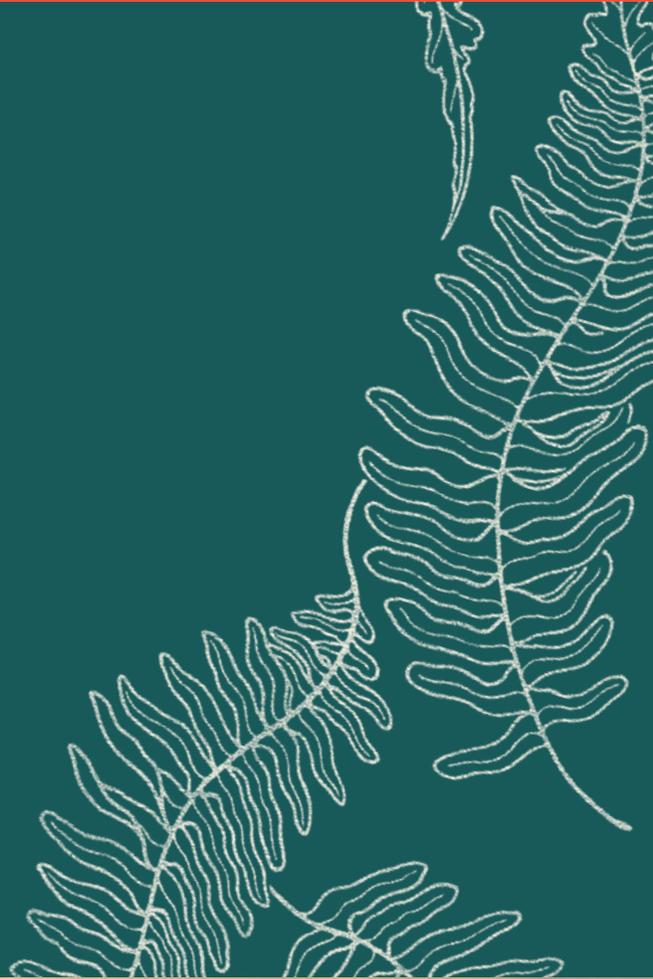
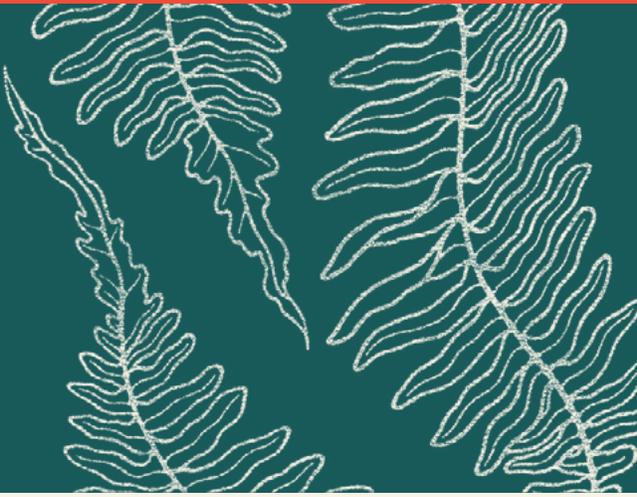


# 2025 Impact Report.



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# Shareholder letter.

Dear Members, Investors, and Friends,

This year marks one full year since the official launch of the Global Impact Fund. Over the past year, we've had the privilege of engaging with company management teams, prospective and existing members, and fellow impact investors. Through these conversations, we've continued to learn, refine, and strengthen our approach to impact investing.

Our goal remains clear: to build wealth for both our clients and the world by investing in a global portfolio of all-cap publicly listed companies that are not only capable of delivering shareholder value, but whose core business activities actively contribute to building a more sustainable and equitable future. We focus on companies that demonstrate intentionality - where impact is embedded in the business model and aligned with management's vision.

