to provide an impact report with aggregate impact measures.

Example Project: Women Inclusive Finance Sector Development Programme, Pakistan.

The ADB contributed a \$150m loan and a \$5.5m grant to help reverse a deteriorating gender finance gap for micro, small, and medium-sized enterprises (MSMEs). The lending is conditional on gender-related policy reforms to address key obstacles for women to access finance in Pakistan, a country with one of the lowest rates of entrepreneurship and financial inclusion among women. The gender-related policy reforms are matched by interventions that address challenges in the finance sector including enhance the supply of finance to women's micro, small, and medium-sized enterprises and increase women's representation in the finance sector.



Emerge Aotearoa Social Housing Bonds

SOCIAL
Social Inclusion

Housing crisis: There is a large population of New Zealanders who are not being served by the housing market or the state. As at June 2024 there are 22,923 applicants on the Housing Register who are assessed as eligible for public housing but there is not a suitable property to match them with. Further, over 90% of the applicants are deemed Priority A: applicants who are considered at risk and includes households with a severe and persistent housing need that must be addressed immediately.

Community Housing Providers (CHPs): Kāinga Ora and local authorities (councils) provide social housing. The current government is disillusioned with Kāinga Ora's progress and sees competition as an avenue to drive Kāinga Ora's performance. It therefore encourages the not-for-profit sector to also find solutions.

CHPs are not-for-profit groups that provide housing through a range of affordable rental and home ownership options. CHPs are registered and monitored by the Government, through the Community Housing Regulatory Authority.

Social Housing Bonds: The CHP sector has amassed portfolios of social housing over time via bequests and commercial activities with limited borrowing.

Tenants typically pay 25% of their net income in rent to the CHP (supporting an affordable rent for the tenant) with a long-term government contractual agreement topping up rent to a market level. This long-term government income stream, combined with low levels of starting debt, mean the CHP sector is well-positioned to borrow against its asset

base and deliver new units to reduce pressure on the Housing Register.

Emerge Aotearoa: The Fund has lent to Emerge Aotearoa Housing Trust, a subsidiary of Emerge Aotearoa Trust (EAT).

Emerge Aotearoa Trust (EAT) is one of the largest charities in the country, with around 1300 staff. EAHT is one of only two CHPs in the country that operates nationwide, the other being the Salvation Army.

EAHT's long-term social and affordable housing in 2023 housed 3,319 people across Auckland, Masterton, Wellington and Christchurch. Additionally, EAHT provided emergency housing to 1,588 people in 2023.

EAHT is currently developing over 100 further homes. These will be built in areas of high social housing need.

New Housing Funded: The lending provided by the Harbour Impact Fund was applied to the build 21 new homes in Manurewa as pictured above.



MSA Safety

ENVIRONMENTAL
Thriving Communities
& Infrastructure

Pressure Points: Approximately 2 million people die each year because of occupational accidents or work-related diseases globally, with around 360 million work-related injuries.¹ The economic burden of poor occupational safety and health practices is estimated to cost around 4% of global gross domestic product each year.¹ Providing a safe working environment has positive implications for employee safety and improved mental and physical health. This can feed through into better organizational performance due to higher employee satisfaction and a safer work environment.

Impact Thesis: MSA Safety is a leading global manufacturer of safety equipment committed to developing, manufacturing, and supplying safety products. Core products include self-contained breathing apparatus, fixed gas and flame detection systems, portable gas detection instruments, fire and rescue helmets, and fall-protection devices. MSA Safety is a pure play safety impact company whose products help to save lives.

KPI: Workers protected by fall protection systems and industrial helmets

Five Dimensions of Impact:

What: Improve on-the-job safety and protect workers from life- and health-threatening incidents.

Who: Workers in hazardous and life-threatening industries.

How much: MSA's fall protection systems and industrial helmets protected 2.3 million workers in 2022 (1.9 million in 2021).³

Contribution: MSA supplies safety equipment to numerous industries, including fire service, construction, and utilities. In 2022 the company introduced its Bacharach system, which provides remote and data-driven gas detection monitoring.²

Risks: Product reliability poses a significant risk and could impair the company's ability to deliver on its goal of worker protection.

Progress Monitoring: Additional academic research is needed to quantify the impact of firefighting, protective apparel (around 38% of MSA safety's revenue), and gas detection equipment more accurately. We also would like to see amplified disclosures to help quantify the number of incidents avoided and/or lives extended by use of its products.

Impact Journey

Input USD 43 million in investments in design, development, and manufacturing of safety equipment²

Output Manufacture and distribution of safety equipment, including early warning incident detection systems

Outcome 2.3 million workers protected by fall protection systems and industrial helmets³

Impact Improved workplace safety from reduced on-the-job incidents, injuries, and fatalities

1 International Labor Organization
2 Source: 2022 annual report
3 Net Purpose estimates



HARBOUR'S APPROACH TO IMPACT INVESTING

Team

The Fund harnesses the skills of Harbour's entire team. Chris Di Leva and Simon Pannett lead the Fund's Portfolio Management team and take responsibility for the investment and impact outcomes. They are joined by investment analysts from across Harbour, especially Øyvinn Rimer, Lewis Fowler and Jorge Waayman.

Chris Di Leva: Chris is the ultimate decision-maker regarding the asset class composition of the Fund, including currency positions. Chris leads Harbour's multi asset business. Chris has contributed to the Special Olympics for more than a decade, including as the athletics team's head coach at national and international tournaments.

Simon Pannett: Simon manages the fixed interest sleeve within the Fund. Simon has been at Harbour for 11 years and is the Senior Credit Analyst within Harbour's fixed income team. Simon founded Harbour's internal sustainability committee, the Harbour Footprint Committee. In his spare time, Simon and his wife focus on sourcing their food in an ethical and environmentally friendly manner. This involves everything from shopping local to fishing and hunting their own meat.

Øyvinn Rimer: Øyvinn manages the equity sleeve within the Fund. Øyvinn is a founder of Harbour and a Senior Research Analyst. Øyvinn was an early EV adopter and has, in the last four years, saved an estimated 9,700kg CO₂ opting for electrons over fossils. With his wife and son, Øyvinn's family is in the process of planting a mix of native and exotic trees on a rural block of land with the plan of creating a more natural ecosystem.

Lewis Fowler: Lewis provides broad support to the team particularly in risk management, evaluation of third-party managers and implementation as well as facilitating the Impact Committee. Lewis is an Associate Portfolio Manager within the multi asset team. Lewis favours pedal power over car journeys where possible but has also joined the EV revolution to further cut down on transport emissions.

IMPACT INVESTING PHILOSOPHY

The Global Impact Investing Network's (GIIN) is a respected industry body that aims to develop impact investing and protect its integrity. The Fund subscribes to the GIIN definition of impact investing:

Investments made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return.

The GIIN advocates investors articulate impact funds' objectives, philosophy and process in a 'Theory of Change' framework. The following section follows the GIIN's suggested format:

Summary

The Harbour Sustainable Impact Fund is designed to provide capital growth, risk management, and for investee companies to deliver a positive impact. It aims to exceed the Official Cash Rate + 4% over rolling 5-year periods and create a positive impact as measured against UN Sustainable Development Goals.

Portfolio holdings contribute to some of the world's most pressing challenges including decarbonisation and access to affordable health care. We believe the companies that can contribute solutions will be valued by society and financial markets and therefore see opportunity to add value to investors.

The portfolio contributes to a range of impact dimensions and is diversified across a range of industry verticals and geographic regions. However, we expect that operating with a reduced universe will result in the Fund's returns tracking the index less closely than a fund with a broader set of investment choices.

The Fund's predominant allocation to listed companies is augmented by holdings in private companies.

Every company in the portfolio will contribute to at least one UN SDG as assessed by our internal methodologies and will meet our financial requirements and parameters for investing.

Impact Context

The United Nation's Population Division has forecast the world's population to exceed 11 billion inhabitants before the turn of the century and, while forecasts can often be taken with a pinch of salt, this Division of the UN has an enviable track-record when it comes to

forecasting accuracy. The biosphere is unlikely to sustain this frighteningly large population burden under current economic systems. The International Energy Agency's modelling indicates that if we achieve reductions consistent with current policy settings the planet will still experience a 2.6°C temperature rise by 2100. Scientists think the current extinction rate of species could be up to 1000 times higher than the rate prevailing before humanity, and many scientists fear a tipping point.

Humanity must adjust to an economic model with lower resource intensity. For this model to be supported by its citizenry, and to be sustainable, it must do so while providing increasing health, economic and justice outcomes for all inhabitants.

Fund Strategy

As a well-regarded brand with over \$12bn in assets under management, Harbour believes it can make a significant contribution to impact investing in Aotearoa by offering an impact fund to mainstream retail investors.

The SDGs have replaced the Millennial Goals to provide a set of priorities to deliver a more prosperous, sustainable future. These goals are broad, widely supported and address the world's most pressing challenges.

In pursuing these goals the Fund has set three targets:

The Fund's climate-related target



To be consistent with a 1.5° scenario

The Fund's social targets



At least 35% allocated to delivering health & social impact



Portfolio holdings are consistent with the 40:40:20 principle of management gender equality

The Fund defines an investment as impactful if it contributes to at least one SDG, and specifically references the more tangible sub-goals. Harbour's impact process starts with each investment analyst. Armed with intimate knowledge of a company, an investment analyst prepares an 'impact thesis' for each entity. This thesis provides a qualitative description of how a company contributes to an SDG and backs it up with a quantitative measure of impact.

An Impact Committee has been formed for the benefit of investors in the Fund and helps the portfolio management team navigate difficult aspects of impact. The Impact Committee's purpose is to provide active oversight to make sure the team is applying a process consistent with the Fund's stated objectives, and therefore that the Fund remains true to label. The Committee also provides insight into the latest developments in environmental and social issues which Harbour should consider in the management of the Fund.

To simplify communication of the Fund's impact, we have mapped the SDGs to two 'impact pillars': Environmental and Social. Within these umbrella classifications are six sub-pillars: Climate Change Mitigation, Natural Capital, Resource Sustainability, Social Inclusion, Thriving Communities and Infrastructure, and Wellness.

Portfolio Structure

Given the broad contribution targeted, the Fund considers investment opportunities across a range of sectors and geographies. It is more diversified than many targeted impact funds. However, relative to broad market portfolios that do not target impact, the Fund tracks broad investment market performance less closely.

Avoiding harm is a key tenet of impact investing. This is made clear by the 'sustainable' in the Fund's name. Each impact thesis seeks to understand negative externalities a company creates in the pursuit of impact. If these are deemed material, then an investment cannot be made or held.

To be clear about what is meant by material, we subscribe to third party data providers' company screens. These screens flag where companies have negative impacts. However, it is often the case that a flag is raised because a company simply does not have a policy. The Fund is not a box-ticking ESG fund; it is genuinely focused on impact. Therefore, there may be investee companies which flag poorly with some data providers where we have been able to satisfy ourselves that the flag does not constitute material harm.

For additional investor comfort, the Fund abides by Harbour's exclusions list found in [Harbour's ESG Policy](#). These exclusions, such as tobacco, would not meet our definition of impact, however, this exclusion list is designed to provide an additional layer of comfort.

Beyond these exclusions the Fund will consider all investments. However, compared to broad market portfolios, the Fund has a bias towards smaller companies, a growth style of investing and particular sectors & themes including renewable energy, healthcare and also technology companies broadly.

