

Introduction

2025 was a year that tested the sustainable and impact investing industry – and reaffirmed why this work matters. The sustainable and impact investing industry faced substantial headwinds in 2025, but it also reached key milestones.

Amid anti-ESG sentiment in the U.S., the Trump administration focused on regulatory rollbacks, cutting U.S. involvement in global climate initiatives and constraining climate-related government agencies. Many of these actions have been met with legal challenges from environmental and other groups. In Europe, policymakers also shifted course, scaling back some sustainability-related disclosure ambitions in favor of growth and competitiveness.

While we won't minimize these headwinds, we also won't let them overshadow encouraging developments both in the U.S. and around the world. For example, U.S. emissions are expected to continue falling, according to modeling by the Rhodium Group – with 2035 emissions projected to be 26% to 35% below 2005 levels.¹ Globally, two big recent wins were the High Seas Treaty coming into force in January 2026 – the first comprehensive framework to govern and safeguard about two-thirds of seas, including biodiversity, that don't fall within any country's jurisdiction – and the International Court of Justice in July 2025 issuing a landmark ruling that countries may be in violation of international law if they fail to take steps to protect the planet from climate change.

In other positive news – impact assets rose last year across the industry and at LNW, buoyed by positive broad-market returns. We remain confident in the fundamental thesis that drives our impact investing work and optimistic about the outlook for impact investing. We continue to believe that integrating impact considerations can sharpen investment insight by helping investors better understand risk, assess resilience, and identify opportunities that might otherwise go unseen.

This is our ninth Annual Impact Report, and we believe it is more critical than ever to reaffirm our commitment to impact investing. We continue to empower all stakeholders to contribute to the shared value generated by the company as an engine for creating positive impact. This principle of shared value – generating economic value by also creating value for all stakeholders – is a core business strategy that is integral to our company's mission and vision.

In the pages that follow, we highlight our collaborations with investment managers, our support for the communities where we live and work, our charitable giving, and our commitment to responsible environmental stewardship. We are proud of the progress we made in 2025 and grateful to continue this work in partnership with others, guided by our commitment to align our actions with our values.

Our Clients

The State of the Impact Investing Landscape

Market appreciation drove U.S. sustainable fund assets to a record high of \$368 billion in 2025, surpassing the previous peak reached in 2021.² Performance varied by market capitalization – the large-cap MSCI USA Extended ESG Leaders Index modestly outperformed the MSCI USA Index, driven primarily by a higher concentration of outperforming mega-cap tech and AI-related stocks, while the small-cap ESG index continued to lag. Fixed income ESG performance was generally in line with the broader market, as measured by the Bloomberg MSCI US Aggregate ESG Select Bond Index relative to the Bloomberg US Aggregate Bond Index.

Those market gains more than offset \$21 billion in outflows in sustainable funds last year, the third consecutive year of outflows and the largest total since flows turned negative.³ These outflows were driven primarily by ongoing



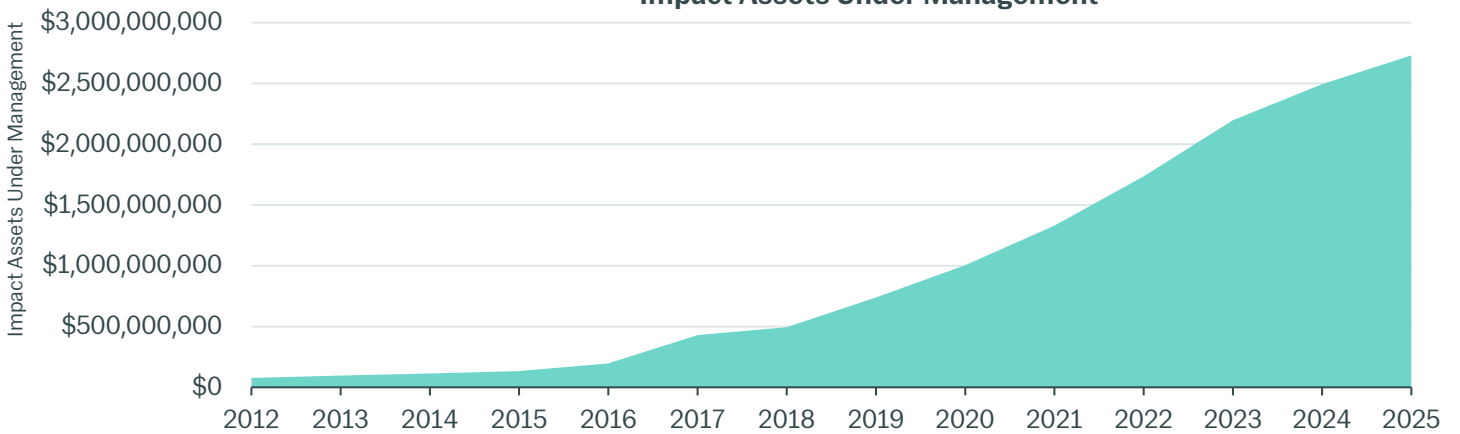


anti-ESG sentiment, which intensified with the new presidential administration. Reflecting that negative sentiment and investor outflows, U.S. sustainable fund closures outpaced launches for the second consecutive year, with 91 funds closing and nine launching in 2025.⁴

