Investing in the future of our children

Triodos Future Generations Fund 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 Child Wellbeing focus areas

51%
Child health and survial

16%
Environment and climate

11%
Access to education

Top 3 Sustainable Development Goals contributed to

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

6 CLEAN WATER AND SANITATION

5 key engagement topics

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

100%
of AGMs voted at

22%
voted **against management**

45%
of holding companies committed to or aligned with the Science Based Targets initiative

80% less
GHG intensity **than benchmark**

59% less
Non-recycled waste **than benchmark**

17% less
Excessive CEO pay ratio **than benchmark**

Child wellbeing firmly on the investment radar

UNICEF's Child-Lens Investing Framework was recognised as one of TIME's Best Inventions of 2024. This award did much to put child wellbeing on the radar as a topic that deserves our collective attention. The framework will help more investors to focus on the topic and consider the wellbeing of children in their investment decisions.

It is timely, because many companies still do not fully recognise the specific needs of children in their business activities or struggle to implement them effectively. Global Child Forum's 2024 benchmark study found a decrease in the average score across the companies included in the benchmark. At the same time, the study notes progress at companies that have been included in the benchmark for a longer period. We are therefore optimistic that focused engagement on this topic will succeed, and we continued our engagement efforts on family-friendly work policies. We are also trying to get other investors to follow our example and discuss child wellbeing with the companies they invest in. Strong advocacy and more tools such as the availability of the Child-Lens Investing Framework will undoubtedly grow the group of investors that take child wellbeing into account in their investment decisions.

Our new impact framework allows us to better determine where the positive impact from our investments is coming from. This improves our ability to find impactful companies with strong business models. As a result, we added Alk-Abello, NX Filtration and Tomra to the portfolio.

Sjoerd Rozing
Portfolio Manager Triodos Future Generations Fund

Portfolio management team


Sjoerd Rozing


Dimitri Willems


Arjan Palthe


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
March 2022

AUM per December 2024
EUR 73,934,535

Benchmark
MSCI World Impact ESG Select Children's Rights Index*

Managed by
Triodos Investment Management

Depository
CACEIS Bank, Luxembourg Branch

GOLD

Fund 3101 0083

Label ISR

Read more about the Nordic Swan Ecolabel

* Benchmark per January 2025: Bloomberg Developed Markets Mid & Small Cap Index in EUR.

Investing to contribute to child prosperity

Triodos Future Generations Fund invests in listed companies that promote child wellbeing through their products and services. These companies show, through their revenue, the potential to transform their sectors towards an economy that operates within planetary boundaries, where all children can thrive. We call them the changemakers for tomorrow. As an SFDR Article 9 fund, we focus on five key areas of child wellbeing, each linked to sustainable investment objectives and aligned with the UN Sustainable Development Goals (SDGs):

Sustainable Objectives

- Enhanced child prosperity
- A safe and clean environment for children
- An economy where all children can enjoy a prosperous life

Child Wellbeing focus areas

Child health and survival
Access to affordable healthy food and (health) care is key to child wellbeing.

Access to education
Education is an important factor contributing to equality and inclusion.

Protection from violence and exploitation
Child labour remains a problem. In addition children online are vulnerable to exploitation.

Environment and climate
Access to basic needs and a clean and safe environment is key to grow up.

Equality and inclusion
Challenges in equality and inclusion extend beyond birthplace. Though born equal, children face growing inequality.

