



Pathfinder™

Stewardship Report 2025

Ethically invested funds to
suit *every modern investor.*

March 2026

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About

Stewardship is the responsible allocation and management of capital by investors to create and preserve long term value for current and future generations (as defined by Stewardship Code Aotearoa NZ). This recognizes that being an investor like Pathfinder is much more than simply buying and passively holding shares in companies. Stewardship impacts many different parts of what we do, including our investment choices, our voting as a shareholder, our advocacy for change and our reporting.

There is no single way to conduct stewardship – every investor will have their own approach. For us this is shaped by our purpose as a business, our strategy for investing and our belief around how we can be most effective.

Our approach as a fund manager to aspiring towards ‘real world’ impact and effecting change has four levels:

1:

Product

This relates to the values and features we embed in the products we offer investors.

2:

Business Model

We see the model a business adopts as an important choice for how it will interact with stakeholders and ultimately the impact it will have on communities and the environment. Our certification as a B Corp is part of our commitment, as a business, to act in a way that considers all stakeholders with a long-term perspective.

3:

Industry

We work in the financial services industry. Financial services have the opportunity to influence significant positive change for people and the planet as a consequence of where capital is invested. But financial services have generally seen their role in strictly financial terms (a narrow understanding of fiduciary duty*). Through our stewardship work, we have the opportunity to try and deepen the responsibility companies take for the impact of their products and/or services on the wider world around them.

4:

Systems

As citizens, businesses, community groups or governmental organisations we operate under accepted and often unseen systems. These can, for example, be ecological, economic, financial, political or societal systems. These systems are shaped by society and often emerge from or are influenced by a complex interplay of natural phenomena and environmental factors, as well as human decision-making and cultural evolution. We should think about the possibility of contributing to positive change within these systems, especially economic and financial ones, by addressing the root causes rather than merely the symptoms of systemic challenges. This reflects a system-thinking approach, which recognizes that lasting impact requires transforming the underlying incentives, relationships, and feedback loops that shape outcomes, rather than pursuing isolated or superficial interventions.

**A fiduciary duty is a legal responsibility to act in someone else's best interests, without considering (or conflicting with) your own.*



About

There are nine principles of effective stewardship in the [Aotearoa New Zealand Code](#). The table to the right applies these nine principles across our four levels of impact and effecting change.

This table represents our own qualitative assessment of how each of the nine Stewardship Code principles currently applies across Pathfinder’s four levels in which we aspire towards impact. The assessment was developed internally reflecting where we believe our practices are most embedded today. A tick indicates an area where stewardship activity is already established or actively being developed and iterated on. As our approach evolves, we expect this framework to become more detailed and evidence-based, showing our progress over time.

We are committed to good stewardship. We see stewardship as one of the levers we can use to achieve our vision as a business – ‘to fund the lasting transformation to a better world’.

The Code principles we will focus most on in this report are:

- 1) Advocate for change:**
How we influence key stakeholders
- 2) Be engaged:**
How we engage with the companies we invest in
- 3) Vote responsibly:**
How we vote as a shareholder in the companies we invest in

Other areas relevant to our Stewardship are grouped under the section headed **4) Other stewardship matters**

This report relates to the 12-month period between 1st April 2024 to 31st March 2025.

	Product	Business model	Industry	Systems
Be committed	✓	✓		N/A
Establish and maintain policies	✓	✓		N/A
Incorporate material ESG matters	✓	✓		N/A
Be engaged	✓	✓		N/A
Vote responsibly	✓	✓		N/A
Managed conflicts of interest	✓	✓		N/A
Collaborate and advocate for change	✓	✓	✓	✓
Measure & report	✓	✓		
Educate and improve	✓	✓	✓	✓

“N/A” reflects categories where our actions cannot reasonably be expected to drive system-level change. Blank fields indicate areas where Pathfinder’s work is still in progress.



1. Advocate for change

A key component of our Stewardship over the last year has been our challenge to the financial services industry – and businesses generally – to think about business purpose and the impact of investment decisions. Much of this work is in private conversations with others in the industry, with journalists and to larger audiences in public presentations or conferences. Below we share some of the key presentations our CEO (John Berry) has delivered and panels he has been asked to speak on to share our views:

Area	Event	Audience	Content
Ethical leadership	Leadership In Sustainable Business	Sustainability professionals	Exploring purpose driven business models
	Cultivating Leadership	Business and community leaders	Leading in our complex world
	NZ Business at Icehouse	Business execs and owners	Leadership and business models
	Business Growth Breakfast, Auckland	Business owners and executives	Exploring purpose driven business models
Ethical investing	Financial Markets Law Conference	Legal professionals	ESG, private assets and KiwiSaver.
	MySolutions Financial Adviser Event	Financial adviser businesses	Investors and ethical investing
Sustainability	SBN Communicating Sustainability Masterclass	Sustainability and communications professionals	Communicating and storytelling with integrity

We have also been involved in several discussions with Government departments. These have included conversations with officials at Ministry of Business, Innovation, and Employment on KiwiSaver and private assets, as well as The Ministry of Housing and Urban Development on social housing (table to right).

