Beyond the numbers: Why qualitative judgement matters in sustainability analysis

Sustainable Investing Quarterly Report | Q2 2026

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Introduction

Ivo Kuiper

Head of Sustainability

In this quarterly report, we cover topics that continue to shape how sustainability considerations translate into portfolio decisions: the limits of relying on sustainability metrics alone, our stewardship activities in practice, and the outcomes of our periodic sustainability screening.

In News and trends, we reflect on key takeaways from London Climate Action Week 2026. Discussions highlighted that while climate data and modelling capabilities are improving, the priority is increasingly to make climate intelligence more practical, comparable, and embedded in investment processes. A notable shift was the growing focus on adaptation and resilience, alongside continued attention to nature, circular economy finance, and the opportunities and risks emerging from AI.

As sustainability data becomes more commonplace, judgement becomes more important. Our Theme in focus, Beyond the numbers: why qualitative judgement matters in sustainability analysis, explains why quantitative analysis remains essential, but often benefits from a disciplined qualitative overlay to form a complete and comprehensive view. This reflects the limitations of quantitative data analysis: differences in provider methodologies and persistent gaps, particularly in emerging markets and private markets, mean that investors must exercise greater discretion where data is incomplete, inconsistent across providers, or backward-looking.

In Stewardship in practice, we provide updates on the Dutch Engagement Coalition's expanded engagements with steel companies, share an example of sovereign-level engagement through a multi-stakeholder visit to Indonesia, and summarize key proxy-season developments that illustrate how engagement, voting, and escalation can work together to reinforce accountability.

Finally, we summarize case studies from our sustainability screening, including changes in sustainability categorization across issuers in the investment universe.

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News and Trends

London Climate Action Week 2026

Valeria Lobatón Verduzco
Sustainability Investment Officer

London Climate Action Week (LCAW) 2026 brought together investors, banks, insurers, asset owners, policymakers, corporates and climate experts to discuss how capital can accelerate the transition to a more resilient and sustainable economy. A notable moment was the keynote address by UN Secretary-General António Guterres, who called for greater transparency from AI companies regarding the environmental impacts of their data infrastructure, while also pressing for a faster, fairer shift to clean energy, highlighting the growing intersection between technology, climate and finance.

A central theme throughout the week was the evolution of climate intelligence. While climate data and modelling capabilities have improved significantly, participants stressed that the priority now is making climate information more practical, comparable and embedded within investment decisions. The challenge is no longer simply measuring risk, but using climate intelligence to guide capital allocation, portfolio construction and stewardship activities.

Perhaps the most significant shift was the growing focus on adaptation and resilience. Climate impacts are already affecting assets, supply chains and communities, requiring investors to plan for both acute events such as floods and wildfires and longer-term pressures including heat stress and water scarcity. Resilience is increasingly being viewed as an investment opportunity rather than a cost, with better-prepared assets potentially benefiting from lower insurance costs, reduced operational disruption and stronger credit profiles. Scaling adaptation finance was widely seen as essential to delivering both financial returns and long-term economic stability.

Discussions also highlighted the need for stronger alignment between science, finance and policy. Investors increasingly recognise that achieving climate goals depends not only on individual company actions but also on supportive policy frameworks and system-level change. There was a clear shift from developing new frameworks towards implementing existing commitments, with greater focus on engagement with governments and regulators alongside traditional corporate stewardship.

Another recurring theme was the importance of focusing on real-world impacts over the next five to ten years. Participants emphasised that climate strategies must be grounded in lived experience and regional realities, particularly in emerging markets and developing economies given that these economies accounted for approximately 95% of global emissions growth over the past decade[1]. A just transition was widely recognised as both a social and financial imperative. Social considerations were described as execution risks that can delay or derail climate projects; if transition pathways are not socially acceptable, they are unlikely to achieve durable financial outcomes.

