75% equities
25% bonds
100% impact

Triodos Impact Mixed Fund - Offensive
Impact Report 2024

Triodos Investment Management

1	2	**3**	4	5	6	7

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

Impact highlights 2024

Top 3 transition themes

29%
Wellbeing transition

19%
Energy transition

16%
Resource transition

Top 3 Sustainable Development Goals contributed to

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

5 key engagement topics

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

100%
of AGMs voted at

25%
voted **against management**

75%
of holding companies committed to or aligned with the Science Based Targets initiative

51% less
GHG intensity **than benchmark**

99% less
Non-recycled waste **than benchmark**

77% less
Excessive CEO pay ratio **than benchmark**

Enhanced impact profile

The year 2024 extended several negative global trends; more war, ongoing climate change and growing inequality. The case for transitions is getting stronger every day.

The artificial intelligence spending boom pushed equity markets higher and the re-election of Donald Trump created a pro-business market rally. Global equity markets moved up strongly. However, most of the optimism is based on short-term financial gains and does not take into account the longer-term effects on people, planet and eventually profits.

All the more reason to invest in companies and institutions that offer solutions for the environment and society and that create a lasting positive impact. And this is exactly what we did.

Triodos Impact Mixed Fund – Offensive improved its impact profile and the financial quality of the investments further by a number of changes in the equity portfolio. Six equity holdings were sold in 2024: Cisco, Checkpoint, Nike, ST Microelectronics, Bridgestone and Central Japan Railway. Seven high impact investments were added: Resmed (medical equipment), Palo Alto (security software), John Deere (agricultural equipment), Alexandria Real Estate (real estate for medical research), Carlisle (energy efficient building products), First Solar (solar energy installations) and Astra Zeneca (pharmaceuticals).

In the bond portfolio we held on to our defensive approach and maintained a preference for high-quality bonds. We sold three positions following a negative assessment of business practices or because of financial risk: BMW, Kering and Prologis. Four new issuers were added: State of Hesse (green bond), Reckitt Benckiser (personal care), United Utilities (green bond, water utility) and Astra Zeneca (healthcare).

Overall, our assesment and measurement of positive impact improved considerably last year. By enriching existing market data we established a full coverage and higher scores for positive impact, as you can see in this Impact Report.

Rob van Boeijen
Portfolio Manager Triodos Impact Mixed Fund - Offensive

Portfolio management team


Rob van Boeijen


Rosl Veltmeijer


Arjan Palthe


Jeroen van Herwaarden

Fund characteristics

Asset class
Large cap global equities and investment-grade Euro bonds

Domicile
Luxembourg

Legal structure
sub-fund of Triodos SICAV I

Inception date
June 2019

AUM per December 2024
EUR 66,885,191

Benchmark
MSCI World Index (75%), iBoxx Euro Corporates Overall Total Return (15%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (10%)*

Managed by
Triodos Investment Management

Depository
CACEIS Bank, Luxembourg Branch

Fund 3101 0026

Read more about the Nordic Swan Ecolabel

* Benchmark per January 2025: Bloomberg Developed Markets Index (75%), iBoxx Euro Corporates Overall Total Return (15%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (10%)

Investing in the changemakers

Triodos Impact Mixed Fund - Offensive invests in listed equities and bond issuers that show, through their revenues or proceeds, the potential to transform their sectors toward an economy within planetary boundaries, where all humans can enjoy a prosperous life. We call them the changemakers for tomorrow. As an SFDR Article 9 fund, we focus on five key transitions, each linked to sustainable investment objectives and aligned with the UN Sustainable Development Goals (SDGs):

Sustainability Objectives

- **Contribute to the transition to an economy within planetary boundaries** (Resource, Energy and Food transitions)
- **Contribute to the transition to an economy where all humans can enjoy a prosperous life** (Food, Societal and Wellbeing transitions)
- **Make money work for environmental and social change** (all transitions)

Triodos Transitions

Transition	Description	UN SDGs
Resource transition	From a wasteful extract-use-dispose (linear) paradigm to an economy where resources are truly valued and used prudently	6 Clean water and sanitation; 11 Sustainable cities and communities; 12 Responsible consumption and production; 14 Life below water; 15 Life on land
Energy transition	From fossil fuel-based energy production to renewable energy generation and energy efficiency	7 Affordable and clean energy; 13 Climate action
Food transition	From a predominantly extractive food system to regenerative agriculture, fair supply chains and healthy diets	2 Zero hunger; 15 Life on land
Societal transition	From a society that incentivises competition and divisiveness to one that is rooted in solidarity and collaboration	1 No poverty; 3 Good health and well-being; 4 Quality education; 5 Gender equality; 6 Clean water and sanitation; 7 Affordable and clean energy; 10 Reduced inequalities; 11 Sustainable cities and communities
Wellbeing transition	From a narrow focus on material satisfaction to an economy that deeply values and nurtures broader individual wellbeing	3 Good health and well-being; 4 Quality education; 6 Clean water and sanitation; 16 Peace, justice and strong institutions

Impact achieved

All investments of Triodos Impact Mixed Fund - Offensive contribute to one or more of the five transitions and to the UN SDGs. For equities and corporate bonds, a minimum of 33% of company revenue from products and services must positively contribute to the transitions. For impact bonds, a minimum of 75% of the bond proceeds must positively contribute to the transitions.