In addition to public speaking and industry advocacy, our CEO was interviewed by Bloom Sustainability for its “Blooming Sustainability” series. In the conversation, John discussed Pathfinder’s purpose-driven approach to investing, the importance of aligning capital with values, and how authentic leadership can inspire positive change in both business and finance.

The interview reflects the same themes that underpin our stewardship work: integrity, long-term thinking, and the belief that investment decisions can and should help shape a more sustainable world.

Read the full interview here: [Bloom Sustainability – John Berry: Investing with Purpose.](#)

Date	Nature of submission	Entity submitting to	Issues
August 2024	Written	The Ministry of Housing and Urban Development	Aspects of social housing in New Zealand
August 2024	Written	NZ Parliament	Proposed changes via the Financial Markets Conduct Amendment Bill
February 2025	Written and in person	The Ministry of Business, Innovation and Employment	KiwiSaver and investment in private assets
March 2025	Written	The Minister of Social Housing	Social investment and housing in New Zealand

2. Be engaged

Engagement involves communicating with companies we invest in to try and bring about positive change. This can be through an informal discussion with an executive at a company intending to ‘seed’ an idea, through to a formal and structured approach to engaging with a company. For a smaller manager like Pathfinder, engagement can often be most impactful by collaborating with other managers (which is the first example we give below). Our engagements for the 12 month period included:

Woolworths engagement with Climate Action 100+

We continued our involvement in a Climate Action 100+ engagement, working with other investors to encourage stronger climate and nature-related performance from a major Australian-listed retailer:

This work originally focused on improving the company’s climate disclosures and transition planning, building on its progress toward sourcing 100% renewable electricity by 2025 and reducing scope 1 and 2 emissions by 63% from 2015 levels by 2030. During FY25, the engagement broadened to include advocacy for sustainable fishing certification, reflecting a growing investor focus on nature-related impacts alongside climate.

The engagement has since been taken forward under the Nature Working Group within the Climate Action 100+ framework. Pathfinder remains part of this process and will continue contributing as the company develops clearer and more accountable climate strategies in FY26.

Collaborative Engagement through the Investor Group on Climate Change

In March 2025, Pathfinder joined a new engagement program coordinated by the Investor Group on Climate Change (IGCC). We agreed to act as lead investors in one engagement and as supporting investors in another.

The first centres on a company in the logistics and transport sector, where we’re helping guide discussions on emissions disclosure, governance, and climate transition planning. The second focuses on a company in the infrastructure and travel sector, where we’re supporting efforts to ensure consistent investor expectations.

Both engagements are still ongoing and we plan to report on progress and outcomes in next year’s Stewardship Report.

PFAS (“forever chemicals”) and Water Quality

We continued our engagement on water quality and the risks posed by PFAS (“forever chemicals”) first noted in our FY24 report. While early outreach began last year, the project was expanded and led internally during FY25.

We engaged with companies across water utilities, engineering, and treatment technology sectors to understand how they are responding to tightening regulations, environmental scrutiny, and public health expectations.

This work prompted a deeper look at the testing and treatment sector more broadly, identifying which companies are best positioned to benefit from increasing demand for clean-water solutions.

The PFAS project has also deepened our understanding of systemic environmental risks and the role investors can play in supporting safer, more sustainable infrastructure by investing in the companies that help design, build and support this critical infrastructure and the technology to test and treat water.

Ocean and Nature-Positive Investment

During FY25, Pathfinder participated in a cross-sector initiative with the University of Auckland exploring how marine science, business, and investment can align to support nature-positive outcomes in Aotearoa New Zealand.

We contributed an investor perspective, providing a view on how the finance industry assesses opportunities, what makes projects investable, and how to connect scientific evidence to credible, measurable investment cases.

These early conversations highlighted several priorities: bridging the gap between scientific and financial language, developing credible metrics for marine investment, and creating locally grounded projects that can scale responsibly.