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[1] World Economic Forum, Three actions to accelerate the emerging market climate transition, 13 June 2022. Available at: https://www.weforum.org/stories/2022/06/3-actions-to-accelerate-emerging-market-climate-transition/

News and Trends

London Climate Action Week 2026

Valeria Lobatón Verduzco
Sustainability Investment Officer

Nature and biodiversity remained high on the agenda. Investors increasingly view ecosystems as critical economic infrastructure that supports flood protection, water security and climate resilience. At the same time, understanding nature-related risks remains less mature than carbon accounting. Reflecting this growing focus, the UK Government announced plans to advance mandatory due diligence requirements aimed at addressing illegal deforestation within supply chains.

Circular economy finance also gained momentum. The UK and Netherlands launched a new Circular Economy Finance Group to promote knowledge sharing and develop common approaches to financing circular business models. The Ellen MacArthur Foundation announced initiatives focused on circular battery design and creating the policy and investment conditions needed to scale circular business practices globally.

The UK Government also used the week to launch its Fourth International Climate Finance Strategy, centred on mobilising finance, accelerating clean energy deployment, strengthening resilience and protecting nature.

Finally, AI emerged as both an opportunity and a risk. The prevailing view was that agentic AI can enhance climate analysis and investment processes, but should remain a decision-support tool rather than a substitute for human judgement.

Overall, LCAW 2026 signalled a market increasingly focused on implementation, resilience, nature and social inclusion, while setting the direction of travel for investors ahead of COP30.

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Theme in Focus

Beyond the numbers: Why qualitative judgement matters in sustainability analysis

Iuri van Eck dos Santos
Sustainability Investment Officer

The sustainable investing industry has spent much of the past decade improving access to data. Today, it faces a different challenge: understanding what that data actually means. Environmental, social and governance data is more widely available than ever before. Investors once struggled to find enough information to form a substantiated view. Today, the challenge is no longer finding data, but deciding how much confidence to place in it, seeing what it really tells us and, just as importantly, what it does not.

For investors, the questions have become more nuanced. Which signals matter? What do they tell us about a company's long-term resilience and value creation? And where are the blind spots that the data alone cannot reveal? Answering those questions requires more than numbers. It requires judgement.

While quantitative analysis remains the starting point of sustainability analysis, the numbers should inform the assessment, not necessarily determine the conclusion. That is where qualitative judgement adds value. A qualitative overlay does not replace quantitative analysis; it complements and strengthens it. It asks a simple question: does the picture painted by the data reflect the reality of the business?

More importantly, it shifts the focus from intention to credibility of implementation. Policies, targets and transition plans can all look convincing on paper, but what matters is whether they are being delivered. A qualitative assessment therefore looks beyond disclosures, it considers governance, capital allocation, operational progress, incentive structures and how companies respond when challenges arise. These factors often provide an earlier indication of future direction than reported metrics alone.
In doing so, this helps investors distinguish temporary setbacks from structural risks and identify opportunities that may not yet be visible in the data.

A qualitative overlay further translates research into clearer stewardship priorities. It identifies where stewardship through engagement is most likely to influence outcomes, clarifies the questions management needs to answer, defines the evidence required to demonstrate progress, and sets clear escalation points when commitments are not met.

Through direct dialogue with companies, engagement can uncover insights that third-party datasets either miss or capture too late. Discussions with management may reveal whether capital allocation supports strategic ambitions, whether governance structures reinforce accountability, and whether incentives drive delivery. These conversations strengthen future analysis and help target stewardship where it can have the greatest impact.

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Theme in Focus

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Sustainability Investment Officer

Beyond the numbers: Why qualitative judgement matters in sustainability analysis

A recent assessment of an European crop nutrition and clean ammonia producer illustrates why this matters. Quantitative screening classified the company as “Sustainable”, suggesting limited need for further scrutiny, yet the qualitative overlay reached a different conclusion. Although the company’s headline sustainability profile appeared strong, questions remained about the credibility of its decarbonisation strategy, particularly for Scope 3 emissions. Water quality risks also appeared to be underrepresented in external ESG assessments. Rather than treating the quantitative assessment as the conclusion, it became the starting point for deeper analysis. Monitoring was intensified, research focused on the sustainability issues most likely to influence long-term resilience, and a targeted stewardship program was developed.

