Investing in the changemakers

Triodos Global Equities Impact 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 transition themes

34%
Wellbeing transition

14%
Resource transition

13%
Energy 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**

74%
of holding companies committed to or aligned with the Science Based Targets initiative

53% less
GHG intensity than benchmark

99% less
Non-recycled waste than benchmark

78% less
Excessive CEO pay ratio than benchmark

Increased need for impact investing

2024 was the hottest year on record and the first calendar year in which the Earth was more than 1.5 degrees Celsius warmer than in pre-industrial times. On top of this, biodiversity declined further, social injustice increased and geopolitical uncertainties intensified. These trends have increased the need for impact investing. In this Impact Report, we show how we increased our contribution to sustainable transitions by investing in entities that deliver positive social, environmental and cultural change.

Triodos Global Equities Impact Fund invests in listed companies that materially contribute to the transition towards a sustainable society through their products and services, or through their business practices. The fund invests exclusively in companies that contribute to one or more of our five sustainable transition themes and meet our strict minimum standards. The portfolio also performed well from a financial point of view and posted a strong absolute return in challenging circumstances for impact equity funds.

Based on their revenue contribution to the five transitions, we added new impactful names to the portfolio. Clear contributors to the Energy and Resource transition are Carlisle (roofing products) and Alexandria Real Estate (life science real estate). Resmed (sleep and respiratory care), a contributor to the Wellbeing transition, was also included in the fund.

In 2025, we will continue to look for companies that fit the transitions and maximise our positive impact. As before, we will do so with a concentrated portfolio of high-conviction positions.

Arjan Palthe
Portfolio Manager Triodos Global Equities Impact Fund

Portfolio management team


Arjan Palthe


Dimitri Willems


Sjoerd Rozing


Rob van Boeijen


Jan Rommert Straatman

Fund characteristics

Asset class
large cap global equities

Domicile
Luxembourg

Legal structure
sub-fund of Triodos SICAV I

Inception date
July 2007

AUM per December 2024
EUR 1,172,848,515

Benchmark
MSCI World Index EUR*

Managed by
Triodos Investment Management

Depository
CACEIS Bank, Luxembourg Branch

SILVER

Fund 3101 0015

Label ISR

Read more about the Nordic Swan Ecolabel

* Benchmark per January 2025: Bloomberg Developed Markets Index in EUR.

Investing in the changemakers

Triodos Global Equities Impact Fund is an SFDR Article 9 fund and invests in listed companies that contribute to the transition towards a sustainable society through their products and services, or through their business practices. As the changemakers of tomorrow, these companies show the potential to transform their sectors toward an economy within planetary boundaries, where people can thrive. 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
- Contribute to the transition to an economy where all humans can enjoy a prosperous life
- Make money work for environmental and social change

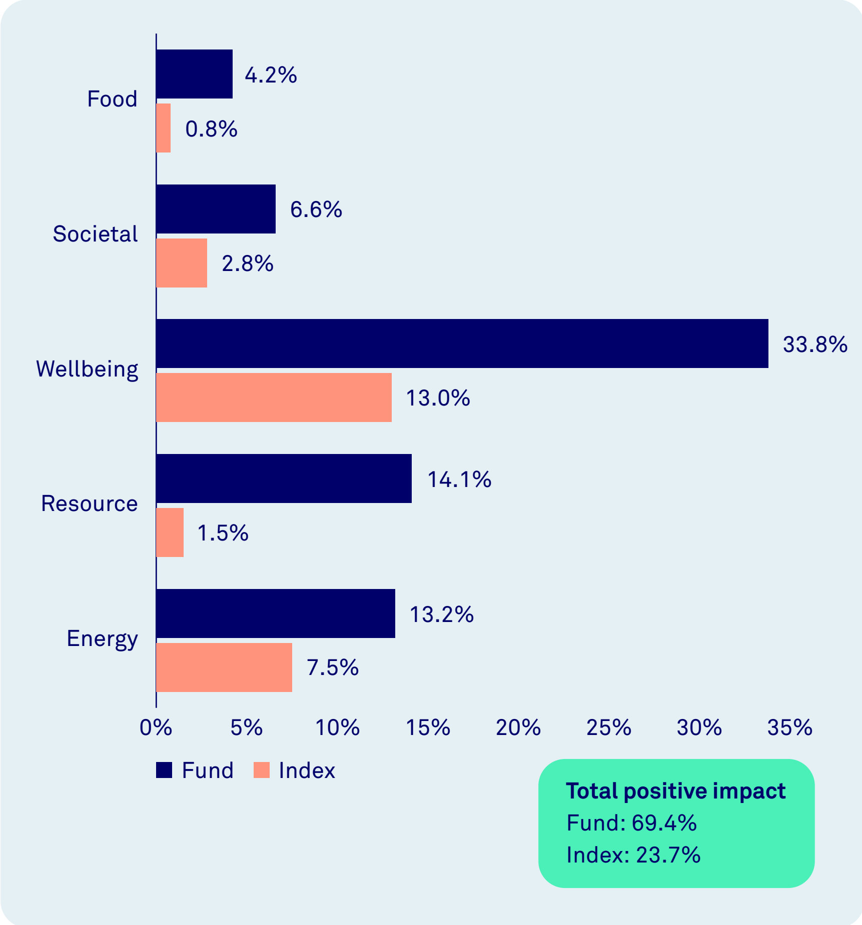
Triodos Transitions

		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 Global Equities Impact Fund contribute to one or more of the five transitions and to the UN SDGs. For equities, a minimum of 33% of company revenue from products and services must positively contribute to the transitions.