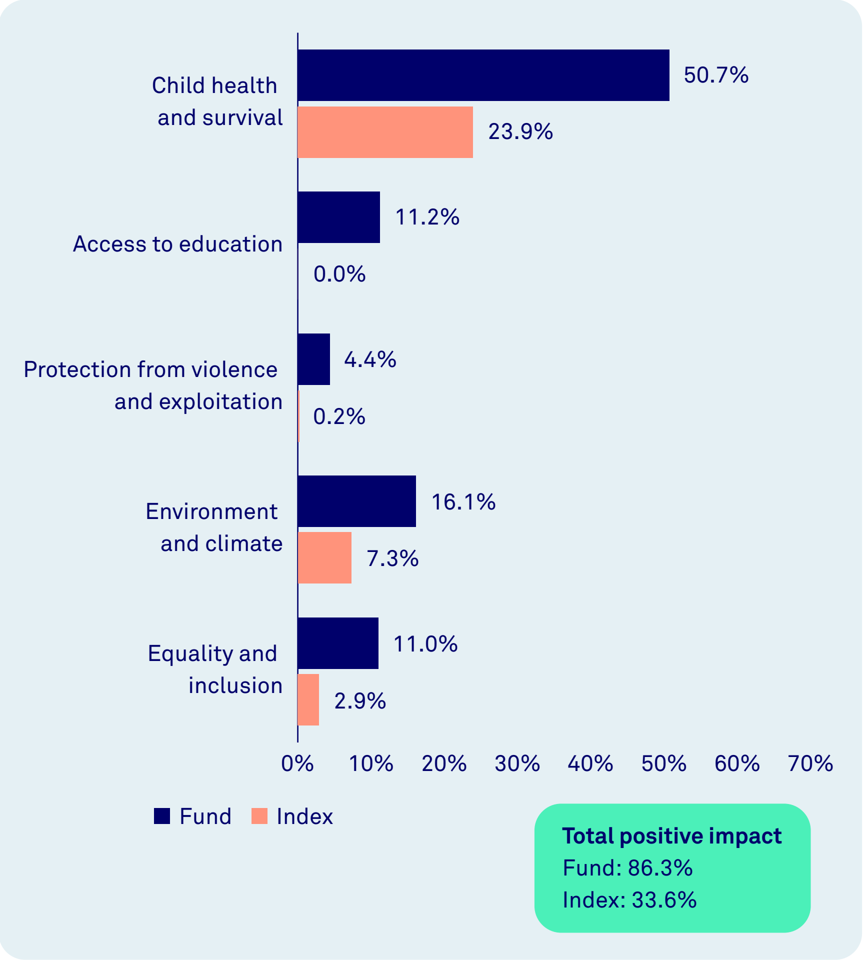
UN SDGs

- Child health and survival: 2 Zero hunger; 3 Good health and well-being; 5 Gender equality
- Access to education: 4 Quality education; 11 Sustainable cities and communities; 15 Life on land
- Protection from violence and exploitation: 16 Peace, justice and strong institutions; 5 Gender equality; 10 Reduced inequalities
- Environment and climate: 6 Clean water and sanitation; 11 Sustainable cities and communities; 13 Climate action
- Equality and inclusion: 1 No poverty; 5 Gender equality; 10 Reduced inequalities

Impact achieved

All investments of Triodos Future Generations Fund contribute to at least one child welfare focus area, within the Triodos transitions and the UN SDGs. For equities a minimum of 33% of company revenue from products and services must positively contribute to the transitions.

Contribution to child welfare focus areas



Source: Triodos IM. Data per year end 2024

Two examples

OrthoPediatrics
The largest part of this medical device company's revenues is related to the following products:
- professional diagnostic and/or treatment devices (100%)

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

Zurn Elkay Water Solutions
The largest part of this clean water solutions company's revenues is related to the following products:
- drinking water filtration/purification products and/or key components (100%)

As such the company strongly contributes (100%) to the impact objectives related to safe and clean environment and to SDGs 3, 6, 11 and 12 (100%).