However, there was also encouraging news. Global green bond and loan issuance reached a record of \$947 billion in 2025.⁵ A key driver was the growing energy demand associated with artificial intelligence, alongside continued investment in renewable energy and electricity grids amid record global temperatures and mounting losses from climate-related disasters.

We remain optimistic about asset manager and investor commitments to impact investing. A recent survey found that 79% of asset managers and 86% of asset owners expect sustainable assets to increase over the next two years, driven by strong financial performance and increasingly established track records.⁶ At LNW, we continue to see growth in assets invested in impact strategies. As of year-end 2025, those assets totaled over \$2.7 billion, up 9% from about \$2.5 billion at the end of 2024.

Impact Assets Under Management



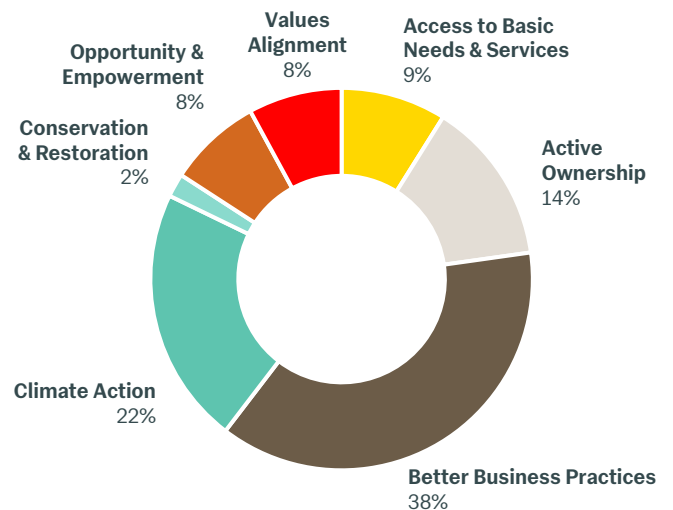
Data as of 12/31/25. Data prior to 2022 only includes assets from Wetherby Asset Management. Data from 2022 and beyond represents all of LNW.

Our Impact Investment Practice

We believe every investment has impact, whether positive or negative, intentional or inadvertent. Our work in impact investing seeks to understand that impact, maximize and monetize the value created by positive externalities, and minimize the negative and extractive externalities. We aim to contribute to an economic system that creates value for all stakeholders.

Our impact investing offering is built on the belief that impact considerations, such as climate change and gender and racial equity, are increasingly material to asset pricing and present risks and opportunities that might otherwise go unrecognized. Investment choices that reflect a client's values and provide compelling risk-return profiles are often well aligned, and we strongly believe that financial, social and environmental imperatives make impact integration a compelling and critical part of the investment process.

Impact Assets by Objective as of 12/31/25





For interested clients, our goal is to incorporate impact objectives as one consideration among many in constructing a portfolio designed to optimize for their financial, non-financial and impact goals. We work to identify opportunities where an impact strategy drives a fundamental investment thesis and meets client needs, confident that this approach can help reduce risk and enhance returns. The nearly 40% of LNW households that include impact strategies in their portfolios do so for a range of reasons, but this figure also reflects our view that many impact investment vehicles are financially attractive because of the material benefits of the strategies they pursue. We believe these strategies are suitable for a broad range of clients, regardless of whether they have a proactive impact focus.

Since 2017, our due diligence processes and investment policies have incorporated a formal assessment of the impact characteristics of all strategies we consider. Given the importance of impact considerations in our investment decision making, we conduct extensive due diligence to ensure that our clients' capital supports their intended financial and impact goals. We do not make investment decisions based on a strategy's label. Some strategies market themselves as impact even though many of their claims bear little resemblance to their actual practices. Similarly, many strategies may intentionally incorporate impact considerations into their investment processes without marketing themselves as impact. Our in-depth due diligence and long history and experience in impact investing help us better discern the authenticity, credibility, quality and effectiveness of a manager's approach to generating impact.

