Pioneering the transition to a sustainable society

Triodos Pioneer Impact Fund
Impact Report 2023

Triodos Investment Management

1	2	3	4	5	6	7

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

Impact highlights 2023

Top 3 transition themes

28%
Innovation for Sustainability

20%
Renewable Resources

13%
Sustainable Mobility and Infrastructure

Top 3 Sustainable Development Goals contributed to

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

3 GOOD HEALTH AND WELL-BEING

5 key engagement topics

Climate change
Executive remuneration
Plastic pollution
Family-friendly working policies
Hazardous chemicals

100%
of AGMs voted at

24%
voted **against management**

58%
of holding companies committed to or aligned with the Science Based Targets initiative

46% less
GHG intensity **than benchmark**

98% less
Non-recycled waste **than benchmark**

32% less
Excessive CEO pay ratio **than benchmark**

Sound impact performance

For small-and midcap impact strategies 2023 was a better year than 2022 and the absolute performance of Triodos Pioneer Impact Fund was robust. Despite growing geopolitical tensions and human suffering, investors will probably remember 2023 as a year in which central banks succeeded in controlling inflation levels without pushing the global economy into recession.

However, it was also a volatile year for parts of the market. This volatility was mainly caused by the share price performances of renewables stocks during the third quarter. This did not change our investment view: all have strong impact narratives, are a clear fit to one or more of our transition themes and have good long-term prospects,

We continued to look for companies that provide products or solutions that contribute positively to our transition themes and are well aligned with the UN Sustainable Development Goals. We added a new holding in 2023. Knorr Bremse is a market leader in braking systems and other subsystems for rail and commercial vehicles. The company develops eco-design across its product lines to provide more energy-efficient products. Another new holding is Planet Fitness, a US-based fitness centre operator that operates over 2,400 fitness centres in the US, Canada, Australia, Panama, Puerto Rico and Mexico. The company offers a low-cost membership, which makes it affordable for people from lower-income backgrounds to access fitness facilities.

The fund remains focused on companies with sustainable solutions to society's challenges and that have strong management teams, solid governance structures and sound financials. In addition, our investments should offer an attractive valuation.

Dimitri Willems
Portfolio Manager Triodos Pioneer Impact Fund

Portfolio management team


Dimitri Willems


Arjan Palthe


Sjoerd Rozing


Rob van Boeijen


Jan Rommert Straatman

Fund characteristics

Asset class
small and midcap global equities

Domicile
Luxembourg

Legal structure
sub-fund of Triodos SICAV I

Inception date
February 2009

AUM per December 2023
EUR 623,871,366

Benchmark
MSCI World Small and Mid Cap Index Net in Euro

Managed by
Triodos Investment Management

Depository
CACEIS Investor Services Bank SA

GOLD

Fund 3101 0018

Read more about the Nordic Swan Ecolabel

Investing in the change makers

We classify Triodos Pioneer Impact Fund as an SFDR Article 9 fund. The fund invests in listed equities that actively contribute to at least one of Triodos' transition themes, which in turn address at least one of the sustainable investment objectives. Each transition theme is linked to one or more UN Sustainable Development Goals (SDGs):

Sustainable Objectives

- Contribute to the transition to an economy within planetary boundaries
- Contribute to the transition to an economy where all humans can enjoy a prosperous life
- Make money work for environmental and social change

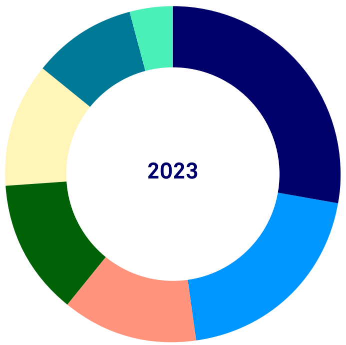
Triodos Transition Themes and **UN SDGs**

Triodos Transition Themes		UN SDGs
Renewable Resources	Limit the use of finite resources	6 Clean water and sanitation; 7 Affordable and clean energy; 13 Climate action
Circular Economy	Make use of resources as efficiently as possible	6 Clean water and sanitation; 12 Responsible consumption and production; 15 Life on land
Sustainable Mobility and Infrastructure	Be mobile, live and work in a sustainable way	6 Clean water and sanitation; 7 Affordable and clean energy; 11 Sustainable cities and communities; 13 Climate action
Sustainable Food and Agriculture	Feed the world sustainably	2 Zero hunger; 3 Good health and well-being; 12 Responsible consumption and production; 15 Life on land
Innovation for Sustainability	Innovate for a sustainable future	3 Good health and well-being; 7 Affordable and clean energy; 12 Responsible consumption and production; 16 Peace, justice and strong institutions
Prosperous and Healthy People	Become and stay happy and healthy	3 Good health and well-being
Social inclusion and Empowerment	Create a society in which all people can participate	1 No poverty; 4 Quality education; 5 Gender equality; 10 Reduced inequalities

Impact achieved

Triodos Pioneer Impact Fund measures impact first and foremost as positive contribution to our sustainable transition themes. Each company in the portfolio must positively contribute to at least one of these themes through its commercial strategy. In 2023, the fund's portfolio contributed positively to the following themes:

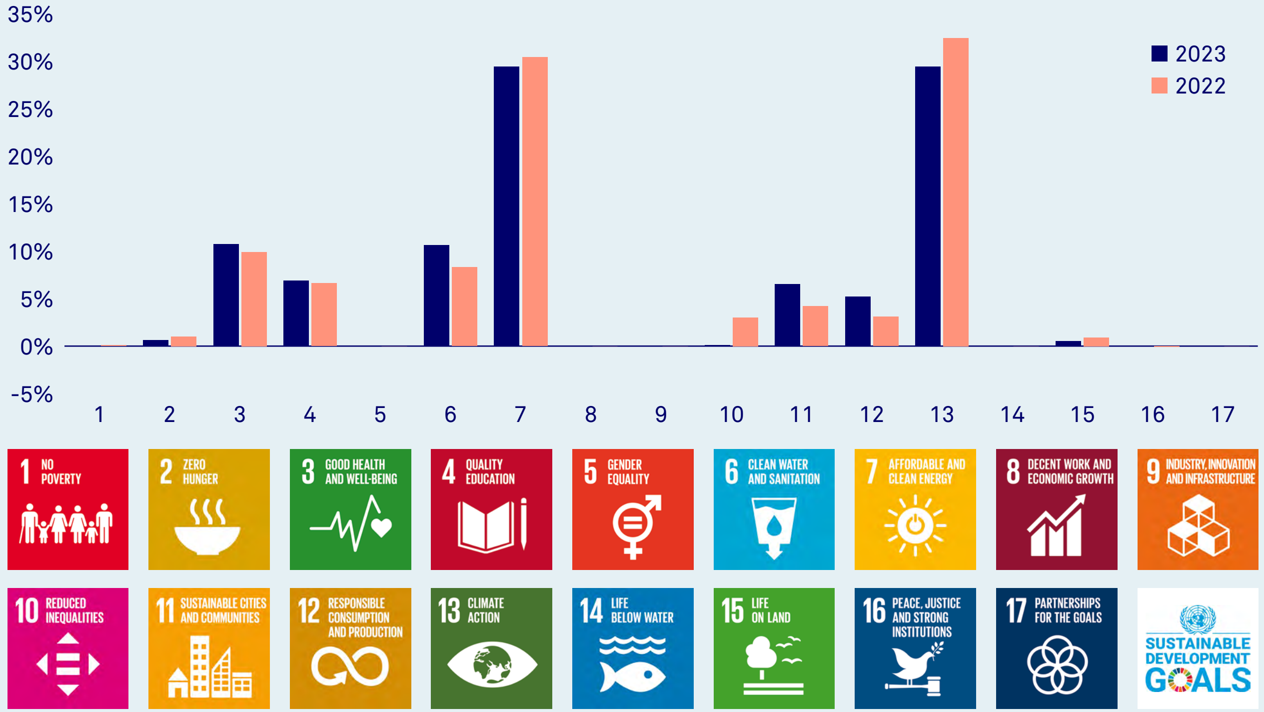
Portfolio contribution to transition themes



	2023	2022
Innovation for Sustainability	28%	24%
Renewable Resources	20%	24%
Sustainable Mobility and Infrastructure	13%	13%
Circular Economy	13%	8%
Social Inclusion and Empowerment	12%	11%
Prosperous and Healthy People	10%	11%
Sustainable Food and Agriculture	4%	8%
Liquidity	0%	2%

Sustainable Development Goals

To further measure the impact of the fund, we assess its contribution to the UN SDGs, based on the underlying revenue streams from the product and services of each company.



Source: ISS ESG as per end of December 2022 and 2023.

The increased contribution to SDG 6 is the result of the addition of United Utilities to the portfolio and the increased weight of Owens Corning and BESI. The increased contribution to SDG 11 can be explained by the addition of United Utilities and Planet Fitness. The weak share price performances of renewable companies (e.g. SolarEgde and Hannon Armstrong Sustainable Infrastructure) caused a decreased contribution to SDG 13. The changes in the contribution to SDG 10 are caused by transactions and stricter application of positive scoring for this SDG by ISS ESG.

Impact investments

Click here for an overview of all investments of the fund in 2023.

Corbion

Corbion's solutions for shelf-life extension, food safety, animal health and aquaculture support the transition to a sustainable food system that is able to feed a growing population within the planetary boundaries. With its bio-based chemicals and materials the company also plays an essential role in promoting the responsible production and consumption of food.

> Find out more here

First Solar

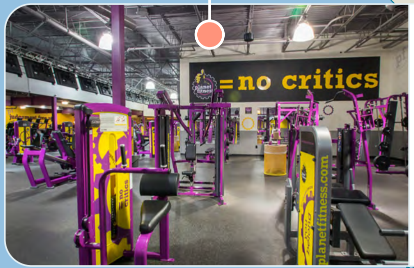
First Solar is one of the leaders in the transition from fossil to renewable energy. Its solar panels have a direct impact on the reduction of CO_2 and GHG emissions from energy generation and on the increased use of renewable energy.

> Find out more here

DS Smith

DS Smith's core business is the manufacturing of corrugated packaging that is largely made of recycled material, which contributes to the global sustainability challenge of resource scarcity. In addition, the company manufactures paper packaging and provides recycling services.

> Find out more here



Planet Fitness

By offering affordable gym memberships in under-served communities, Planet Fitness is helping to mitigate the negative health effects associated with poverty and lack of access to fitness facilities. This not only benefits individuals in these communities but also has the potential to reduce healthcare costs associated with treating chronic illnesses.

> Find out more here

Kyoritsu Maintenance

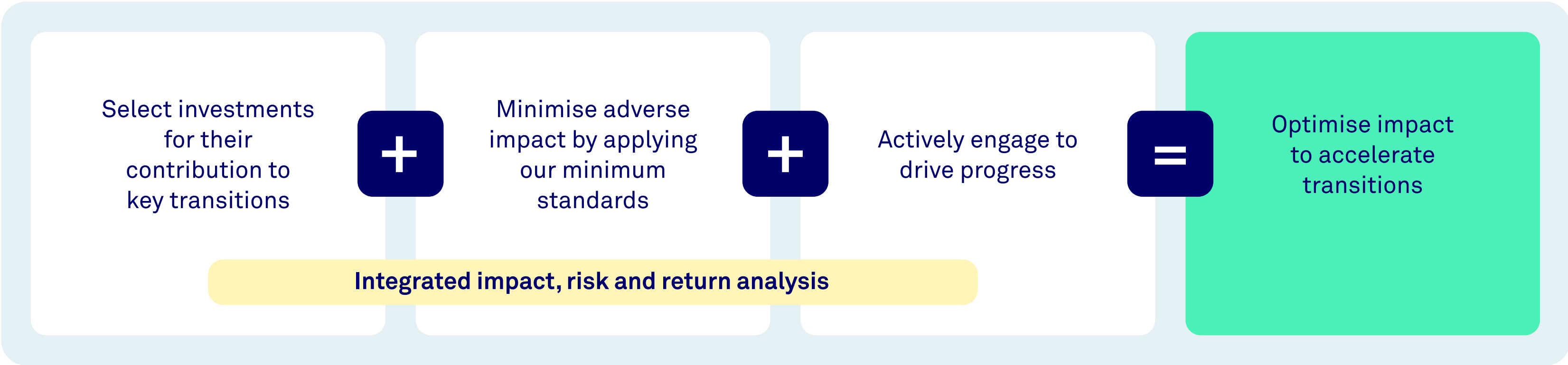
Kyoritsu Maintenance provides decent and affordable housing to 40,000 students and young professionals. Through the development and operations of Onsen hotels the company is stimulating rural economies by providing employment and sourcing fresh food from local farmers.