The initiative is still evolving, but it represents an important step toward connecting the worlds of science, finance, and sustainability. Pathfinder intends to stay involved in similar initiatives moving forward.

Industry Collaboration with RIAA on the Human Rights Toolkit

In early 2025, Pathfinder helped contribute to the Responsible Investment Association Australasia (RIAA) Human Rights Toolkit, a resource designed to help investors identify, manage, and report on human rights risks across portfolios.

Our role, which began in February and March 2025, involved supporting RIAA’s working group and reviewing draft materials. We focused on ensuring the toolkit reflected the realities faced by small to mid-sized fund managers and offered practical ways to integrate human rights due diligence into investment processes.

The toolkit was finalised and published in July 2025, and we see it as an important step forward for the responsible investment community across Australasia.

Ensuring Alignment with Ethical Investment Criteria

Alongside our thematic and collaborative engagements, we also conducted targeted reviews to ensure our portfolio remained aligned with Pathfinder’s Ethical Investment Policy.

During FY25, we revisited several holdings involved in excluded activities to verify that any related revenue remained within our public thresholds.

Where information was unclear, we reached out directly to companies for clarification. These conversations helped reinforce confidence in our screening process and provided useful insights into how companies handle residual or legacy exposure to excluded sectors.

This work helps ensure our ethical standards remain practical, transparent, and fully integrated into our investment approach.

The table below highlights a few examples from FY25:

Company	Concern	Outcome
Spark New Zealand Ltd.	Wanted to understand how the company is planning to reconcile sustainability ambitions with cost cutting and efficiency goals	CEO assured us that the biggest pains are behind them and that Spark has plans to achieve both. We are monitoring Spark's progress on both.
Auckland International Airport Ltd.	Understanding climate capex spending to climate adaptation	AIA integrate climate risk into all its designs. During the most recent expansion, over 70% of capex was spent on climate-centric designs. AIA has confirmed that capex will be reduced in further years, but that climate is always a top consideration
Intuitive Surgical Inc.	Animal testing flag	Intuitive Surgical confirmed to us that they are conducting animal testing. Therefore despite some attractive financial attributes, we did not invest.
Mercury NZ Ltd.	Wanted to confirm the energy generation mix because of fossil fuel exposure	Mercury confirmed that natural gas sales in FY24 was 3% of total sales and that FY24 was higher compared to the prior years and that this is expected to drop and normalise. Therefore, we are comfortable that only a small portion of revenue is derived from the sale of gas and therefore it does not breach our exclusions.
Danaher Corp	Wanted confirmation that subsidiary involved in armament was still in line with our Ethical Investment Policy.	Danaher confirmed that it has sold the subsidiary company in question, and therefore it no longer has any exposure to armaments.
Aris Water Solutions Inc.	Wanting to know how Aris Water Solutions handles skimmed oil byproduct from the treatment of water used for fracking.	The company explained that the oil that is skimmed off the top of the tanks is taken and sold at market prices to their customers. This means that it is selling oil & gas products (wholesale) and because it represents ~10% of total revenues, this means it breaches our Ethical Investment Policy and is not investable. Note, the company is now in talks to be acquired by a large natural gas company.
Idexx Laboratories Inc	Animal testing	After liaison with our ESG Analyst, the company confirmed the company confirmed that IDEXX's development process does not test its products on animals.
Canadian National Railway Co	Flags for generating revenue from the transportation and distribution of Oil and Gas	The company confirmed that Canadian National Railway's trucking assets do not participate in the transportation of Oil & Gas products.

3. Vote responsibly

Pathfinder voted over 2,000 times in the year. Because of both the frequency of votes and the different markets we vote in (e.g. US market) we use a proxy voter called Glass Lewis. Glass Lewis votes on behalf of Pathfinder using a set of policies that consider future returns alongside environmental, and social risks by supporting clear and effective governance policies. To the right, is a summary of our voting activities for FY25. Also available to view in our Sustainability Report 2025, page 35.

After this year’s US AGM season, we took the chance to review our voting including those votes lodged by Glass Lewis on our behalf. Overall, we felt that we could do better, and that there are other processes and international partners we could potentially work with to deliver better proxy voting outcomes that are more aligned with our mission. Given this, we’ve spent some time in recent months exploring proxy voting research from third parties including investment firms, and several independent NGOs.

Examples of these are As you Sow, Ceres and ACCR. We expect to finalise this review in the first half of 2026 and are confident it will improve how we discharge proxy voting on behalf of clients.

Note:

Vote for – this is a vote ‘for’ the proposed ballot. It is a vote of approval for the proposal.