In addition, over the past few years, LNW has expanded our efforts with catalytic investing, partnering with clients to deploy impact-driven capital in which achieving social and environmental outcomes is the primary objective and financial considerations are intentionally secondary. This investment approach is well suited to capital that is patient, risk tolerant, flexible, and willing to accept concessionary returns where doing so can unlock meaningful impact. Catalytic investing can play an important role within a client's broader portfolio and larger impact investing strategy, representing another tool within the spectrum of impact investing approaches that can be harnessed to support our clients' impact objectives and financial goals. Our clients have deployed catalytic investments to shift greater decision making power and ownership to communities by supporting alternative ownership models and centering community leadership; transition our conventional food system to sustainable and regenerative food and agriculture; and support low-income families with young children secure their basic needs through access to affordable housing, community and educational infrastructure, broader supportive services, and workforce development programs.

Our Investment Managers

We believe that the alignment of interests between the firm and our managers is a fundamental requirement for delivering sustainable long-term returns. To that end, we choose to work with managers whose objectives align with our own and those of our clients. We look for impact alignment throughout the value chain - not only within the underlying investments themselves, but also in our managers' business practices, operations, and investment decision making, understanding that these factors can materially affect investment performance.

Since 2018, we have surveyed our investment managers annually about their impact policies and practices, how they are building and supporting teams within their firms that represent a wide range of backgrounds and perspectives, and how they assess climate- and nature-related investment opportunities and risks.

We also began implementing a formal manager engagement program in 2022, which was expanded to our full slate of managers in 2023. The program employs a framework to assess, engage with and measure the progress of our investment managers over time across a range of social and environmental issues. The framework is designed to enable us to better understand our managers' current impact policies, practices and accountability while identifying longer-term opportunities for improvement. Through the program, we proactively support our managers in pursuing continuous improvement by providing targeted recommendations and resources for achieving clear milestones for



action. In 2025, we achieved a 100% response rate to the 79 surveys we sent. We are pleased to have seen steady improvement in several areas since 2018, particularly with our traditional managers, 93% of whom now notably incorporate impact considerations into their due diligence, a significant step forward in both their ability and our own to measure impact more accurately and thoroughly. In addition, the percentage of traditional managers that have a formal impact policy has doubled since 2018 to 84% in 2025, nearly the same percentage, 89%, as for impact managers; a greater percentage of impact (44%) and traditional managers (23%) follow ISSB climate standards; and a greater percentage of traditional managers (49%) provide impact reporting, while the percentage of impact managers providing impact reporting has steadily remained above 80%.

Manager Responses to LNW Impact Engagement Survey

	Impact								Traditional							
	2018	2019	2020	2021	2022	2023	2024	2025	2018	2019	2020	2021	2022	2023	2024	2025
Have Formal Impact Policy	79%	81%	78%	92%	85%	86%	82%	89%	42%	58%	74%	75%	84%	89%	81%	84%
Integrate Impact In Due Diligence	95%	95%	91%	96%	97%	97%	97%	92%	67%	76%	90%	88%	91%	89%	95%	93%
Provide Impact Reporting	89%	95%	87%	88%	85%	86%	88%	83%	33%	33%	29%	41%	43%	47%	43%	49%
Follow ISSB Climate Standards (Formerly TCFD Recommendations)	16%	19%	43%	50%	44%	53%	47%	44%	0%	3%	23%	19%	36%	33%	26%	23%
Female Investment Team Members	37%	31%	41%	38%	35%	36%	35%	33%	13%	17%	17%	20%	23%	19%	19%	20%
Investment Team Members From Underrepresented Groups	37%	38%	33%	37%	36%	35%	38%	42%	21%	24%	30%	29%	33%	29%	29%	31%

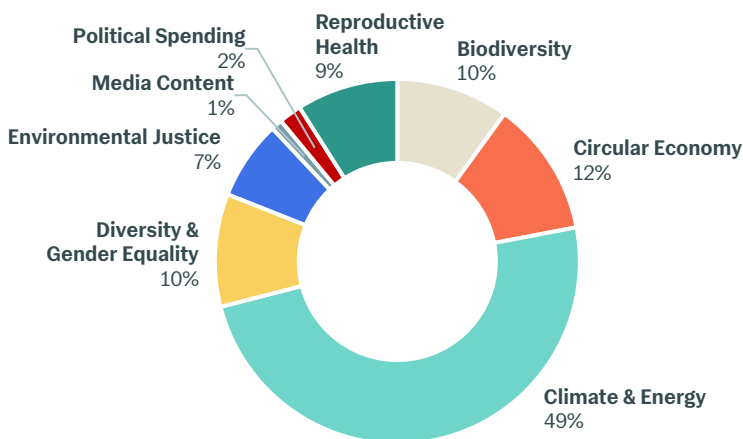
We recognize that these initiatives are long-term, ongoing efforts, and we are pleased to work with our managers to provide resources that support their impact work at whatever stage and in whatever form it takes. For both our managers and our firm, our priority is to maintain an understanding of the impact of our investment allocations and to pursue continual improvement that leads to better outcomes for our firm, our clients, the managers with whom we invest, and the communities in which we work.