Contribution to transitions

Source: Triodos IM. Data per year end 2024

Two examples

AstraZeneca
The largest part of this pharmaceutical company's revenue is related to the following products and services:
- Prescription pharmaceuticals
- Vaccines

The company fully contributes (100%) to the impact objectives related to the Wellbeing transition and to SDGs 3, 6 and 10 (all 100%).

First Solar
The largest part of this solar panel manufacturer's revenues is related to the following products and services:
- Production of solar panels (>80%)

The company fully contributes (100%) to the impact objectives related to the Energy transition and to SDGs 11, 12 and 13 (all 100%).

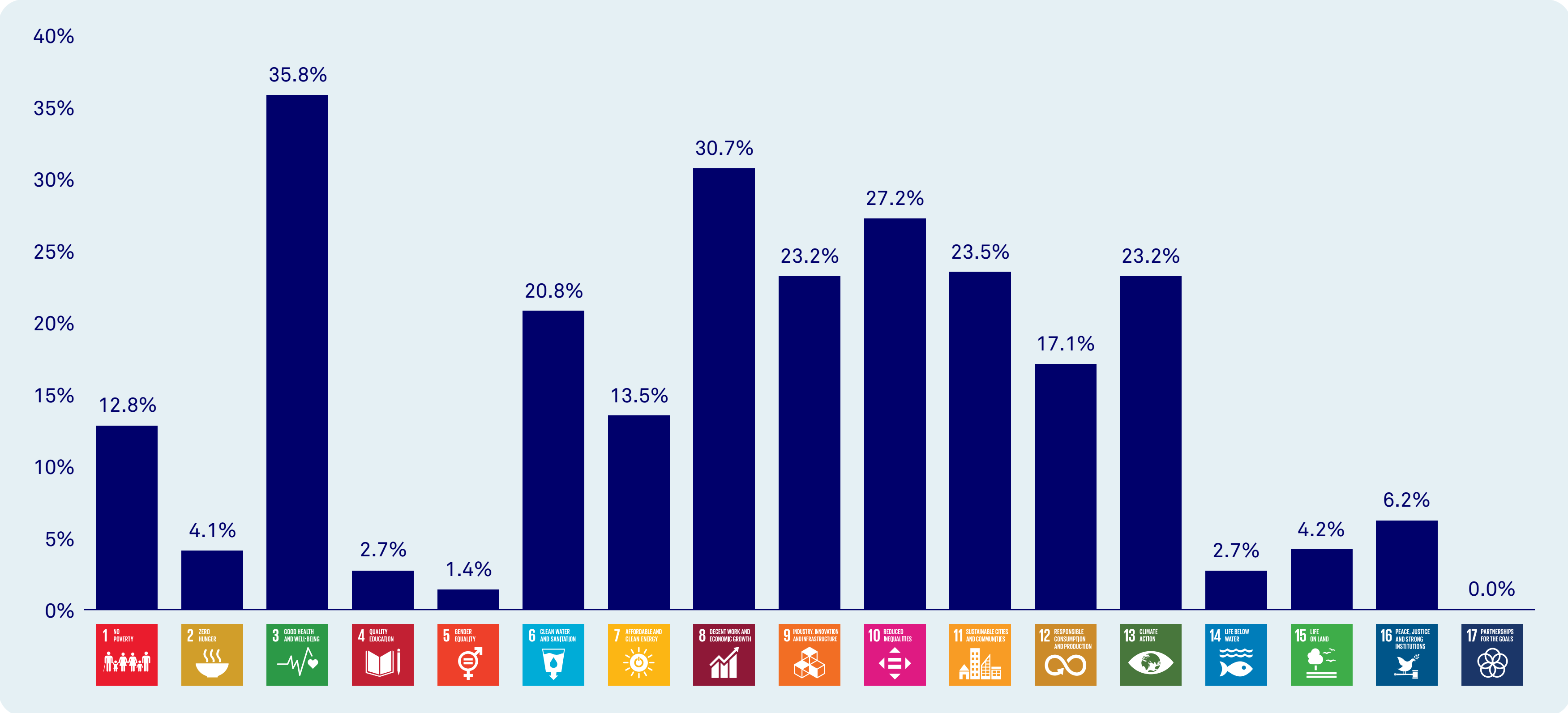
The total positive impact is not necessarily equal to the sum of the contributions to each transition, as some products and services with positive impact can be linked to multiple transition themes. This 'double counting' is eliminated at fund level to calculate the total positive impact.