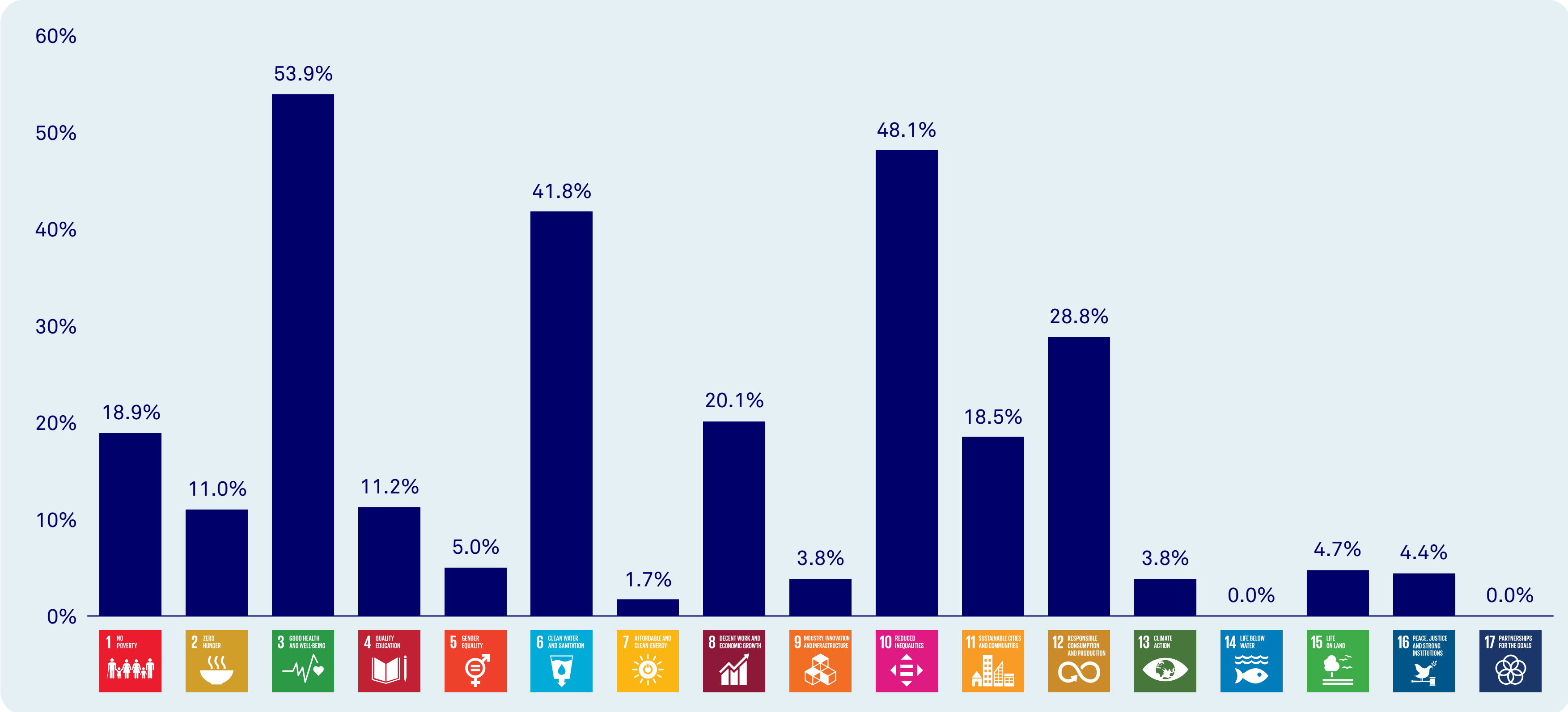
The total positive impact is not necessarily equal to the sum of the contributions to each child welfare focus area, as some products and services with positive impact can be linked to multiple focus areas. This 'double counting' is eliminated at fund level to calculate the total positive impact.

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 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.

Access to Education

Sanoma is a Finnish company that develops educational materials for the K-12 population in Europe. Such materials are not only key to learning, but also for social development, as it contributes to shaping the thinking of children. Therefore, Sanoma takes great care to avoid stereotyping.

> Find out more here

Protection from violence

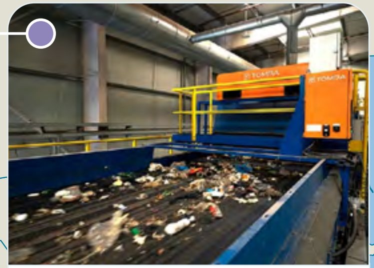
Gen Digital is a key player in consumer cyber safety. It provides protection against cyber threats, but also against identity theft. With children spending many hours online, their cyber safety is an important issue. Parents have the ability to control the online activity of children, thus protecting them from potential threats.

> Find out more here

Health and Survival

ALK-Abello is a Danish-based company focused on the development of allergy treatments products. Left untreated, the consequences of allergies can be severe for children, as the chances of developing asthma are seven times higher for them. This in turn affects their development.

> Find out more here



Safe and clean environment

Tomra Systems is a Norwegian company that offers solutions to support the circular economy through advanced collection and sorting systems. Tomra makes a clear contribution to a clean environment. This benefits all of us, but the benefits extend mainly to our children as they will inherit the earth from us. In other words, if we don't want our children to grow up in a world where we feel the effects from too much production and waste, then we need companies like Tomra.

> Find out more here

Bright Horizons FAMILY SOLUTIONS

Equal opportunity and inclusion

Bright Horizons Family Solutions is a US company providing high quality childcare services in the US, UK and the Netherlands. High quality childcare is linked to positive effects on children's social and emotional development of children. Furthermore, cognitive abilities and readiness for school are positively affected. Studies also show that lack of affordable childcare is one the two key reasons for not being part of the labour force. Childcare is also an enabler of increasing the number of women in the workforce, promoting greater gender equality.

> Find out more here

Theory of Change

This Theory of Change underpins how the fund acts, invests and evaluates its activities.