Engagement centred on whether commitments were supported by governance, incentives and capital allocation. It also defined what meaningful progress would look like and established escalation measures, including the use of voting rights, if implementation fell short. The underlying data remained unchanged, but the interpretation shifted, as did the investment response.

Quantitative analysis remains essential. It provides consistency, comparability and discipline. But numbers alone rarely tell the full story. A qualitative overlay complements quantitative analysis by assessing credibility, trajectory and the likelihood of delivery. Stewardship turns those insights into action. Together, they create a loop in which investment decisions influence company behaviour, engagement generates new evidence and that evidence strengthens future decisions.

As sustainability data becomes increasingly commoditised, advantages are less likely to come from access to information than from the ability to interpret it. Investors who combine rigorous analysis with informed judgement are better placed to identify long-term risks and opportunities before they become fully visible in reported metrics.

This is about more than making better investment decisions. Better judgement supports more effective stewardship, helping companies strengthen governance, allocate capital more effectively and deliver on their sustainability commitments. Data tells us where to look, but not what to think. Judgement turns information into insight, and stewardship turns insight into action. Together, they shape better investment decisions and, ultimately, better outcomes for investors, people and the planet.

Stewardship in Practice

Dutch Engagement Coalition expands engagements with steel companies

Mariet Druif
Senior Sustainability Investment Officer

At the end of 2025, the Dutch Climate Coalition evolved into the Dutch Engagement Coalition (DEC). The DEC unites Dutch investors with the ambition to drive systemic change and address systemic risks. Building on its climate-focused origins, the coalition has expanded its scope to include additional environmental and social topics, such as biodiversity and human rights.

On climate, Cardano chairs the steel working group. Its engagement objectives, broadly aligned with the Climate Action 100+ (CA100+) benchmark, are to encourage companies to:

- Set Paris-aligned targets for Scope 1, 2, and 3 emissions and obtain SBTi verification
- Publish a climate transition plan including:
    - A quantitative breakdown of decarbonisation levers
    - CapEx allocations per lever
- Implement robust climate governance
- Align lobbying activities with the goals of the Paris Agreement

Activities and milestones reached

During the past quarter, the steel working group initiated new engagements with **Nucor** and **Nippon Steel**. Introductory dialogues were held with both companies, completing the contact company and understanding milestones. The coalition also sent a letter to **Steel Dynamics** requesting dialogue with senior management and subsequently held a call with the company's CFO. The engagement with **BlueScope Steel** was closed after the company was removed from the index, resulting in limited investor holdings among coalition members.

- **Steel Dynamics** is one of the sector's leaders in decarbonisation, with a significantly lower carbon intensity than many peers. However, the company has not set absolute emissions reduction targets and provides limited disclosure on its transition strategy. Following a dialogue at the end of 2025, during which the company showed limited willingness to strengthen disclosures, set absolute reduction targets, or provide greater transparency on capital allocation, the coalition escalated the engagement. A letter was sent to the CEO and CFO outlining recommendations and requesting a meeting. This quarter, the coalition held a dialogue with the CFO, reiterating its expectations. The company was receptive to feedback and interested in learning from industry best practices. The coalition will follow up with a letter summarising recommendations and sharing best practices.
- **Nippon Steel:** The coalition held an introductory dialogue with Nippon Steel to discuss its climate strategy and progress against the engagement objectives. While the company has made progress, several gaps remain. Discussions focused primarily on company-wide emissions targets, including subsidiaries and joint ventures, and on the commercial viability of the company's proposed decarbonisation technologies. The coalition subsequently shared written follow-up questions on fossil fuel phase-out plans and capital allocation.
- **Nucor:** The coalition also held an introductory dialogue with Nucor. Like Steel Dynamics, Nucor is among the sector leaders in decarbonisation, with a lower carbon intensity than most peers. Nucor has not set absolute emissions reduction targets and does not disclose interim milestones. Discussions therefore focused mainly on target-setting and SBTi validation. The company's climate transition plan was also discussed, and Nucor indicated it would consider providing more detail on its green CapEx.