Find out more about how we optimise impact and accelerate key transitions.

Impact achieved

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 2024

Impact investments

Click here for an overview of all investments of the fund in 2024.

La Banque Postale

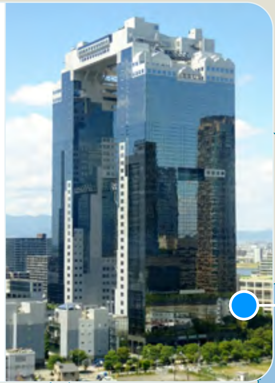
The proceeds of La Banque Postale's social bond are used to finance affordable housing and essential services. The affordable housing category has strong positive impact, as France has a shortage of social housing. Essential services include public hospitals and research centres. The projects financed aim to increase accessibility to healthcare services and improve their quality.

> Find out more here

SNCF Réseau

SNCF Réseau is the main operator of the French national rail network. Rail transport plays a key role in the ecological transition to face the challenge of climate change. The company has committed to reducing its energy consumption and GHG emissions by 20% between 2015 and 2025.

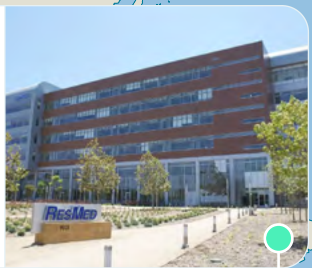
> Find out more here



Sekisui House

Buildings are currently responsible for 39% of global energy related carbon emissions, so the built environment sector plays a vital role in responding to the climate emergency. Sekisui House has constantly been ahead of the curve in terms of sustainability. The company has supplied a cumulative total of more than 70,000 net zero energy houses. In addition, the company provides a significant contribution to biodiversity.

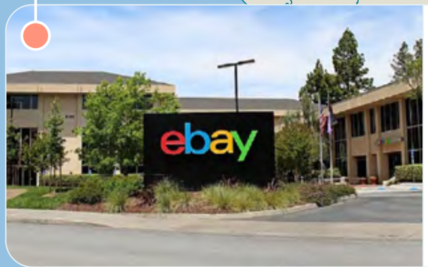
> Find out more here



ResMed

The Australian company ResMed is the global leader in end-to-end solutions for sleep and respiratory care. Its products are designed to diagnose, treat and manage sleep apnoea, chronic obstructive pulmonary disease and other respiratory conditions. It aims to improve patient quality of life, reduce the impact of chronic disease and lower healthcare costs.

> Find out more here



eBay

eBay is a global e-commerce company which connects millions of buyers and sellers in more than 190 markets around the world through its Marketplace platforms. The company offers a highly accessible way - with a low cost of entry for sellers - for all types of users to interact in a global marketplace that is inclusive and connects all people of all backgrounds.

> Find out more here

Theory of Change

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

If we: Invest in and engage with carefully selected global listed companies and bond issuers 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. At the end of 2024 the fund excluded Nidec from the investment universe due to its involvement in nuclear energy. The bond position was sold in early 2025.

Investments are also assessed on their Principal Adverse Impacts (PAIs) in line with SFDR guidelines for Article 9 funds. The GHG intensity, fossil fuel involvement, non-recycled waste, UNGC / OECD violations and excessive CEO pay ratios illustrate the lower negative impact of the portfolio companies' activities compared to those of the benchmark: MSCI World Index (75%), iBoxx Euro Corporates Overall Total Return (15%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (10%).

The impact indicators are calculated using PAI data from Morningstar Sustainalytics.

The fund aims to fare better than the index on the following indicators:

- GHG intensity scope 1+2
- Fossil fuel involvement
- Excessive CEO pay ratio

Please see page 18 for the calculation methodology used.

Environmental indicators

		Fund		Index	
GHG intensity scope 1+2	51% less	52.74t CO_2eq / EURm	Coverage: 82.7%	107.08t CO_2eq / EURm	Coverage: 86.3%
Fossil fuel involvement	76% less	1.90% involvement	Coverage: 86.0%	7.90% involvement	Coverage: 88.7%
Non-recycled waste	99% less	1.04t / EURm	Coverage: 50.5%	82.04t / EURm	Coverage: 42.2%

Social

		Fund		Index	
UNGC / OECD violations	100% less	0.00% involvement	Coverage: 86.0%	0.50% involvement	Coverage: 88.7%

Governance

		Fund		Index	
Excessive CEO pay ratio	77% less	203.71 times median	Coverage: 48.7%	892.06 times median	Coverage: 62.5%

Excessive CEO pay sets a dangerous precedent for business and society

Excessive executive remuneration has become a critical issue, not just for businesses but for society as a whole. Inflating CEO salaries, especially through complex bonus structures and stock options, exacerbate wealth inequality. A striking example is the staggering USD 56 billion bonus recently approved by shareholders to Tesla CEO Elon Musk. Unchecked remuneration packages are more than just a corporate issue - they are a ticking time bomb for business stability and even democracy. Triodos Investment Management analysts Lilia Feghiu and Fabian Meijs advocate for balanced and fair remuneration.