> Find out more here

Optimising impact to accelerate transitions

As a financial institution, we use money consciously, as a driving force towards a society that is humane, ecologically balanced and works for the benefit of all. We have a robust process in place to optimise impact and accelerate key transitions. We continuously develop this process following new insights and latest developments and standards.

A robust process to optimise impact



Contribution to transitions
We invest to realise our vision of a prosperous life for people on a thriving planet. Each fund has a Theory of Change, which describes how the fund can enable, contribute and accelerate sustainable transitions. This ambition is translated into a set of objectives, indicators and internal targets per fund.

Each potential investment must significantly contribute to at least one of fund's sustainability objectives to qualify for investment (see pages 4 and 5).

Minimise adverse impact
We select for positive impact but also determine the level of potential adverse impact. This includes a screening based on the Triodos minimum standards, potential controversies, the EU SFDR Principal Adverse Impacts (PAIs) and relevant sector-specific standards to ensure our investments do not cause any significant harm.

We also mitigate and manage any material sustainability risk. Read more in Our approach to impact.

Engage to drive progress
We aim to accelerate transitions and promote sustainable long-term value creation for all our stakeholders. To this end, we frequently engage on environmental and social topics that are relevant to each investee's business model, as well as on general corporate governance issues.

We engage to obtain information both in response to (potential) controversies and proactively on strategic topics. Furthermore, we believe that by active ownership - exercising voting rights for listed investments and board seats for private equity investments - we can exert a positive influence on a company's long-term strategy.

Theory of Change

This Theory of Change underpins how Triodos Pioneer Impact Fund acts, invests and evaluates its activities.

If we: Invest in and engage with carefully selected global listed companies that fit our vision on transformative impact and that:

	› Increase renewable resource use › Reduce demand for finite natural resources › Increase efficient resource use	› Increase access to basic human needs (e.g. food, water, housing, healthcare) › Target underserved individuals or communities	› Inspire clients with their positive impact › Show improvement in sustainability practices following engagement by investors
Assuming:	Investees promoting renewable resources and efficiency will help to fight overexploitation of natural resources	Investees offering access to basic human needs and lifting barriers for individuals will boost shared prosperity	We continue to be a frontrunner and our strategy leads to impact and attractive returns which we effectively communicate
Then we expect:	› A fossil fuel free economy › A circular economy › Sustainable food systems	› Sustainable food systems › A thriving community › Prosperous and healthy people	› Increased transparency of sustainability risks and opportunities › More capital flows towards sustainable investment
Which will contribute to:	**An economy within planetary boundaries**	**A prosperous life for all people**	**Money working for positive change**

Do no significant harm

To make sure that its investments do not cause any significant harm, the fund continuously monitors alignment with the strict Triodos minimum standards. In the course of 2023, the fund excluded one company from the portfolio due to either a breach of the minimum standards, or a persisting unacceptable risk.

Company name	Reason for exclusion
Power Integrations	The company does not pay taxes where its economic activities occur and while the company complies with all US and local regulation, we consider this as tax avoidance, which we do not approve.

Investments are also assessed on their Principal Adverse Impacts (PAIs) in line with SFDR guidelines for Article 9 funds. The GHG intensity, Non-recycled waste and the Excessive CEO pay ratios illustrate the lower negative impact of the portfolio companies' activities compared to those of the benchmark: MSCI World Small and Mid Cap Index Net in Euro.

	End of December 2023	End of December 2022
GHG intensity	**46% less** Fund: 114.51 tCO_2eq / EURm Index: 210.16 tCO_2eq / EURm	**61% less**
Non-recycled waste	**98% less** Fund: 7.85 t / EURm Index: 316.39 t / EURm	**n/a**
Excessive CEO pay ratio	**32% less** Fund: 149.7 times median Index: 221.1 times median	**43% less**

The impact indicators are calculated using Principal Adverse Indicator data from Morningstar Sustainalytics.

GHG intensity of investee companies: The GHG intensity is a relative measure of greenhouse gas (GHG) emissions. It is the amount of GHG produced per unit of revenue generated by the company, measured in tonnes of CO_2 per EURm generated in revenue. The carbon intensity is then weighted using the portfolio weight to get a weighted average for the portfolio.

Non-recycled waste ratio: For each company the non-recycled waste ratio is the total amount in metric tonnes of non-recycled waste produced dividend by the amount invested in EURm, shown as a weighted average.

Excessive CEO pay ratio: This metric measures the ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees.

Engagement agenda

Stewardship is integrated in every aspect of the fund's investment management process to promote sustainable value creation for all our stakeholders. We engage with companies and institutions to drive positive change. Where appropriate, we discuss governance, environmental and social issues relevant to their specific business models. These discussions often take place before a company is added to the investable universe. In 2023, the Impact Equities and Bond funds' formal engagement agenda focused on five topics:

Climate change

In July 2020, we initiated our climate change engagement project. The goal of this project is to encourage our portfolio companies to set science-based emission targets, in line with the 1.5°C trajectory, as set out by the Science Based Targets initiative (SBTi). In 2023, we stepped up our engagement efforts by setting the target to engage annually with all our holdings on GHG management.

Read the full article.

Energy transition

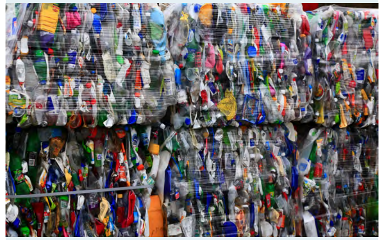
Executive remuneration

Over the past three years, we have engaged with companies we identified as having excessive remuneration. In 2023, we engaged with seven companies on this topic. Four of these have improved their remuneration structure and therefore remain in our investment universe.

Read the full article.

