

An aerial photograph of a dense forest, likely in autumn, with trees showing shades of green and yellow. The forest is set against a dark, almost black background. A dark blue horizontal band spans the width of the image, containing white text. Another smaller dark blue rectangular area is located in the bottom right corner, also containing white text.

cardano

From Pledges to Proof: How COP30, NZIF, and Systematic Stewardship are Reshaping Net-Zero Strategies

Sustainable Investing Quarterly Report | Q4 2025

Introduction



Ivo Kuiper

Head of Sustainability

As we close 2025, the world remains marked by turbulence. Geopolitical tensions, economic uncertainties, and evolving regulatory landscapes challenge investors and companies alike. Yet, amid this complexity, Cardano remains steadfast in its commitment to sustainability, recognizing that resilience and long-term value creation depend on navigating these challenges with clarity and purpose.

This quarter's report, *From Pledges to Proof*, explores how the global net-zero agenda is evolving beyond ambitious promises toward tangible, measurable action. The recent COP30 summit highlighted the political complexities of international climate consensus, but the momentum for transition continues unabated. This progress is driven by technological advances, market forces, and a coalition of committed investors and companies. Notably, frameworks like the Net Zero Investment Framework (NZIF) 2.0 and the rise of Systematic Stewardship are reshaping how portfolios are constructed and engaged, emphasizing real-world impact over superficial metrics.

For investors, this means a shift from simply reducing portfolio emissions on paper to actively financing and stewarding the transition in the real economy. Cardano's approach embodies this shift, balancing short-term financial risks with the imperative to accelerate decarbonization and adaptation efforts.

Looking ahead, it's becoming clear that resilient investing means thinking in terms of climate pathways scenarios and aligned with a just and sustainable future no matter how turbulent the times.

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News and Trends

SFDR 2.0 – Major shift in EU sustainability disclosure rules

On November 20th, the European Commission proposed a revision of the Sustainable Finance Disclosure Regulation (SFDR), known as SFDR 2.0. The aim: to reduce complexity, prevent misuse of labels, and lower administrative burdens. Entry into force is expected in 2028.

Key changes:

- New product categories: Transition (Art. 7), ESG Basics (Art. 8), Sustainable (Art. 9), with strict criteria and exclusions. Impact available as add-on for Transition and Sustainable. Current Article 6, 8, 9 categories removed.
- Sustainability-related terms in names and marketing reserved for categorised products. Stricter restrictions on naming and marketing apply to noncategorised products.
- Portfolio management and investment advice out of scope.
- Definition of “sustainable investments” and DNSH test removed; integrated into categorisation criteria.
- Entity-level PAI abolished; product-level remains mandatory for Transition and Sustainable.
- Disclosure templates simplified and substantially shortened.
- No transition regime (no grandfathering).
- Disclosure on remuneration policy integration removed.



Maureen Luijk

Responsible Investment Lead

Main implications for regulated services

Services	Key requirements	Impact
<p>Fund managers: AIF and UCITS</p> <p>Pension funds: products, schemes</p> <p>Insurers: insurance-based investment products</p>	<p>Sustainability products:</p> <ul style="list-style-type: none"> • Categorisation: Transition, ESG Basics and Sustainable • Impact only as add-on for Transition and Sustainable. • Mixed option available. <p>Non-sustainability products:</p> <ul style="list-style-type: none"> • No ESG claims in names, KID or marketing. 	<ul style="list-style-type: none"> • Recategorise products. • Gap-analysis. • Apply criteria and exclusions. • Repaper disclosures. • No entity-level PAI. <hr/> <ul style="list-style-type: none"> • Remove claims. • Voluntary disclosure allowed with restrictions and annual report.
<p>Investment firms: Portfolio management (mandates)</p> <p>Financial advisers: investment and insurance advice</p>	<ul style="list-style-type: none"> • Out of scope. • MiFID II rules remain. 	<ul style="list-style-type: none"> • Product- and entity-level disclosure removed.