Vote against – this is a vote ‘against’ the proposed ballot. It is a vote in opposition to the proposal.

Abstain – this is one way Glass Lewis chooses not to vote. Glass Lewis will abstain from voting for a few reasons, mainly because they haven’t been provided all of the information necessary to make a decision about a ballot within 21 days of the meeting.

No Vote/Unvoted – no vote can be cast for a few reasons. In most instances where Glass Lewis chooses not to vote, there will be no decision required for a ballot. For example, when electing directors, there may be two seats available, but three candidates proposed. In this instance, Glass Lewis will vote for two candidates and cast a ‘no vote’ for the third.

The voting record on this page shows all of the votes from our proxy voting service, Glass Lewis. Currently, this doesn’t include a full record of Pathfinder’s votes, due to a change in custodian during the 2023 Financial Year. From a total of 269 meetings, Pathfinder did not vote at 71 meetings due to the custodian transition. From FY26 onwards, the results from these meetings will be included in our annual reporting.*

***A custodian is an independent entity responsible for the physical and legal safekeeping of a KiwiSaver plan’s assets.*



4. Other stewardship matters

In this report we have highlighted advocating for change, being engaged and voting responsibly. We summarise below several other aspects of our stewardship approach:

Policies: We do not yet have a stand-alone Stewardship Policy. Our commitment to stewardship continues to be reflected within our Ethical Investment Policy and through our status as a signatory to the Aotearoa New Zealand Stewardship Code.

During FY25, we did not make significant progress toward drafting a separate policy. This was largely due to a period of internal transition and process updates as we strengthened our broader governance, decision making and reporting frameworks. These updates have helped lay a more stable foundation for future stewardship improvements.

We expect to return to the development of a dedicated Stewardship Policy once internal systems are fully embedded, with the aim of improving transparency and alignment across all aspects of our stewardship activities. We plan to complete this new Stewardship Policy during the 2026 calendar year.

Incorporate material ESG matters: We continue to have ESG incorporated into both our exclusions (what we don't invest in) and our process for selecting investments.

Managing conflicts of interest: Conflicts of interest occur when our interests as a business may be inconsistent with, or very different to, the interests of our investors. It is possible conflicts of interest could arise in voting or engagement activities.

It is important that conflicts are identified and managed, whether the conflicts are real or perceived. Our focus for managing conflicts of interest is our duty to act in the best interests of our investors. Our Compliance Manual recognises that to achieve this our focus is on creating processes, controls and a culture where:

- Client interests are at the heart of the business
- Staff understand (and care about) good outcomes for investors
- Investors are treated equally and fairly and any conflicts of interest are disclosed to them.

We manage this conflict by ensuring that all transactions giving rise to a related party benefit comply with requirements of the Financial Markets Conduct Act 2013 and Pathfinder's Related Party Transaction Policy. This procedure requires us to certify that the transaction, or series of transactions, is permitted by the Financial Market Conduct Act 2013. We must also notify the Supervisor of the transaction or transactions.

In the 2025 financial year, we reported two new related party transactions to our Supervisor. Only one of these is still invested in, which is a loan to MGH Living Limited. One of Pathfinder's directors, Brett Gamble, is also a director of MGH Living Limited. The Pathfinder KiwiSaver Plan Funds and the Pathfinder Ethical Growth Fund have exposure to this loan through investment in the Pathfinder Wholesale Ethical Fixed Income Fund (also a related party fund).

Educate and improve: We are mindful as a boutique investment manager that we need to dedicate appropriate resource and oversight to our Stewardship activities. This includes reviewing our approach and intentions with our Stewardship and ensuring our team receive on-going training and have appropriate tools and knowledge for voting and engaging. We work to improve our approach each year. We remain a proud signatory to the Aotearoa New Zealand Stewardship Code, and this report marks our second year of formal stewardship reporting. Over the past year, our focus has been on strengthening the underlying processes that support our stewardship activities and building greater consistency in how we track and record engagements.

We recognise that there are still areas where our reporting can go deeper, particularly in measuring outcomes and articulating how stewardship influences investment decisions. However, we view this as an ongoing journey of continual improvement, where each year builds on the experience, lessons, and progress of the last.

Pathfinder Asset Management Limited is the issuer of the Pathfinder KiwiSaver Plan and Pathfinder Investment Funds. Product Disclosure Statements for these offers are available at pathfinder.kiwi. Learn more about how we invest ethically by reading our Ethical Investment Policy & Exceptions Register available at pathfinder.kiwi.





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