The Fund is predominantly allocated to public (listed market) companies. This provides liquidity to investors who wish to exit. The Fund also has an allocation to private companies that can provide a significant impact by developing innovative new technologies.

Investor Contribution

The Fund solely invests in companies that we assess to be delivering impact. As patient capital providers, we can support the impact the company makes. For small- and mid-cap companies we can contribute to their impact by being long-term investors, providing greater stability for their share price which in turn enables them to invest in growth opportunities. Provided the company continues to meet impact markers and our assessment of return prospects remain consistent with the portfolio's return objectives, we will only rarely exit positions. Investors are able to evidence this statement in our annual impact report which details the rationale for any exits.

Additionally, we engage with portfolio companies to champion the importance of impact delivery. Harbour is an active owner across all funds it manages. Additional impact-focused engagements are undertaken with management of companies held in the Fund. In its inaugural year, these engagements were focused on receiving enough information to appraise and measure an impact thesis. Subsequent engagements have focused on encouraging more progress. We have found engagement to be more productive if we are clear and consistent in the message we provide to management. Our strong preference is to achieve change without involving public media as we consider this may be counterproductive to securing long-lasting change. Years of constructive relationships with company executives and board members as well as Harbour's significant assets under management combine to give Harbour's analysts' views influence. Examples of engagement are provided in the annual impact report.

Outsourced managers

Harbour outsources security selection of global equities, private equity and, on occasion, specialty strategies. Third-party managers are selected based on an assessment of the integrity of their impact investment processes. Harbour reviews these managers regularly and utilises third-party impact data to drive engagements with these managers with the aim of ensuring their processes confirms with this theory of change.

This report encompasses data on the entire portfolio, including that outsourced to third-party managers Mirova, T. Rowe Price and Icehouse Ventures.



Mirova¹⁰:

A committed and leading player in sustainable finance, Mirova is a conviction-based management company that offers its clients investment solutions that combine the search for financial performance with environmental and social impact. This is Mirova's raison d'être: to contribute to a more sustainable and inclusive economy by increasing positive impact on environmental issues and reducing inequalities. In 2023 Mirova was named the "Best ESG Boutique" in the ESG Champions Award while Mirova's fund was the Listed Equity Fund of the Year in Environmental Finance's annual IMPACT Awards.

T. Rowe Price[®]

T. Rowe Price¹¹:

The T. Rowe Price Global Impact Equity strategy investment process embeds clear principles of materiality and measurability to form the basis for identifying positive impact. As a public equity manager, T. Rowe Price aims to make a difference with their investment dollars, accelerated through engagement and voting, and be

additional in the outcomes created. Due to the very complex friction points that exist for our planet and global communities, delivering impact requires patience and an understanding of change. This is why being resilient in applying an impact-oriented investment approach is imperative. The T. Rowe Price Global Impact Equity Fund is one of only a handful of public equity funds awarded RIAA Certification for Impact Funds.



Icehouse Ventures¹²:

The Icehouse Sustainable Tech Fund invests in disruptive New Zealand start-ups that can amplify sustainability as an outcome of their core business. The Sustainable Tech Fund exists to invest in and support the next wave of New Zealand's most disruptive and impactful start-ups. Successful businesses are led and built by the bravest and highest quality founders. Today's bravest founders, and the team, supporters and investors they rally around them, increasingly put sustainable growth at the forefront. There is no more ambitious mission than positively impacting the world and its future.

¹⁰ <https://www.mirova.com/en/about-us>

¹¹ https://www.troweprice.com/content/dam/tpd/global/en/pdfs/AUT_Impact_Statement.pdf

¹² <https://www.icehouseventures.co.nz/individual-funds-sustainable-tech>

IMPACT COMMITTEE

As all qualitative judgements are made by the Portfolio Management team, the purpose of the Impact Committee is to provide active oversight to make sure the team is applying a process consistent with the Fund's stated objectives, and therefore the Fund remains true to label. The Committee also provides insight into the latest developments in environmental and social issues which Harbour should consider in the management of the Fund. Additionally, the Committee considers management recommendations for external impact data providers. The Committee has been formed for the benefit of investors in the Fund.



Andrew Bascand (Interim Chair):

Andrew Bascand has over 30 years' experience in financial markets. As a founder of Harbour, Co-CEO and CIO, Andrew sees the development of the Fund as an important contribution Harbour can make and is passionate about the integrity of the Fund.

Russell Garrett:



Russell has 30 years of financial markets, investment, and governance experience drawn from his time within banking, corporate trustee services, and investment management and consulting. He was an early advocate for responsible investment and has helped a number of institutional funds establish and implement their responsible or sustainable policies and practices. Russell is currently the Executive Officer for The Presbyterian Church Property Trustees and a member of the Victoria University Foundation Finance, Risk, and Investment Committee. He is also a proud (but not particularly skilful) member of the Fabulous Turtles football team and serves at his local church. Russell was appointed as an independent member of the Committee.

Anna Charlton:



Anna has almost 20 years' experience in capital markets and corporate roles with PwC, ANZ and Z Energy. Having worked in senior leadership positions for New Zealand's largest transport energy company, Anna has first-hand experience navigating the practical challenges of decarbonisation. Anna now works as a Partner with The Lion Partnership and provides independent consulting with a specialist interest in green finance. Anna has two young and vibrant boys. Anna was appointed as an independent member.

Sophie Parlane:



Sophie heads up Harbour's communications and brand team. She is also a founding member of Harbour's Footprint Committee and key driver behind Harbour's partnership with charity Roots of Empathy. A passionate advocate for ESG, particularly regarding social issues, human rights, community engagement and diversity and inclusion. She previously worked for a youth entrepreneurship and financial education charity. She holds a Bachelor of Arts in Social Policy and Political Science from Victoria University of Wellington, Te Herenga Waka.

CARBON OFFSETTING

Carbon credits are purchased annually to neutralise the emissions that are calculated monthly for the Fund.

The cost of the carbon credits is carried by Harbour Asset Management rather than Fund investors. We believe this ensures a strong alignment with the Fund's investors as Harbour has an additional financial incentive to reduce the Fund's carbon footprint.

In line with the process described in earlier sections regarding carbon footprinting of fixed interest securities, and the Climate Related Disclosures process that came into effect this year, we have begun to calculate our financed emissions using enterprise value including cash (EVIC). Our emissions are calculated for the covered securities in the portfolio, amounting to approximately 75% of the total portfolio.

Offset Project

Harbour is Toitū net carbonzero certified. To achieve this certification, Harbour offsets any CO₂ equivalent emissions we have not mitigated. Harbour staff undertook a holistic process of evaluating various offset options, not simply viewing the purchase of offsets as a discharge of responsibilities.

Rather than buying carbon offset credits from, say, a monoculture pine forest on prime Hawke's Bay farmland, we sought a project with more holistic benefits and selected a cookstove project that also confers health benefits on the villagers who transition from coal-fired equipment to more sustainable fuels, mostly biofuels. The Fund follows the same process as Harbour.



COOKSTOVES FOR COFFEE FARMERS, ETHIOPIA

Nearly 3 billion people in the developing world cook food and heat their homes with traditional cook stoves or open fires. The Global Burden of Disease Study 2010 estimates that 4 million premature deaths occur every year due to smoke exposure from these methods. In fact, this is the fifth-worst risk factor for disease in developing countries and women and children are the most affected.



Ethiopia is the country where coffee was first discovered and where Arabica coffee originally comes from. Coffee is the largest export product and plays an important role in Ethiopian culture. Arabica originally grows there in the forest where the foliage of the shade trees protects the coffee bushes against temperature fluctuations. However, due to the increasing population pressure in the country, we are seeing increasing deforestation. This not only removes the shade trees, but also the unique wild types of coffee that grow in the coffee forests of Oromia. These varieties vary in tolerance to disease and drought and can be used for the development of new coffee varieties. The forests are therefore crucial for the survival of coffee in a changing climate.

In the areas where the coffee farmers live, cooking is often done indoors on an open wood fire. This is very harmful to the health of mainly women and children. In addition, the use of wood is a major cause of deforestation in the region. Via the cookstove programme, farmer families are provided with a Mirt and a Tikikil, efficient cookstoves that reduce wood consumption and significantly reduce indoor smoke development.

Eight local Mirt and Tikikil workshops have now been set up and more than 6,000 households are equipped with efficient cookstoves. Users indicate that they suffer less from smoke-related complaints, such as coughing, burning eyes and headaches. Women who gather wood save on average about ten working hours a week or 2 to 3 euros a week if the wood has to be bought.

Co-benefits:

- Improves health by reducing exposure to toxic fumes as it is less smoky (typically for mothers and children)
- Reduces household energy costs
- Improves the local economy by supporting businesses and providing employment opportunities (the stoves are locally manufactured)
- Protects Ethiopia's forests (Ghana has one of the highest deforestation rates in Africa).

Carbon offsetting is the process of cancelling out the CO₂ emission produced in one place with the act of absorbing carbon in another place, while avoidance projects create alternative pathways, so emissions are not produced in the first place (eg renewable energy projects or energy-efficient equipment like cookstoves). The Gyapa cook stoves project is an avoidance project.





ACTIVE OWNERSHIP

Company engagement

Harbour is an active owner across all funds it manages.

The main touchpoint for engagement is the Harbour Corporate Behaviour Survey (CBS). Harbour's analysts conduct this survey annually with the top 50 NZX companies. The survey consists of almost 100 questions and over its 15-year history has proven to be a useful tool in objectively assessing the environmental, social and governance performance of companies. Analysts use the survey as a tool to initiate conversations with management and the board on corporate behaviour standards.

Additional impact-focused engagements are undertaken with management of companies held in the Impact Fund. In its early stages, these engagements were focused on receiving enough information to appraise and measure a thesis.

Future engagements will focus on encouraging more progress. We have found engagement to be more productive if we are clear and consistent in the message we provide to management. Our strong preference is to achieve change without involving public media as we consider this may be counterproductive to securing long-lasting change.

Years of constructive relationships with company executives and board members as well as Harbour's significant \$12bn in assets under management combine to give the views of Harbour analysts influence.

ENGAGEMENT EXAMPLES

Nufarm

ASX-listed Nufarm owns two exciting, impactful business lines: 1) Carinata: a Nuseed-developed oil seed that is feedstock for Sustainable Aviation Fuel and 2) Aquaterra: an oilseed that contains Omega 3 which is vital for fish growth and can therefore substitute for wild fish in aquaculture fish feed.

Nufarm is a global crop protection (i.e. herbicide) business. In the early stages of our research, we hypothesised that it might be possible to build an impact thesis on the transition of Nufarm into a sustainable crop protection business using the cashflows of its legacy herbicide business lines. The Fund has supported companies such as Orsted which has transitioned from a predominantly fossil fuels electricity generator to the owner of the world's largest offshore wind farm. The Fund's ethos is about supporting positive change.

We met with Nufarm to test our hypothesis against their vision. They still see their biggest impact as improving farmers' livelihoods and appeared not to have heard other investors press for focus on sustainable agriculture. We have opened a constructive dialogue with the company and will monitor its progress along with metrics that evidence a transition.

The company is doing great work such as researching alternative crop protection methods such as killing weeds using electric currents and a conduit. To be eligible we need to see progress as more pervasive across the entire business.

Eli Lilly and Novo Nordisk (Mirova)

Worldwide obesity has nearly tripled since 1975, but very few people are treated medically today. In most cases, drug management in obesity is only an option to consider after efforts to implement lifestyle changes and appropriate nutritional management. When weight reduction remains a struggle and co-morbidities are putting the patient at risk, drugs may be an option if taken with appropriate medical support. In the past few years, two obesity drugs, Wegovy from Novo Nordisk and Zepbound from Eli Lilly were approved and distributed in several markets to address weight management.