Excessive CEO pay has become a flashpoint in the debate over growing wealth inequality. While company executives amass billions, the gap between their salaries and those of average workers continues to grow. This disparity is a key consideration for Triodos Investment Management (Triodos IM) when selecting and engaging with companies, say Lilia Feghiu and Fabian Meijs.

"In our recently updated white paper about excessive remuneration we show that the gap between CEO compensation and employee wages has grown significantly," says Meijs. In 1978, a typical CEO earned roughly 30 times more than the median employee. By 2023, that number had ballooned to over 300 times. "This imbalance is increasingly difficult to justify and leads to all kinds of undesirable side effects," continues Meijs.

This trend appears unstoppable, with Musk's eye-popping compensation package of USD 56 billion serving as the latest example. "Is it ethical for one person to have so much more money and power? A CEO deserves to be paid well for good performance, but it shouldn't spiral out of control, especially when it contributes to greater wealth inequality," Meijs argues. "In the case of Tesla, we decided a few years ago not to invest in the company because of what we then already thought was an excessive pay rate."

"The growing wealth gap is increasingly seen as a serious challenge to social cohesion and our democratic institutions," adds Feghiu. "Inequality is not just an economic issue but very much a social and political one."

Remuneration packages should challenge a CEO
According to Feghiu, the focus should not solely be on the absolute level of CEO pay but also on the structure. "An executive should be paid based on their performance according to clear criteria, not just for holding the position. A CEO must be incentivised to grow the business and support long-term goals like sustainable growth, return on investment and climate policies. These criteria should be integrated into the remuneration structure with a long-term view."

Bonuses for short-term goals, like a certain share price level, do not support long-term growth. Feghiu: "Short-term stock-related bonuses may tempt CEOs to take on excessive risks that could harm the company and ultimately destroy shareholder value." Meijs points out another potential danger for shareholders. "In Tesla's case, the proposed compensation package was in the form of newly issued shares, which dilutes the stake of existing shareholders.

The growing role of ESG metrics
A long-term approach to executive compensation should also incorporate environmental, social and governance (ESG) factors. While some companies have begun integrating these metrics into their incentive plans, these measures are often insufficient and do not drive meaningful change.
Triodos IM has been pushing to integrate ESG factors into executive pay structures. "Any reward structure should be based on ESG metrics," Feghiu emphasises. "We want executives to focus on long-term, sustainable value creation – not just the next quarterly report."

Progress is being made. Feghiu observes: "More than five years ago, it was almost unheard of to include ESG metrics in a structured way. That has changed. We now see that companies are also starting to include ESG metrics in their long-term plans. This is exactly what we want to see, if only because most ESG issues cannot be solved on an annual basis. Now, we have to safeguard that metrics are effective and measurable and contribute to real change."

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 2024, the Impact Equities and Bond funds' formal engagement agenda focused on five topics:

Climate change

Since 2020, our engagement approach has evolved from encouraging basic GHG reporting to driving comprehensive, science-based climate action. Initially, discussions focused on scope 1 and 2 emissions reporting and setting reduction targets. Today, we challenge our portfolio companies on data quality, the credibility of their strategies, and their capacity to achieve net-zero goals - especially around the complex issue of scope 3 emissions.

Read the full article.

Energy transition

Executive remuneration

Throughout 2024, we have engaged with companies, predominantly from the US, which we deem have excessive remuneration schemes.
An important objective of our engagement project is to push for the inclusion of ESG metrics in executive compensation schemes.

Read the full article.

Societal transition

Plastic pollution

The plastic waste crisis has reached a critical point, with oceans overflowing, ecosystems under severe strain and communities grappling with the fallout of plastics pollution. Recognising the urgency, we launched our plastics and packaging engagement project in 2023. In 2024, we met with Danone, Henkel and Procter & Gamble, the three companies in our Impact Equities and Bond portfolios with the highest exposure to plastic pollution.

Read the full article.

Resources transition

Family-friendly working policies

Throughout 2024, we continued our engagement with most of the companies in Triodos Future Generations Fund's portfolio. The deep dive performed in 2024 provided us with a comprehensive overview of the current landscape of family-friendly policies and uncovered valuable insights that will shape our priorities moving forward.

Read the full article.