If we:	Invest in and engage with carefully selected global listed companies that		Demonstrate additionality beyond making impact investments by
	› Contribute to the welfare and rights of children across the world	› Reduce their carbon footprint › Do no significant harm to the environment in which children grow up › Show improvement in environmental practices following engagement by investors	› Proactive advocacy of companies' role in contribution to children's rights › Triodos IM donating to the UNICEF Bricks project annual 10bps
Assuming:	Investees offering access to basic human needs and lifting barriers for individuals will boost shared prosperity	Investees promoting renewable resources and efficiency will help to fight overexploitation of natural resources	We continue to be a front-runner and our strategy leads to impact and attractive returns which we effectively communicate
Then we expect:	› Improved children's survival and health › Protection from violence and exploitation › Improved access to basic needs, i.e. a safe and clean environment and to education for children › Equal opportunity and inclusion for children's development	› A fossil fuel-free economy › A circular economy › Sustainable food systems	› Financial institutions cater better to child wellbeing › More schools are constructed due to increased fund inflow
Which will contribute to:	**Enhanced child prosperity**	**A safe and clean environment for children**	**An economy where all children can enjoy a prosperous life**

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 2024, the fund excluded one company from the portfolio due to either a breach of the Minimum Standards, or a persisting unacceptable risk.

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 Small and Mid Cap Index Net in Euro.

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

GHG intensity scope 1+2

80% less

Fund
45.18t CO_2eq / EURm — Coverage: 91.6%

Index
223.22t CO_2eq / EURm — Coverage: 98.5%

Fossil fuel involvement

100% less

Fund
0.00% involvement — Coverage: 91.6%

Index
10.10% involvement — Coverage: 98.5%

Non-recycled waste

59% less

Fund
2.38t / EURm — Coverage: 35.6%

Index
5.78t / EURm — Coverage: 47.2%

Social

UNGC / OECD violations

equal

Fund
0.00% involvement — Coverage: 92.7%

Index
0.00% involvement — Coverage: 98.5%

Governance

Excessive CEO pay ratio

17% less

Fund
144.43 times median — Coverage: 36.8%

Index
173.89 times median — Coverage: 53.0%

Making workplaces more family-friendly

Our commitment to promoting family-friendly work policies remains stronger than ever. Throughout 2024, we continued our engagement with the majority of companies within the Triodos Future Generations portfolio, evaluating their approaches to supporting families in the workplace.

The deep dive we performed in 2024 not only provided us with a comprehensive overview of the current landscape of family-friendly policies but has also uncovered valuable insights that will shape our priorities moving forward.

Performance by policy
The latest data from companies we had not previously analysed has reaffirmed the ranking of the top-performing policy categories. Notably, policies focused on equal opportunities, flexible working arrangements and living wages received the highest scores, closely aligning with best practices. For instance, a hallmark of best practice in equal opportunities is the commitment to non-discrimination based on gender, pregnancy, maternity/paternity and family responsibilities.

It is concerning, however, to note that many companies still fail to explicitly acknowledge in their policies that inequality and discrimination can arise within family contexts.

While policies for parental leave, breastfeeding support and childcare assistance are crucial for fostering a family-friendly workplace, they currently fall below acceptable levels. This trend is somewhat understandable, given that governments often establish minimum standards, especially for parental leave. According to the International Labour Organization, an acceptable parental leave policy should provide at least 14 weeks of paid maternity leave and a minimum of 2 weeks of paid paternity leave across all operations. Several developed countries offer parental leave that is either less than the recommended 14 weeks or entirely unpaid. We strongly believe that companies have a responsibility to step up and take the initiative, particularly when governmental standards are lacking.

Geographical insights
Many US companies are falling short when it comes to family-friendly policies, particularly in key areas like parental leave, breastfeeding support and childcare assistance. Currently, labour and state laws only require a minimum of 12 weeks of unpaid leave for parents. However, given the current political climate in the US, it seems unlikely that many other companies will improve their parental leave policies anytime soon.

On a more positive note, Safaricom, Kenya's largest telecom operator, stands out for its robust family-friendly work policies. The company's leave policies are nearing best practice standards, and it goes a step further by allowing employees to bring their children to the office when necessary. This approach not only supports working parents but also cultivates a more inclusive and nurturing workplace culture.

What's next in 2025?
This year, our focus will be on addressing the areas that scored the lowest in our 2024 evaluations:

parental leave, breastfeeding support and childcare assistance. Given the challenges faced by US companies in these areas, we will prioritise engaging with them to drive improvements. We are mindful, however, that they may be less receptive to suggestions for policy enhancements than they were a few months ago.

On a more encouraging note, several companies made significant progress in 2024 by announcing global parental leave policies, demonstrating their recognition of the value of such initiatives that extend beyond local regulations.