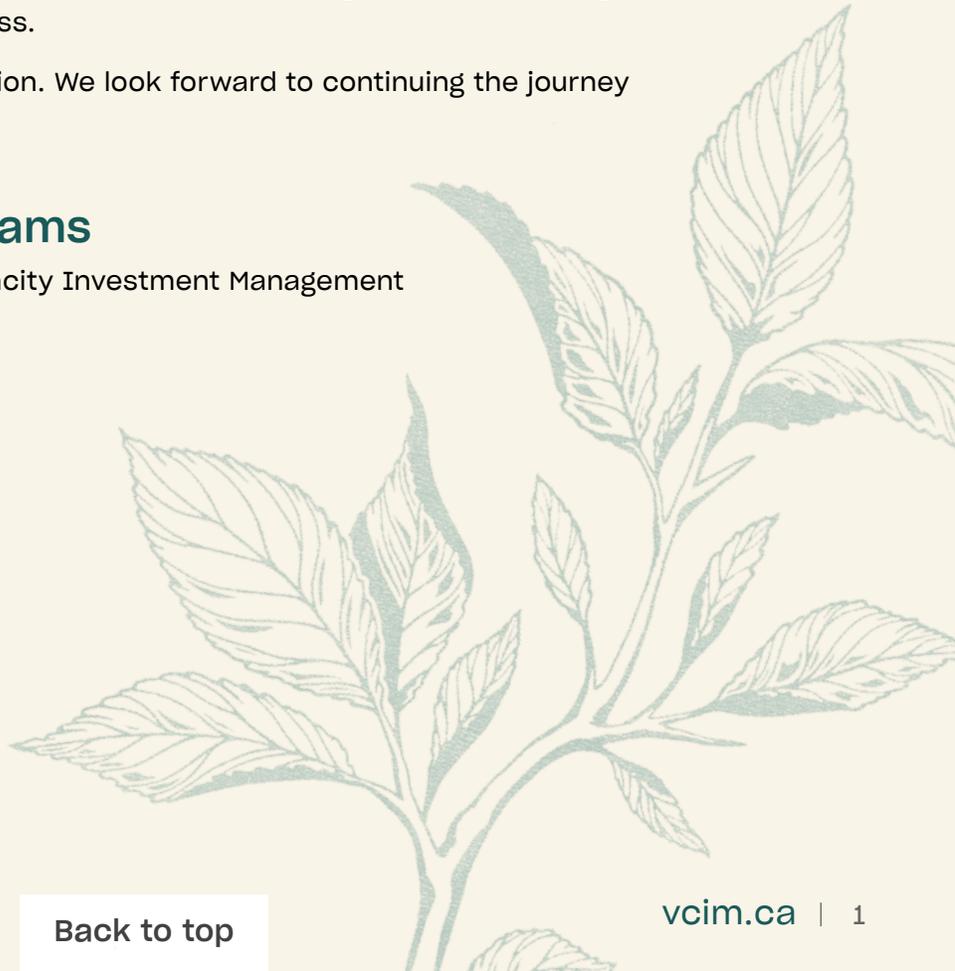
Now that we have seen our companies in action, we're beginning to see the impact come to life. Portfolio companies have launched clean energy innovations, improved supply chain efficiency, and expanded access to essential goods and services. These outcomes reaffirm our conviction that impact-driven investing can deliver strong financial performance and meaningful progress.

Thank you for joining us on this mission. We look forward to continuing the journey together.



**Jeff Adams**

Director Vancity Investment Management



# 2025 snapshot.

## Performance.

Despite a strong equity market performance with the MSCI World Total Return Index gaining 15.41%, markets experienced significant bouts of volatility throughout the year. After reaching all-time highs, stocks faced a sharp reversal following President Donald Trump’s “Liberation Day” tariffs. This triggered an 11.3% decline within a single week, marking one of the most severe selloffs since the pandemic. These losses were largely recovered in the ensuing months, bolstered by resilient corporate earnings, better-than-expected macroeconomic indicators, and supportive monetary policies. A primary driver of market sentiment was the Artificial Intelligence boom, which significantly benefited Asian markets where technology leaders and chipmakers saw a surge in demand. Meanwhile, European markets were lifted by increased government defense spending and improving economic growth prospects.

Against this turbulent backdrop, our Global Impact Fund generated a return of 15.02% in 2025. Our portfolio benefitted from exposure to high-quality, stable business models, particularly Badger Infrastructure Solutions which accelerated 106.78% over the year as they benefited from disciplined cost control, strategic fleet expansion and increased demand across end markets driving strong revenue and margin expansion. NextPower, who saw record backlogs and continued to execute on its capital allocation strategy well, was also a notable contributor, gaining 127.32%.

## A year of insight and connection.

This year, we participated in conferences, investor days, and industry events that gave us valuable insight into the companies we own and the macroeconomic themes driving the global economy. These experiences strengthened relationships, informed our research, and helped shape the perspectives shared throughout this report. The following photos highlight some of the key moments from our year on the ground.



# Investment process.

The Global Impact Fund invests in a globally diversified portfolio of publicly listed securities, selected for their potential to compound shareholder value by offering goods and services that deliver positive social and/or environmental impact. However, to begin building a public equities portfolio with truly positive impact, we began with our core quality-investing philosophy and the environmental, social, and governance (ESG) analysis framework used across all funds. We then placed additional emphasis on the output of a company's products and services, seeking businesses that generate measurable impact so we can clearly demonstrate how our clients' investments contribute to sustained positive change.

By applying this integrated, multi-dimensional approach, we make investment decisions that are well-informed, mission-aligned, and supportive of a more sustainable future. Transparency is central to our process: we regularly report on both the financial and impact performance of the fund, giving investors clear insight into how their capital is helping drive meaningful results while delivering strong returns.