News and Trends

SFDR 2.0 – Major shift in EU sustainability disclosure rules

Legislative process and timelines

SFDR 2.0 is not expected to take effect before 2028. Following publication, the proposal will go through the usual EU legislative process, after which an 18-month implementation period will apply. The Regulatory Technical Standards, which will define key details and templates, are still to be drafted, and enforcement during the transition remains unclear.

Opportunities and Challenges

Cardano broadly sees the following opportunities and challenges regarding SFDR 2.0:

Opportunities	Challenges
<ul style="list-style-type: none"> Shorter templates reduce reporting burden and improve comparability for investors. Clear categorisation and naming rules reduce greenwashing and increase confidence. Alignment with other EU frameworks (e.g., CSRD) could improve data consistency. 	<ul style="list-style-type: none"> No transition regime increases operational and reputational risks. Strict criteria and exclusions hard for some strategies (e.g., sovereign bonds and private markets). Data gaps remain major risk.



Maureen Luijk

Responsible Investment Lead

Expected market distribution of the new categories

Market expectations suggest that the majority of products will remain non-categorised. Among the categorised products, ESG Basics is expected to hold the largest share. The Sustainable category is likely to grow slightly, as the requirement for 100% sustainable investments is lowered to a minimum of 70%, allowing for greater diversity. Transition products are expected to remain a niche segment.

Impact on pension funds and insurers

It appears challenging for pension funds and insurers to qualify for SFDR 2.0 categorisation. This is due to the mix of products on their balance sheets and the high minimum threshold of 70% investments. Sovereign bonds may not count under the current proposal, making it harder to meet this requirement. There is also uncertainty about how outsourced mandates will be treated within the SFDR 2.0 framework. Article 19a offers some relief: pension funds and insurers will have an additional 12 months to comply with the new rules after the revised SFDR enters into force.

Recommendation

Monitor developments closely and start preparations for recategorisation and gap analysis.

Theme in focus

From Pledges to Proof: How COP30, NZIF, and Systematic Stewardship Are Reshaping Net-Zero Strategies

COP30 in Belém served as a stark reminder of the limits of international consensus on climate change. With the US delegation absent and the text on phasing out fossil fuels diluted from the previously agreed stance in COP28, the summit underscored that the UN process, while still humanities best hope for international coordinated climate action, is inherently bound by the "lowest common denominator consensus." Yet, for asset owners, focusing solely on the political fragmentation misses the point. The transition will move forward regardless, driven by the ever-improving economics of renewables and "a coalition of the willing".

For evidence look no further than China, the world's largest emitter, where emissions may have peaked and are now trending down for the first time in 2025. This, despite ongoing economic growth and energy demand, is being driven by the pace of renewable infrastructure build-out which in China is reaching gargantuan scales. Over 12 months to the end of Q3 2024 China installed over 300GW in **new** wind and solar capacity ¹. To give some perspective that is more than half of the cumulative **total** installed solar and wind capacity of the whole European Union as at the start of 2025! ² China may also be largely responsible for electrifying the developing world as their dominant position in scale manufacturing, electric vehicles and engineering skill is exported to the rest of the world, accelerated by tariffs being imposed by Western developed economies. More than 50% of China's exports are now to the Global South ³.

As your partner to your portfolio, we see this as a critical moment for investors to look past the geopolitical noise. Politics may waiver, but physics does not negotiate. Climate change is material systemic financial risk; it will impact the entire global economy through impacts on growth, productivity, inflation and insurability. It cannot be hedged away through diversification across asset classes or clever stock picking avoiding high-emissions stocks. Physical effects will be felt by a wide range of industries. It will affect all of us. This reality confirms an approach we have long advocated: portfolios must be built to be robust across a range of scenarios - whether that is 1.5°C, 2°C, or 3°C. While the window to limit warming to 1.5°C has now for all intents and purposes closed, keeping "well below 2°C" remains a viable, necessary and vital ambition.