Contribution to transitions



Source: Triodos IM. Data per year end 2024

Two examples

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%).

Gen Digital
The largest part of this cyber safety and security provider's revenues is related to the following products and services:
- Cyber safety and security solutions (100%)

The company fully contributes (100%) to the impact objectives related to the Wellbeing transition and to SDGs 3 and 16 (both 100%).

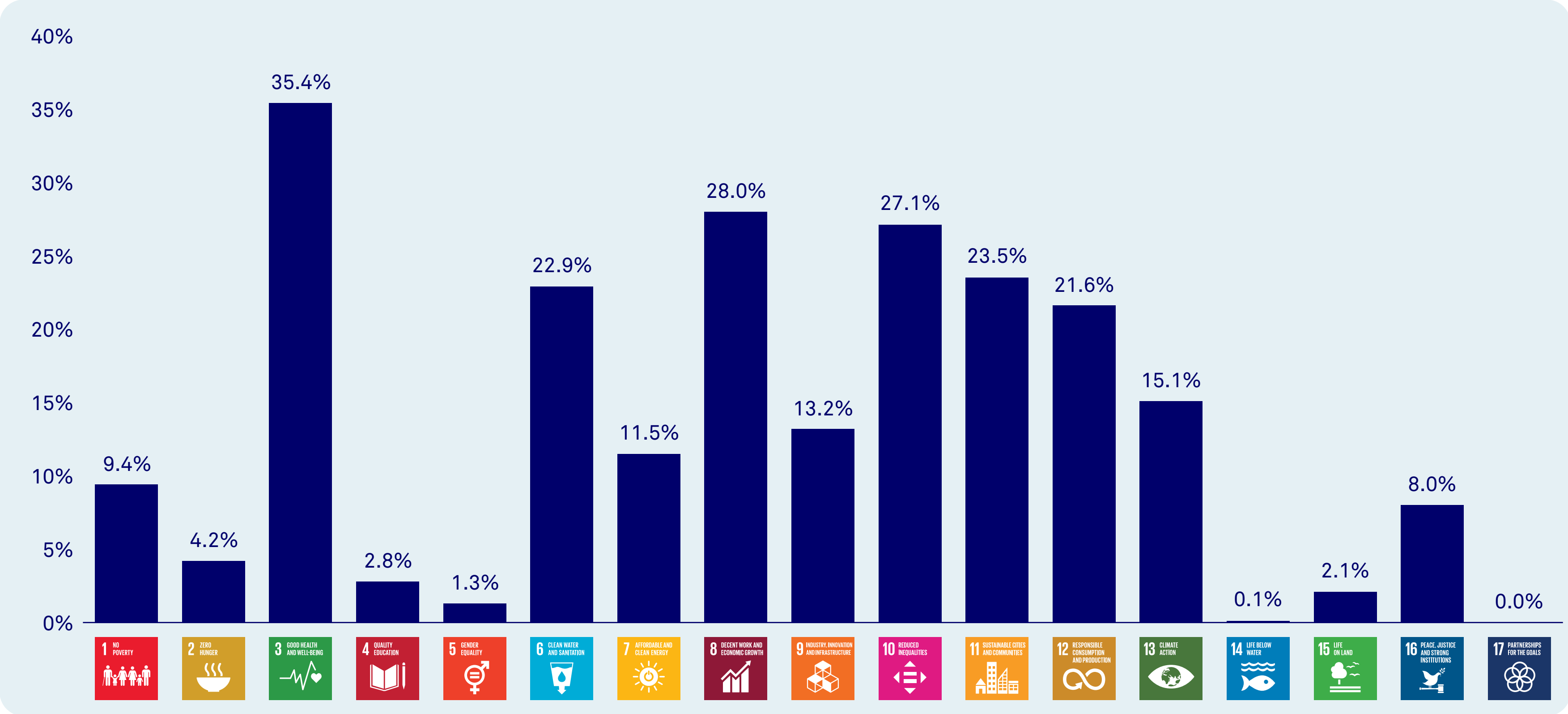
The total positive impact is not necessarily equal to the sum of the contributions to each transition, as some products and services with positive impact can be linked to multiple transition themes. This 'double counting' is eliminated at fund level to calculate the total positive impact.

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 can be linked to multiple SDGs.