Wellbeing / Societal transition

Hazardous chemicals

Hazardous chemicals have been a key topic of our company engagement agenda since 2021. In a collaborative effort we encourage chemical companies to phase out hazardous chemicals and transition toward more sustainable solutions. In 2024, we met with chemical companies Akzo Nobel, Evonik, and Shin-Etsu to discuss synthetic, highly toxic per- and polyfluoroalkyl substances or PFAS.

Read the full article.

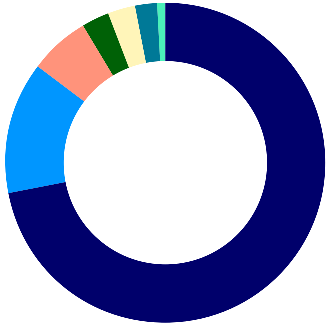
Resources transition

Engagement and voting summary

Engagement in 2024

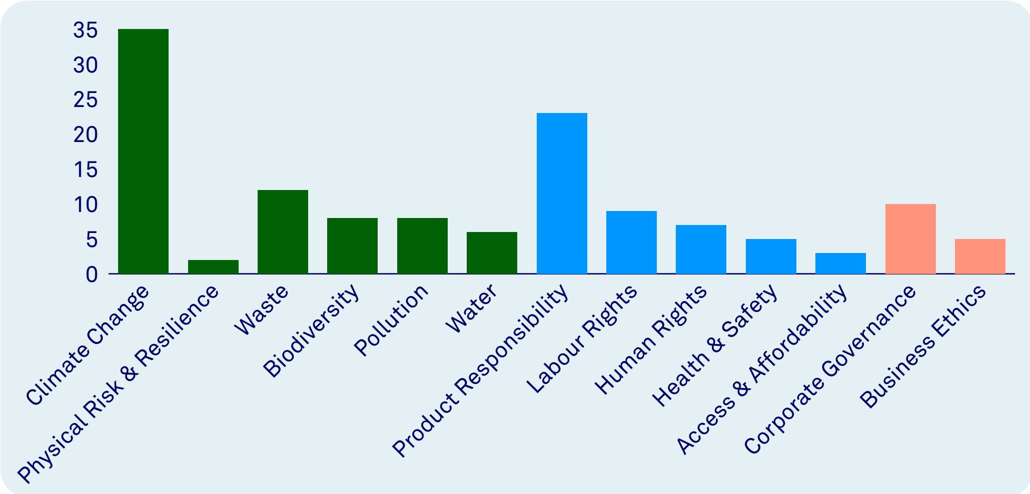
In addition to the engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2024
Company Update	103
Company Engagement	19
Collaborative Engagement	9
Engagement Project	4
Event Driven Engagement	4
Minimum Standards Information	3
Impact Bond Engagement	1
	143

ESG topics discussed



Number of times the topic was discussed. Environmental Social Governance

Voting

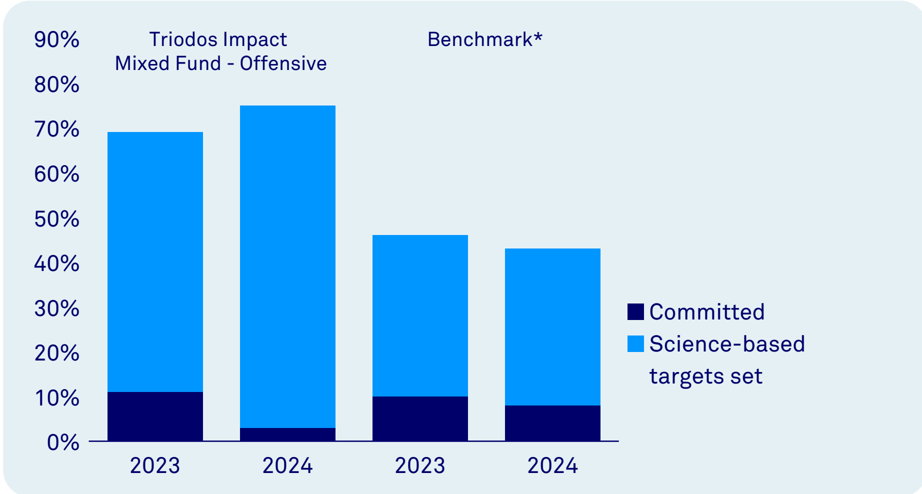
100%
of AGMs voting at

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.

25%
voted against management

The fund voted at 53 annual general meetings on a total of 777 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.