However, the investment industry is now facing a reckoning. There is a temptation to pivot entirely to adaptation, accepting that 1.5°C is lost and abandoning mitigation. We advise against this binary thinking. The climate stops warming only when we reach Net Zero. To abandon mitigation is to guarantee that adaptation eventually becomes impossible. While an increased focus on adaptation is needed, we must continue tackling both.

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¹ China increases newly installed renewable energy capacity

² Electricity Data Explorer | Ember

³ China Inc. heads to Global South in the age of tariffs | S&P Global



Keith Guthrie
Head of Sustainability UK

Theme in focus

From Pledges to Proof: How COP30, NZIF, and Systematic Stewardship Are Reshaping Net-Zero Strategies

This landscape demands a refined strategy for asset owners, moving away from **reducing financed emissions** (cleaning up a portfolio on paper) to **financing reduced emissions and adaptation** (driving real-world change).

The Net Zero Investment Framework (NZIF) 2.0 developed by the IIGCC and its partners provides a blueprint for this evolution. It is the most widely adopted framework globally used by institutional investors committed to Net Zero. In this latest iteration, it encourages investors to shift from rigid "carbon targets" to "carbon reference objectives." This emphasizes monitoring the portfolio against the required real-world transition reference rather than enforcing asset sales to meet a decarbonization target. The question for trustees is no longer just "How clean does this portfolio look today?" but "Is our capital effectively helping the real-economy to transition?"

This approach encourages managing short-term financial risks at a realistic pace, aligned with the speed of the real-world transition, while seeking to mitigate long-term systemic risks by accelerating the transition to a low carbon economy, consistent with asset owners long-term **Fiduciary Duty**.

What can investors do that will realistically help the real-economy to transition? That contribution can come from two places: capital allocation to **climate solutions** or **engaging** with existing investments to decarbonize.

This approach places **Stewardship** at the heart of fiduciary duty, focusing attention on those companies with the largest negative impacts. But it can require nuanced approaches across asset classes:

- **In Equities:** It may mean holding high-emitting companies rather than divesting, but exercising "stewardship with teeth" - using voting and escalation to demand credible transition plans. This requires strong alignment between asset managers and asset owners around the purpose and objectives of stewardship.
- **In Fixed Income:** We see a growing interest across the industry in using "contingent exclusions" as a powerful tool. This involves refusing or limiting lending to companies who lack a credible transition plan, whilst supporting even high-emitters who have a credible plan. This directly impacts the borrower's cost-of-capital, aligning the duty to avoid long-term credit risk with the imperative to drive real-world decarbonization.

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Keith Guthrie
Head of Sustainability UK

Theme in focus

From Pledges to Proof: How COP30, NZIF, and Systematic Stewardship Are Reshaping Net-Zero Strategies

Beyond individual company stewardship we see an increased focus on Systemic Stewardship. This means thinking about the whole system and focusing stewardship resources on where efforts might be most impactful. In some cases, this may involve engaging with policy makers, civil society, and ultimately voters rather than the individual companies we are used to engaging with. Companies operate, and consumers consume, within an economic reality created by the policy frameworks governments put in place. Appropriate regulation, and incentives to transition are necessary alongside sound economics to drive the transition. Investors have an important role to play in supporting this, but we need to be realistic about our ability to influence and control the ultimate outcomes.

The Bottom Line

For pension funds and trustees, the goal is not to go “all in” on one climate outcome, but to secure member financial outcomes regardless of which scenario evolves. By focusing on driving real-world transition through solutions investing, engagement and systemic stewardship rather than portfolio aesthetics, investors can fulfill their fiduciary duty to mitigate the systemic risks of tomorrow, while navigating the market realities of today.



Keith Guthrie
Head of Sustainability UK

Stewardship in Practice

Attending the 14th United Nations Forum on Business and Human Rights

Between November 24th and 26th 2025, the 14th United Nations Forum on Business and Human Rights took place in Geneva, in the historic Palais des Nations. Attending this event was both inspiring and sobering. Established in the aftermath of World War II, the United Nations was created to prevent future conflicts, promote peace, and safeguard human dignity. Being in this venue and hearing from varied speakers, including human rights defenders and indigenous communities, made me reflect on the current geopolitical context. It felt particularly relevant, as businesses and investors navigate a complex geopolitical landscape marked by armed conflicts, instability, and heightened expectations around corporate responsibility.