## ESG analysis.



Environmental performance



Social responsibility



Corporate governance

## Fundamental analysis.

### Industry attractiveness

- Positive long-term outlook
- Barriers to entry

### Competitive advantage

- Moat strength and sustainability
- Growth runway

### Management

- Capital allocation
- Positive firm culture
- Shareholder alignment

### Valuation

- FCF yield and growth
- Relative to peers and historical

# Portfolio construction.



Portfolio construction is a critical tool for managing risk in public equity portfolios. Proper diversification across sectors and individual securities reduces the impact that any single investment’s volatility can have on overall performance. By emphasizing high-conviction names with attractive valuations, we allocate more capital to companies with strong growth potential and favorable pricing, helping to maximize returns while limiting exposure to overvalued businesses. This disciplined approach results in a well-diversified, risk-adjusted portfolio grounded in quality investments.

To inform our position sizing, we evaluate and score companies on several key fundamentals, including industry trends, moat strength and direction, management quality and capital allocation, range of outcomes, and valuation.

# Thematic investing and our themes.



We have adopted a thematic approach to investing, prioritizing long-term trends and structural shifts. We focus our themes on investable areas that address pressing global challenges, empowering our clients to actively drive positive change while achieving financial returns over the long-term.



**Sustainable production and consumption**

- Circular economy
- Resource efficiency



**Quality of life**

- Improving standard of care
- Technology for improved societal outcomes



**Energy transition**

- Alternative energy
- Transition enablers



**Social inclusion**

- Financial inclusion
- Economic empowerment



# Measuring impact.



As an impact investor, we focus on tracking both social and environmental impact alongside financial performance, aiming for measurable results alongside strong, risk-adjusted returns.

Our methodology for measuring impact is structured as follows.

## 1. Global level = Thematic impact target

Each of our impact themes identifies a target global outcome we work to advance through our targeted investments. Our sub-theme targets further break this down into more specific investable areas that address the broader thematic impact target.

## 2. System level = System level outcomes

We then identify a more targeted set of outcomes that contributes to each sub-theme impact target. These are system level outcomes that, if achieved by multiple actors, would shift the system to address the global thematic impact target.

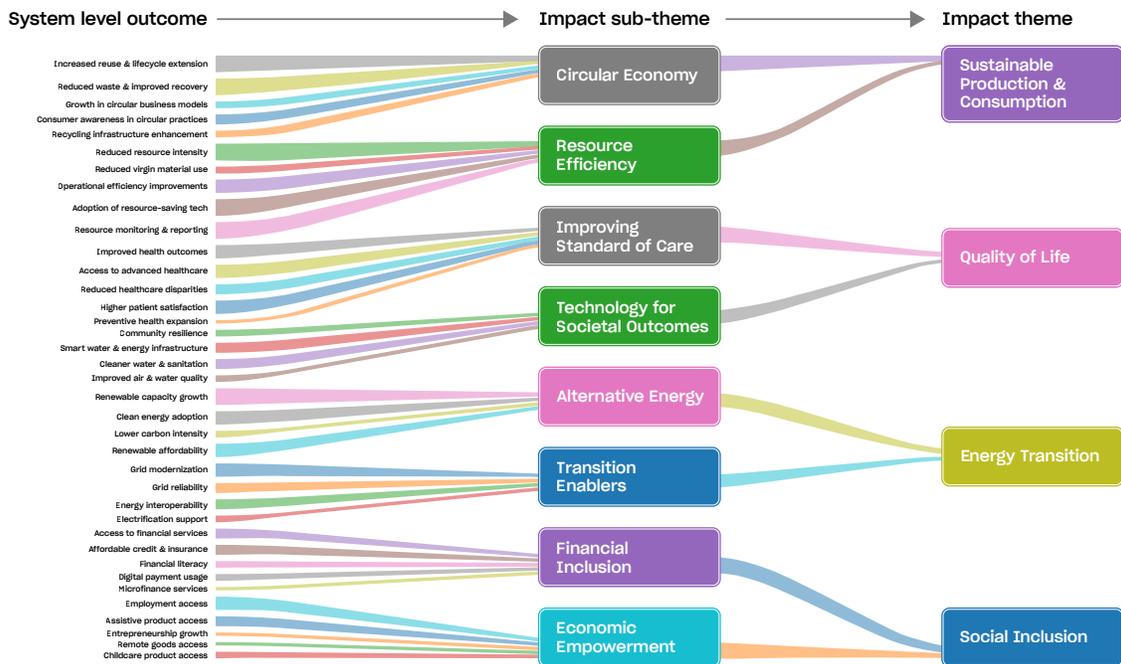
## 3. Company level

For each company we map their business model to the specific system level outcomes they contribute to and collect three areas of data that support the company's contribution to the outcome:

- **Impact aligned vision:** Map each company's mission/vision and business model to the relevant system level outcomes.
- **Impact KPIs:** Collect and track key performance indicators that help us validate the company's progress towards its impact-aligned vision and system level outcomes. In this step we use publicly reported metrics or engage with companies to improve disclosure.
- **UN SDG alignment:** For each holding, we identify a primary SDG that the company's products and services contribute to, along with any relevant secondary SDGs. When possible, using publicly available metrics or data from providers, we estimate the percentage of the company's revenue linked to the SDG. This estimate is typically based on revenue segment data or from our knowledge of the company's business lines.