Outlook

While all companies are showing progress to transition, gaps remain in Paris alignment. The coalition will continue to encourage the companies setting SBTi-aligned targets and disclose Paris aligned decarbonization plans. We will also encourage Nucor and Steel Dynamics to develop credible strategies for net-zero steel products to ensure they remain leaders in the sustainability transition. The coalition will reconvene in Q3 to determine next steps for the engagements.

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Stewardship in Practice

Looking beyond companies: Engaging at the sovereign level

Angela Brouwers
Sustainability Investment Officer

Many of the challenges facing long-term investors extend beyond individual companies. Issues such as climate change, biodiversity loss and resource security are influenced by government policy and broader economic systems, while their impacts can be felt across entire investment portfolios.

As a result, stewardship increasingly includes engagement beyond individual companies. Through systemic engagement, investors seek to better understand and engage with the policy, economic and societal factors that shape long-term investment outcomes. Effective public policy is also an important enabler of corporate action. Regulatory frameworks, market incentives and long-term policy certainty help create the conditions in which companies can commit capital, innovate and support the transition to a more sustainable economy.

In this context, we recently participated in a multi-stakeholder engagement visit to Indonesia. As one of the world's most biodiverse countries, Indonesia plays an important role in global climate and nature outcomes while balancing environmental objectives with economic development, food security and energy security.

Activities

We met with government and financial system officials to discuss nature- and climate-related risks and opportunities, and their links to long-term economic resilience. As an asset manager, we shared the perspective of our asset owner clients, whose beneficiaries depend on resilient economies and healthy ecosystems to deliver sustainable long-term investment outcomes.

Key discussion points included:

- Efforts to reduce deforestation and support the sustainable management of natural ecosystems
- Policy frameworks and market incentives that can help create an enabling environment for sustainable investment.
- The financial risks associated with ecosystem degradation, as well as the economic opportunities linked to nature protection and restoration
- Opportunities for countries with rich natural capital and biodiversity to protect and restore ecosystems while supporting broader economic development objectives, including food security and sustainable growth.
- Approaches to strengthening agricultural productivity and food production while reducing pressure on forests and other natural ecosystems

Outcome and Outlook

- The discussions provided valuable insights into Indonesia's approach to nature- and climate-related challenges and the complexities of balancing environmental, economic and social priorities
- Policymakers were receptive to the institutional investor perspective, which provided a distinct lens on how sustainability risks, investment mandates and client priorities influence long-term investment decision-making
- The open and constructive exchange of views highlighted the potential for continued dialogue on the links between nature, economic resilience and sustainable development

Following this engagement, we will continue engaging Indonesian policymakers on deforestation by joining the Investor Policy Dialogue on Deforestation (IPDD). This will enable us to build on the insights and relationships developed during the visit, while contributing to coordinated investor engagement on policy measures that support forest protection, sustainable development and long-term economic resilience.

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Stewardship in Practice

Market updates and trends

The 2026 proxy season has seen a decline in ESG-related shareholder proposals compared to previous years. At the same time, discussions around proposal exclusions, litigation and regulatory developments have become increasingly prominent. Despite these changes, investors continue to communicate their expectations to boards through a range of stewardship mechanisms.

BP Case Study

One example is BP's annual general meeting. Although Cardano is not invested in BP, developments at the company illustrate a broader trend that is emerging across markets. The discussion centred on a climate-related shareholder proposal submitted by Follow This, a Dutch organisation that works with investors to encourage oil and gas companies to better prepare for the energy transition. BP chose not to include the proposal on its AGM ballot, prompting debate about shareholder rights and board accountability.