The theme of this year's forum was "Accelerating action on business and human rights amidst crises and transformations". It addressed critical questions for the investment community and corporate actors, who we hold in our portfolios. Key discussions focused on:

- Responsible investment in the defense sector, balancing legitimate security needs with human rights considerations;
- Heightened human rights due diligence (HRDD) for companies operating in or linked to conflict-affected and high-risk areas (CAHRAs);
- The role of responsible investors in driving accountability and supporting companies in implementing robust HRDD practices.

As well as providing valuable education, the forum allowed me to connect and exchange with many interesting actors, including peers, lawyers, investee companies and civil society organisations. These conversations are important to maintain a broader view and gain knowledge.



Marie Payne

Senior Investment Management Specialist

Application to company engagements

Engaging companies on these topics is not only a matter of principle, but also part of mitigating our portfolio sustainability risks. Weak HRDD in CAHRAs can expose businesses to severe operational, legal, and reputational risks, which ultimately affect long-term value creation. For institutional investors, ensuring that companies identify and manage these risks effectively is essential to protecting portfolio resilience and delivering sustainable returns.

Since July 2025, we have started a dedicated engagement program on the topic. Along with other like-minded investors, we identified companies with controversies linked to CAHRAs. The objectives of the engagements are to:

- Understand and drive progress on heightened human rights due diligence in CAHRAs, in line with international standards. This includes identification of CAHRAs and salient human rights risks as well as conflict analysis to enable context specific risk identification, stakeholder engagement and mitigation procedures.
- Discuss companies' direct application of the above to the controversy. This can help better understand how their processes are applied in practice.

Stewardship in Practice

Attending the 14th United Nations Forum on Business and Human Rights

In the second part of 2025, 13 companies were contacted and 10 calls were held with companies (as well as one in person meeting at the Forum in Geneva).

- All companies we talked to showed understanding of the objectives of the engagement.
- Four companies could demonstrate steps being taken to set up or improve a heightened HRDD, in line with international standards.
- We closed one of the engagements successfully as the company shows best practice. They could also demonstrate how their actions led to them no longer being linked to the specific controversy.
- 3 companies have been unresponsive, although one of them finally responded via email

Outlook

We will continue to focus efforts on these engagements. The list of companies will be reviewed in the first quarter of 2026 and new companies will likely be added. For those already under engagement, we will contact them for a second call to track progress.

Escalation may be considered for companies who are not being responsive.



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Stewardship in Practice

Engagement with Banks on Climate Transition

We participate in The Climate Transition Banking Program, led by ShareAction – an investor engagement initiative aimed at ensuring major EU and UK banks align their governance, policies, and financing activities with the Paris Agreement. Given the systemic influence of large banks on capital flows, their strategic decisions are fundamental to global climate outcomes.

In recent years, the operating environment for banks has become more challenging due to geopolitical tensions, pushback against climate action, and differing regulatory expectation. These dynamics emphasise the importance of consistent and strategic engagement to ensure that net-zero commitments remain aligned with long-term value creation objectives.

Barclays PLC: Activities and Updates

As part of the initiative, we engage with Barclays, one of Europe’s largest banks. Although the bank has made a formal commitment to achieve net zero by 2050, it remains the region’s largest financier of fossil fuels. Reported financing to the sector increased by 36% between 2023 and 2024. This raises questions about the alignment between its long-term climate ambitions and current financing activities. In recent years, we also observed a softening in the bank’s public climate positioning. Through our engagement dialogues, Barclays has pointed to factors such as the pace of client transitions, energy security needs in key markets, and evolving regulatory expectations as contributors to these trends. Despite these explanations, we continue to view the divergence between stated ambitions and current financing levels as a material concern.