## Investment portfolio impact pathways. Company to system outcome.

Mapping corporate activities to four key impact investing themes.



## Primary SDG – portfolio allocation.



# Case studies.

## Sustainable production and consumption.

Circular economy



Resource efficiency

Humans consume resources every day to live and prosper. While this consumption drives prosperity, it also contributes to climate change, biodiversity loss, and pollution. Businesses providing solutions that reduce waste, reuse and extend resource lifespans, and improve resource efficiency are needed to cut resource use while simultaneously supporting higher levels of consumption.

Thematic impact target	Sub-theme impact target	System level outcomes
<b>Transform production and consumption patterns to reduce waste, conserve resources, and support a circular economy.</b>	<b>Increase reuse, recycling, and extension of product lifecycles to minimize waste.</b>	<ul style="list-style-type: none"><li>• Increased reuse, refurbishment, and lifecycle extension of products and equipment</li><li>• Reduced waste generation and improved material recovery rates</li><li>• Growth in circular business models and resale marketplaces</li><li>• Increased consumer awareness and participation in circular practices</li><li>• Enhanced infrastructure for collection, sorting and processing of recyclables</li></ul>
	<b>Improve efficiency of resource use in manufacturing and production.</b>	<ul style="list-style-type: none"><li>• Reduced energy, water, and material consumption per unit of output</li><li>• Reduced consumption of virgin materials</li><li>• Improved efficiency in manufacturing, logistics, and building operations</li><li>• Adoption of resource-saving technologies and practices across sectors</li><li>• Enhanced monitoring and reporting of resource use</li></ul>

## Company spotlight – Monolithic Power System.

### The global context: the imperative of energy efficiency.

The rapid shift toward digitalization, automation, and electrification is driving unprecedented demand for electricity. Data centers, electric vehicles, industrial automation, and AI workloads are reshaping global electricity consumption patterns. As this trend accelerates, pressure on electricity infrastructure and climate targets will intensify, making energy efficiency a critical priority.

Due to this growing demand, improving energy efficiency, from generation to end-use, has become increasingly important. Efficient power conversion reduces operating costs, lowers emissions, and improves system reliability. Technologies that minimize energy loss and optimize power density are essential for sustainable industrial and digital growth.

### Monolithic power systems: power management solutions.

Monolithic Power Systems (MPS) is a leader in power management solutions, focusing on power-management and power-delivery integrated circuits (ICs). Its product portfolio includes DC/DC converter ICs, voltage regulators, LED drivers/backlight controllers, Class-D audio amplifiers, battery-management and protection ICs, and other mixed-signal analog/digital ICs. MPS's products are used in a wide range of end markets such as cloud computing, data centers and storage, industrial electronics and consumer electronics.

MPS sits within our Sustainable Consumption and Production impact theme. Its mission is to reduce total energy consumption in end systems. As global electricity demand grows—driven by AI, data centers, EVs, and industrial automation—energy efficiency becomes increasingly critical. MPS's innovations help reduce wasted energy at the component level, contributing to lower overall electricity consumption.

Our Impact Team attended MPS's Investor Day this year, where the company demonstrated how its technology integrates into applications ranging from autonomous taxis and ultrasound machines to next-generation data center racks. These demonstrations reinforced MPS's role as a key enabler of sustainable innovation.

## Impact highlights from FY25.

Three years earlier than expected, MPS commercialized a 120 kW per rack commercially available data center power solution. This 120 kW per rack power solution is now shipped to many major data center providers. More power density means less electricity loss, which lowers data centers' overall operational costs, total costs per compute output, and carbon footprint.

# Monolithic Power Systems impact measurement.



Primary UN sustainable development goal alignment:  
**SDG 12 - responsible production and consumption.**

## System level outcomes contribution.

System level outcome 1	System level outcome 2
<b>Reduced energy, water, and material consumption per unit of output</b>	<b>Adoption of resource-saving technologies and practices across sectors</b>
MPS's mission is to design solutions that "improve power conversion efficiency" compared to legacy solutions. This means less energy is wasted as heat during the power conversion process in millions of devices and processes.	MPS's highly integrated, energy-efficient solutions are enabling technologies for resource-saving in numerous sectors such as AI data centers, EVs and renewable energy infrastructure

## Impact metrics.

**14.5%**

is the 3-year average R&D investment to sales ratio

DC to DC products contribute to roughly

**94%** of revenue

# Quality of life.

Improving standard of care.



Technology for improved societal outcomes.

There are significant inequalities when comparing the quality of life across various populations. Improving quality of life globally is a broad-based goal that targets both developed and developing populations and aims to enhance an individual's daily well-being. Higher quality of life not only supports personal prosperity by enabling better health, education, and economic opportunity but also reinforces system-level prosperity. When individuals have access to the resources and conditions they need to thrive, societies benefit through stronger, more resilient economies, reduced social costs, and more equitable and sustainable development. As a result, advancing quality of life becomes both a personal and collective investment in long-term stability and shared prosperity.