We remain committed to prioritising the wellbeing of children in the workplace and look forward to sharing our progress with you next year. Together, we can create a more supportive environment for families everywhere.

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, in short: PFAS.

Read the full article.

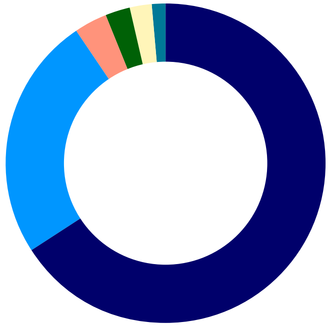
Resources transition

Engagement and voting summary

Engagement in 2024

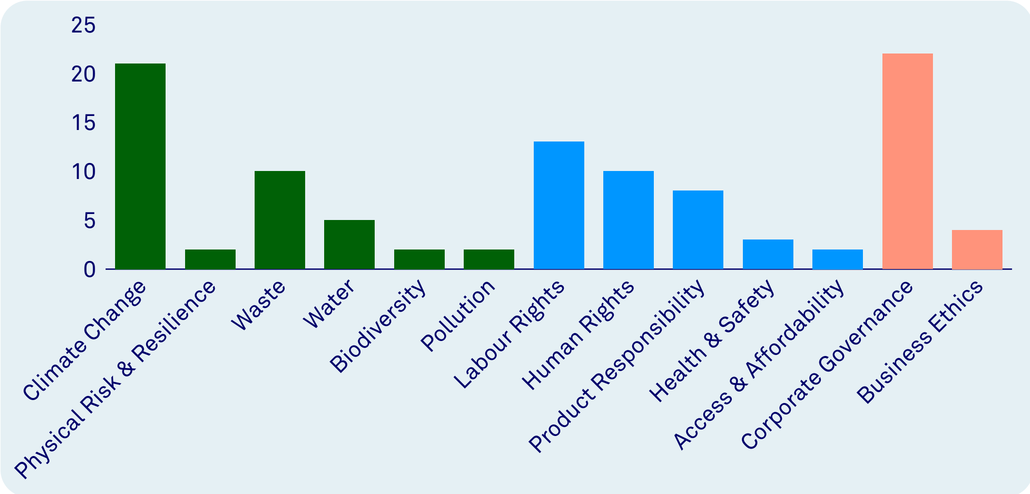
In addition to our engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2024
Company Update	56
Company Engagement	21
Engagement Project	3
Event Driven Engagement	2
Minimum Standards information	2
Collaborative Engagement	1
Impact Bond Engagement	0
	85

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.