As part of Mirova's engagement priorities for 2023, the manager engaged with Novo Nordisk and Eli Lilly to address concerns over off-label marketing/promotion of obesity and diabetes drugs. After several engagements

with the companies, and based on the information currently available, Mirova's analysts believe that measures implemented to address these risks are aligned with the manager's ethical standards and common practices in the industry.

Through their dialogue, Novo Nordisk and Eli Lilly have detailed their efforts to keep the drug under the labelled use that has been approved by the FDA. Internal measures, including sales trainings, audits, remuneration schemes and constant monitoring, have been implemented to control the risk. In our digital age, these drugs have been increasingly promoted on social media by unsolicited individuals, most of them not even patients. However, this remains out of the control of these companies, and public personalities advertising the drug as a weight-loss tool cannot be sued. This digitalisation also implies the rise of counterfeit medicines sold on these platforms, a topic both companies are working on with authorities and by improving the serialisation process.

Deere & Co (T. Rowe Price)

T. Rowe Price engaged agricultural equipment manufacturer Deere & Co to provide feedback on its impact reporting and to discuss risks to its impact thesis.

T. Rowe Price discussed several risks to Deere's impact thesis: equipment affordability, impact of machinery on soil compaction, risks of fertiliser runoff, and machinery emissions. The company is mitigating these issues in several ways, in particular: (1) upgrading tools that do not require farmers to purchase an entire new piece of equipment, thus helping with equipment affordability and cost to farmers; (2) advanced artificial intelligence-enabled precision agriculture technology and sustainably digitalised acres that help optimise the use of machinery throughout seasons and the use of fertiliser, thus minimising risks of soil damage and fertiliser runoff; and (3) investment in large tractor powertrains capable of running with low-carbon and renewable fuels with lower life-cycle emissions compared with traditional diesel engines. T. Rowe Price suggested these efforts could be highlighted further in future impact reports by integrating impact KPI suggestions.

T. Rowe Price provided the company with feedback on its impact reporting and suggested several impact KPIs to enhance it further, including aggregate GHG emissions avoided, aggregate amount of fertilisers saved and related cost savings for customers.

PROXY VOTING

Proxy voting is an aspect of Harbour's active ownership strategy. We would emphasise that engagement plays a larger role in driving a company's impact, however proxy voting is an important part of responsible stewardship and can reinforce engagements, particularly by reinforcing best practise governance structures which are likely to better reflect stakeholder preferences.

Harbour utilises a third-party proxy advisor, currently ISS Proxy Exchange. Harbour analysts evaluate ISS' recommendations and vote according to the principles outlined in the right-hand panel.

Our voting statistics for the year to 30 June 2024 are as follows:

	Proposals	Voted With Mgmt	Voted Against Mgmt
Totals for Audit Related	7	100%	0%
Audit Related - Ratify Auditors	2	100%	0%
Audit Related - Authorize Board to Fix Remuneration of External Auditor (s)	4	100%	0%
Audit Related - Approve Board to Fix Their Remuneration	1	100%	0%
Totals for Compensation	15	80%	20%
Compensation - Approve Restricted Stock Plan	1	100%	0%
Compensation - Advisory Vote to Ratify Named Executive Officer's Compensation	5	100%	0%
Compensation - Approve Stock Option Plan Grants	1	0%	100%
Compensation - Approve or Amend Severance Agreements/Change-in-Control Agreements	1	100%	0%
Compensation - Approve Increase in Aggregate Compensation Ceiling for Directors	1	100%	0%
Compensation - Approve Share Plan Grant	6	67%	33%
Capital Structure - Approve or Ratify Issuance of Securities	4	75%	25%
Company Articles - Amend Articles/Bylaws/Charter -- Non-Routine	2	100%	0%
Election of Directors	28	100%	0%
Company Specific Organisation Related	3	100%	0%
Strategic Transaction - Approve Scheme of Arrangement	1	100%	0%
Management Proposals	60	93%	7%
Shareholder Proposals	0	-	-
TOTAL	60	93%	7%

In forming our decision on proxy voting resolutions, as a general guide, we promote the following principles to encourage leading practice in ESG management. However, each resolution is assessed on a case-by-case basis and there may be circumstances where our vote deviates from these principles.

Board composition: The Board should comprise a majority of independent directors, subject to them contributing valuable skills and experience, with an adequate level of diversity across the Board. The roles of CEO and Chairperson should be separate, and Board sub-committees should be majority represented by independent directors.

Executive/director remuneration: Companies should report sufficient information on their executive remuneration structure including vesting schedules and performance hurdles on their incentive schemes. Director fee assessments should be benchmarked to an appropriate peer set that covers considerations such as geography, industry, complexity, and size of the business.

Climate change: Companies should be transparent and provide disclosure on their emissions metrics and targets and how they plan to meet them, especially if they are materially exposed to the effects of climate change.

Human rights: Any material human rights risk identified by a company should be properly assessed and reported to stakeholders with appropriate action taken to mitigate any incidence of labour abuse or human rights violations.

The Harbour Proxy Voting Policy can be found in our [Stewardship Policy](#)

Data for the external managers is for the year ended 31 December 2023 and provides an illustration of both managers' voting practices.

T. Rowe Price Proxy Votes (2023 Calendar Year)

Proposals Sponsored by Company Management (Number of Proposals)		
	% Voted W/Mgmt	% Voted Against Mgmt
Add/Amend anti-takeover provisions (0)	0%	0%
Reduce/repeal anti-takeover provisions (2)	100%	0%
Appoint or ratify auditors (54)	100%	0%
Capital structure provisions (62)	100%	0%
Compensation - All types (100)	95%	5%
Director and auditor compensation (13)	100%	0%
Employee stock purchase plans (8)	100%	0%
Other equity compensation plans (15)	80%	20%
Executive compensation: Say on Pay (54)	96%	4%
Election of Directors, uncontested (470)	90%	10%
Election of Directors, contested (0)	0%	0%
Amend/adopt shareholder rights (3)	100%	0%
Mergers, acquisitions and reorganizations (13)	100%	0%
Routine/procedural proposals (63)	94%	6%

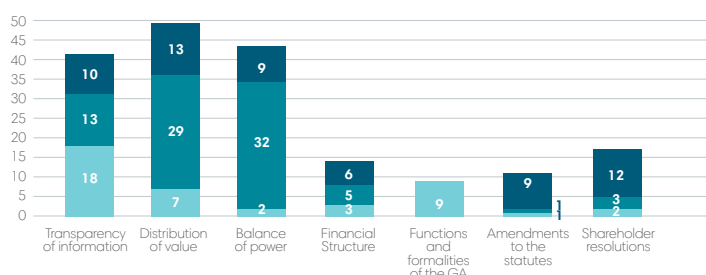
Proposals Sponsored by Shareholders (Number of Proposals)		
	% Voted W/Mgmt	% Voted Against Mgmt
Remove anti-takeover provisions (2)	100%	0%
Compensation-related proposals (1)	100%	0%
Separate Chair and CEO roles (1)	0%	100%
Amend/adopt shareholder rights (3)	33%	67%
Social/environmental proposals - All types (14)	43%	57%
Social proposals (9)	33%	67%
Disclose political/lobbying activity (2)	0%	100%
Environmental proposals (3)	100%	0%

All Proposals (Number of Proposals)		
	% Voted W/Mgmt	% Voted Against Mgmt
Total Management Proposals (765)	93%	7%
Total Shareholder Proposals (21)	48%	52%
Total Proposals (786)	91%	9%

T. Rowe Proxy Disclaimer: Proxy data for the Global Impact Equity Strategy 2023 calendar year. Aggregated data include votes cast across all products in the strategy.

Mirova Proxy Votes (2023 Calendar Year)

Distribution of votes by theme



- Approval of all resolutions
- Opposition to some of the resolutions
- Opposition to all resolutions

Mirova proxy disclaimer: The information provided reflects Mirova's opinion and is subject to change without notice. For more information on methodologies, please refer to Mirova website: www.mirova.com/en/research

For more information on Mirova's engagements, please refer to:

[2023_Mirova-Engagement-Report.pdf](#)

Mirova voting and engagement policy as well as transparency code are available on its website: www.mirova.com.

PORTFOLIO HOLDINGS

Impact Pillar: Environment

Impact Sub-Pillar: Climate Change Mitigation



Issuer	Impact Rationale	Measurement
Air Liquide	Air Liquide is very well-positioned within the environmental transition, particularly the transition to a low-carbon economy. We foresee a massive level of green capex needed in the coming years or decades to reach net-zero objectives, in which hydrogen will play an increasingly large role. We are in the very early stages of this journey, and Air Liquide is well-positioned for this transition.	Progress on hydrogen electrolyzer installation; access provided to medical oxygen in low- and middle-income countries
Atlassian	Atlassian is a task-sharing & work collaboration platform that meaningfully reduces the need to meet in person and enables resource efficiency. They are also a key enabler of digital transformations through collaboration that is central to unleashing teams.	CO ₂ e mitigated through use of products
Auckland Council Bonds	The proceeds of the Council's green bonds fund a portfolio of assets that Harbour deems to be genuinely green and improving environmental outcomes, including electric trains, cycleway expenditure and rehabilitation of Puketutu Island	Various including GHG reductions and public transport utilised
Basis	Basis are reimagining home electrical energy management. Via intelligent, future-proofed proprietary hardware, Basis will be able to execute a SaaS-based business model whereby its self-learning system will generate diverse financial benefits for customers.	Energy saved through use of product
Brighte Asset Backed Security	Brighte is a home energy finance specialist. These bonds finance loans to Australian homeowners enabling them to install rooftop solar (and, in some cases, battery storage).	CO ₂ e avoided by provision of solar panels
Brookfield Renewable Partners	Brookfield Renewable is a pure-play solar, wind & hydro electricity provider, generating zero carbon electricity across multiple geographies. It is therefore helping to decarbonise the power sector.	CO ₂ e mitigated through renewable energy generation
Calix	Calix is an industrial technology company that provides solutions across several industries to decarbonise. The primary opportunity for Calix is to decarbonise the cement and lime industry – the largest contributor of man-made GHG emissions at 8% of total emissions. Through its low emissions intensity lime and cement (Leilac) kiln that not only can run on 100% renewable energy (unlike any other kiln that uses internal combustion and fossil fuels), but also provides the lowest-cost carbon-capture solution among alternative technologies. In addition to cement and lime, Calix is also active in water treatment and, more recently, has entered the lithium-processing business, providing a pathway to decarbonise and improve efficiencies in lithium hard rock mining. Calix and Pilbara Minerals (leading Australian lithium spodumene mining company) announced their final investment decision on a mid-stream project in August 2023 to process 6% lithium spodumene into a mid-stream 35% lithium phosphate salt.	Number of committed installations of Leilac kilns
Cetogenix	Cetogenix is a clean technology company focussed on developing sustainable solutions to tackle climate change at a global scale. The company's technology targets the 1.5 billion tonnes of organic waste generated worldwide and addresses the growing demand for renewable natural gas. By retrofitting existing waste-to-biogas plants, we can increase renewable natural gas production by up to 40% and recover other components as added-value products, such as bio-fertilizers. Cetogenix's technologies eliminate the need for organic waste to be landfilled or incinerated, lowering their environmental impacts, and generating novel added-value market opportunities.	Progress on development and scale-up of technology