Thematic impact target	Sub-theme impact target	System level outcomes
<p><b>Enhance health, well-being, and living standards globally</b></p>	<p><b>Advance healthcare outcomes and accessibility through technologies and services</b></p>	<ul style="list-style-type: none"> <li>• Improved health outcomes</li> <li>• Increased access to advanced healthcare technologies and treatments</li> <li>• Reduced disparities in healthcare quality and availability</li> <li>• Higher patient satisfaction and quality-adjusted life years</li> <li>• Expanded coverage of preventive health services</li> </ul>
	<p><b>Enhance and innovate technologies and processes to build resilience and improve living standards</b></p>	<ul style="list-style-type: none"> <li>• Enhanced resilience of communities to political and environmental risks</li> <li>• Increased deployment of smart infrastructure for water, energy and sanitation</li> <li>• Improved health and safety outcomes through cleaner water, better sanitation, and environmental monitoring</li> <li>• Improved quality of air and water contributing to better public health</li> </ul>

## Company spotlight – Edwards Lifesciences.

### The global context: elevating cardiovascular care.

Around the world, healthcare systems face a dual challenge: populations are aging, while chronic disease burden and profound inequalities in access to essential care remain widespread. The World Health Organization (WHO) estimates that over 1 billion people struggle to obtain even basic health services without financial hardship, underscoring the fragility of essential care access.<sup>1</sup> As nations contend with rising cardiovascular disease, aging demographics, and widening treatment inequalities, improving the quality of care, rather than just the quantity, has become a global priority.

Enhancing the standard of care has profound economic and societal ripple effects. When patients receive safer, less invasive, and more effective treatments, they recover faster, remain active longer, and require fewer readmissions. This, in turn, reduces long-term healthcare costs, strengthens workforce participation, and ultimately improves global well-being.

### Edwards Lifesciences: transforming the standard of care.

Edwards Lifesciences, a global leader in structural heart disease and critical care monitoring, is built on a transformative mission: improving patient quality of life through minimally invasive therapeutic innovation. Founded on decades of engineering and clinical insight, Edwards is an influential force in reshaping how cardiovascular disease, particularly heart valve disorders, is treated. In the U.S., a person dies every 33 seconds from cardiovascular disease, with structural heart disease being one of the leading causes.

For many years, patients with severe Aortic Stenosis (AS) had only one viable option: invasive open-heart surgery. For older, frail, or comorbid patients, this was often too risky, leaving millions with a dire prognosis and no therapeutic alternative. Edwards revolutionized this reality with Transcatheter Aortic Valve Replacement (TAVR), a procedure that replaces the diseased valve via a catheter, avoiding open surgery entirely.

TAVR's proven clinical impact includes:

- Improved survival rates compared to medical management for high-risk patients.
- Shorter hospital stays, often allowing patients to return home the next day.
- Earlier restoration of daily functioning, contributing to meaningful quality-of-life gains.
- Expanded eligibility for patients previously considered inoperable.

## Impact highlights from FY25.

In October 2025, at the Transcatheter Cardiovascular Therapeutics scientific symposium, Edwards Lifesciences presented seven-year data from the PARTNER 3 trial, reaffirming the early and sustained patient benefits of Edwards TAVR. The data, which showed superior clinical outcomes at one year, also demonstrate excellent long-term valve performance and durability. This analysis marks the most extensive clinical follow-up to date for low risk transcatheter aortic valve replacement (TAVR) and surgical aortic valve replacement (SAVR) patients.

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<sup>1</sup> World Health Organization. 2025. "Universal Health Coverage (UHC)." December 5, 2025. [https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-\(uhc\)](https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-(uhc))

## Edwards Lifesciences impact measurement.



Primary UN sustainable development goal alignment:  
**SDG 3 - good health and wellbeing.**

### System level outcomes contribution.

System level outcome 1	System level outcome 2	System level outcome 3
Improved health outcomes	Increased access to advanced healthcare technologies and treatments	Higher patient satisfaction and quality-adjusted life years (QALYs)
Edwards' technologies directly address life-threatening cardiovascular conditions (e.g., severe aortic stenosis, mitral/tricuspid disease) and improve survival, reduce complications, and enhance quality of life. Clinical evidence shows significant reductions in mortality and better hemodynamics with newer valve generations.	Through programs like Every Heartbeat Matters (EHM) and humanitarian donations, Edwards expands access for underserved patients globally. Over 2.4 million underserved patients have been reached since 2020, and thousands of devices donated annually.	TAVR and other therapies significantly improve functional status and quality of life, which translates into QALY gains. One analysis found that in 2020 alone, the net benefit of TAVR for those with symptomatic severe aortic stenosis (SSAS) in the U.S population was \$43.4 billion, due to higher treatment rates, lower mortality and better quality of life. <sup>2</sup>

<sup>2</sup> J.P. Sevilla, et. al, 2022 Journal of Medical Economics, Cost-utility and cost-benefit analysis of TAVR availability in the US severe symptomatic aortic stenosis patient population

## Impact metrics.

**1 million+** patients treated

with Edwards' transcatheter technologies.