Societal transition

Plastic pollution



The current rate of plastic production is unsustainable, and cleaning up the aftermath is an overwhelming task. We engaged with 12 portfolio companies in the consumer staples sector, which are among the biggest users of plastic when it comes to packaging, to discuss what to do about the complex plastic legacy.

Read the full article.

Resources transition

Family friendly working policies

Family-friendly work policies play an important role in enhancing and improving the wellbeing of children. We started an engagement project to assess several of our portfolio companies' work policies related to children and their parents. The assessment consists of topics such as parental leave, flexible working hours, breastfeeding support at work, childcare support, living wages and job security.

Read the full article.

Wellbeing / Societal transition

Hazardous chemicals

Following the first round of engagement on hazardous chemicals in 2021/22, we focused on synthetic, highly toxic per- and polyfluoroalkyl substances, or PFAS, in 2023. We maintained our role as lead investors for Shin-Etsu and Evonik, who both notably improved their ChemScore. As there is room for further improvement, we will continue our engagement efforts.

Read the full article.

Resources transition

No change without engagement

We integrate stewardship in every aspect of our investment management process to drive positive change, through engagement, voting and advocacy. To accomplish this, it's essential to interact with the listed companies we invest in, argue Portfolio Manager Rosl Veltmeijer and Head of Research Henk Jonker. "Engagement begins from the moment we consider investing in a company. Dialogue and transparency are so crucial that companies unwilling to engage are not considered for investment."

Understanding a company is key to investing in it, says Veltmeijer. "We achieve this through analysis and engaging with management. In that sense, engagement is integral to our selection process, even before we use it to influence a company's policy." This way, engagement serves a dual purpose: maximising a company's positive impact and comprehending its business model.

When setting the agenda for positive change, engagement and voting are crucial tools. Both have distinct advantages and integrating them enhances the impact and clarity of shareholder intentions. Engagement provides a platform to address a wide range of concerns through informal discussions, formal meetings and collaborative efforts with other investors. Voting allows shareholders to exercise their vote at shareholder meetings and hold management directly accountable. However, Triodos IM prefers to wield its influence using engagement, says Jonker. "Through engagement, we can set the agenda, advocating for issues we deem crucial. At a shareholder meeting, however, the agenda is predetermined."

The impact of engagement

Engagement takes time. Steering companies towards a more sustainable trajectory can take years. Sometimes it succeeds, sometimes it doesn't. Lack of progress could result in divestment. Veltmeijer offers a more nuanced view on engagement: "You start engagement by asking relevant questions. Such questions can lead to awareness and thus policy changes. Ultimately, this is up to the company itself and the people working there. However, good questions set things in motion. If you achieve that, you can consider the engagement a success."

The mutual benefits of engagement

Successful engagement starts with the notion that dialogue must always be mutually beneficial. "It is important to ask relevant questions that also matter to the company. What helps is if you can share insights or best practices that the company itself does not have," concludes Jonker.

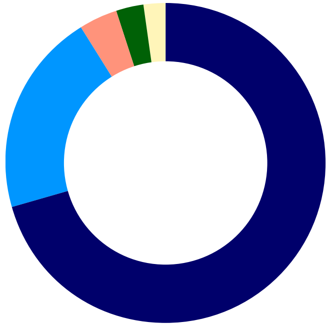
Read the full article here.

Engagement and voting summary

Engagement in 2023

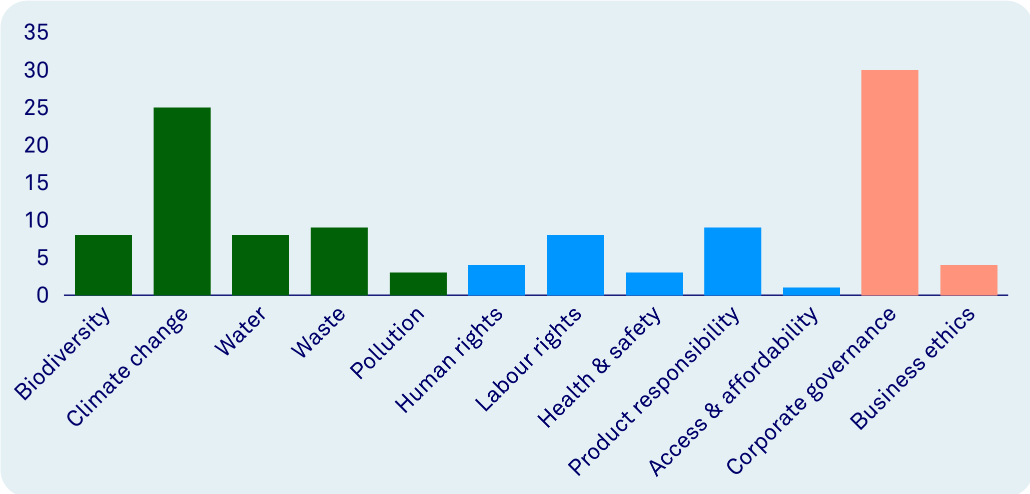
In addition to our engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2023
Company update	72
Company engagement	21
Engagement project	4
Event-driven engagement	3
MSA request for information	2
Collaborative engagement	0
Impact bond engagement	0
Total	**102**

ESG topics discussed



Number of times the topic was discussed.

Voting

100%
of AGMs voting at

We vote in-person or by proxy for all investments in which we hold voting shares. We inform all investees of our decisions to stimulate awareness.

24%
voted against management

The fund voted at 45 Annual General Meetings on a total of 590 agenda items. A full breakdown of the fund's voting records is available here.

Alignment with the Science Based Targets initiative
As part of our climate change engagement, we measure two company milestones:
1. a company is committed to setting science-based targets,
2. a company has set science-based targets, in line with the 1.5°C trajectory.