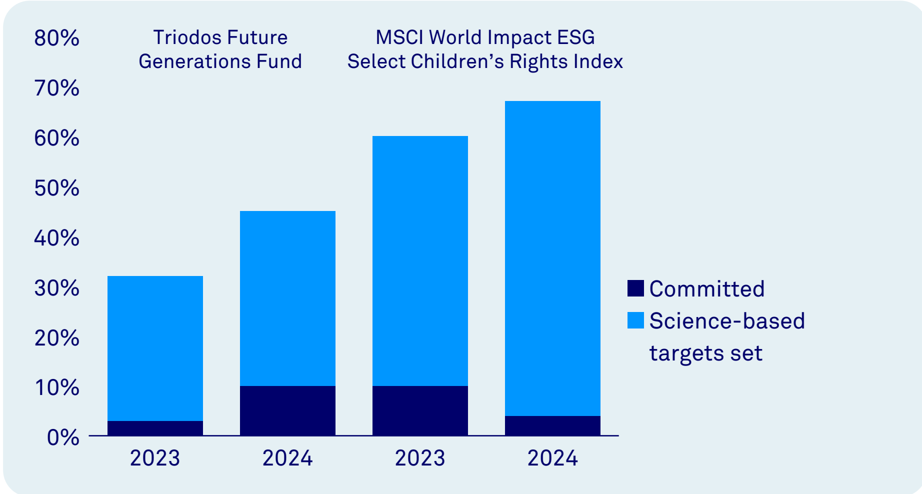
22%
voted against management

The fund voted at 38 Annual General Meetings on a total of 549 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
Sig Group	The main ESG risks for SIG Combibloc are environmental: responsible sourcing of wood fibres and other materials, waste generation, energy use, GHG emissions and the introduction of stricter climate-related regulations. There are also potential negative impacts on human rights from its operations or in its supply chain.	SIG has ambitious sustainability targets, such as net zero emissions in the whole value chain by 2050, increasing the recycling rate of its beverage cartons in Europe to 70% by 2030 and creating 650,000 hectares of sustainable forest worldwide by 2030.
Hologic	Hologic's main ESG risks are product quality and safety, supply chain management, access and affordability, data protection and privacy, and anticompetitive behavior. Other specific risks are talent management and corporate governance.	Hologic's products and services directly contribute to the sustainable development goal of ensuring health, with a focus on women's health. Further improving the access and affordability of its products, to which end it has many active partnerships, is an opportunity for Hologic.
Stride	As an educational provider, Stride'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.	All of Stride's activities contribute to achieving of the sustainability objective of delivering education for all. Stride facilitates individualised and online learning for primary and secondary education students, thereby helping learners of all ages reach their full potential.
Zurn Elkay Water Solutions	Zurn Elkay's primary ESG risks include water management and scarcity, particularly the ecological impact of its products, supply chain management, and employee health and safety during manufacturing.	Its ESG opportunities lie in promoting water conservation and improving access to safe, clean water. The company can leverage its expertise in water-efficient plumbing systems, filtration solutions, and touchless fixtures to support the growing demand for sustainable building infrastructure.
Kerry Group	Biodiversity loss, climate change and water stress impair agricultural production, which might pose a material risk to Kerry's sourcing operations, including coffee, cocoa, vanilla and palm oil. Deforestation is linked to soil erosion and disrupted rainfall patterns, and it has also been associated with problematic labour practices.	Kerry's products contribute to reducing food waste, to the provision of healthy and nutritious food and to shifting to plant-based diets. In addition, Kerry has an adequate approach to several sustainability issues in its own operations and has started to tackle social and environmental risks in its supply chain.
Cooper Companies	Cooper's main ESG risks are product quality and safety, supply chain management, access and affordability, and anticompetitive behaviour. Additionally, some of the company's facilities are exposed to physical climate risks.	The company is a leading manufacturer of soft contact lenses and a pioneer in the production of lenses that slow the progress of myopia in children. It raises awareness of myopia progression, funds research into myopia, and educates optometrists on myopia management.
Revvity	Revvity's main ESG risks include product impact and safety for consumers, environmental impact - particularly water scarcity, climate-related physical risks, and data protection and privacy.	Revvity's main ESG opportunities include improving access and affordability of healthcare solutions and enhancing supply chain sustainability through responsible sourcing.
Reliance Worldwide Corporation	Reliance's main risks include employee health and safety in manufacturing processes, product impact and safety, and the environmental impact associated with its products.	Its main opportunities include promoting water efficiency through its sustainable plumbing and water flow control systems. The company offers smart technology solutions to optimise resource usage to reduce the environmental impact of its products.
Blackbaud	The main ESG risks relate to energy management, human capital and employee wellbeing, data protection and information security, product design & lifecycle management, and competitive behaviour.	Serving over 45,000 customers in the social good community in 100+ countries (including from non-profit organisations, foundations, as well as K-12 schools and higher education institutions and healthcare organisations) with its software, the company contributes to social inclusion and empowerment.
Thule Group	Thule's material ESG risks include labour standards and working conditions, product safety, resource-conserving production and product's environmental impact.	Thule is well-known for its high product quality and safety and incorporates sustainability into its development and design stage early on. In addition, living active life styles prevents people from developing lifestyle related diseases. The company also (indirectly) contributes to lower use and costs of health care.