We share insights from years of collecting survey data and from meaningful engagement with over 100 fund managers in our commentary [“Lessons from LNW’s Manager Engagement Program.”](#) We offer this paper as a resource for other asset allocators looking to build or enhance their own engagement practices and to offer fund managers insights into peer performance and best practices. We also hope this paper helps our clients better understand how their investments contribute to meaningful outcomes – beyond the dollars deployed – by illuminating the practices, partnerships and progress that drive impact.

Investment Stewardship

We believe that active ownership and investment stewardship, including proxy voting and shareholder engagement, are central to impact investing and provide an important avenue for our clients to help achieve their impact goals. We review our managers' proxy voting records and shareholder engagement practices as part of our due diligence and portfolio management processes, viewing them as important indicators of a manager’s commitment to impact integration. In addition to the active stewardship of our managers, we enable our clients to participate

2025 Topics of Engagement





directly in shareholder initiatives. Through our work with various shareholder advocacy organizations, our clients can amplify their investor voices by supporting shareholder resolutions addressing environmental sustainability, corporate governance and social justice issues.

During the 2025 proxy season, 32 clients supported resolutions with 86 companies. These resolutions addressed a range of issues, with the most common themes being climate and energy, the circular economy, and diversity and gender equality. Climate-related engagement included addressing the surge in data center construction to advance artificial intelligence. These efforts focused on ensuring that AI deployment aligns with climate goals and that companies proactively assess and mitigate the long-term risks posed by energy intensive technologies. The objective is to ensure innovation does not come at the expense of climate resilience or investor confidence.

With respect to the circular economy, company engagement focused on minimizing resource extraction, designing for reuse and repair, and improving transparency across supply chains. The goal is to reduce packaging waste, conserve resources, and regenerate ecosystems through smarter, circular production models. On diversity and gender equality, engagement efforts focused on disclosure of workforce demographics, pay equity, board diversity, and inclusive hiring and promotion policies. The goal is to ensure that diversity and inclusion are not merely aspirational, but measurable, enforced, and embedded in corporate strategy.

For more details on the resolutions our clients supported last year, please see our [“2025 Shareholder Resolution Impact Report.”](#)

Our Annual Commitments	2025 Results
<p>1.0% of pre-tax net income donated to nonprofits</p>	<p>1.1% of pre-tax net income donated to nonprofits</p>
<p>\$1,000 match of employee donations made to nonprofits</p>	<p>62 nonprofits supported by our employee matches</p>
<p>8 hours volunteer time off per employee</p>	<p>109 hours of volunteering reported by our employees</p>
<p>5 firm-sponsored service events</p>	<p>6 resulting in ~165 hours of volunteer time donated</p>
<p>100% of Scope 2 emissions and Scope 3 emissions for business travel and employee commutes</p>	<p>458 tons of carbon offset</p>
<p>100% of water use for SF, Seattle, LA, NYC and Philadelphia office space</p>	<p>379 Water Restoration Certificates purchased, each representing 1,000 gallons of water</p>
<p>100% office purchases in accordance with our environmentally preferable purchasing policy</p>	<p>100% environmentally preferable purchases including recycled or post-consumer paper products, non- or low-toxic cleaning products and plant-based food options</p>



Our Community

Our success, as a firm and as individuals, is closely tied to the success of the communities in which we live and work. As we continue to confront existential challenges, from climate change to social injustice, we have both an obligation and an opportunity to use our resources to help create a more inclusive and equitable world and communities where all can thrive. As we expand our geographic reach, we remain committed to supporting our communities in Seattle, San Francisco, Los Angeles, New York, Philadelphia and beyond, while leveraging our broader reach and growing resources to help drive positive change in the areas in which we can have influence.

Community Service

We believe that engaging directly with nonprofits in our communities is an important part of being a positive force in the places where we live and work. Each year, our firm-sponsored service events give our team a chance to connect with our communities and each other.