Issuer	Impact Rationale	Measurement
Contact Energy	Contact Energy is delivering on an ambitious decarbonisation plan. It has closed a thermal generation plant, announced the closure of another, continued a renewable energy development programme and invested in novel carbon capture technology at some of its geothermal plants.	GWh renewable energy generation
DocuSign	DocuSign delivers impact by improving companies' paper-use practices by moving their legacy processes onto DocuSign's platform and reducing their environmental impact. Professional services revenue is included because successful implementation of DocuSign software helps companies reduce waste at their firm.	CO ₂ e mitigated through use of products
Hubbell	Hubbell is a large industrial compounder with more than 50 brands under 2 segments which manufacture utility and electrical solutions supporting the residential and non-residential construction, industrial, and utility applications, primarily in the US market. Its products provide impact by supporting the efficient electrification of the transportation and manufacturing industries, improving energy efficiency of buildings and homes, and facilitating the integration of renewable energy and smart grid technologies.	CO ₂ e mitigated through use of products
Humm Asset Backed Security	Humm's financing enables homeowners to easily purchase rooftop solar without having to vary mortgages (and incur fees etc.). This is an Australian transaction where new renewable generation has a meaningful impact in displacing coal.	Residential solar PV installations financed
Iberdrola	As a world-leading utility in wind and solar expected to double renewable energy capacity by 2030, Iberdrola is well-exposed to the environmental transition and the transition to a low-carbon economy.	GWh energy generation capacity from renewable sources
Ingersoll Rand	IR's air compressors and air treatment products improve energy efficiency and reduce the associated GHG emissions in several industrial end markets. In addition, IR's products enable customers to improve water management and consumption, therefore saving water.	Revenue linked to energy efficiencies and GHG reductions
International Finance Corporation Bond	These bonds are backed by a portfolio of lending that World Bank division, IFC, undertakes in developing countries to support projects in energy efficiency, renewable energy, resource efficiency, cleaner technology production, sustainable forestry and other financial intermediaries that on-lend to smaller projects of the same nature.	Reduction in GHG emissions
Linde	As an industrial gas company, we believe that Linde is an important 'enabler' of the energy transition. It enables its customers to avoid & reduce their own carbon footprints by improving efficiency in manufacturing processes and is also a key enabler of green hydrogen and carbon capture & storage (CCS) technologies.	CO ₂ e mitigated through use of products
Manawa Energy Bonds	Manawa Energy (formerly TrustPower) has a 100% renewable energy portfolio. It expanded its pipeline of future renewable energy developments over the reporting period, a programme that begins with enhancement work on its existing assets.	GWh renewable energy generation
Mercedes-Benz Group	Mercedes is positively exposed to the environmental transition, specifically the electrification of transportation. The company is on a transformational path towards full electrification by 2030 driven by one of the most ambitious strategies in the industry and growing integration of its value chain. Mercedes-Benz is set to become the global leader in luxury and electrified mobility.	Sales of EV / partially electric vehicles to non-electric
Mercury NZ Bonds	Mercury continues to develop its renewable energy-generating fleet, helping New Zealand transition away from the remaining thermal assets. It completed construction of New Zealand's largest wind farm in early 2023.	GWh renewable energy generation
Meridian Energy	In addition to continuing to expand its 100% renewable energy-generation portfolio, Meridian has been proactive in encouraging energy-intensive sectors to migrate to New Zealand to reduce global emissions.	GWh renewable energy generation

Issuer	Impact Rationale	Measurement
Monolithic Power Systems	Monolithic Power Systems is a well-diversified power semiconductor company that claims to have the highest power density in the industry which helps improve the energy efficiency of their chips. Their products are also used as components in electric vehicles, energy infrastructure, factory automation and advanced safety applications. As MPWR sells to more customers and continues to improve the energy efficiency of their products, the end products also become more energy-efficient which aids in decarbonisation in the respective end markets.	CO ₂ e mitigated through use of products
New Zealand Government Bond	NZ Government Green Bonds provide the Government funding to enact its environmental sustainability initiatives. Specifically, proceeds of the bonds must be applied to spending under the following criteria: clean transport; energy efficiency and renewable energy; green buildings; living and natural resources and land use; biodiversity; climate change adaptation; sustainable water and wastewater management; pollution prevention & control.	Dollars allocated to eligible expenditure. (The programme is new, and more direct measures are still being gathered)
NextEra Energy Partners	NextEra Energy Partners is one of the largest producers of renewable energy in the U.S. NEP currently owns & operates 9.3 GW of renewable capacity. The company operates an industry-leading portfolio of wind, solar and battery storage assets and 100% of power generated comes from clean or renewable resources which supports the decarbonisation of the power sector in the US. 100% of NEP's development pipeline is renewable which should help to substantially increase the share of renewable energy in the global energy mix.	GWh renewable energy generation capacity added; CO ₂ e mitigated through renewable energy generation
Nibe Industrier	Nibe develops, manufactures and markets energy-efficient heat pumps, water heaters, boilers and electrical heating elements for indoor climate comfort in all types of properties, contributing to the decarbonisation & energy efficiency of buildings. Nibe also provides solutions for intelligent heating and control in industry and infrastructure.	CO ₂ e mitigated through use of products
Open Star	OpenStar is uniquely positioned to harness the potential of fusion energy. The company's approach combines rapid iteration cycles, inherently stable plasma physics, and ground-breaking high-temperature superconductor (HTS) technologies within a framework of reliable magnetic confinement fusion. The model allows for cost-effective scaling of infrastructure and swift development pathways, ensuring quicker and more affordable risk retirement. The future will be powered by OpenStar levitated dipole reactors, eliminating energy poverty, mitigating the climate crisis, and forging another industrial revolution – one based on atoms not bits.	Progress on technology
Ørsted	As the largest offshore wind utility company, Ørsted is well-exposed to the transition away from fossil fuels and expected continued double-digit growth of offshore wind, as countries address climate change and offshore wind becomes more cost competitive.	Installed renewable energy generation capacity; CO ₂ e mitigated through use of products
PG&E	PG&E's electric T&D infrastructure is helping to enable the rollout of renewable power capacity in California and is therefore helping to enable the decarbonisation of the power sector in the US. PG&E is also helping to enable the electrification and decarbonisation of the transport, industry, and buildings sectors in the state. In addition to its role in lowering California's GHG emissions, PG&E is investing billions of dollars annually into wildfire prevention and mitigation measures to help improve safety & reliability of service for its 5.5 million customers.	CO ₂ e mitigated through renewable energy generation
Powerco Bonds	Powerco is NZ's second-largest electricity distributor. Significant investment by the network operators will be necessitated by the conversion of process heat, wider adoption of electric vehicles (EVs) and other technologies that will change New Zealand's electricity system.	Investment in network capacity
Red Phase	Red Phase exists to support the transformation of electricity networks and accelerate the adoption of electric vehicles. Red Phase's commitment is to integrate world-best technology with world-beating power grids. Red Phase is expert at integrating technology with power networks. When they develop solutions, they consider whole-of-life asset management to deliver value to their customers.	Customers served using Red Phase technology

Issuer	Impact Rationale	Measurement
Rockwool	Rockwool has a strong impact thesis focused on i) insulation products to improve energy efficiency for buildings, and therefore lower emissions in the buildings sector; ii) insulation and ceiling tiles that are highly fire-resistant and therefore protect the life/health of occupants and first responders; and iii) precision growing products from its Grodan business to lower water consumption in crop production as well as improve crop yields.	CO ₂ e mitigated through use of products
Schneider Electric	Schneider manufactures electrical components and equipment that digitise, electrify, automate and decarbonise a wide range of industries with focus on buildings, heavy industry, infrastructure and data centres. Its products contribute to energy efficiency, decarbonisation, and natural resource preservation.	CO ₂ e mitigated through R&D spend
SeaChange	SeaChange is changing the face of ocean transport with the development of high-speed, electric-powered hydro-foiling passenger and car ferries designed to disrupt high-cost airfreight supply chains and existing ferry services. From their base at Marsden Point, New Zealand, they will bring a new type of ocean carrier to the world.	Emissions mitigated through use of products
SolarEdge Technologies	SolarEdge delivers impact by selling solar inverters within residential and small commercial markets. Residential markets are considerably exposed to what is known as the “Christmas tree light problem,” where traditional inverters are connected such that the output of the inverter is constrained by the worst-performing panel/lowest common denominator, resulting in cumulative energy loss. SEDG’s approach inserts a “power optimiser” at every panel allowing optimal energy flow to each panel.	CO ₂ e mitigated through use of products
Spark Sustainability-linked Bond	Telecommunications provider Spark has issued sustainability-linked bonds which create a financial incentive for it to reduce emissions consistent with a 1.5-degree science-based reduction target. Significant investment is required by network operators to facilitate the conversion of process heat, wider adoption of electric vehicles (EVs) and other technologies that will change New Zealand’s electricity system.	Reduction in GHG emissions
Sunrun	The portfolio of Sunrun is made up entirely of solar power projects and related services for residential customers and therefore is clearly a beneficiary of the environmental transition and the transition to a low carbon economy.	Emissions mitigated through use of products
Syrah Resources	Syrah Resources’ primary business activity is to extract graphite for the use as anode material in Lithium-ion batteries for electric vehicles. Syrah owns and operates the largest natural graphite mine in the world and is investing to vertically integrate downstream to deliver finished battery material for battery and electric vehicle manufacturers. They have Tier 1 customers like Tesla, Ford, Samsung, SK On and LG Chem.	Tonnes of graphite sold (proxy for ICE vehicles displaced)
Tesla	Tesla is the lead disruptor in electric vehicles (EVs) and autonomous vehicles (AVs). The company delivers impact through its pioneering efforts to decarbonise the transportation sector as well as producing solar panels and energy storage systems.	CO ₂ e mitigated through use of products
Trane Technologies	Trane Technologies is a leading HVAC manufacturer that improves energy efficiency for buildings in both commercial (~60% of revenues) and residential (~20%) real estate markets. It also provides energy-efficient refrigeration systems for indoor applications and for the transportation of food, medicines and other perishable goods (~20%).	CO ₂ e mitigated through use of products
Transpower Bonds	Transpower owns and operates NZ’s electricity transmission grid. Significant investment by the network operators will be necessitated by the conversion of process heat, wider adoption of electric vehicles (EVs) and other technologies that will change New Zealand’s electricity system.	Investment in network capacity
Trimble	Trimble produces software and hardware that help customers digitalise and optimise processes. Its products reduce operational costs, increase productivity, improve safety, enhance product quality, and reduce emissions, mainly in construction, transportation and agriculture end markets.	CO ₂ e mitigated through use of services

Issuer	Impact Rationale	Measurement
UBCO	UBCO bikes are two-wheeled electric bikes adapted for off-road or on-road use. On-road uses include last-mile delivery drivers, with a partnership with Domino's pizza. Off-road uses include farm utility vehicles, targeting decarbonisation of a segment of transport previously thought unlikely.	Number of UBCO bikes sold; number of distribution partnerships
Vestas Wind Systems	Vestas is exclusively involved in the development, manufacturing and servicing of wind turbines for both onshore and offshore power generation. The company's products and services therefore contribute significantly to the expansion of renewable energy sources and the transition towards a more sustainable energy system.	CO ₂ e mitigated per year through installation and existing fleet
Waste Connections	Waste Connections has a strong impact thesis focused on mitigating & recovering methane emissions from putrescible municipal landfill waste. Also, WCN provides non-hazardous solid waste collection, transfer and disposal services, along with recycling and resource recovery.	CO ₂ e mitigated through use of services
Woolworths Sustainability-linked Bonds	Woolworth's sustainability-linked bonds create an incentive for the company to meaningfully reduce GHG emissions. Specifically, Woolworths has set a 2030 GHG scope 1 & 2 emissions reduction strategy in line with a 1.5-degree Paris Agreement Scenario, as verified by SBTi.	Emissions reduction