Sustainability risks and opportunities

ESG risks and opportunities of the ten largest holdings

Company name	Risks	Opportunities
Planet Fitness	The company's main ESG risk are GHG emissions from its gyms. Furthermore, the company was involved in controversies related to discrimination and transgender rights.	An opportunity for Planet Fitness is to further expand into emerging countries, for example in Latin America, to make going to the gym more affordable there. The company could also open more gyms in low-income areas in the US. Currently, already 20% of its gyms are in such areas.
BE Semiconductor Industries	BE Semiconductor's relevant ESG risks are mainly related to energy consumption and GHG emissions, hazardous waste, as well as labour rights abuses and human rights violations in its global supply chain.	BE Semiconductor's machines allow semiconductor manufacturers to make chips that are more energy efficient.
Universal Display	Universal Display's relevant ESG risks are mainly related to the protection of its intellectual property, energy consumption and GHG emissions, as well as labour rights abuses and human rights violations in its global supply chain.	Universal Display has a key position in the OLED value chain. OLED displays are significantly more power efficient than traditional displays.
Strategic Education	As an educational provider, Strategic Education's relevant ESG risks are mainly related to the quality and inclusiveness of its educational services, access and affordability, responsible marketing and sales practices and data protection and information security.	Strategic Education's educational products and services contribute to the sustainability objective of delivering education for all. With a specific focus on education programs for working adults and students, Strategic Education's programs empower economic and social mobility through education.
Terna	The main risks for grid operators like Terna are system stability and reliability, as well as worker safety.	As an electricity transmission operator, Terna plays a vital role in facilitating energy transition by connecting more renewable energies to the network and transporting renewable energy over long distance.
Signify	Signify's relevant ESG risks are mainly related to energy consumption and GHG emissions, hazardous waste, the use of conflict minerals, and labour rights abuses and human rights violations in its global supply chain.	Signify's LED solutions outperform conventional light sources in terms of efficiency and toxic potential, thus contributing to reducing global energy consumption and pollution. By adding sensors and lighting controls, the energy savings potential is further enhanced.
DS Smith	The main ESG risks for DS Smith are envionmental: responsible sourcing of wood fibers (as well as availability), waste generation, water usage (as well as water stress), pollution, energy use, GHG emissions, impact of extreme weather events, and the introduction of stricter climate-related regulation (e.g. carbon taxes).	DS Smith's core business is the manufacturing of corrugated packaging that is made for more than 80% from recycled material, which contributes to a circular economy and the global sustainability challenge of resource scarcity.
Advanced Drainage Systems	As a building products company that provides mainly below-ground products, Advanced Drainage's main ESG risks are the ecological impact of its products, as well as employee health and safety during manufacturing.	Advanced Drainage benefits from the ongoing material conversion from traditional concrete pipes to high-density polyethylene (HDPE) and polypropylene (PP) pipes. Already the largest plastics recycler in North America, the company could further increase the use of recycled plastics in its products.
Gentex	Gentex' main ESG risks are labour rights, employee health and safety, product quality and safety, and GHG emissions.	Gentex' digital vision and connectivity products such as HomeLink stand to benefit from the secular trend to improve car connectivity to make them more user-friendly. In addition, there is an increasing focus on safety, both inside and outside the car.
GN Store Nord	For its hearing segment, the biggest risk lies within the product safety of hearing aids and the related safety tests, which include animal testing. For the audio segment, supply chain management poses the biggest risk, as violations of human and labour rights are quite common in the electronics supply chain.	As an increasing number of people are being affected by hearing loss in an ageing society, GN's hearing aids help users with moderate to severe hearing loss to hear better and improve their quality of life by allowing them to be able to fully participate in social situations.

Sustainability risks and opportunities

Risks and opportunities of largest GHG emitters

Company name	Risks	Opportunities
Wolfspeed	Wolfspeed's relevant ESG risks include greenhouse gas emissions, energy intensity and energy use by source (low use of renewable energy sources), as well as water scarcity.	By supporting the electrification trend in transportation and the shift to renewable energy, the company's activities have a positive impact on the attainment of sustainability objectives, such as fighting climate change.
Acuity Brands	Acuity Brands' relevant ESG risks are mainly related to energy consumption and GHG emissions, the generation of hazardous waste, the use of conflict minerals, as well as labour rights abuses and human rights violations in its global supply chain.	The company's LED products outperform conventional light sources in terms of efficiency and toxic potential, thus contributing to reducing global energy consumption and pollution. By adding sensors and lighting controls, the energy savings potential is even further enhanced.
Knorr-Bremse	Regarding the company's operational management, key risks include GHG emissions and employee safety.	Knorr-Bremse's braking systems are key components in rail vehicles and electric buses (e.g., propulsion technology, in-motion charging technology). Those alternatives are essential in the transition to sustainable transportation, which directly reduce the need for higher emitting transportation alternatives.
Darling Ingredients	Scope 1 emissions are the largest contributor to Darling's footprint. The company focuses on reducing its energy consumption, on increasing the use of renewable energy and on implementing energy efficiency programs in general. Darling's reduction targets have yet to be validated by SBTi.	Darling's products play an important role in carbon emissions avoidance by re-purposed food and feed waste streams and residuals into feed, food and fuel. Darling has the opportunity to become a global leading renewable diesel player.
Rohm	The company's manufacturing processes are very energy-intensive and its energy consumption may even increase further as the company expands its silicon carbide (SIC) substrate offering, the production of which requires higher temperatures and pressures to produce than conventional semiconductors.	The company's LED and silicon carbid (SiC) products are significantly more energy-efficient compared to traditional semiconductors. The SiC offerings are needed to allow the efficient development of for example electric vehicles or renewable energy systems.

The top 5 highest emitters per fund are identified based on their total GHG emissions scope 1-3 per EY2023 as reported by Morningstar Sustainalytics.

Sustainability risks and opportunities

Risks and opportunities of biodiversity laggards

Company name	Risks	Opportunities
Chr. Hansen Holding	The main biodiversity risks for Chr. Hansen lie in its supply chain with the production of raw materials.	Plant health activities potentially lead to the substitution of conventional fertilizers, although these do not constitute a significant share of the product portfolio.
Darling Ingredients	Darling Ingredients stimulate circular production and combat food waste, thereby lowering many pressures from the food system on biodiversity. Risks related to nature and biodiversity for Darling Ingredients relate to wastewater management, soils, climate change and sustainable agricultural practices in the supply chain.	Darling Ingredients could improve on biodiversity by taking a clear on position on soil, water and biodiversity in agricultural production in their supply chains. Better information on the share of raw materials from organic farming could also help.
Sekisui Chemical	The main biodiversity risks include raw materials use, chemical substance emissions, and the disposal of sold products.	Sekisui Chemical mitigates the negative impact on biodiversity in several ways, including the implementation of responsible sourcing programmes and green chemistry principles.
Yamaha	Yamaha Corp is considered a high-risk industry for deforestation regarding its use of wood as a key component in the production of instruments and other products lines.	The company's Timber Procurement Policy states the preferred use of resources that have reliable forest certification. Yamaha has developed its own due dilligence process and works with local communities, NGOs and governments to assure the wood procurement is legal and sustainable.
DS Smith	As a company whose business model is based on the development of sustainable infrastructure, ACCIONA's activities could have an impact on biodiversity. Land occupancy is one of the principal impacts on biodiversity from changes in land use and habitat fragmentation.	As a pure play renewable energy provider, ACCIONA helps in the transition towards a net zero emission world. ACCIONA incorporates biodiversity conservation into its strategy, as a key component when making decisions in the areas of planning, implementation, operating and dismantling of its facilities.