Despite the proposal's exclusion, shareholders expressed their views through other voting items. Two management-supported resolutions that would have amended existing climate-related commitments did not receive shareholder approval. In addition, around 20% of shareholders voted against the re-election of Chair Albert Manifold, representing a notable level of dissent for a FTSE 100 board chair. A separate climate-related shareholder proposal received close to 26% support.

The developments at BP demonstrate that shareholder influence is not limited to proposals appearing on the ballot. Director elections, management resolutions and ongoing engagement remain important mechanisms through which investors can communicate concerns and hold boards accountable. Votes against directors, particularly board and committee chairs, are increasingly being used as a means of escalation where concerns remain unresolved.

Marie Payne
Senior Sustainability Investment Officer

Angela Brouwers
Sustainability Investment Officer

Cardano's voting activities in H1 2026

In the first half of 2026, Cardano voted at over 3000 shareholder meetings across 52 markets. We voted against management on nearly 20% of management resolutions and supported 83% of shareholder resolutions[2]. We used voting alongside engagement to communicate expectations on financially material environmental, social and governance issues and to escalate where progress remained limited. Because of the shift in trends as highlighted above and the increased difficulty to co-file shareholder resolutions, we have not used this action this proxy season but have used other ways to link our engagement and voting activities, including writing to companies ahead of their meetings, voting against specific directors and asking questions at AGMs.

Asking questions on living wage at two AGMs

Through the Platform Living Wage Financials (PLWF), Cardano supported questions at the 2026 AGMs of Zalando and Next. At Zalando, we supported two questions raised by another PLWF investor participant. The first focused on how the company intends to respond to Fair Wear's recommendations on living wages and labour practices in its supply chain. In its response, the company said that, following the initial Fair Wear Brand Performance Check, its immediate priority is to collect wage data from strategic suppliers, which will feed into its 2028 strategy and future target-setting. A second question asked how Zalando plans to build on The Industry We Want initiative by using its platform and market position to encourage more sustainable consumer choices. The company responded that it is still too early to use data from the initiative for these purposes and that it will first analyse the data before deciding on concrete actions. The engagement with Zalando through the PLWF will continue in 2026.

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[2] More Statistics available on our website.

Stewardship in Practice

Market updates and trends

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At Next, Cardano supported questions raised through PLWF on making a commitment on living wages and collective bargaining in the company's supply chain. Ahead of the AGM, Cardano and another PLWF investor also joined a pre-AGM call with the company secretary and company representatives, where broadly the same responses were provided but was a good opportunity to speak in more details about the topic. On making a living wage commitment, Next said it takes minimum wages seriously, but that it would not at this moment commit to living wages, arguing that wage levels are determined by governments and market forces and that it does not engage directly with governments on this issue. Next detailed what initiatives they are part of which enable better wages in its supply chain. On a second question asking them to sign the ACT agreement in Cambodia, the company said it would only be willing to sign if the volume commitment were removed (despite other brands having signed with that volume commitment). As lead PLWF investors for Next, Cardano will continue to engage the company for further progress. Calls are also being scheduled with ACT to understand how we can support their initiative so that more brands sign on.

Focus on Amazon

Amazon was another notable example of how Cardano combined engagement, voting and escalation. Ahead of the company's 2026 annual meeting, we wrote to Amazon to explain our voting decisions. We voted against several directors, including members of the Nominations and Corporate Governance Committee and its chair, reflecting concerns over the company's governance and its decision to unilaterally exclude shareholder proposals, including on topics such as plastics, human rights and workers' rights that are material to our engagement. We also supported shareholder proposals including one on climate commitments and AI data centres. For Cardano, the case illustrates how director elections can be used as an escalation tool when shareholder rights are constrained, and material stewardship concerns remain unresolved.