Impact Pillar: Environment

Impact Sub-Pillar: Natural Capital



Issuer	Impact Rationale	Measurement
Atlassian Corp PLC	Atlassian is an operator of task-sharing technology platforms. Its products improve remote collaboration and efficiency through cloud-enabled technologies, while reducing travel and associated carbon footprint.	Energy saved through use of products
Auckland Council Bonds	The proceeds of the Council's green bonds fund a portfolio of assets Harbour deems to be genuinely green and improving environmental outcomes including electric trains, cycleway expenditure and rehabilitation of Puketutu Island	Various including GHG reductions and public transport utilised
Brookfield Renewable Partners	Brookfield Renewable is a pure-play solar, wind & hydro electricity provider, oriented towards the generation of zero carbon electricity across multiple geographies. It is also investing in carbon capture solutions.	GWh energy generated from renewable sources
Calix Ltd	Calix is an industrial technology company that provides solutions across several industries to decarbonise. The primary opportunity for Calix is to decarbonise the cement and lime industry – the largest contributor of man-made GHG emissions at 8% of total emissions. Through its low emissions intensity lime and cement (LEILAC) kiln that not only can run on 100% renewable energy (unlike any other kiln that uses internal combustion and fossil fuels), but also provides the lowest-cost carbon capture solution among alternative technologies. In addition to cement and lime, Calix is also active in water treatment and more recently have entered the lithium processing business, providing a pathway to decarbonise and improve efficiencies in lithium hard rock mining.	Number of committed installations of LEILAC kilns. Size of committed installations of LEILAC kilns (in ktpa of CO ₂ capture capacity)
Chart Industries Inc	Chart Industries is an enabler of green hydrogen. Currently, it provides equipment and engineered systems used to cool gases (often to cryogenic liquid temperatures) and then transport and store them as liquids. The company's E&C Cryogenics segment's services will be a key enabler of hydrogen production as the technology comes down the cost curve.	Proportion of revenue from hydrogen products
Contact Energy Ltd	While gas contributes c. 10% of Contact's generation portfolio, the company is actively migrating to renewable sources having announced at 2023 closure of its Taranaki combined cycle gas plant. To replace this lost capacity Contact is developing its new 168MW Tauhara geothermal field.	GWh Renewable energy generation
Fortinet Inc	Fortinet is a leading global network security provider to SMB, enterprise, and telecom service providers. Their cloud-based security solutions help reduce the environmental footprint of their customers. Fortinet's core offering is its next generation firewall appliance, the FortiGate, which is available as both an on-premise firewall and a virtual private firewall for cloud-based workload.	Energy saved through use of products
Hubbell Inc	As an electrical equipment and power systems provider, Hubbell enables the transition to renewable energy in many ways. Hubbell Power Systems products help conduct power across the electrical grid infrastructure safely and conveniently. They also provide solutions for wind turbines and solar panels and smart infrastructure solutions via Chance and Aclara.	Proportion of revenue from electrification of grid. Energy saved through use of products.
Humm Bonds	Humm's financing enables homeowners to easily purchase rooftop solar without having to vary mortgages (and incur fees etc.). This is an Australian transaction where new renewable generation has a meaningful impact in displacing coal.	MW renewable energy generation capacity
Iberdrola SA	Iberdrola is the world leading utility in wind and solar generation with about 20% of generation capacity coming from alternative energy. The company has divested completely from coal and has doubled its offshore wind pipeline in the last 18 months and expects to double its renewable capacity by 2030. It is very well positioned to address increasing demand for alternative energy.	GWh energy generated from renewable sources
IFC Bonds	These bonds are backed by a portfolio of lending that World Bank division IFC undertakes in developing countries to support projects in energy efficiency, renewable energy, resources efficiency, cleaner technology production, sustainable forestry and other financial intermediaries that on-lend to smaller projects of the same nature.	Reduction in GHG emissions

Issuer	Impact Rationale	Measurement
Linde PLC	Linde is a key enabler of green hydrogen and carbon capture and storage (CCS) technologies. It has already started building what will be the world's largest PEM (Proton Exchange Membrane) electrolyser in Germany when it comes into operation in 2022. We believe that Linde will play a key role in enabling the development of this zero carbon fuel source given its leading position in hydrogen production and infrastructure.	Emissions mitigated through use of products
Manawa Energy Bonds	Manawa Energy (formerly TrustPower) has a 100% renewable energy portfolio. It has plans to expand its generation capacity including in a programme of enhancing existing assets with upgrades that will realise c. 68MW of additional output in the next five years and in March 2022 announcing a JV with Hawkes's Bay airport for a 24MW solar farm.	GWh Renewable energy generation
Mercury Energy Bonds	Mercury continues to develop its renewable energy generating fleet, helping NZ transition away from the remaining thermal assets. It is expected to complete construction of New Zealand's largest wind farm in 2023.	GWh Renewable energy generation
Mercury Nz Ltd	Mercury continues to develop its renewable energy generating fleet, helping NZ transition away from the remaining thermal assets. It is expected to complete construction of New Zealand's largest wind farm in 2023.	GWh Renewable energy generation
Meridian Energy Ltd	In conjunction with Contact Energy, Meridian has been proactive in encouraging energy intensive sectors, such as data storage, to migrate to New Zealand and appears likely to progress with a large-scale battery that would better utilize excess hydro capacity in the event of NZAS decamping.	GWh Renewable energy generation
NextEra Energy Inc	NextEra Energy is a leader in renewable energy generation in the United States, and is the largest investor in renewables globally. As of 2020, 56% of NextEra's revenues are aligned to our Climate Change Mitigation sub-pillar, with 28% of revenues derived from renewable energy generation and 28% of revenues related to electricity transmission and distribution.	GWh energy generated from renewable sources
Nibe Industrier AB	Nibe Industrier is an international heating technology company, contributing to better energy efficiency. The company is organized around three business areas: climate solutions (65%), element (26%) and stoves (9%) that develop, manufacture and market a wide range of eco-friendly solutions for indoor climate comfort in all types of properties.	Emissions mitigated through use of products
Orsted AS	Ørsted develops, constructs, and operates offshore and onshore wind farms, solar farms, energy storage facilities, renewable hydrogen and green fuels facilities, and bioenergy plants. From wind farms to energy storage and bioenergy, to green hydrogen, Ørsted are taking real action to create a world that runs entirely on green energy. They are innovative and exploring new areas e.g. building a world first bio-plant to commercially use enzymes to convert household waste into energy.	GWh energy generated from renewable sources
Osho	Osho are reimagining home electrical energy management. Via intelligent, futureproofed proprietary hardware, Osho will be enabled to execute a SaaS based business model whereby its self-learning system will generate diverse financial benefits for customers.	Energy saved through use of products
ROCKWOOL A/S	Rockwool is a large scale manufacturer of stone wool insulation, which helps to improve the energy efficiency of buildings and will play a key role in the EU's renovation wave.	Emissions mitigated through use of products
Salesforce Inc	Salesforce is a cloud technology enabler, transferring clunky and less energy efficient on-premise CRM systems to the cloud. Additionally, Salesforce provides innovative software solutions.	Emissions mitigated through use of products
Schneider Electric SE	Schneider Electric provides a wide range of products that promote electrification as well as industrial automation. The company aims to achieve carbon neutrality across scope 1-3 emissions by 2030.	Emissions mitigated through use of products
SeaChange	SeaChange is changing the face of ocean transport with the development of high-speed, electric-powered hydro-foiling passenger and car ferries designed to disrupt high-cost airfreight supply chains and existing ferry services. From their base in Marsden Point, New Zealand, they will bring a new type of ocean carrier to the world.	Emissions mitigated through use of products

Issuer	Impact Rationale	Measurement
ServiceNow Inc	ServiceNow is a leading cloud technology enabler reducing time to market across many business processes. The company's products allow for more efficient digital workflows that improve productivity and allow for better resource efficiency.	Emissions mitigated through use of products
Shoals Technologies Group Inc	Shoals Technologies provides next generation equipment for large scale solar power generation, with a focus on ease of installation and maintenance.	GWh energy generated from renewable sources using firm's products
Sika AG	Sika develops and offers innovative technologies which allow the construction and transportation industry to be more sustainable, helping customers construct healthier, safer and lower carbon footprint buildings and vehicles. Today, 70% of sales are generated by products that have a positive environmental impact (with a target to increase this to 80%) such as concrete additives/admixtures (reducing CO ₂ emissions by up to 25-35% per tonne and ambition to increase this to 50%).	Emissions mitigated through use of products
SolarEdge Technologies Inc	SolarEdge has invented an intelligent inverter solution, which maximizes power generation at the individual module-level while lowering the cost of energy produced by solar systems.	GWh energy generated from renewable sources using firm's products
Spark Bonds	Telecommunications provider Spark has issued sustainability-linked bonds which create a financial incentive for it to reduce emissions consistent with a 1.5 degree science-based reduction target.	Reduction in GHG emissions
Sunrun	Sunrun is the leading US residential rooftop solar and storage provider. While providing households a renewable energy alternative, it can offer customers a 10-40% saving to average utility bills. Furthermore, the battery solution offers customers back-up power during power outages. Residential solar is a cost-effective way to modernize infrastructure making it more environmental, resilient and affordable.	Emissions mitigated through use of products
Syrah Resources Ltd	Syrah Resources' primary business activity is to extract graphite for the use as anode material in Li-ion batteries for electric vehicle.	Tonnes of graphite sold (proxy for ICE vehicles displaced)
Tesla Inc	Tesla is accelerating the world's transition to sustainable energy with electric cars, solar and integrated renewable energy solutions for homes and business. Tesla is a leading manufacturer of EVs and AVs that replace ICE vehicles and help avoid associated GHG emissions. Tesla is also a provider of charging infrastructure which facilitates increased adoption of electric vehicles. Tesla also provides energy storage products and solar energy offerings.	Number of EVs on road. Emissions mitigated through use of products.
Trane Technologies PLC	Trane Technologies is an air conditioning, heating and refrigerated transport manufacturer. Its products utilise less F-gases than existing technologies. The company has a strong focus on continually improving the sustainability of its products and leveraging data and digital connections to do so. As of 2019, Trane had already reduced carbon emissions from its products by 50% and the company has committed to reducing its customers' carbon emissions by 1 gigaton by 2030.	Emissions mitigated through use of products
UBCO	UBCO bikes are two-wheeled electric bikes adapted for off-road or on-road use. On-road uses include last-mile delivery drivers, with a partnership with Domino's pizza. While off-road uses include farm utility vehicles, targeting decarbonisation of a segment of transport previously thought unlikely.	Energy saved through use of products
Vestas Wind Systems A/S	Vestas is the energy industry's global partner on sustainable energy solutions. The company has collaborated with its closest stakeholders to install more than 80,500 wind turbines in 85 countries (Q3 2021). Vestas remains at the forefront of the transition towards affordable and clean energy - delivering between 30 and 50 units of energy back to society for every unit needed in the life cycle of a Vestas wind turbine. Vestas' 15 mega watt turbine will be the world's largest when it comes into use in 2024, with capacity to power 20,000 households.	Emissions mitigated through use of products
Waste Connections Inc	Solid waste collections and disposal company. Waste Connections is making significant investment in converting biogas from its landfills into energy as well as automated technology to recycle and avoid landfill.	Waste redirected from landfill. Amount of biogas converted into energy
Woolworths Sustainability-Linked Bonds	Woolworths' sustainability-linked bonds create an incentive for the company to meaningfully reduce the GHG emissions. Specifically, Woolworths has set a 2030 GHG scope 1 & 2 emissions reduction strategy in line with a 1.5 degrees Paris Agreement Scenario, as verified by SBTi.	Emissions reduction