* MSCI World Index (75%), iBoxx Euro Corporates Overall Total Return (15%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (10%)

Sustainability risks and opportunities

ESG risks and opportunities of the ten largest holdings

Company name	Risks	Opportunities
NVIDIA	NVIDIA has outsourced most its manufacturing activities. Some of its suppliers and manufacturing partners could be involved in controversies related to the use of conflict minerals, labour violations, disposition of hazardous waste material or violation of international legislation. There are also risks related to the ethical use of AI.	The company contributes to and accelerates the development of various aspects of artificial intelligence (AI). Furthermore, with data centers consuming a substantial (and growing) portion of the world's energy, improving performance and energy efficiency is a principal R&D goal for the company.
Essilor-Luxottica	The main risks are product quality and safety, antitrust violations, and data security, as the company manages health-related data. The absence of a split between the roles of chairman and CEO is a governance risk.	The company incorporates environmental considerations in product design, increasing the use of bio-materials in glass frames. It plans to address other health issues such as hearing loss by integrating hearing aids into frames.
RELX	RELX faces risks related to information security and data protection. For handling large amounts of data and publishing printed journals, there are also environmental risks related to energy management and sourced wood fibers.	Through its services it contributes to society by advancing science and health, protecting people, improving the rule of law and providing access to justice.
Danone	Biodiversity loss, climate change and water stress impair agricultural production and are therefore a material risk to Danone's sourcing operations. An additional risk are the packaging materials used by the company.	Danone may increase its brand value by being positively associated with sustainable sourcing, deforestation-free programs and shifting towards more sustainable packaging solutions.
Mastercard	Mastercard's relevant ESG risks include employment security and wellbeing, data protection and information security, customer protection and digital inclusion, resposible client management and marketing, and energy management of datacentres.	Mastercard promotes social inclusion and empowerment by expanding financial access worldwide, while ensuring that payments are secure. It has helped bring millions of financially excluded individuals into the digital economy through initiatives like the Mastercard Farmer Network.
Intuitive Surgical	The main ESG risks for Intuitive Surgical are product quality and safety. Other risks are related to supply chain management, cybersecurity, access and affordability, animal welfare and anticompetitive behaviour (antitrust).	Intuitive Surgical is the pioneer and global leader in robotic-assisted, minimally invasive surgery technology. Patients recover more swiftly from these surgical procedures, allowing them to return home sooner, leading to better availability of hospital beds and lower total cost of care.
Procter & Gamble	Biodiversity loss, climate change and water stress impair agricultural production, posing a material risk to P&G's sourcing operations. An additional risk are the packaging materials used by the company, in particular whether they can be recycled and reused.	It may increase its brand value by being positively associated with sustainable sourcing, deforestation-free programs and shifting towards more sustainable packaging solutions.
Deere	Deere faces high ESG risks primarily from ongoing reliance on fossil fuels, leading to significant greenhouse gas emissions. These are compounded by workplace safety issues and the need for improved product design integration.	Deere's technology portfolio offers significant ESG opportunities by enabling precision agriculture that reduces inputs such as fuel, fertilizers and pesticides, while enhancing soil health and biodiversity, thereby lowering greenhouse gas emissions.
Germany	The green bond includes the abstract category of research, innovation and awareness raising. For such research projects it is difficult to determine what the positive impact is and how they contribute to reaching Germany's climate goals.	Germany is highly committed to achieving carbon neutrality by 2050. It has emission goals for sectors including transport, renewable energy, industry, agriculture and waste management and has issued green bonds to finance projects that contribute to achieving such climate goals.
Taiwan Semiconductor Manufacturing	Key risks include the use of electricity and water, the use of hazardous substances and PFAS and related waste, the health and safety of employees and workers along the supply chain, exposure to the sourcing of conflict minerals as well as climate and geopolitical risks.	Our society is increasingly becoming digital and connected, which requires ever more computing power. TSMC is well positioned to support the increasing computing power requirements in a cost- and energy efficient way.