In New York, we helped **God's Love We Deliver** prepare special meals to adults diagnosed with illness, as well as their children. In Seattle, we volunteered with two programs. We partnered with the **Swedish Medical Center's WIC program** (Women, Infants, and Children) to purchase, wrap and deliver gifts to four local families. Also in Seattle, we volunteered with the YMCA at the **Roy Street Transitional Housing Project**, helping clean and refresh the property for individuals on their path to stable housing. In Los Angeles, employees of LNW and a few other volunteers teamed up with **Project Angel Food** to prepare 3,037 meals for Thanksgiving. Our colleagues in San Francisco volunteered for two events. Employees improved landscaping at **Buena Vista Park**, including removal of invasive blackberry

bushes. We also were once again thrilled to welcome **Rise Against Hunger** into our San Francisco office. Employees in that office and a few visiting employees from our Seattle and remote offices came together to pack more than 9,000 nutritious, nonperishable meals for communities in urgent need of nutrition. In further support of these important programs, we made a financial donation to each organization with which we volunteered.

In addition to our firm-sponsored volunteering, each of our employees receives eight hours of paid time off each year to volunteer on their own in support of the causes most meaningful to them. Thanks in part to the availability of these hours, our team reported 109 volunteer hours in 2025.

Charitable Giving

Providing material support to charitable organizations working in our communities is a critical way we can use our resources to be a force for good. Nonprofits continue to face challenges meeting the growing need for the services they provide, and we remain committed to donating both to national organizations and to local or regional organizations in the communities where our offices are located. Through our combined annual year-end giving, we donated to The Nature Conservancy, the American Civil Liberties Union's ACLU Foundation, Plymouth Housing in Seattle, Larkin Street Youth Services in San Francisco, Food Bank For New York City, Project HOME in Philadelphia, and Downtown Women's Center in Los Angeles.

Through our corporate giving and our matching of employee donations, we gave to 88 nonprofit organizations in 2025, supporting critical charitable initiatives important to our firm and our team and helping our employees' generous donations go even further.

We were also pleased to once again sponsor a wide range of events in support of various nonprofits.

- **Aum Foundation USA Inc.'s** annual fundraiser supported empowering girls through education, mentorship, and holistic support in the Southern U.S.



- **Bainbridge Island Museum of Art** is a community-focused museum in Washington state that promotes contemporary art and crafts to inspire creativity, education, and cultural engagement.
- For the **Fred Hutchinson Cancer Research Center**, we sponsored and participated in their professional advisory group that lends their support to the institution. The center is a leading biomedical research institution dedicated to advancing cancer prevention, treatment, and cures through scientific discovery and patient care.
- **Friends of the Children - SF Bay Area's** annual fundraiser supported their programmatic efforts to break cycles of generational poverty by providing long-term professional mentorship to youth facing significant systemic barriers.
- **Invest for Better** is a nonprofit network that empowers women to align their investments with social and environmental impact goals through education and community, including its national "Our Sheconomy" campaign.
- **Jewish Federation Bay Area's** Day of Philanthropy celebrated and encouraged strategic philanthropy, partnerships and community-building initiatives.
- **King County Library System Foundation's** Literary Lions Gala fund raiser was held to support and enhance public library programs and access to knowledge across King County, Washington.
- **Rise Up Together** works on education, health and economic opportunity programs to create a more just future for women, girls, and gender nonconforming people everywhere.
- **Silicon Valley Community Foundation's** annual Planned Giving Conference brought together industry professionals, donors and nonprofits for technical programming regarding strategic philanthropy and community impact.
- **UNCF's (United Negro College Fund)** annual fundraiser supported educational access and success for Black students through scholarships, advocacy, and funding for historically Black colleges and universities.
- At **The Posse Foundation's** Power of 10 event, we recognized the strength of a Posse of 10 dynamic students and celebrated the next generation of leaders while raising money to support Posse's scholarship and leadership programs.

Industry Leadership

Our position in the industry gives us a unique opportunity to use our voice to support a more sustainable and equitable world. Our industry engagement includes serving on committees or collaborating with and supporting in other ways the following types of organizations and initiatives:

- Scaling and enhancing impact investing via collaboration among managers, sharing best practices, conducting research and education, and advocating together for policy changes.
- Partnering with shareholder advocacy organizations that utilize their status as company owners to influence corporate behavior around impact issues.
- Working with small-to-medium-sized businesses to support a green economy.
- Helping women demystify impact investing, take control of their capital, and direct their money for good.
- Advancing the direction, management and control of financial resources by underrepresented populations, such as People of Color and Indigenous people.
- Promoting best practices in climate- and nature-related financial disclosures.



- Supporting free access to lists and databases of experienced and emerging impact investment fund managers across a range of geographies, sectors, asset classes and issue areas as well as those transforming the economy for social, environmental, and economic justice.
- Participating in an investor alliance to promote corporate respect for human rights.

We believe that by sharing ideas and offering insight to stakeholders in our industry, we can help collectively live up to our vision for a world where business and our economy support us all.