Issuer	Impact Rationale	Measurement
Zoom Video Communications Inc	Zoom provides video conferencing services, which help to improve connectivity and reduces the need for travel.	Emissions mitigated through use of products
American Water Works Co Inc	American Water Works is connected to the Environmental transition, particularly resource (water) efficiency. American Water Works is a U.S. and Canada water utility company primarily devoted to regulated operations. Hence, American Water's activities and investment in water infrastructures (asset renewal and capacity expansion driven by increasing constructive regulatory policies) are considered as a water-efficiency operations. The company is a member of the Bloomberg Gender Equality Index 2022, and has been named one of the world's top ten most sustainable corporations.	Litres of water saved
Ball Corp	Ball Corporation supplies innovative, sustainable aluminum packaging solutions for beverage, personal care and household products customers, as well as aerospace and other technologies and services to commercial and governmental customers.	Recycled aluminium used in new cans
CarbonCrop	CarbonCrop uses artificial intelligence and remote sensing to make it easy and profitable for landowners worldwide to protect and restore forests. The result is stronger farm economics, less carbon in the atmosphere heating up the planet, and improved climate resilience and biodiversity of our landscapes.	Number of farms using technology
Croptide	Croptide's vision is for every grower to know the nutrient, health and water status of every plant. With water scarcity caused by climate change an increasing problem globally, much higher precision management will become a necessity.	Number of growers using technology

Impact Pillar: Environment

Impact Sub-Pillar: Resource Sustainability

Issuer	Impact Rationale	Measurement
AGCO	AGCO is well-positioned within the environmental transition to benefit from the secular trend towards more sustainable agricultural practices driven by a growing population's need for substantial increase in food production and the need for more efficient practices given the resource intensity of the sector.	Growth in manufacturing revenues; growth in precision planting revenues
Ashtead Group	Ashtead increases resource-efficiency, responsible consumption and promotes the circular economy by maximising asset utilisation through an 'inner-loop' equipment rental model. Equipment rental significantly reduces the total cost of ownership for customers vs direct ownership/purchase of equipment. It also reduces life-cycle emissions and facilitates access to new energy-efficient equipment which drives additional emission & energy savings while optimising productivity.	CO ₂ e mitigated through services
Avertana	Avertana's vision is to 'breathe life' into existing industrial waste, replacing more costly and environmentally harmful processes and providing manufacturers with sustainable, "drop-in" raw materials. Our circular economy technology eliminates an existing industry waste stream, avoids new on-purpose resources mining, and has a significantly smaller carbon emissions footprint than conventional processes for the same products. Avertana's primary focus is on waste slag from steel manufacturing. This solid waste, a byproduct of steelmaking, provides the raw material for Avertana's innovative extraction technology. Using chemical processes, Avertana extracts mineral and chemical ingredients from the waste without creating any secondary waste.	Progress on partnerships to use technology to produce TiO ₂
Badger Meter	Badger Meter manufactures flow measurement and control products for municipal and utility water/wastewater and several industrial markets. Its products fall into two segments: utility water (~80% of revenues) which includes utility water/wastewater flow measurement, control and distribution solutions, and flow instrumentation products (~20%) which includes flow control and measurement solutions for commercial and industrial applications.	Gallons of water saved per year from use of products
Darling Ingredients	DAR is one of the oldest rendering companies in the world and its rendered products are sold as animal feed, food for human consumption, and bioenergy. Additionally, its 50/50 JV with VLO (Diamond Green Diesel, or DGD) produces renewable diesel – a low-carbon diesel replacement that utilises animal fats from the rendering process as feedstock.	CO ₂ e mitigated through use of waste products in manufacturing
Hot Lime Labs	Hot Lime Labs has developed a system to produce clean, renewable CO ₂ from the combustion of wood and agri-waste for large high-tech commercial greenhouses, improving crop yields by 10-20%.	Number of customers using technology
IDEX	IDEX delivers positive impact through its products focused on specialty fluid control (incl. pumps, valves, meters), firefighting & rescue equipment, and paint-dispensing machines. These reduce manufacturing waste and its associated emissions and provide safety, firefighting and rescue solutions.	Manufacturing efficiencies enabled
Keyence	Keyence manufactures precision robotic vision sensors that are primarily used in factory automation. These have notable environmental and social impact by reducing manufacturing waste, improving industrial efficiency and increasing safety in the workplace.	Revenue enabled/saved by factory automation
Mint Innovation	Mint Innovation, a New Zealand cleantech company, has scaled a biological process that recovers valuable metals from waste streams. Their first process is a unique bio-metallurgical approach to recover metals from electronic waste. A key aspect of the Mint process is the use of proprietary microbes that are selective for specific metals. Combined with the advantages of low-cost chemistry, they aim to make it viable, both economically and environmentally, to capture value from e-waste near its point of collection.	Progress on prototype plants; amount of green metal salvaged

Issuer	Impact Rationale	Measurement
NewFish	NewFish's purpose is to reimagine New Zealand's seafood to replenish our relationship with the ocean. The business is creating entirely new products to delight customers, solve food waste problems and save time. NewFish wants to instigate positive change by bridging timeless food traditions with new technology and the imperative of improving the sustainability of our global food system.	Take up of NewFish products as alternative to less sustainable seafood
Nilo	NILO technology enables all plastics, including those not currently recyclable (ocean, landfill, bio/medical, post-industrial, dirty) to be converted into raw materials and combined with other waste streams to create a diverse range of products with wide ranging applications.	Waste redirected from landfill and put into Nilo product. Number of customers using Nilo products
TOMRA Systems	TOMRA Systems manufactures reverse-vending machines for automated collection of used beverage containers. It enables the circular economy and reduces emissions from waste management by promoting post-consumer waste collection and recycling.	CO ₂ e mitigated through use of products
Trex Co	Trex manufactures wood-alternative decking and railing products for residential real estate that are 95% made of reclaimed & recycled product content, thus reducing waste.	CO ₂ e mitigated through use of recycled products
Unilever	Unilever is well-positioned within the governance transition, primarily within the sustainable consumption theme. The company has set ambitious goals with regards to sustainable development and has in place adequate measures to achieve these goals, including strategies related to the sourcing of sustainable raw materials, sustainable packaging, positive nutrition, and human rights through the value chain.	Commitment to deforestation-free supply chain, sustainable crop sourcing, and regeneration of land, forests and oceans
Zincovery	Zincovery delivers low cost and environmentally friendly solutions to industry. Its first technology can effectively recycle a zinc-contaminated waste acid produced by the galvanized steel industry. Next year the company will enter the New Zealand market with the aim of making New Zealand galvanisers the first zero-waste galvanising industry.	Kilograms of zinc recovered from furnace dusts; patents backing technology

Impact Pillar: Social

Impact Sub-Pillar: Social Inclusion



Issuer	Impact Rationale	Measurement
AIA Group	AIA delivers significant social impact by providing a financial safety net for its >41m individual policyholders and >17m group insurance scheme members across life, accident & health, savings and employee benefits products. As the largest life and health insurer in Asia, AIA can help people “live healthier, longer, better lives” at unparalleled scale. Across Asia there is an estimated health protection gap of \$1.8tn – in dollar terms this is largest in mainland China at >\$800bn. AIA makes a substantial contribution to providing a financial safety net to mitigate out-of-pocket and unaffordable medical expenses, helping to support health & wellbeing.	Individual policies and members covered by group schemes
APM Human Services International	APM is new to the portfolio this year and is a service provider of human services across employment services; health & wellbeing; communities & assessments; and disability & aged care support services. This means providing support to many of society’s most vulnerable people and the company grew out of disability services. APM can point to objective outcome-based performance data that they are able to deliver improved long-term outcomes for programme participants relative to peers.	Government-issued outcome-based ratings of providers like APM of their delivery of disability and employment services for sustained positive employment outcomes. Ratings for some services are currently suspended as programmes are redesigned, and only the first batch of new data is now available
Asian Development Bank Gender Bonds	Proceeds of ADB’s gender equality bonds are used to fund projects related to the health sector, directly or indirectly, or investments in private sector health projects. Since 2022, ADB’s health pipeline has shown a shift from procurement of key pandemic-era commodities, including vaccines, toward investments into long-lasting systems and assets such as national centres for disease control, health workforce training institutions, and new or refurbished health facilities at primary and secondary care levels.	Number of skilled jobs for women generated
Bright Horizons Family Solutions	Bright Horizons delivers impact through reducing discrimination as it provides childcare for working parents and back-up care for dependents of all ages. Childcare accounted for 74% of revenues in 2023, while back-up care accounted for another 21%. The remaining 5% of revenues comes from an educational advisory service that offers workforce education, tuition assistance, loan repayment and college admissions and educational advising services.	Capacity for number of children enrolled in centres, and number of centres operating
Credit Agricole	Crédit Agricole is positively exposed to the demographic transition growth drivers through aging European populations’ need for savings through insurance and asset management products. Credit Agricole is also assisting in financing the environmental transition through its commitment to provide sustainable investment and banking products through its asset management segments, lending operations, and significant role in the green bond markets.	Savings products provided to demographics
Estee Lauder Cos	Estee Lauder is well exposed to the demographics transition, in particular the rising middle class in emerging countries as well as certain generational shifts. As the middle class in emerging markets becomes wealthier, there is increased demand and increased focus on skincare. This is particularly the case in Asia Pacific. There is also a global generational shift toward increased focus on skincare.	Amount invested/donated into social initiatives to help reduce inequalities

Issuer	Impact Rationale	Measurement
Housing NZ Bonds	Kāinga Ora is the largest residential landlord in New Zealand, housing nearly 200,000 people in its almost 72,000 properties across New Zealand. Kāinga Ora, via subsidiary Housing NZ (the bond's issuer) is currently facing a significant asset renewal and realignment requirement. The average house age is approximately 45 years and around 45,000 homes will require renewal or replacement over the next 20 years. Housing NZ's bonds are sustainability bonds, meeting both green and social criteria, but are dubbed 'wellbeing bonds' consistent with NZ Government's 'wellbeing' framework.	Additional people housed; Homes retrofitted; Facilities modified for mobility/intensive support
IDP Education	IDP is a pioneer in international education services, on a mission to build the world's leading platform and connected community to guide students on their journey to achieve lifelong learning and career aspirations. This is achieved through having significant student (and their families) counselling services, largely in emerging markets, to help guide students to make the most appropriate choices for tertiary studies. Additionally, IDP provides the world's leading high-stakes English language test as the co-owner and distributor of the IELTS test. This test is recognised by most leading universities and is an entry requirement for non-native English-speaking students.	Student placement numbers by destination and source country. Tracking of the Chennai programme (see Social Inclusion)
International Bank for Reconstruction and Development Bonds	The International Bank for Reconstruction and Development (IBRD) is the World Bank's lending arm for governments in developing countries. The IBRD's Sustainable Development Bonds fund a combination of green and social projects and activities in member countries. Each project is designed to achieve impacts in line with the World Bank's twin goals of eliminating extreme poverty and promoting the Sustainable Development Goals.	mtCO ₂ e avoided/reduced; People with access to improved water sources
Legal & General Group	Legal & General is positively exposed to the demographic transition, which is driving the demand for secure savings through asset management and insurance products like annuities for aging populations in the UK, US, and Europe. The uncertainty and insufficiency of social security pensions increases the need for retirement savings from private sources and pushes older cohorts to continue saving and minimize income risk through annuity-type products. LGEN also has some (limited) committed exposure to the environmental transition through L&G Capital's long-term investments in clean energy and other green projects.	Education and products provided to different demographics
NWB Bonds	NWB is the bank of the Dutch public sector. The proceeds of sustainable bonds are used to finance social housing associations in the Netherlands. These organisations provide social and affordable housing to people with low incomes, or with special needs, who have difficulty accessing dwellings on the market.	New social dwellings
Visa	Visa's contribution is driven by advanced diversity practice with women representing more than 30% of the executive committee. The company is committed to fostering an inclusive working environment with training, pay equity, and quarterly diversity metrics dashboard.	Diversity in employees and executive board