Sustainability risks and opportunities

Risks and opportunities of largest GHG emitters

Company name	Risks	Opportunities
Toyota	For car manufacturers, the main sustainability issues are the reduction of CO_2 emissions of the car fleet across the whole product lifecycle as well as environmental standards in the supply chain.	Toyota is committed to contributing to safe and energy-efficient mobility concepts for all people across income groups and regions, including transport infrastructure. These efforts, to some degree, facilitate a reduction of the environmental burden caused by cars.
Nidec	As a manufacturing company operating globally, Nidec faces risks related to GHG emissions and energy management as well as supply chain related risks. Furthermore, given the role of Nidec's founder and a turbulent CEO succession process, corporate governance can also be seen as a risk.	With its products Nidec supports the trends towards decarbonisation (e.g. traction motors for EVs) and energy savings (including products to make appliances and datacentre cooling more power efficient).
Atlas Copco	Atlas Copco faces climate-related risks such as increased regulatory pressure on carbon emissions, potential supply chain disruptions due to extreme weather events and higher energy costs affecting operations and manufacturing.	Opportunities for Atlas Copco are EV manufacturing equipment and emission control abatement systems. The company can benefit from the growing demand for energy-efficient and low-emission industrial solutions, expanding its market share by developing sustainable technologies that help customers reduce their environmental footprint.
Procter & Gamble	P&G faces several climate-related risks despite its progress on reducing absolute scope 1 and 2 emissions. Significant challenges remain in addressing scope 3 emissions – nearly 98% of which stem from purchased goods, upstream transportation, product use, and end-of-life treatment. Additionally, product usage emissions and physical risks such as water scarcity, drought, flooding and tropical cyclones continue to expose the company to potential operational and cost volatility.	Opportunities for P&G include further leveraging its strong climate strategy to drive deeper decarbonisation. By continuing to expand its renewable energy portfolio - aiming for full grid integration across all sites - and promoting consumer practices like cold-water washing, the company can further lower product usage emissions.
Continental	Key risks in the company's operational management include greenhouse gas emission reduction targets and action plans, performance of tyre models according to EU regulation and a strategy to optimise the energy efficiency of its products. Environmental risks are, by and large, managed well.	Opportunities for automotive suppliers can be found in helping to improve the energy efficiency of vehicles. Further opportunities lie in the development of products for alternative drives, new mobility concepts and more sustainable raw material use.

The top 5 highest emitters per fund are identified based on their total GHG emissions scope 1-3 per year end 2024 as reported by Morningstar Sustainalytics.

Sustainability risks and opportunities

Risks and opportunities of biodiversity laggards

Company name	Risks	Opportunities
Shin-Etsu Chemicals	Biodiversity loss driven by pollution through air, water and soil is the main risk for chemical companies like Shin-Etsu. Risk management for substances of concern and wastewater, and hazardous waste management for treatment facilities are key.	To improve its biodiversity scores, a holistic evaluation of all biodiversity dependencies and risks, as well as in its raw materials supply chain, would help. This could result in a dedicated nature and biodiversity strategy and specific targets on soil, water and air pollution reduction.
Nomad Foods	Nomad Foods operates in the food products industry and thus heavily depends on ecosystem services. The company is exposed to biodiversity risks mainly through its raw material supply chain.	The company can improve by ensuring the sustainable use of water and by taking measures to reduce the climate impacts of agricultural production in the value chain. An evaluation of invasive alien species in its operation and supply chain could also be an opportunity to improve risk mitigation.
Central Japan Railway	Railways use vast amounts of land and go through nature reserves. This comes with the risk of disrupting biodiversity in these areas, cutting off habitats and migration routes for local species and animal collision with trains.	In terms of energy use, GHG emissions and air pollution, trains are far more efficient than other mass modes of transport. Railway operators are in a unique position to conserve and manage the vegetation along their lines in such a way that it contributes positively to biodiversity.
Darling Ingredients	Risks related to nature and biodiversity for Darling Ingredients come 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.
Roche	Biodiversity loss driven by pollution through air, water and soil is the main risk for pharmaceutical companies like Roche. Risk management for substances of concern and wastewater, and hazardous waste management for treatment facilities are key.	Roche has set a target to reduce its environmental impact by half by 2030. This includes reduction targets on GHG emissions, energy, water use, plastics, waste and hazardous substances. An assessment of its impacts and dependencies on biodiversity of its operations or its supply chain would be a clear improvement.

The biodiversity laggards per fund are identified top down, with addition of biodiversity data from several sources. The first step of identifying the biodiversity laggards for each fund is to determine the high-risk sectors which negatively impact 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 ISS ESG.

ISS ESG assesses companies based on their contribution or obstruction of the UN Sustainable Development Goals, taking into account their products and services, policies, and involvement in controversies. We select additional biodiversity laggards from companies that have been assessed by ISS ESG as having a negative score on SDGs 14 (Life on land) and 15 (Life below water).

Finally, we use PAI data from Morningstar Sustainalytics to identify companies that negatively affect biodiversity-sensitive areas. One company was identified as having a negative effect 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
NVIDIA	Climate change, corporate governance
EssilorLuxottica	Corporate governance
RELX	Climate change, labour rights
Danone	Biodiversity, climate change, pollution
Mastercard	Impact narrative
Intuitive Surgical	Corporate governance
Procter & Gamble	Biodiversity, climate change, pollution, waste, corporate governance, labour rights
Deere & Co.	Biodiversity, climate change, pollution, waste, business ethics, health and safety
Taiwan Semiconductor	Health and safety
Ebay	Climate change

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.