Voting on Climate

Climate was another important theme in H1 2026. Across the energy and financial sectors, Cardano used its votes to signal expectations for credible transition planning, stronger board oversight and clearer accountability where company strategy may slow or weaken progress toward a Paris-aligned pathway. This theme informed our votes at companies on the next page.

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Stewardship in Practice

Market updates and trends

Marie Payne
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These examples represent some of Cardano's most significant vote this first half of 2026. They show how we use voting not only to respond to company-specific concerns, but also to reinforce broader stewardship priorities. Whether on labour rights, shareholder rights or climate transition planning, voting remains an important mechanism for communicating expectations to boards and escalating where progress is insufficient.

Company	Meeting date	Cardano vote / escalation	Main rationale
Banco Santander	March 26, 2026	Voted against the re-election of three directors	Concerns over the weakening of the bank's climate strategy, including reduced oil and gas targets and emissions coverage, raising questions about Board oversight and accountability.
HSBC	May 8, 2026	Voted against the re-election of the Chair of the Board and the Chair of the Group Risk Committee	Concerns over the weakening and consistency of the bank's climate strategy following revisions to targets and fossil fuel financing policies, raising questions about the adequacy of Board oversight.
Galp	May 8, 2026	Voted against accounts and reports	Despite a constructive engagement, the absence of new Scope 1, 2 and 3 emissions reduction targets and renewable energy target represent a significant rollback of Galp's climate commitments.
Equinor	May 12, 2026	Voted against accounts and reports	Equinor's revised decarbonization strategy represents a significant weakening of its previous approach and is less aligned with the Paris Agreement.
Yara	May 12, 2026	Voted against the chair and a member of the sustainability committee	Yara has not shown progress in setting a comprehensive scope 3 target, which has been a key ask from the investor coalition since 2023, while its upstream Scope 3 emissions increased by almost 40% in 2025.
ENEOS	June 25, 2026	Voted against the election of Tomohide Miyata; also voted against audit committee members	ENEOS delayed its net-zero Scope 1 and 2 target from FY2040 to FY2050 and removed GHG emissions indicators from executive remuneration.

Investment Universe

New Inclusions and Exclusions

Lucas van Straten
Sustainability Investment Assistant

All investments are examined for environmental, social, and governance (ESG) issues. The assessment criteria for these topics are laid down in the investment policy and are based on principles related to human rights, fundamental labour rights, corruption, environmental pollution, weapons, animal welfare, and integrity, among others. These principles are derived from international treaties, agreements, and best practices. It also assesses whether companies have the capacity to adapt to ongoing transitions toward a more sustainable society. Companies that lack this capacity create financial risks for the investment portfolio and can be excluded from investments.

Companies

The case studies presented here highlight some of the discussions held within the Sustainability Categorisation Committee this quarter, based on Cardano's periodic screening. Cardano's full exclusion list can be accessed through the website under the sustainability reports section. For fund-specific benchmarks and restrictions, we refer to the relevant prospectus.

Volvo AB: Sweden-based company that engages in providing transport and infrastructure such as manufacturing trucks, buses, construction equipment and engines. Volvo is outperforming many of its peers because it combines ambitious climate targets with strong execution and measurable results. The company has committed to achieving net-zero emissions across its value chain by 2040, discloses Scope 1, 2 and 3 emissions transparently, and has set detailed reduction targets for both operations and products. Its emissions intensity trends are improving across Scope 1, 2 and key Scope 3 categories, while total Scope 3 emissions have declined significantly since 2019. Volvo also benefits from stronger clean-tech exposure than the industry average, a leading 39% share of the EU battery-electric heavy-duty truck market, and a comprehensive decarbonization strategy supported by substantial R&D investments. Its A rating from Carbon Disclosure Project (CDP) further demonstrates industry-leading climate management and performance. Hence, the company's status remained unchanged and therefore included in the investable universe.