Impact Pillar: Social

Impact Sub-Pillar: Thriving Communities and Infrastructure

Issuer	Impact Rationale	Measurement
Adobe	Adobe is strongly positioned within the technology transition as a diversified software company providing tools and solutions that enable individuals, small and medium businesses and enterprises to create, promote, and monetise their digital content. Its flagship product Creative Cloud, a subscription service, allows customers to install the latest versions of its creative products. Adobe enables other companies to thrive online, is great for digital transformation, and allows for reductions in water, paper and energy use compared to physical solutions.	Number of digital content platform users
Adyen	Adyen is well-exposed to the technology transition as a significant beneficiary of secular trends towards electronic payments and e-commerce. Adyen is a technology company redefining payments for merchants globally. It has built a single platform that enables the acceptance and processing of cards and local payments globally across its merchants' online, mobile and point of sale ("POS") channels. Adyen's global platform has integrated and simplified the payments value chain, enabling it to partner with large merchants to rapidly scale their businesses both locally and globally.	Number of SMEs and entrepreneurs on platform
Aptiv	Aptiv is a global technology and mobility company serving the automotive sector. It designs and manufactures vehicle components and provides electrical, electronic and active safety technology solutions to the global automotive and commercial vehicle markets, creating the software and hardware foundation for vehicle features and functionality. This activity addresses automation themes through active safety and connected cars' sub-themes.	Number of vehicles with safety componentry provided by Aptiv
ASML Holding	ASML creates impact through its lithography equipment, which is responsible for a critical step in semiconductor manufacturing and thus enables downstream semiconductor innovation. ASML has 100% market share in Extreme Ultraviolet lithography equipment, which is needed to make leading edge chips with superior energy efficiency. The equipment delivers unmatched levels of precision that enables semiconductor manufacturers to create high performance chips capable of delivering new frontier efficiency.	Energy saved through use of products
Axis Bank	Axis Bank is a large private sector bank in India looking to increase financial inclusion in India with retail & SME customers accounting for 68% of the loan book. The bank's lending to these sectors helps enable economic growth and reduction in financial inequalities. The bank also has a growing green lending business as it looks to provide finance to help decarbonise the Indian industry.	Jobs supported through SME lending
Bank Central Asia Tbk	Financial inclusion remains low in Indonesia. In 2021, penetration of financial institution accounts (50%) and debit/credit card ownership (35%) was below that of the East Asia & Pacific averages (64%/50%). Bank Central Asia is helping to close this financial inclusion gap, reduce financial inequalities and enable economic growth in Indonesia with a large exposure to microfinancing, retail and SME lending. The bank is also at the forefront of sustainable finance in East Asia with a growing sustainable finance portfolio.	Jobs supported through SME lending
BDO Unibank	Financial inclusion remains low in the Philippines. In 2021, penetration of financial institution accounts (46%) and debit/credit card ownership (30%) was below that of the East Asia & Pacific averages (64%/50%). BDO Unibank is helping to close this financial inclusion gap, reduce financial inequalities and enable economic growth in the Philippines with a large exposure to retail and SME lending. The bank is also at the forefront of sustainable finance in East Asia with a growing sustainable finance portfolio.	Lending to individuals and SMEs

Issuer	Impact Rationale	Measurement
Capitec Bank Holdings	Capitec is a large private sector bank in South Africa looking to increase financial inclusion with 100% of their loan book comprising retail and SME customers. The bank's purpose is to make banking simpler, more transparent and affordable to help people and businesses improve their lives.	Lending to individuals and SMEs
Chailease Holding Co	Chailease aims to improve access to and use of responsible financial services for historically underserved populations such as SMEs across Taiwan, Mainland China and ASEAN. In assisting SMEs, the bank is helping reduce financial inequalities and enable economy growth in Taiwan and other regions.	Jobs supported through SME lending
eBay	As an e-commerce platform for C2C and B2C sales services, eBay is well-exposed to the technological transition and the digitalisation of the economy. Additionally, eBay is exposed to trends such as sustainable consumption through the sale of non-new goods.	Positive economic impact created by eBay's sellers and buyers through selling pre-loved and refurbished items on eBay; funds raised through 'eBay for Charity' programme
Ebos Group	EBOS is the largest and most diversified Australian wholesaler, distributor and marketer of healthcare, medical and pharmaceutical products. The products and services positively impact large numbers of people and patients every day across Australasia, including being a preferred distributor of COVID-19 and influenza vaccines. EBOS runs multiple initiatives to improve outcomes for vulnerable patients, with one example being drone deliveries of critical medicines into hard-to-reach areas (if, say, they have been cut off by storms).	Volume of prescribed medicines; number of medical devices distributed; and number of vaccines administered
Fortinet	Fortinet delivers impact by providing network security to SMEs, enterprise, and telecom service providers to prevent cybersecurity/ransomware attacks. Fortinet is a leader in the firewall submarket within cybersecurity, specifically micro-segmentation which layers mini firewalls within a network to contain potential breaches. FTNT is building a comprehensive approach to a security platform called Security Fabric. Through Security Fabric, FTNT intends to lead the upcoming security consolidation.	Ransomware variants stopped and zero-day threats discovered
Goodman Property Green Bonds	Goodman Property Trust is an Auckland-focused industrial property company. Goodman's green bonds are supported entirely by new development. Goodman's sustainability policy dictates that new builds will be carbon neutral with offsets purchased equal to the building footprint that cannot be eliminated with design choices.	5 or 6 Green Star buildings built. (buildings financed by the green bonds)
HDFC Bank	HDFC is a leading financial services company which is increasing financial inclusion in India with retail & SME customers accounting for 66.7% of the loan book. The bank's lending to these sectors helps enable economic growth and reduction in domestic and international financial inequalities with c. 240 million adults in India remaining unbanked. The bank is also contributing to India's economic growth by supporting and enhancing investment and infrastructure lending to government and private entities.	Jobs supported through SME lending
HDFC Life Insurance Co	As the third largest life & health insurer in India, HDFC Life Insurance delivers impact by helping narrow the insurance protection gap (>80% in India according to Swiss Re data) through its life and health insurance products. The company's impact is broad based both in terms of product type (products across savings, retirement, protection & health) and geographic reach (498 branches, c.300 distribution partners, 179,435 agents).	Individuals insured
HubSpot	HubSpot delivers impact with financial inclusion and SME enablement by providing SaaS Marketing and CRM applications (i.e., Blogging, SEO, social media, email marketing automation, SFA, lead nurturing) to SME customers across a range of verticals, allowing them to serve new markets and grow their businesses at a faster pace. HubSpot has a 'freemium' model, maximising accessibility to their products.	Progress reported against Business for Social Impact (B4SI) frameworks from 2024; partnership with Howard University to fund the creation of a Centre for Digital Business

Issuer	Impact Rationale	Measurement
Intuit	Intuit promotes financial inclusion with products oriented toward personal finance solutions and supporting SMEs. Specifically, Credit Karma meaningfully helps consumers improve their FICO scores and Intuit software reduces cost of access of financial products and access to SMEs.	Number of customers, specifically personal finance and SME
Kanzhun	Kanzhun creates impact by delivering an innovative online direct recruitment model which enables more efficient and inclusive recruitment in China. The platform is designed to democratise and simplify the recruitment process - enabling companies, including SMEs, to access a wider pool of candidates.	Verified users - enterprises and individual job seekers
KBC Group	KBC is a bank-insurer specialising in local financing with a focus on private clients and small and medium-sized enterprises (SMEs). They offer payments, insurance, asset management products, loans, and have a focus on sustainable mortgages and SME lending in local communities. KBC has been identified as a CSR leader and is addressing the issue of product transparency and customer responsibility by dealing with delinquency management and responsible sales practices.	Financing contributing to social objectives. Uptake of financial literacy programme
Macquarie Group	Macquarie has evolved to become the global leader in financing the transition to clean energy via its Green Investment Group division. It is currently funding over 300 renewable energy projects with a combined capacity over three times New Zealand's total output. Macquarie has become increasingly active in newer areas including floating solar and wind projects, converting waste to energy, digital emission tools for farmers and hydrogen-powered buses and trucks.	MW renewable energy generation capacity funded
Mastercard	Mastercard benefits from the technological transition and is a driver of the future of financial systems and digitalisation of payments. MC will also benefit from the rising middle class in developing markets with growing demand for payment systems as people start businesses and have more wealth but limited access to traditional brick-and-mortar banks.	Usage of systems in developing economies
Microsoft	Microsoft contributes to the SDGs through their advanced human capital policies and practices, benefiting both their employees and suppliers, as well as through their active support to diversities.	Progress against 2020 Racial Equity Initiative goals (target 2025); progress in gender and disability representation and pay equity
MSA Safety	MSA safety is a pure play manufacturer of safety equipment. Products include self-contained breathing apparatus, fixed and portable gas and flame detection systems, industrial head and fall protection equipment and firefighter helmets and protective apparel.	Workers protected by use of products
NU Holdings	Nubank is a Brazilian fintech aiming to increase financial inclusion across Latin America to help empower individuals and SMEs in their daily lives.	Banking and credit card fees saved by customers
NVIDIA	As a fabless semiconductor company specialising in the design of visual computing solutions, NVIDIA is very well positioned to benefit from the technology transition, particularly themes related to artificial intelligence and automation.	R&D spend
OneMain Holdings	OneMain Holdings offers auto loans and personal loans primarily to non-prime customers who have limited access to credit. OMF's emphasis on financial advancement and success for customers (every customer gets a personalised budget plus access to financial literacy resources) differentiates it from other lenders targeting underserved communities and helps reduce financial inequalities within the United States. There are plenty of lenders willing to give out loans to underserved consumers because they can charge extraordinarily high rates, but OMF's embedded budgeting process and determination of an ability to pay is what makes it more of a mission-oriented lender.	Loan and credit card balances provided to underserved communities
Pacific Edge	Pacific Edge is a cancer diagnostics company that provides a test for bladder cancer that is more accurate, cheaper and less intrusive for the patients than existing tests.	Volume of tests delivered