Sustainability risks and opportunities

Risks and opportunities of largest GHG emitters

Company name	Risks	Opportunities
SABESP	Key operational risks include energy intensity, greenhouse gas emission reduction targets and action plans and greenhouse gas emission intensity. The company's greenhouse gas emission intensity shows a decreasing trend in recent years.	No climate change opportunities were identified.
DSM-Firmenich	DSM-Firmenich faces climate risk through its chemical manufacturing operations, where direct combustion and process-related activities contribute significantly to GHG emissions. Additionally, while scope 1 and 2 emissions have seen notable reductions, scope 3 emissions remain high compared to peers, presenting a challenge in achieving comprehensive decarbonisation across its value chain.	DSM-Firmenich has significant opportunities to further enhance its climate performance. The validated SBTi targets and net-zero goal for 2045 demonstrate a strong strategic commitment, while initiatives such as increasing renewable electricity use and deploying carbon removal technologies can help lower its overall emissions.
Kerry	Biodiversity loss, climate change and water stress impair agricultural production, which might pose a material risk to Kerry's sourcing operations, including coffee, cocoa, vanilla and palm oil. Deforestation is linked to soil erosion and disrupted rainfall patterns, which can compromise agricultural yields, and has also been associated with problematic labour practices.	Kerry's products contribute to reducing food waste, to the provision of healthy and nutritious food and to shifting to plant-based diets. In addition, Kerry has an adequate approach to several sustainability issues in its own operations and has started to tackle social and environmental risks in its supply chain.
Essity	Essity faces climate risk primarily driven by its production processes, which contribute nearly 30% of its GHG emissions. The company's operations and its fibre-based raw material supply chain are vulnerable to extreme weather events such as heatwaves, floods, and droughts – with 65% of its facilities in high-risk areas – and to risks from deforestation and changing weather patterns.	Essity has a clear opportunity to enhance its climate performance by leveraging its SBTi-validated transition plan toward net zero by 2050. Expanding the share of renewable energy and improving energy management could reduce operating costs and lower overall emissions. In addition, investments in fossil CO_2-free tissue production and alternative fibre sources, such as the wheat straw pulp initiative, can improve supply chain resilience and drive further innovation in sustainable operations.
Lion	Lion has emission reduction targets, validated by SBTi. Its scope 3 emissions, however, are still significant, which is inherent to its laundry and home care products. Promoting environmentally friendly habits by consumers is a focus area, but still outside control of the company.	The company targets to reduce emissions from its own activities to zero by 2050 and to reduce by half throughout the product lifecycle. The former includes energy saving activities and increased use of renewable energy. The latter includes efforts to reduce water usage at households and a focus on reducing plastics by using refills.

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
ITO EN	ITO faces risks associated with the use of sustainable water resources, as well as other nature-related challenges within its agricultural supply chains, including those impacting tea production.	ITO can further improve its climate change mitigation efforts by setting targets aligned with the Paris Climate Agreement and implementing and disclosing an energy management system. The company could also improve its monitoring of management and supplier standards for biodiversity, freshwater use, soil health in its agricultural supply chains, and disclose the share of raw materials produced through organic farming.
Ebro Foods	Accelerating biodiversity loss, climate change, and water stress are undermining agricultural production, potentially posing significant risks to Ebro Food's sourcing operations. Moreover, deforestation contributes to soil erosion and disrupted rainfall patterns, which can compromise yields and has been linked to problematic labor practices, including human rights abuses.	Ebro Foods aims to contribute to the stronger preservation of the environment and biodiversity, while mitigating climate change by promoting growing techniques in its supply chain to reduce crop emissions.
Lion	Lion operates in the household and personal care industry, where the primary biodiversity risks are associated with the entire product life cycle. These risks are especially related to the selection and sourcing of raw materials – such as palm oil and paper – as well as the eventual use and disposal of products by consumers.	Growing demand for more sustainable products and ingredients, along with a focus on how they are produced and packaged, presents an opportunity for Lion to boost its brand value. By aligning with sustainable sourcing practices, implementing deforestation-free programmes, and transitioning to more sustainable packaging solutions, Lion can enhance its market reputation and meet consumer expectations.
Voltalia	Environmental impact assessments should be conducted during the design of planned wind and solar plants, outlying how the company mitigates the negative biodiversity impacts (e.g. on birds and bats by its wind power plants).	Most of Voltalia's business activities contribute significantly to mitigating climate change and advancing the transition towards a more sustainable energy system.
Acomo	As a company that sources, processes, trades, packages, and distributes natural agricultural products, like spices, nuts, edible seeds, and tea, for food & beverage industries around the world, Acomo's most significant risks to biodiversity lie in its supply chain with the production of its raw materials.	With a product range of more than 600 natural raw agricultural materials, Acomo derives 40% of its revenue from organic products. And due to its wide presence in the supply chain, Acomo supports the protection, resilience and restoration of ecosystems by providing education, supporting innovations, and sourcing certified ingredients.

The biodiversity laggards per fund are identified top down, with the addition of biodiversity data from several sources. The first step in identifying the biodiversity laggards for each fund is to determine which high-risk sectors 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 to 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 to have 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 on 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
Sig	Climate change, waste, business ethics, human rights, labour rights
Hologic	Waste, corporate governance, labour rights
Stride	Human rights
Zurn Elkay Water Solutions	Labour rights
Kerry	Climate change
Cooper Companies	Human rights, labour rights
Revvity	Corporate governance
Reliance	Climate change, health and safety, human rights
Blackbaud	Climate change, business ethics, corporate governance, human rights
Thule	Business strategy

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.