Target: USA-based company that offers a wide range of everyday essentials and fashionable products at discounted prices through nearly 2,000 large-format stores and digital channels. Target faces an ongoing class action lawsuit regarding late or missing payments to NYPD officers in the US, but the case remains unresolved and does not currently establish a labour-law violation. Within the Sustainability Categorisation Committee, it was noted that similar cases involving other companies have taken years to resolve and have sometimes resulted in settlements, leaving uncertainty as to whether Target will ultimately be found at fault. Despite these concerns, Target demonstrates commitments to employee wellbeing and fair pay through its disclosures. As a precautionary measure due to potential reputational risks, Target's status was downgraded but remains within the investable universe.

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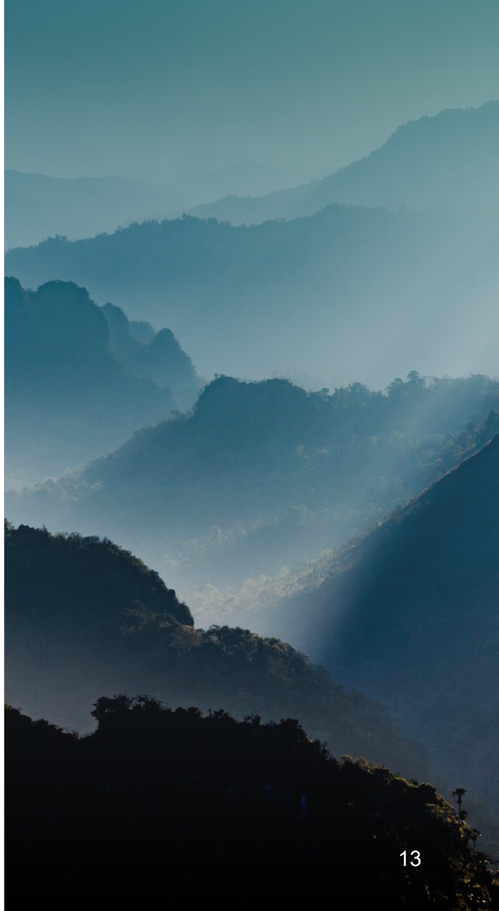
Investment Universe

New Inclusions and Exclusions



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Pinduoduo Inc (Temu): Chinese-founded, Ireland-based multinational commerce company that owns and operates a portfolio of businesses, including Temu, a global e-commerce platform. The company status has been downgraded and is now excluded from the investable universe since PDD Holdings, the parent company of Temu, faces several governance, transparency, and data privacy concerns. The company does not publicly disclose ESG policies, targets, or sustainability reports, and neither PDD Holdings nor Temu provides sufficient information on how environmental, social, and governance risks are managed. Additionally, the company lacks evidence of independent data system audits and internationally recognized information security certifications such as ISO 27001 despite collecting customer data as part of its operations. According to MSCI, its labour management, employee engagement, corporate governance, and business ethics practices also lag industry peers. These concerns are compounded by multiple privacy-related controversies and lawsuits, including a 2025 complaint by privacy advocacy group NOYB alleging that Temu unlawfully transferred EU user data to China. Overall, the limited transparency and ongoing privacy concerns reduce confidence in the company's risk management and governance practices.

RTX Corporation: USA-based company that is engaged in Aerospace and Defence. They provide advanced systems and services for commercial, military, and government customers worldwide. According to MSCI screening data, RTX Corporation derives revenue from activities linked to controversial weapons, specifically components associated with nuclear weapons systems. Through its Raytheon division, the company manufactures guidance systems, sensors, targeting technologies, and components used in missile defense and offensive missile systems, including technologies that support US intercontinental ballistic missile (ICBM) programs and the broader nuclear infrastructure. Beyond its involvement in nuclear weapons-related activities, RTX has faced scrutiny from investors, NGOs, and international bodies over the potential human rights impacts of its defense products, with concerns that equipment supplied by the company could contribute to civilian harm and violations of international humanitarian and human rights standards. These issues expose RTX to elevated reputational, regulatory, and ethical risks. Therefore, the company’s status remained unchanged and therefore excluded from the investable universe.

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