The biodiversity laggards per fund are identified top down, with the addition of biodiversity data from several sources. The first step in determining the biodiversity laggards per fund, is to identify the high-risk sectors for negatively affecting biodiversity. These include agriculture, construction and infrastructure, extractive industries, fishery and aquaculture, food and beverages, forestry and logging, shipping, chemicals, and pharmaceuticals. From these sectors, we filter companies with a relatively high negative impact on biodiversity using data from the World Benchmarking Alliance (WBA) and from ISS-ESG.

ISS-ESG assesses companies on their contribution to or obstruction of the UN Sustainable Development Goals, based on their products and services, policies, and involvement in controversies. By selecting companies that have been assessed by ISS-ESG to have a negative score on SDGs 14 (Life on land) and 15 (Life below water), additional biodiversity laggards are selected.

Finally, PAI data from Morningstar Sustainalytics are used to identify companies that negatively affect biodiversity-sensitive areas. One company was identified to negatively affect biodiversity-sensitive areas and was added to the top 5 biodiversity laggards of the relating funds.

Engagement with the ten largest holdings

Company name	Engagement topics
Planet Fitness	Climate change, governance, labour rights
BE Semiconductor Industries	No engagement
Universal Display	Climate change, waste, governance, health and safety
Strategic Education	Climate change, access and affordability
Terna	No engagement
Signify	Biodiversity, climate change, waste, governance
DS Smith	Biodiversity, climate change, waste
Advanced Drainage Systems	Governance
Gentex	No engagement
GN Store Nord	No engagement

Implementation of sustainability regulation

SFDR
We classify all our funds as Article 9 Funds under the EU Sustainable Finance Disclosure Regulation (SFDR). Article 9 classification refers to the most sustainable product category and has the strictest requirements on sustainability disclosures.

This includes information on adherence to the sustainable objectives of the fund, how we mitigate adverse impact on people and planet, how sustainability risks are assessed and managed and how we ensure good business conduct of all investments.

EU Taxonomy
As from 1 January 2023 Triodos IM is obliged to report what percentage of a fund's portfolio is aligned with the EU Taxonomy Regulation. The EU taxonomy is a classification system that defines criteria based on which economic activities can be considered as environmentally sustainable.

Find out more about the EU SFDR and Taxonomy requirements. The fund's sustainability-related disclosures in accordance with SFDR can be found here.

Impact reporting in 2024

Facing several interrelated social and environmental challenges, our most critical task today is to navigate a social and ecological transformation based on a new economic paradigm.

Rethinking the purpose and goals of economic activity and directing financial flows to finance those activities that have the largest impact on societal change is a key action to trigger deep changes. To this end, we have identified five interlinked areas of intervention – food, resource, energy, society and wellbeing.

Our mission as a financial player is to enable and accelerate these vital transitions, by financing groundbreaking initiatives and providing funding to shift practices from less to more sustainable. We must invest in the deep, systemic transformation required to achieve our goal of a prosperous life for people on a thriving planet.

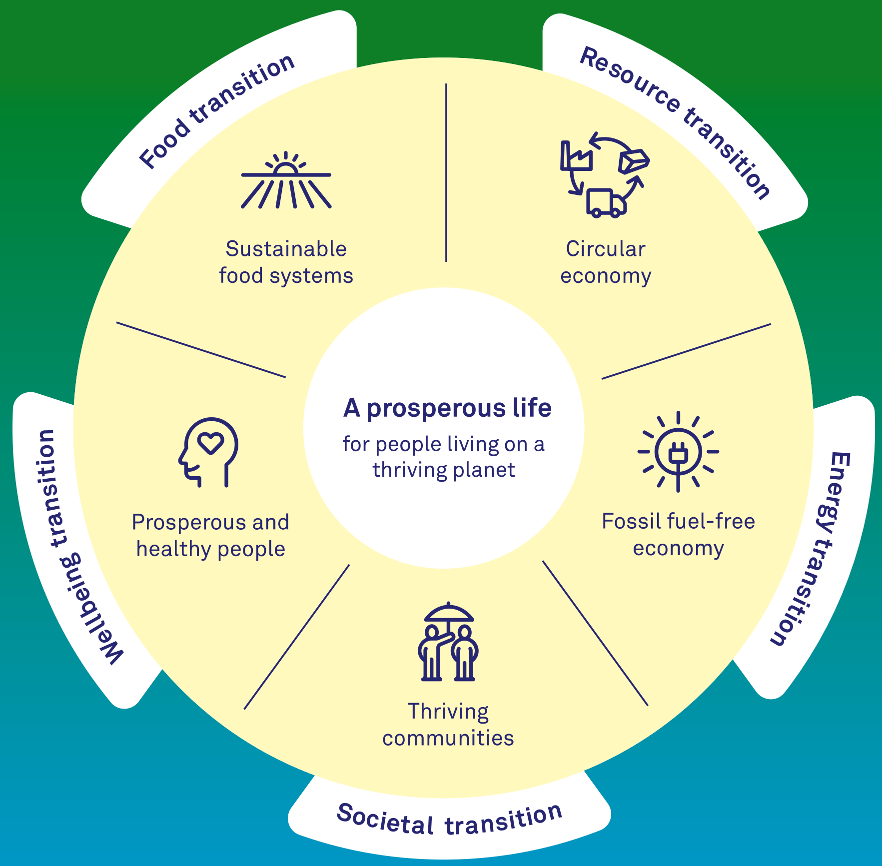
In 2023, we fully implemented the five transition themes into the fund's impact management and measurement process. On pages 18 and 19, you can see how we report on them as of 2024.