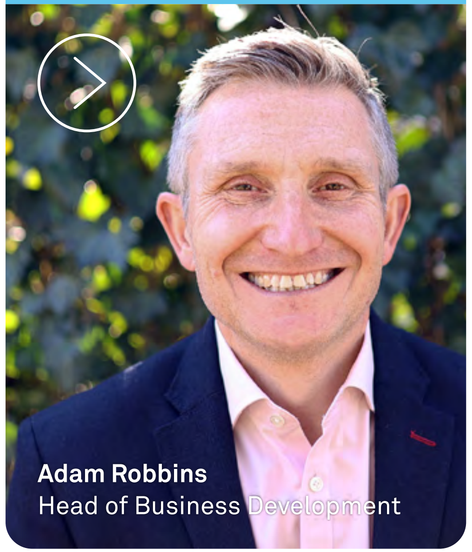
Find out more about the EU SFDR and Taxonomy requirements. The fund's sustainability-related disclosures in accordance with SFDR can be found here.

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.

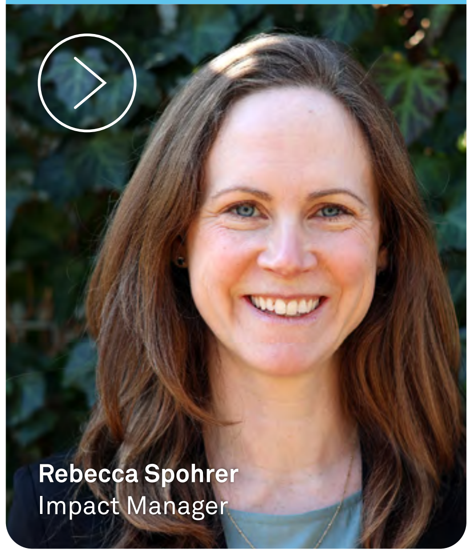
Sustainable investing

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.

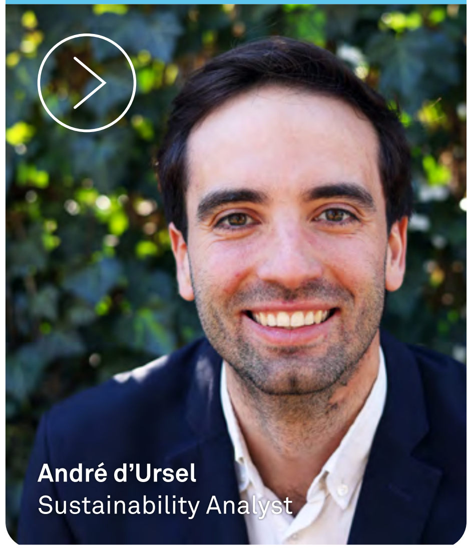


Impact measurement

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.



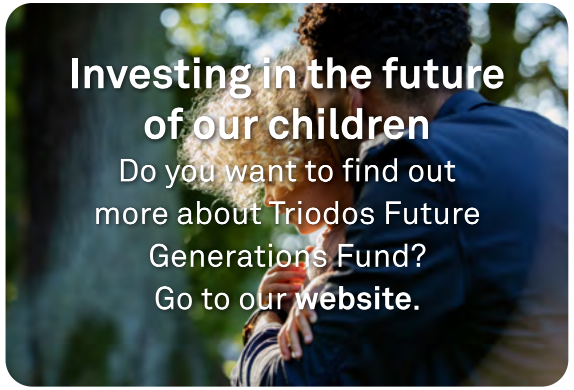
Impact metrics explained

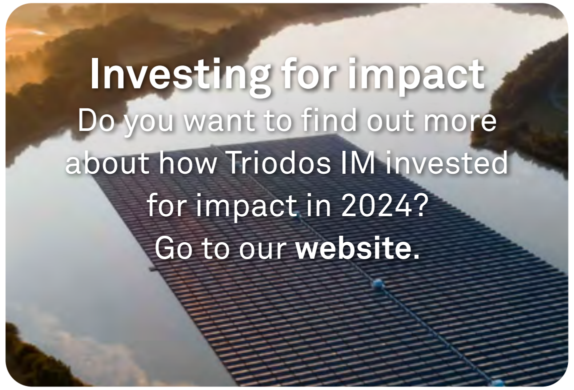
Contribution to the **UN Sustainable Development Goals** is based on the ISS ESG Sustainable Solutions Assessment, which is a comprehensive assessment of company products and services that affect the SDGs. This data enables investors to identify the share of products and services that have a positive 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.

Principal Adverse Impact Indicators (PAIs)

- **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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