**2,400,000 underserved**

**patient lives improved**

by EHM partners through detection,  
treatment and/or recovery  
(cumulative 2020-2024).

**20% R&D**

as % of sales in 2024.



# Energy transition.

Alternative energy.



Transition enablers.

Decarbonizing the energy sector is a critical step towards achieving net zero emissions and effectively combatting climate change. Alternative energy companies and cleantech focused businesses will play a crucial role in the transition to a low-carbon future.

Thematic impact target	Sub-theme impact target	System level outcomes
<p><b>A decarbonized energy system</b></p>	<p><b>Scale renewable energy generation and adoption to replace fossil fuels</b></p>	<ul style="list-style-type: none"> <li>• Increased installed capacity and share of renewables in the energy mix</li> <li>• Higher number of households and businesses powered by clean energy</li> <li>• Reduced carbon intensity of electricity generation</li> <li>• Accelerated retirement of fossil fuel-based infrastructure</li> <li>• Improved affordability and accessibility of renewable energy</li> </ul>
	<p><b>Modernize energy infrastructure and enable efficient integration of renewables</b></p>	<ul style="list-style-type: none"> <li>• Modernized and expanded energy grids supporting renewable integration</li> <li>• Improved grid reliability, resilience, and flexibility</li> <li>• Increased interconnection and interoperability of energy systems</li> <li>• Support for electrification of transport and industry</li> </ul>

## Company spotlight – Prysmian S.p.A.

### **The global context: building the grid required for a low-carbon future.**

As the world accelerates toward a low-carbon energy system, the growth of renewable power like wind, solar, and emerging clean technologies, is only half the equation. Just as critical is the infrastructure that carries this electricity from where it is generated to where it is consumed: the transmission and distribution grid. Without sufficient grid capacity, renewable assets risk becoming stranded, electrification stalls, and vast investment opportunities are lost.

In 2024, global investment in transmission, distribution, and grid digitalization reached roughly US\$390 billion. Yet analysts estimate that meeting net-zero pathways will require around US\$811 billion per year by 2030, more than double current levels. The gap is significant. While renewable capacity has expanded rapidly, grid investment has remained broadly flat at US\$300–400 billion annually in recent years. This mismatch suggests many countries are materially under-preparing for the surge in electricity demand ahead.

Regional analyses reinforce the scale of the challenge: DNV Energy Transition Outlook North America forecasts that in the U.S. and Canada alone, an estimated US\$12 trillion will need to be invested in renewables and grid infrastructure by 2050, with grid capacity likely needing to expand by a factor of 2.5× to support electrification, decarbonization, and economic growth.

To stay on track, investment must increase not only in quantity but also in quality. This means modernizing aging infrastructure, deploying advanced monitoring and smart-grid technologies, improving digitalization and flexibility, and building transmission lines that connect renewable-rich regions to demand centers. It also requires accelerated planning and streamlined permitting, updated regulatory models, and better coordination across energy, transport, industrial, and digital sectors.

Ultimately, a strengthened and modernized grid is essential not just for renewables, but for improving energy access, enhancing resilience, and enabling economic development, especially in underserved regions.

### **Prysmian: the backbone of global power and connectivity.**

Prysmian S.p.A., headquartered in Milan, Italy, is the world leader in the energy and cable systems industry. With more than 150 years of engineering, project execution, and safety expertise, Prysmian plays a foundational role in the global transition to renewable energy and the expansion of digital infrastructure.

The company manufactures and installs thousands of miles of high-performance cable systems that enable reliable power transmission, distribution, and communications—supporting everything from national electricity grids to the rapidly growing data-center ecosystem.

A major engine of Prysmian's growth is the global build-out of renewable power and the high-voltage networks required to integrate it. Rising electricity demand, the electrification of heavy industry and transportation, and the modernization needs of aging grids have all driven a sharp increase in large-scale cable and interconnection projects.

## FY25 impact highlights.

- Major Submarine Interconnectors: Working on massive and complex projects like the Viking Link (UK-Denmark) and NeuConnect (UK-Germany), which are among the longest and deepest power links in the world.
- Offshore Wind Connections: Securing contracts to supply inter-array and export cables for major offshore wind farms, such as the Hornsea 3 project in the UK.
- Grid Strengthening: Securing significant contracts, like the Adriatic Link in Italy, to reinforce power grids and facilitate the de-carbonization of energy systems.

## Prysmian impact measurement.



Primary UN sustainable development goal alignment:  
**SDG 7– affordable and clean energy.**

### System level outcomes contribution.

System level outcome 1	System level outcome 2	System level outcome 3
Modernized and expanded energy grids supporting renewable integration	Increased installed capacity and share of renewables in the energy mix	Improved grid reliability, resilience, and flexibility
Prysmian’s HV/EHV and Submarine Cable Systems connect massive offshore and onshore wind, solar, and hydro generation sites to the main grid.	Prysmian manufactures advanced energy-efficient cables. Cables designed with superior materials and technology reduce energy losses during transmission. This ensures that more of the generated energy reaches consumers, improving overall grid efficiency.	By enabling robust and reliable connections, especially via submarine links (interconnectors), Prysmian enhances the grid’s ability to share power across regions, making it more resilient to localized failures or variable renewable output.