Cardano has engaged with Barclays through the Transition Banking Program since 2023. In 2024, together with other investors, we co-filed a shareholder resolution at Barclays’ Annual General Meeting, requesting the bank to phase out financial support for fossil fuel



Angela Brouwers

Sustainability Investment Officer

companies and utilities that are not aligned with the Paris Agreement climate goals. The resolution secured 24% shareholder support, an unusually high level for a climate-related proposal at a bank. It signalled investor concern about the pace of its net-zero transition. Following the AGM vote, Barclays agreed to hold an annual meeting between the CEO, senior management and our investor group to discuss progress on its climate strategy – a notable step forward in access and dialogue at the highest level.

After an initial in-person meeting at Barclays’ London headquarters last year, Cardano prioritized attending the meeting again this year, particularly given Barclays’ departure from the Net Zero Banking Alliance (NZBA) and its increased fossil fuel financing activities.

The meeting was constructive and provided us with valuable insights into the bank’s challenging operating environment – especially its significant exposure to the US market, which accounts for more than half of its revenue. Barclays explained that its large US shareholders are increasingly moving in a different direction than its UK and European investors, creating pressure not only on maintaining climate ambitions, but also on the extent to which the bank feels it can be vocal about it.

The meeting offered an important opportunity to outline the improvements we would like to see despite the challenges, including the need for stronger public advocacy and clearer external confirmation that the bank remains committed to its climate strategy. Barclays expressed appreciation for the engagement and acknowledged the value it brings in shaping the bank’s climate approach. It was a valuable meeting that strengthened mutual understanding and established a constructive basis for continued dialogue.

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Stewardship in Practice

Engagement with Banks on Climate Transition

Results and Outlook

Our objective is to ensure that bank's financing activities are aligned with the Paris Agreement, particularly in sectors with the highest climate impact. From this perspective, we believe that further progress from Barclays is still required to achieve meaningful alignment. We welcome the steps the bank has taken – such as updates and enhanced disclosures to its transition plan – but the current approach does not yet meet our expectations for a credible net-zero pathway. Although Barclays faces multiple external challenges, we're glad to see the bank has retained its climate targets and commitments.

Looking ahead, continued engagement will remain a priority for Cardano, with a focus on supporting the bank in translating its commitments into tangible, measurable actions aligned with global climate goals. Building on the strong established relationship through our engagement so far, we will also emphasise the importance of clear and consistent public signals, recognising the influential role Barclays can place in shaping the wider climate transition.



Angela Brouwers

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Stewardship in Practice

Voting Case Studies for H2 2025

Statistical Overview and Main Votes against Management

In the second half of 2025, across all the Cardano funds, we voted at 910 shareholder meetings, with 60% of these meetings being held in China, India and Australia. Nearly 20% of resolutions were voted Against management, with the highest proportion of such votes cast on resolutions related to capital management and remuneration ⁴.

For capital management resolutions, we applied our voting policy, based on the International Corporate Governance Network (ICGN) guidelines. These principles protect shareholder rights and promote long-term value creation. Companies should have a clear capital allocation framework and explain how capital will be used to support sustainable growth. In line with this, we voted against capital management resolutions for two main reasons:

- **Authorisation period:** These should be limited to one year. Longer periods reduce accountability and increase risk.
- **Capital dilution:** companies should set reasonable limits to prevent erosion of existing shareholder value. In our policy, the thresholds are set at 10% when the requested issuance has no pre-emptive rights for existing shareholders and at 33.33% where such pre-emptive rights are granted.

These safeguards ensure flexibility for companies while maintaining transparency and protecting existing shareholder value.



Marie Payne

Senior Investment Management Specialist

Such transparency is also expected on remuneration related proposals. Our policy sets out clear principles to support resolutions which are transparent, aligned with long-term value creation and structured to incentivise sustainable performance. We therefore voted against remuneration proposals for several reasons, including performance period too short, investing period too short, lack of disclosure of performance targets and/or a lack of sustainability targets.