We will continue implementing external requirements driven by increasing EU regulation on sustainability, such as the EU Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD).

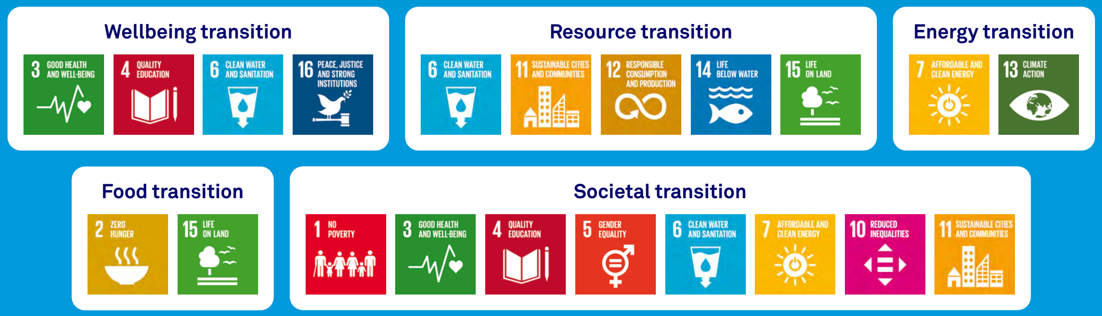
Furthermore, we will continue to strengthen and evolve our impact management and measurement practices and processes, and intensify our collaboration with other asset managers and institutions to increase harmonisation.

Our 2024 strategic engagement topic focuses on climate change following our AsOneToZero ambition. Other prioritised engagement topics include plastic, excessive remuneration for our Impact Equities and Bond funds and progress on impact indicators for our Impact Private Debt and Equity funds.

Focus on five interlinked transitions



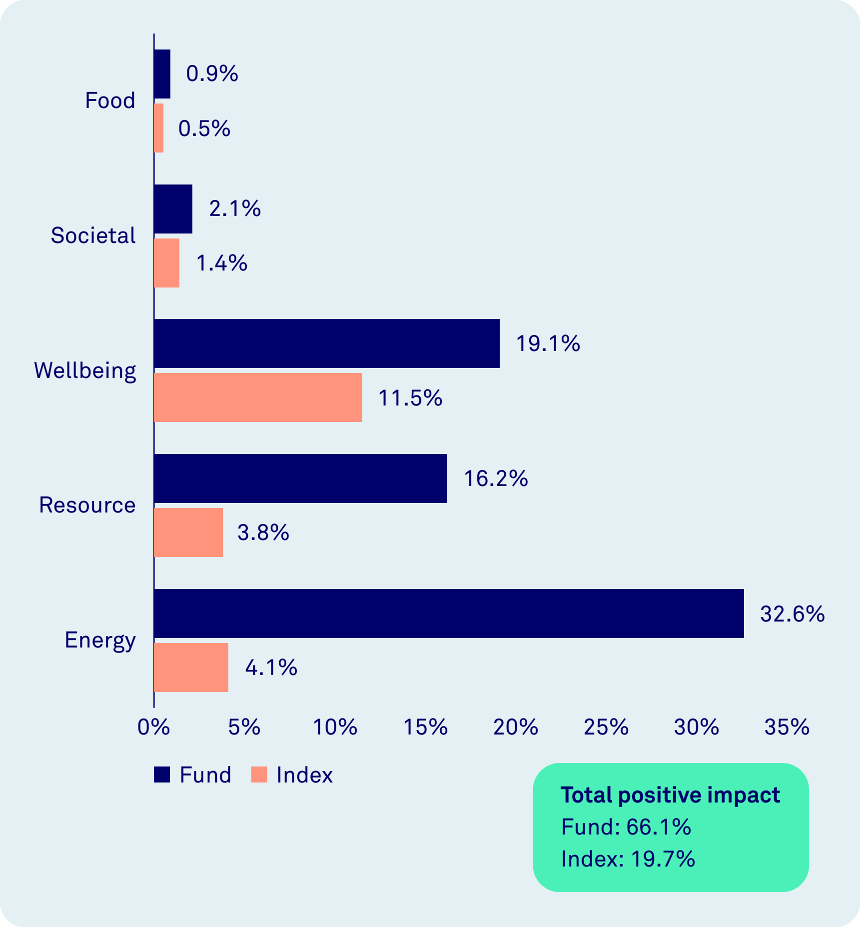
Anchored in the UN Sustainable Development Goals



Impact reporting in 2024

All investments of Triodos Pioneer Impact Fund contribute to one or more of the five transitions and to the UN SDGs. For equities a minimum of 33% of the company revenues from products and services must positively contribute to the transitions.

Contribution to transitions



Source: Triodos IM. Data per year end 2023

Two examples

Planet Fitness
The largest part of this health and wellness company's revenues is related to the following products and services:
- fitness centers, equipment and programs (100%)

As such the company strongly contributes (100%) to the impact objectives related to the wellbeing transition and to SDGs 3 (100%) and 6 (100%).

Nordex
The largest part of this wind turbine company's revenues is related to the following products and services:
- construction of and/or related services for wind power plants, key components for wind power plants (100%)