## Impact metrics.

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**78.4 million**  
**households**  
were connected to

**green electricity**  
through Prysmian products in 2024.

**43.1%**  
of revenues from

**sustainable**  
**products**

(based on internal Prysmian criteria) in 2024.

**17.1 million**  
**households**  
connected with

**rapid digital access**  
(defined as FTTH, FTTB, DOCSIS 3.0)  
thanks to Prysmian products in 2024.

# Social inclusion.

Financial inclusion.



Economic empowerment.

Wealth and opportunity disparities across societies, genders, ethnicities, and other groups create significant barriers to full participation in political, economic, and social life. By providing products and services that empower minorities and low-income individuals to engage in the economy, businesses can promote greater economic opportunities, advances gender equality, fosters innovation, boosts productivity, and enhances social mobility.

Thematic impact target	Sub-theme impact target	System level outcomes
<p><b>Equitable access to opportunities</b></p>	<p><b>Expand access to affordable financial products and services for unbanked and underbanked populations.</b></p>	<ul style="list-style-type: none"> <li>• Increased percentage of unbanked individuals gaining access to formal financial services</li> <li>• Greater availability of affordable credit, insurance, and payment solutions</li> <li>• Improved financial literacy</li> <li>• Higher usage of mobile and digital payment platforms</li> <li>• Microfinance services</li> </ul>
	<p><b>Enable social and economic participation for people with disabilities and other underrepresented groups by removing barriers, fostering entrepreneurship and aiding social mobility.</b></p>	<ul style="list-style-type: none"> <li>• Higher employment rates and economic opportunities among people from underrepresented groups</li> <li>• Improved access to assistive products and services supporting workforce/social participation</li> <li>• Increased entrepreneurship and small business ownership in underrepresented communities</li> <li>• Improved access to essential goods in remote communities</li> <li>• Expanded access to high quality childcare products</li> </ul>

## Company spotlight – Cochlear.

### The global context: unaddressed hearing loss.

Unaddressed hearing loss is a growing public health challenge. The World Health Organization (WHO) estimates that by 2050, nearly 2.5 billion people are projected to have some degree of hearing loss, and more than 700 million will require hearing rehabilitation.<sup>3</sup> Beyond its impact on communication, hearing loss carries serious consequences for education, employment, mental health, and overall well-being. Children with untreated hearing loss often experience delays in speech and language development, that can lead to lifelong learning disadvantages, while adults face higher risks of social isolation, depression, and cognitive decline.

Economically, the annual global cost of unaddressed hearing loss is estimated by the WHO to be almost US\$ 1 trillion due to lost productivity, health care expenses, and the need for special education and social support.<sup>4</sup> Despite these high costs, hearing loss remains significantly underdiagnosed and undertreated, with many people lacking access to early testing, affordable devices, or surgical interventions such as cochlear implants.

### Cochlear Ltd: the global leader in implantable hearing solutions.

Cochlear is the global leader in implantable hearing solutions and has held this market leadership position for more than forty years. Founded in Australia, the mission of Cochlear is to help more people hear, which in turn contributes to building a healthier and more productive society.

While traditional hearing aids amplify sound, they are not sufficient for individuals with severe or profound sensorineural hearing loss, where the sensory cells in the inner ear are too damaged to effectively transmit sound to the brain. Cochlear implants overcome this barrier by directly stimulating the auditory nerve, allowing users to perceive sound more naturally and understand speech with better clarity.

The hearing implant market remains significantly underpenetrated, particularly among adults, where global penetration is estimated to be around 5% - meaning that only 5% of the people who could benefit from a cochlear implant receive one. With aging populations, increasing awareness of the cognitive and economic consequences of hearing loss, and growing rates of noise-induced hearing impairment, the company is well positioned for long-term growth.

## Impact highlights from FY25.

In June 2025, Cochlear launched the Nuclea Nexa Implant. This implant is the world's first and only smart cochlear implant system, featuring upgradable firmware that enables access to future innovation. The new implant runs its own firmware, and much like a smartphone, it can receive firmware updates that introduce new features. This means that recipients will be able to benefit from future improvements without needing a new implant and the surgery that comes with that.