Internship Program

We were excited to welcome the fifth cohort of our formal paid summer internship program in 2025, with interns joining our San Francisco and Seattle teams for 10 weeks. Through this program, we focus on identifying talent from a wide range of backgrounds and selecting high-potential students to gain professional development experience and explore a career in wealth management. We once again partnered with The Posse Foundation, a nonprofit dedicated to developing leaders who represent our increasingly multicultural society and supporting them to achieve educational and professional success, to help identify candidates.

Our goal was to introduce our interns to the financial services industry, provide experiences across a range of disciplines, and welcome them into our culture so they can build meaningful and supportive relationships with our team. Over their 10-week internships, they worked on projects across the firm, including investment research, marketing and communications, business development, operations and client service. They had the opportunity to work with our team to create content on meaningful industry issues, research timely topics for our investment team, and present to our firm on lessons learned and key takeaways from their internship experience.

We are grateful to Posse for their partnership and to our interns for bringing their talent and energy during their time with us, and we are excited to welcome our 2026 cohort to our offices soon.

Our Employees

We are fortunate to have a talented and passionate team that represents a wide range of backgrounds, life experiences and perspectives. We know that building such a team across geographies and backgrounds, while ensuring that all employees feel valued, requires cultivating a culture that fosters growth, collaboration and acceptance. We are committed to a culture that celebrates our employees' varying voices and perspectives, and where they feel empowered to bring their full, authentic selves to work each day. It is a privilege to have our colleagues from across our offices and the country show up each day and bring the full breadth of their experience to their work and their professional relationships.

Ongoing Commitment to a Culture of Inclusivity and Belonging

Our commitment to inclusivity is a core foundational value for our firm and helps guide our decisions about how best to support our team, create space for meaningful and authentic growth, and position ourselves to attract and retain the broad range of talent that is so critical to our success and identity.

Achieving this vision requires ongoing, intentional effort. We know that all too often, particularly in an industry like ours, even well-meaning firms may become places where individuals may not be recognized for the full extent of their talent and abilities. We believe it is our responsibility to continually improve our efforts and to demonstrate to others in our industry that creating a culture of inclusivity is not only possible but also deeply valuable. The variety of voices, backgrounds, and perspectives within our company is a strength that drives us forward and enables us to build deeper, long-term, caring and trusted relationships with our clients, colleagues and community.



At the end of 2025, our combined team comprised 58% women, with women well represented across all areas of our firm and at every level of leadership, including 60% of our leadership team. Our employees also represent a range of identities across other measures of difference, including age, educational attainment, marital status and ethnicity, with 37% identifying as an underrepresented race or ethnicity within the financial services industry. We also conduct an annual anonymous employee survey to better understand the breadth of our team's backgrounds and perspectives and gain insight into how we can better support all employees.

2025 Inclusion and Belonging Events

In honor of **Native American Heritage Month**, our Seattle and San Francisco offices came together for a special screening of **"Gather,"** a powerful documentary that explores the growing movement among Native Americans to reclaim their spiritual, political, and cultural identities through food sovereignty. The film sparked meaningful conversations about resilience, heritage, and the importance of supporting and protecting Indigenous food systems and storytelling. In our San Francisco office, the event featured delicious appetizers from a local Native-owned restaurant – Wahpepah's Kitchen – providing everyone an opportunity to experience the spirit of the film through taste as well as story.

We also hosted several virtual tours to celebrate cultural observances and foster cross-cultural understanding:

- In celebration of **Black History Month**, the **Black Meccas Virtual Tour** explored the transformative moment in American history when millions of African Americans migrated from the South to build new cities of opportunity, changing the dynamics and culture of our country.
- **AANHPI: The American Dream Virtual Tour** shared the stories of incredible Asian American and Pacific Islander women who championed their rightful place in the American dream.
- **Pride Virtual Tour** followed the story of Pride, featuring LGBTQIA+ groundbreakers from the founding of America to after the Stonewall riots.
- **El Origen: Hispanic/Latinè Heritage Month Virtual Tour** was an interactive experience that traced Hispanic and Latinè history and changemakers in the U.S. and North America from the 1500s to present day.

We offered additional programming and activities throughout the year including:

- A deep dive/teach-in session and discussion for employees on **Anti-Racism at Work**, including the distinction between DEI and anti-racism and ways to move forward/take meaningful action.
- **DEI Trivia: Equity and Answers**, a trivia session covering equity and inclusion concepts.
- Quarterly discussions of the **Better Allies Book Club**, a program designed to help us better understand inclusion and belonging issues and to serve as more effective allies within our networks. The book club also provides an opportunity for us to practice engaging respectfully in difficult conversations and earn trust across differences, while building community with one another. In 2025, we read and discussed: "The Small & the Mighty" by Sharon McMahon, "The Fire Next Time" by James Baldwin, "The 57 Bus" by Dashka Slater, and "Soldiers and Kings: Survival and Hope in the World of Human Smuggling" by Jason De León.