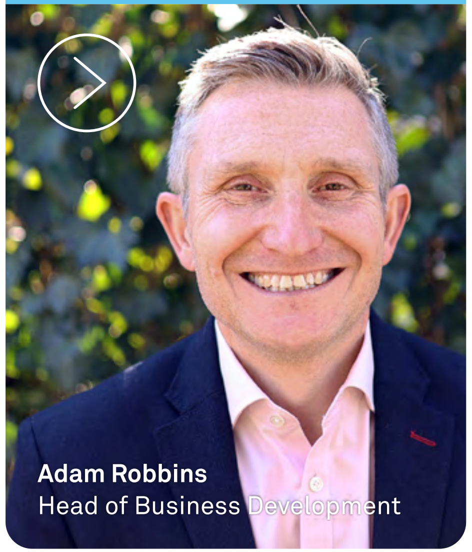
Find out more about the EU SFDR and Taxonomy requirements. The fund's sustainability-related disclosures in accordance with SFDR can be found here.

Watch our bite-sized Masterclasses

Grow your knowledge of impact investing and join our experts as they share practical insights to help you navigate this rapidly developing market.

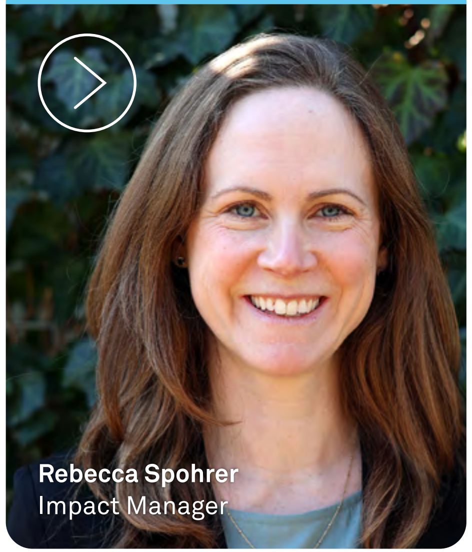
Sustainable investing

Delve into the nuances of sustainable investment strategies, such as ESG integration and impact investing. Learn to identify different approaches and align them with your values and financial goals.



Impact management

Find out how to embed impact into your investment approach, using tools like the impact management cycle and the Theory of Change. Learn to adapt strategies over time to effectively align with your mission and investment goals.

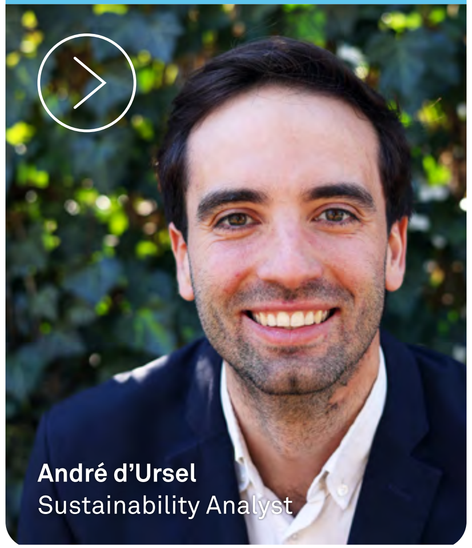


Impact measurement

Learn more about the importance of impact measurement in investing for decision-making, accountability, and transparency. Explore the role of data, legislation, and the Theory of Change in creating a meaningful measurement process.

Engagement

Learn more about the power of shareholder engagement as a tool for driving positive change in listed companies. Gain insight into effective stewardship strategies and the tangible results achievable through impactful company engagement.



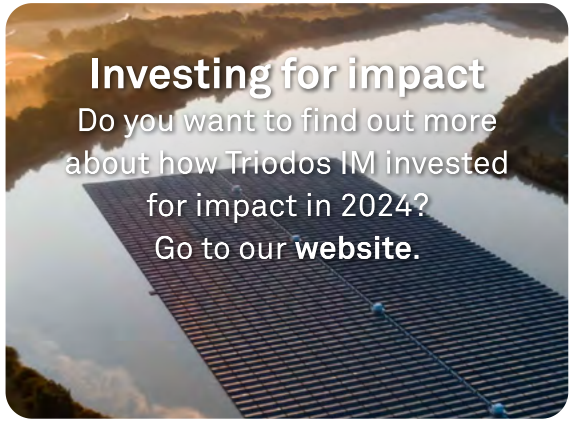
Impact metrics explained

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. Revenue linked to social and environmental objectives is 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.

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.
- **Fossil fuel involvement:** This metric tells you the % of the portfolio that is exposed to companies that are involved with fossil fuels.
- **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.
- **Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises:** Measuring the % of the portfolio's investments that are exposed to companies breaching UNGC principles or OECD guidelines.
- **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.



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 our emissions reduction ambitions.

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 2024: EUR 5.8 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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Published
April 2025

Text
Triodos Investment Management

Design and layout
Via Bertha, Utrecht

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- When investing in the fund, please take into account all the characteristics and/or objectives of the promoted fund as described in its prospectus. Further, please take notice of the sustainability aspects of the fund as found here.