Issuer	Impact Rationale	Measurement
Precinct Property Bonds	Precinct is a high-grade office property company that utilises the ground floors of its prime locations for specialty retail and food & beverage offerings. It is NZ's largest office landlord and the owner of NZ's largest building, Commercial Bay. Per Harbour's REIT impact criteria, Precinct's green bonds support significant new development built to a high environmental standard; the current development pipeline is all being built to a Greenstar 5 Star standard.	5 or 6 Green Star buildings built. (buildings financed by the green bonds)
Roper Technologies	Roper is well exposed to the technology transition in numerous ways and is well positioned to benefit from underlying themes such as automation, digitalisation and A.I. through its diversified business model. Roper Technologies' industrial products such as water metering and production software are used to increase efficiency and resource use in its customers' manufacturing processes.	Health systems, hospitals, and private laboratories served
SAP	SAP operates as an enterprise application software and database company worldwide and is strongly exposed to the technology transition through offerings connected to cloud computing, smart software and IT consulting.	Number of product users; progress in social initiatives
Sekisui House	Sekisui House is well-positioned to benefit from the trend toward green and efficient buildings. Sekisui has been committed to increasing the availability of disaster-resistant and environmentally friendly housing products by promoting sales of houses incorporating "SHEQAS", their proprietary seismic vibration absorption system and "Green First Zero" houses equipped with photovoltaic power generation and fuel cell systems.	Efficiency improvements in homes sold
Shopify	Shopify's cloud-based commerce platform enables SMEs to set up online businesses, accept payments and compete online in an increasingly fragmented and multichannel retail landscape, enabling economic growth and financial inclusion	Value of transactions processed through platform, enabling economic activity
Synopsys	Synopsys delivers impact through innovation and advanced node chip manufacturing, which is a major driver of global technology advancement, allowing for better outcomes in healthcare (e.g. compute power for R&D, chips in healthcare technology), climate (e.g. adoption of cloud and EVs), connectivity, education, and financial inclusion, among others. SNPS are the market leader in electronic design automation (EDA), the technology used to design semiconductor chips and systems, and #2 in semiconductor IP, the reusable building blocks that lower customers' chip design costs and time to market.	R&D spend
Taiwan Semiconductor Manufacturing Co	TSMC creates impact through continuous innovation in semiconductor manufacturing that enables production of leading-edge chips which, in turn, can be used in a wide variety of sustainable applications and enable downstream energy efficiency. The company has been instrumental in semiconductor innovation for 30 years and is the partner of choice for advanced node chips with over 60% capacity share. The impact thesis is centred on the role of semiconductor innovation for energy efficiency, existing sustainable applications (EVs, renewable energy, 5G) and future sustainable innovation through AI.	R&D spend. Market share
uTecture	uTecture™ empowers design and delivery of homes with digital efficiency and experience in markets around the globe. uTecture™ is a groundbreaking new cloud-based digital residential building platform that empowers builders with dynamic design presentation, documentation and workflow management in one.	CO ₂ e avoided by provision of services
Verizon Communications	Verizon is directly exposed to the technology transition, including interconnectivity and digitalisation themes, and as an infrastructural backbone it facilitates the broader technology transition.	Innovation in infrastructure. Social initiatives around Digital Inclusion

Impact Pillar: Social

Impact Sub-Pillar: Wellness



Issuer	Impact Rationale	Measurement
Agilent Technologies	By end market, Agilent's impact is most significant in healthcare which accounts for c.59% of group revenues. Agilent delivers significant impact here by a) accelerating the development of biopharma products, b) bringing state-of-the-art diagnostics to patients and c) advancing understanding of diseases to enable new breakthroughs in human health. Within diagnostics & clinical, the company's additionality is particularly significant in its pathology business. Here, Agilent is a leading player in cancer diagnostics & helps direct cancer therapy through its approved companion diagnostics for MRK's Keytruda and BMY's Opdivo. Within pharma, cell analysis & nucleic acid solutions support some of the most cutting-edge areas of therapeutic development.	Customers served across different business segments
Asian Development Bank Health Bonds	Since 2022, ADB's health pipeline has shown a shift from procurement of key pandemic-era commodities, including vaccines, toward investments into long-lasting systems and assets such as national centres for disease control, health workforce training institutions, and new or refurbished health facilities at primary and secondary care levels.	Health services established or improved
AstraZeneca	AZN's approved medicines deliver impact for >105m patients annually across >130 countries in its core therapy areas. The company has particular strength in oncology – this therapeutic area accounts for 35% of group revenues today and 47% of AZN's late-stage development pipeline projects. Nearly 20m people are diagnosed with cancer annually and it is the second leading cause of death worldwide. Going forward, AZN's partnership with Daiichi Sankyo to develop and commercialise antibody drug conjugates could significantly improve cancer therapy. Enhertu, the first approved product from the partnership, is already approved for several indications and is transformational for breast cancer patients.	Healthcare R&D spend
Becton Dickinson & Co	The "durable core" of BD's business consists of products and solutions that form the backbone of healthcare worldwide – this includes products such as collection tubes, catheters and syringes. In supporting effective treatment, these products create meaningful impact for patients – BD's durable core touches 90% of people treated in U.S. hospitals. BD's "transformative solutions" are the main focus of the company's R&D efforts, seeking to improve chronic disease outcomes, enable care to shift into new settings to improve outcomes and improve healthcare processes through connected care.	Market share in US hospital core products
CSL	CSL is the largest healthcare company in Australasia with a true global presence, reaching patients in over 100 countries. CSL is developing and delivering high-quality medicines to treat people with rare and serious diseases. It also has the world's largest influenza vaccines company and, more recently, has entered kidney health through the acquisition of Vifor Pharma, a global leader in iron deficiency and iron deficiency anaemia therapies.	Number of new product registrations for serious diseases; Number of significant target launch dates
Daiichi Sankyo Co	Daiichi Sankyo's impact thesis is predicated on the transformative potential of the company's world-leading antibody drug conjugate technology platform, which could be a game changer for cancer therapy even beyond successful trials with Enhertu. 75% of all breast cancer patients have HER2-low or HER2-positive disease. Enhertu is the new standard of care for these patients who have previously treated metastatic disease. This product generates significant impact for patients, delaying disease progression and extending survival in its approved indications. Daiichi is seeking to further grow its impact by expanding into earlier lines of therapy and different cancer types with its ADC platform (Enhertu, Dato-DXd & HER3-DXd).	Number of cancer patients treated with Daiichi Sankyo treatments

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Danaher	Danaher's largest three divisions (biotechnology, life sciences and diagnostics) help its customers to create substantial impact for patients by solving complex challenges related to human health. Within biotechnology and life sciences, DHR tools and services help accelerate the development of biopharma products and improve scientific understanding of the causes of disease to power drug development. DHR's additionality is particularly significant in bioprocessing (~25% of group revenues). Danaher has the broadest bioprocessing offering in the industry with end-to-end solutions across all major therapeutic modalities.	Number of new therapies approved by companies that have used Danaher products in R&D
DSM-Firmenich	DSM-Firmenich's F&B business aims to provide nutritious products using sustainable ingredients, whilst its Health, Nutrition & Care segment focuses on nutrition and certain medical solutions, both of which improve health. Additionally, its animal nutrition & health segment aims to transform animal farming to become more sustainable by improving animal health, reducing food waste, reducing emissions, limiting antibiotics and generally being more efficient.	Number of customers using plant-based and immunity-supporting products
Edwards Lifesciences	Edwards Lifesciences is the global leader of patient-focused medical innovations for structural heart disease and critical care monitoring. Driven by a passion for patients, the company is dedicated to improving and enhancing lives through partnerships with clinicians and stakeholders across the global healthcare landscape.	Number of patients treated with transcatheter technologies
Eli Lilly & Co	Eli Lilly's portfolio of approved products drives impact for c.51m patients worldwide across >100 countries today. The company has particularly significant impact in diabetes, a disease affecting >400m and resulting in 1.5m deaths annually worldwide. LLY's product portfolio helps improve disease management for both type 2 and type 1 diabetes patients. The impact thesis hinges on the company's ability to further grow its impact in diabetes and to address obesity with a new class of GLP-1 agonists, which could generate substantial impact while also helping to support substantial healthcare system savings due to the range of co-morbidities associated with these conditions.	Number of patients treated
EssilorLuxottica	Essilor benefits from the demographics transition, primarily from an aging population as well as a rising middle class in emerging countries. An aging population increases demand for preventative and corrective ophthalmic technologies, including reading glasses and other corrective lenses. Additionally, as the middle class in emerging markets becomes wealthier and increasingly educated, there is more awareness of and demand for medical care they can now afford.	Access provided to vision care through OneSight EssilorLuxottica Foundation; Revenue from eyecare solutions; Efficacy of solutions
Evotec	EVT's outsourcing model creates impact by helping pharma/biotech companies remove fixed costs, mitigate risk and accelerate innovation ("the autobahn to cures"). Against an industry backdrop of reduced R&D productivity, EVT reduces time and costs vs. conventional in-house processes by 30% and 50% respectively	Amount of time saved by customers due to outsourcing processes to Evotec
Hamamatsu Photonics	Hamamatsu Photonics creates impact by supporting diagnostics, factory automation and safer road transportation. Specifically, the company makes optical sensors for a variety of end applications, namely healthcare (57%), industrials related to semiconductor and factory automation (~35%) and improving safety in driving through LiDAR components in self-driving cars (currently 3% but growing).	Healthcare R&D spend
HeartLab	HeartLab is transforming cardiology with AI, helping doctors diagnose and treat heart disease. HeartLab's technology enables doctors to extract significantly more information from an echocardiogram, the ultrasound test used to examine a patient's heart structure and function. It also automates the repetitive and time-intensive tasks associated with taking measurements from these tests, dramatically speeding up the time needed by doctors to interpret the results, which is currently around 20 minutes for each test.	Number of customers using technology; number of scans going through system

Issuer	Impact Rationale	Measurement
Intuitive Surgical	As the global leader in robotic assisted, minimally invasive surgery, Intuitive Surgical delivers substantial impact in healthcare by raising the quality of surgery and levelling the playing field of surgical ability. The company's da Vinci surgical robot helps reduce surgical complications and ultimately drive better outcomes for patients. To date, > 12m procedures have been performed using da Vinci systems and the company has deepened its impact by expanding into a range of surgical specialties after initially launching da Vinci in a urological indication. The penetration of robotic surgery remains extremely low (<5%) – Intuitive therefore has a substantial runway to grow its impact over time.	Number of procedures performed using robotic systems. Number of lives extended through use of robotics systems in surgery
Kerry Group	Kerry Group is directly exposed to the healthier eating / product reformulation theme – it offers ingredients like texturants, flavours, proteins, enzymes and acidulants as well as value-add ingredients like food protection and probiotics for digestive health and fortification.	Number of people reached with positive and balanced nutrition solutions
Metlifecare Bonds	With around 6,900 residents spread across its 36 villages in almost 5000 independent living units and nearly 1500 care beds/units, Metlifecare is one of NZ's largest retirement village owners, operators and developers. Metlifecare's bonds are issued under its sustainable finance framework and are backed by green buildings and social assets including specialist dementia care facilities and hospital level care. Increasing the number of dementia care beds in Metlifecare's portfolio six-fold within five years and making all of Metlifecare's portfolio dementia-friendly as accredited by Alzheimers New Zealand.	Number of dementia care beds provided
Novo Nordisk	Novo Nordisk is uniquely positioned to deal with unmet medical needs of chronic diseases and health issues such as diabetes and obesity.	R&D spend; number of diabetes patients treated with company's products; number of patients reached through access and affordability initiatives



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