Our Environment

Being responsible stewards of our environment and minimizing our impact on climate change are critical elements of our commitment to all stakeholders. Through a combination of creative partnership programs with environmental organizations and thoughtful choices in our day-to-day operations, we work to reduce our environmental impact and help create a healthier, more equitable world.

Carbon Offset and Water Restoration Program

The goal of our carbon offsets program is to minimize the impact of our operations on the environment and contribute to reducing greenhouse gas (GHG) emissions. While imperfect, carbon offsets help us mitigate the climate impact of our operations as we work to further reduce emissions or avoid them altogether.

This program is a collaborative Laird Norton Enterprise (LNE) initiative implemented through our enterprise-wide Creating Shared Value (CSV) working group. Because we do not own or control any facilities or vehicles that would create Scope 1 emissions, we focus on addressing our Scope 2 and Scope 3 emissions. We purchase Renewable Energy Certificates (RECs) to offset the emissions of the electricity, steam and heat for our leased office space in Seattle, San Francisco, New York, Los Angeles and Philadelphia. For 2025, we purchased 458 megawatt hours of Green-e® Energy Certified RECs from Schneider Electric.

To address our Scope 3 emissions, we purchase Verified/Voluntary Emission Reduction (VERs) to offset emissions resulting from employee commutes and business travel. We work with Patch to identify projects and high-integrity carbon credits as part of this effort. In 2025, we supported three projects as part of this program:

- Reduced 83 tonnes of CO₂e by protecting and restoring 149,800 hectares of peatland ecosystems in Indonesia
- Reduced 25 tonnes of CO₂e by transforming U.S. farmland, cutting methane from rice cultivation, advancing regenerative agriculture, and supporting rural communities
- Reduced 400 tonnes of CO₂e by capturing and destroying methane gas from a landfill in Greenville using an open flare and a modular electricity generation plant

In addition to offsets for our carbon emissions, we also purchase Water Restoration Certificates to offset the water usage in our leased real estate footprint in Seattle, San Francisco, New York, Los Angeles and Philadelphia. In 2025, we purchased 379 Water Restoration Certificates, each equivalent to 1,000 gallons of water improved or restored to Jordan River, Utah to benefit people and nature, from the Bonneville Environmental Foundation.

Environmentally Preferable Purchasing and Green Office Programs

The environmental effects of our day-to-day choices in our office spaces are among the most controllable aspects of our footprint and an important way we can incorporate environmental considerations into all aspects of our business.

We implement an Environmentally Preferable Purchasing policy as part of our broader Corporate Citizenship Policy. This policy covers all office purchases and prioritizes purchasing recycled and unbleached paper products, environmentally friendly cleaning products, and low-energy-use electronics, while also including plant-based and organic catering options at firm events.

Our Green Office program focuses on reducing resource use – including energy and water conservation and minimizing unnecessary use of paper and other items – reducing waste, and encouraging sustainable transportation options for daily commutes and firm events. In recognition of these efforts, we are pleased that our San Francisco



office has been recognized as a San Francisco Green Business Innovator, the highest recognition awarded by the City and County of San Francisco for sustainable businesses.

Assessing Climate Risk and Supporting the Green Transition

Climate change presents both growing risks and opportunities that we are obligated to consider, both as fiduciaries and as members of a global community. As consumers and investors seek more environmentally sustainable investment options, our role is to identify the most compelling opportunities from perspectives of risk, return and impact, and to work to gather the most comprehensive information possible when making investment decisions.

We were a supporting organization of the Task Force on Climate-Related Financial Disclosures (TCFD) for many years and now support the International Sustainability Standards Board (ISSB) guidelines, which continue the work of the TCFD. As part of our annual manager survey, we solicit information on our managers' adherence to ISSB recommendations. These recommendations provide guidelines for "consistent climate-related financial risk disclosures for use by companies in providing information to lenders, insurers, investors and other stakeholders."⁷

In addition, we discuss net-zero commitments, biodiversity and nature-related risks in alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) with our managers as part of our manager engagement program and encourage greater involvement in climate risk mitigation. TNFD provides a framework for organizations to report and act on evolving nature-related dependencies, impacts, risks, and opportunities.