Voting at Key Companies

Three US companies, which are amongst the top holding in the US and World portfolios, had their meeting in the second part of the year. Given the size of the holdings in these companies, we applied additional scrutiny and informed the companies of our votes ahead of the meeting being held:

- **Tesla:** the 2025 shareholder meeting was highly controversial due to governance concerns and excessive executive compensation. Central issues included proposals to reinstate Elon Musk's 2018 and a remuneration award (voided by a US Court in 2024), approve a new CEO remuneration award, mend the equity incentive plan. These were criticised for lacking rigorous performance metrics, transparency, and fairness, while enabling significant dilution and board discretion. In line with our policy, we voted against the three directors up for re-election because of these governance concerns. We also opposed all compensation-related items, citing poor alignment with long-term shareholder value.

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⁴ Full statistical overview is available on our website on this [page](#) under the section, Engagement Reports. All our votes are also disclosed publicly [here](#)

Stewardship in Practice

Voting Case Studies for H2 2025

Conversely, we supported resolutions enhancing shareholder rights, such as eliminating supermajority requirements, declassifying the board, and linking executive pay to sustainability metrics, reinforcing accountability and long-term value creation. Management resolutions were all adopted although some received significant opposition rates (especially considering the large number of shares held by the CEO Elon Musk and other board members). Ira Ehrenpreis, chair of the compensation committee was re-elected with 65% of shareholder support (only 56,3% of independent shareholders). The three remuneration resolutions received support ranging from 77% to 79% (71-74% independent votes). Given the above concerns, as well as ongoing labour right controversies, we have been trying to engage Tesla. We are collaborating with other investors on this, and the company responded to our latest letter sent mid-December 2025 and we hope to setup a call with them in the first quarter of 2026.



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- **Procter & Gamble:** this is a company we engage on several topics, including waste and plastic. On the meeting agenda was a shareholder resolution that we supported, requesting the company to commission a report on plastic packaging. In our vote rationale and letter to the company, we acknowledged that the company has set targets to make all consumer packaging recyclable or reusable by 2030 and has reduced virgin petroleum plastic per unit of production. However, Procter & Gamble has not specifically addressed the role of flexible plastic packaging in meeting these goals. The requested report would therefore give reassurance on how the company can mitigate regulatory, financial and reputational risks associated with its continued reliance on flexible plastics. The resolution received 14% shareholder support.
- **Microsoft:** six shareholder resolutions were on the agenda on several topics including human rights, artificial intelligence and climate. Our votes are summarized on the next page.

Stewardship in Practice

Voting Case Studies for H2 2025



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Proposal Number	Proposal Description	Vote Decision	Vote Note	% of Shareholder Support
5.	Shareholder Proposal Regarding Censorship Risk Audit	Against	The quality of the proponent or wording of the resolution is not satisfactory and/or not sufficiently aligned with the Cardano sustainability framework.	Less than 1%
6.	Shareholder Proposal Regarding GenAI Discrimination	Against	The quality of the proponent or wording of the resolution is not satisfactory and/or not sufficiently aligned with the Cardano sustainability framework.	Less than 1%
7.	Shareholder Proposal Regarding Report on Risks of AI Data Sourcing	Against	The quality of the proponent or wording of the resolution is not satisfactory and/or not sufficiently aligned with the Cardano sustainability framework.	13%
8.	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	For	Shareholders would benefit from additional disclosure from Microsoft on its human rights impact assessments in countries of heightened human rights risks.	27%
9.	Shareholder Proposal Regarding Report on AI Human Rights Due Diligence	For	Shareholders would benefit from additional disclosure from Microsoft on its human rights impact assessments in countries of heightened human rights risks.	26%
10.	Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production	For	Whilst we recognize Microsoft provides extensive disclosures on climate strategy, governance, and risk management, the significant enabled emissions associated with its Oil and Gas clients pose a risk of undermining the credibility of the company's climate strategy. We find that a report of the risks of these enabled emissions would provide valuable insights.	9%