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<sup>3</sup> <https://www.who.int/news-room/fact-sheets/detail/deafness-and-hearing-loss>

<sup>4</sup> <https://www.who.int/news-room/fact-sheets/detail/deafness-and-hearing-loss>

## Cochlear impact measurement.



Primary UN sustainable development goal alignment:  
**SDG 10– reduced inequalities.**

### System level outcomes contribution.

System level outcome 1	System level outcome 2
<b>Improved Access to Assistive Products and Services Supporting Workforce/Social Participation</b>	<b>Higher employment rates and economic opportunities among people from underrepresented groups</b>
By restoring and/or improving hearing and communication abilities, Cochlear’s implants directly address a major barrier to social inclusion and workforce participation for individuals with hearing impairment.	Studies have shown a significant positive change in employment status and income for adult recipients post-implantation. One study reported a 27% increase in employment status and a 40% increase in average income for adult recipients (Source: Pindrop Foundation Article citing Monteiro et al., 2011) <sup>5</sup>

<sup>5</sup> (Source: Pindrop Foundation Article citing Monteiro et al., 2011 <https://www.pindrop.org.nz/articles/cochlear-implants-increase-income-potential>)

## Impact metrics.

Provided

**56,968** new hearing implants

in 2025.<sup>6</sup>

Provided an estimated net  
societal benefit  
of more than  
AUD **\$9 billion**

over the lifetime of hearing implant recipients from improved health outcomes, educational cost savings and productivity gains.<sup>7</sup>

Helped over

**46,000**

prior generation cochlear implant recipients to hear better by upgrading them to the latest sound processor.<sup>8</sup>

**292** m AUD spent on  
research & development  
in 2025.

<sup>6</sup> <https://assets.cochlear.com/api/public/content/0baa69b0c49f4438afb202de98c968c4?v=01a52a68>

<sup>7</sup> <https://assets.cochlear.com/api/public/content/0baa69b0c49f4438afb202de98c968c4?v=01a52a68>

<sup>8</sup> Pg 15 <https://coh.live.irmau.com/irm/pdf/0991ad3a-0894-4bb2-be74-f0dc986f9099/Annual-Report-incl-Sustainability-reporting.pdf?Platform=ListPage>

# Shareholder engagement.

Our shareholder engagement strategy centers on enhancing disclosure and improving performance on impact metrics through targeted approaches, including improving reporting, setting measurable targets, advancing progress toward those targets, and addressing broader ESG risks. Throughout 2025, we engaged with multiple portfolio companies to advance key priorities.



We met with Boralex, to discuss its approach to assessing and managing supply chain risks related to human rights. The conversation focused on progress in supply chain mapping, supplier audits, and compliance with Modern Slavery legislation. Boralex, a renewable energy company, is held within our Energy Transition impact theme.



We engaged with Deere & Co to discuss developments on Right to Repair. Deere stated that their focus is to reduce customer down time and spoke about the actions they're taking to support this. In the meeting, we also talked about changes to Deere's DEI policy. Deere stated the change was driven by a targeted social media attack campaign that took statements from their policy out of context. Aside from avoiding potentially political wording, its business practices and policies around hiring has not changed.



As part of our involvement in Climate Action 100+, we met with Trane Technologies to review progress on its climate commitments. Trane reported strong results in reducing Scope 1 and 2 emissions and steady progress toward its "Gigaton Challenge" for Scope 3 reductions. The company highlighted plans to integrate AI to improve product efficiency and lifespan, and announced new circularity KPIs—covering refurbished parts beyond recycled metals—expected by Q3 2025. Trane recently published its first climate transition plan as a living document. Despite high energy costs and reduced incentives, heat pump upgrades remain financially viable in Europe. Collaboration between Trane and major tech firms on water and emissions goals signals continued momentum on sustainability.



We met with EDP to discuss health and safety standards for contracted workers. EDP provided an overview of its contractor training programs and accident prevention measures, reinforcing its commitment to worker safety.

# Final remarks.



The past twelve months have tested the agility of the global markets, shaped by shifting macroeconomic conditions, concentrated investment themes, and heightened uncertainty. Yet our fund remains anchored by our dual mandate of performance and purpose. By maintaining a high-conviction, low-turnover strategy, we have stayed true to the businesses we believe in, while simultaneously ‘turning over rocks’ to ensure our portfolio represents the gold standard of impact and financial potential.

Looking ahead, the coming year will be focused on building upon this foundation. We will continue refining our investment process, deepening our research, and high grading the portfolio where opportunities arise. Our aim is to ensure that each investment across our core themes is positioned not only to navigate market volatility, but to endure and excel across full market cycles.

We are grateful to our investors for their continued confidence in our long-term vision. While the path ahead may remain complex, our mission is clear and we look forward to another year of collaborative progress, advancing measurable impact and continuing to deliver outcomes that our world requires, and our investors expect.

# Impact team.

The VCIM Global Impact Fund is managed by a highly skilled and diverse team of professionals with expertise in financial markets, sustainability, and social impact. Together, they bring a shared passion and commitment to delivering strong financial returns while making a positive contribution to society and the environment. The team is composed of individuals with complementary backgrounds in investment analysis, ESG research, and strategic leadership.



**Marc Sheard**

Portfolio Manager and Head of Equities



**Rachel Beechinor**

Investment Analyst



**Morgan Ayres**

Associate Portfolio Manager

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The foregoing document describes shareholder engagement activities conducted on behalf of the securityholders of the VCIM Pooled Funds.