While the risks posed by climate change understandably receive significant attention, we also continue to see encouraging progress in both transitioning to existing renewable technologies like solar and the emergence of nascent technologies like hydrogen. We offer our clients investment opportunities in a broad range of vehicles participating in these markets and supporting this transition, including utility-scale renewable energy and growth-stage companies developing innovative technologies in sustainable buildings, industrial automation, and regenerative agriculture.

Looking Forward

There is ample reason for optimism in 2026 and beyond for impact investing. Despite political headwinds, companies and investors are continuing to move forward quietly and steadily.

We see pragmatism emerging as the new narrative. The focus for impact investing has shifted to transparency, measurement, reporting, and more directly addressing how an emphasis on impact can benefit portfolios. Amid geopolitical tensions and energy security concerns, the transition to low-carbon energy is becoming more pragmatic, balancing emission reduction goals with energy affordability and energy independence. Climate investments are moving beyond niche trades and increasingly being recognized as core industrial and infrastructure strategies.

At the same time, as extreme weather increases, capital is shifting from mitigation alone (emissions reduction) to financing adaptation (e.g., resilient infrastructure). In the U.S., such climate-related costs are approaching \$1 trillion a year.⁸ In this way, climate volatility is becoming a driver for investment in infrastructure and insurance.

Another catalyst for investment is the push to power data centers, from renewable developers to geothermal startups and efficiency software companies – all despite concerns over an AI bubble. Infrastructure, permitting and regulations are failing to keep pace with soaring energy demand. With the IEA projecting a 130% increase in U.S. data center energy demand by 2030 from 2024 levels,⁹ even a fraction of that growth represents a substantial opportunity.



Against this backdrop, we believe it is more critical than ever to reaffirm the core values and investment principles that have long underpinned our impact investing philosophy and approach. A stable, healthy environment is essential for individuals, communities, and businesses alike. Expanding access to opportunity, regardless of background or perspective, leads to stronger business outcomes and more resilient communities. These beliefs continue to hold true.

As we guide our clients and our firm through today's shifting landscape, we remain committed, as always, to helping our clients achieve both their financial and their impact goals. We also remain focused on ensuring that our work contributes to the long-term well-being of our clients, our employees, our communities, and the broader environment.

We greatly appreciate the trust that our clients and community partners have placed in us, and we remain committed to deepening our collective impact in the years ahead.

ABOUT THE AUTHOR



Justina Lai leads the impact investing strategy at LNW and works with the LNW client service teams to guide clients in developing effective impact investment strategies and integrating impact investments across their portfolios. She also leads the effort to integrate impact considerations across LNW's business strategy and operations to create shared value for all stakeholders (clients, employees, shareholders, suppliers, the community and the environment) and spearheads the firm's diversity, equity and inclusion initiative.

¹ Rhodium Group. "[Taking Stock 2025: US Energy and Emissions Outlook.](#)" September 10, 2025.

² Morningstar. "[Global Sustainable Fund Flows: Q4 and Full-Year 2025 in Review.](#)" Feb 3, 2026.

³ Morningstar. "[Global Sustainable Fund Flows: Q4 and Full-Year 2025 in Review.](#)" Feb 3, 2026.

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Impact investing is associated with the broad consideration of actual and potential non-financial risks of Environmental, Social, and Governance (ESG) factors, and how those factors may affect the financial performance of a company and its securities. For example, environmental changes and extreme events associated with climate change could increasingly affect companies' financial performance. Similarly, poor labor relations or discriminatory practices could lead to financial liability, employee turnover and understaffing, and damage to companies' reputation. ESG investing generally seeks to avoid these risks, and increasingly also aims to achieve certain positive impacts through investing in key areas believed by the investment manager to be positively affected by corporate investment and, in some cases, related shareholder advocacy. Avoiding risk and achieving positive impact are different objectives. Since the field of ESG/impact investing continues to develop, it remains to be seen how effective investment managers will be, especially in the area of impact. ESG ratings of companies are often based on subjective measures, and may include corporate self-reporting, different and inconsistent third-party rating systems, as well as data points that are associated with positive or negative outcomes but where causation has not been established. It is also possible that companies that do have positive impact in the areas identified, or that successfully avoid some or most of the ESG risks noted, will not have favorable financial returns. Accordingly, their stock prices could underperform their peers despite alignment with ESG objectives.



LNW will generally use third-party managers, including mutual fund or exchange traded fund managers, in constructing portfolios focused on impact consideration. While LNW will review these managers' own policies and practices with respect to ESG/impact investing, LNW is highly dependent on their self-reports. As noted above, these managers are, in turn, likely relying on corporate self-reporting, as well as evolving industry standards. No investment approach or strategy can guarantee a positive return or that losses will be avoided.

CERTIFICATIONS

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