Investment Universe

New Inclusions and Exclusions

The case studies below illustrate some of the discussions that took place this quarter within the Sustainability Classification Committee, based on Cardano's periodic screening. Cardano's full exclusions list can be found on the website under the Sustainability Reporting section. For fund-specific benchmarks and constraints, please refer to the relevant prospectus

Companies

Suzuki Motor Corporation: Japan-based manufacturer of automobiles, motorcycles, marine engines, and mobility equipment. The company has been upgraded to 'Adapting', reflecting meaningful improvements in labour management and human capital practices. Previously assessed as 'At-Risk' due to weak workforce policies, Suzuki has since implemented a series of personnel reforms. These include structured training and development programs, clearer succession planning, and enhanced employee benefits such as childcare support, housing assistance, and re-employment on equivalent terms. Collectively, these measures have strengthened labour-management dialogue and improved workforce engagement. The company's upgrade reflects the shift Suzuki has made from reactive remediation toward more proactive capability-building, supported by observable improvements in governance, workforce management, and sustainability practices

Colgate-Palmolive: U.S.-based global consumer goods company producing oral care, personal care, home care, and pet nutrition products. This quarter, we have maintained the company's 'Adapting' status amidst challenges related to its palm oil supply chain. Cardano recognises that traceability and deforestation challenges are systemic across the consumer goods sector, particularly for palm oil derivatives where fragmented markets continue to limit full visibility. While this remains an area for improvement, Colgate has set credible targets supported by enhanced monitoring systems, including satellite-based

deforestation alerts and structured supplier engagement. These actions indicate a proactive approach to managing an industry-wide issue. In addition, through Cardano's ongoing engagement with Colgate via our Satelligence Deforestation programme, we continue to actively monitor implementation effectiveness and progress. This case illustrates how Cardano combines company research with direct engagement insights to form a more comprehensive view of a company's readiness to adapt to the sustainability transition.



Angela Brouwers
Sustainability Investment
Officer

Investment Universe

New Inclusions and Exclusions

Starbucks: U.S.-based global coffee house chain engaged in roasting, marketing, and retailing specialty coffee. The company's status is maintained at 'At Risk', reflecting ongoing labour-related controversies and limited confidence in Starbucks' ability to prevent similar issues in the future. Starbucks continues to face allegations of interfering with workers' rights to unionise and retaliating against union organisers in the U.S. While mediation efforts began in early 2025, negotiations remain stalled, and decisions such as withholding pay and benefit enhancements from unionised stores have contributed to continued concerns over labour relations. The maintained 'At Risk' status reflects the persistence of these challenges and the absence of clear, demonstrable progress to date. Meaningful improvements in labour management, transparency, and responsiveness will be required before investor confidence can be restored.

RWE Aktiengesellschaft: Germany-based energy company engaged in electricity generation, storage, and trading. The company's status is maintained at 'Adapting', reflecting continued progress in its climate transition despite the challenges posed by its remaining coal exposure. RWE continues to demonstrate a credible, timebound decarbonisation pathway. The company has committed to phasing out coal by 2030, achieving net zero emissions by 2040, and aligning its reduction targets with the 1.5°C pathway. These commitments are supported by visible actions, including the phaseout of hard coal in key markets, reductions in carbon intensity, and substantial investment plans to expand renewable capacity to over 65 GW by 2030. RWE is also preparing gas assets for future hydrogen use and exploring carbon capture technologies to support system flexibility. Progress is evident as renewables now exceed coal in the company's generation mix, and RWE's targets have been validated by the Science Based Targets initiative (SBTi). Maintaining the 'Adapting' status reflects confidence in RWE's commitment to its transition strategy, while acknowledging that execution risks remain. Cardano's active ownership efforts play a central role in this assessment: ongoing engagement dialogues focus on ensuring verifiable progress toward RWE's decarbonisation commitments, testing the robustness of its transition planning, and encouraging greater transparency in its evolving climate strategy.



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