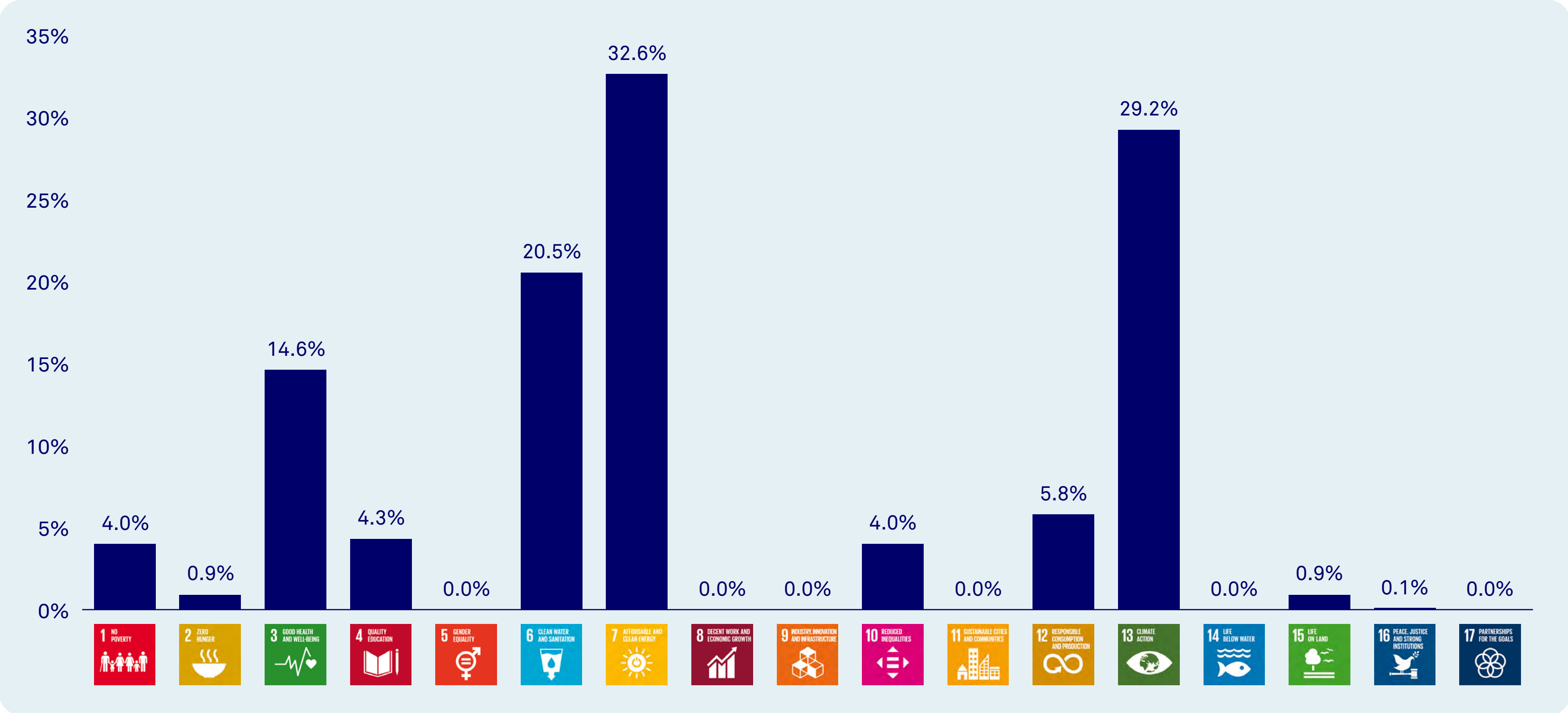
As such the company strongly contributes (100%) to the impact objectives related to the energy transition and to SDGs 7 (100%) and 13 (100%).

The total positive impact is not necessarily equal to the sum of the contributions to each transition, as some products and services with positive impact can be linked to multiple transition themes. This 'double counting' is eliminated at fund level to calculate the total positive impact.

Impact reporting in 2024

The contribution to individual SDGs may fluctuate between 0% and 100%. However, the sum of percentages to all SDGs can be below or above 100% as products and services (equities, corporate bonds) or assets and projects (impact bonds) can be linked to multiple SDGs.

Contribution to UN SDGs



Source: Triodos IM. Data per year end 2023

Impact metrics explained

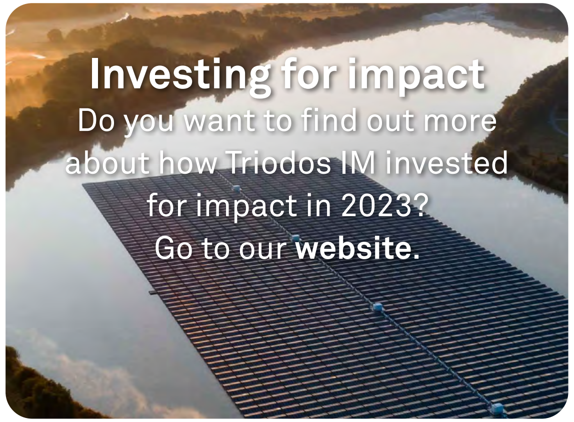
Contribution to the **UN Sustainable Development Goals** is based on the ISS ESG Sustainable Solutions Assessment, which is a comprehensive assessment of company products and services that affect the SDGs. This data enables investors to identify the share of products and services that have a positive or negative impact on 15 different social and environmental objectives. Those objectives, defined by ISS ESG, take into account the SDGs that are relevant to a company's product portfolio. Revenues linked to social and environmental objectives are summed across the different objectives and mapped to each individual SDG as a direct contribution.

The **Science Based Targets initiative** (SBTi) provides a common scientifically recognised methodology to calculate GHG emissions and to set targets.Having companies set an SBTi target helps to minimise the existing problems related to a lack of guidelines to measure the companies' scope 3 GHG as well as helping to compare targets among companies. The SBTi data has been retrieved from the SBTi's public database of committed and aligned companies. Targets adopted by companies to reduce greenhouse gas emissions are considered science based if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Climate Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

Climate-related financial risk disclosures

This disclosure shows how climate-related risks and opportunities are organised in processes and procedures to consider both physical risks (that arise as physical consequences of climate change) and transition risks (relating to the transition to a climate-neutral economy).

For a full understanding of Triodos IM's approach to climate change, this disclosure should be considered together with Triodos Bank's Integrated Annual Report and As One To Zero progress reports.



About Triodos Investment Management

Triodos Investment Management (Triodos IM) is a globally active impact investor. We see impact investing as a driving force in the transition to a green, inclusive and resilient economy.
We have built up in-depth knowledge throughout our 30+ years of impact investing in sectors such as Energy and Climate, Financial Inclusion and Sustainable Food and Agriculture. Triodos IM also invests in listed companies that support sustainable solutions for the future. Assets under management as per end of December 2023: EUR 5.7 billion.
Triodos IM is a wholly owned subsidiary of Triodos Bank, a leading expert in sustainable banking.

Investing in positive change

For more information about our impact investment strategies and solutions, please contact our Investor Relations team at:

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