Contribution to UN SDGs



Source: Triodos IM. Data per year end 2024

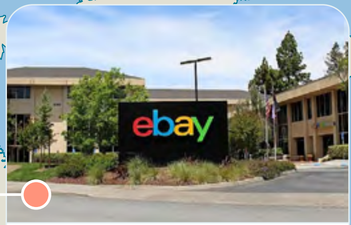
Impact investments

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

National Grid

National Grid is a British multinational electricity and gas utility company, active in the UK and the US. The company owns and operates electricity transmission and distribution networks. National Grid is one of the largest investor-owned utility companies in the world. It plays a vital role in energy transition and guarantees secure and efficient supply of energy to business and households.

> Find out more here



eBay

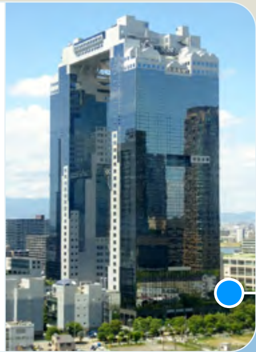
eBay is a global e-commerce company which connects millions of buyers and sellers in more than 190 markets around the world through its Marketplace platforms. The company offers a highly accessible way - with a low cost of entry for sellers - for all types of users to interact in a global marketplace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

> Find out more here

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.

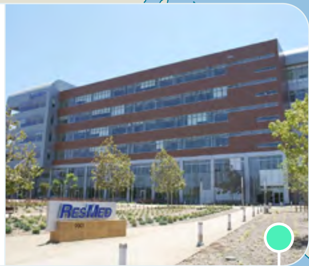
> Find out more here



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



Deere

Deere provides agriculture tech products, solutions and services which support end users to prepare soil, to seed and harvest crops as well as to renovate roads. Its machines and online management systems contribute to better outcomes, with fewer resources required, including labour time, energy, nitrogen and crop protection products (e.g. pesticides).

> Find out more here

Theory of Change

This Theory of Change underpins how Triodos Global Equities 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:

If we:	› 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 2024, the fund excluded no companies from the portfolio due to either a breach of the Triodos 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 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

53% less

Fund
50.59t CO_2eq / EURm — Coverage: 96.9%

Index
106.92t CO_2eq / EURm — Coverage: 99.4%

Fossil fuel involvement

72% less

Fund
2.20% involvement — Coverage: 99.0%

Index
7.80% involvement — Coverage: 99.7%

Non-recycled waste

99% less

Fund
0.88t / EURm — Coverage: 63.3%

Index
86.54t / EURm — Coverage: 52.6%

Social

UNGC / OECD violations

100% less

Fund
0.00% involvement — Coverage: 99.0%

Index
0.50% involvement — Coverage: 99.7%

Governance

Excessive CEO pay ratio

78% less

Fund
213.14 times median — Coverage: 61.0%

Index
956.45 times median — Coverage: 76.5%

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.

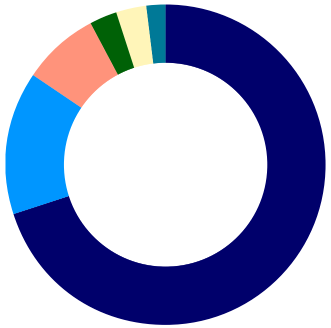
Resources transition

Engagement and voting summary

Engagement in 2024

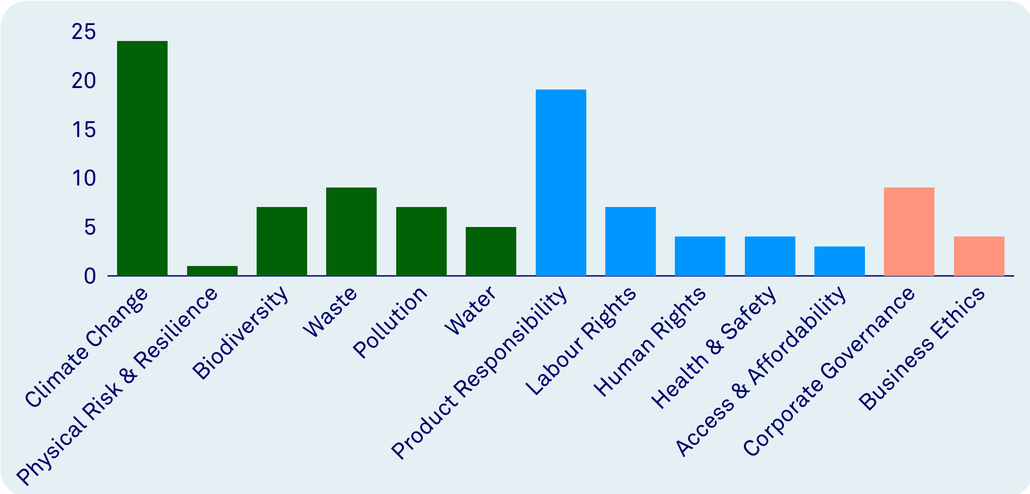
In addition to our engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2024
Company Update	73
Company Engagement	15
Collaborative Engagement	8
Engagement Project	3
Event Driven Engagement	3
Minimum Standards information	2
Impact Bond Engagement	0
Total	**104**

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 50 Annual General Meetings on a total of 741 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
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.	Being the world's leading supplier of graphic processing units and related software, the company contributes to and accelerates the development of various aspects of artificial intelligence (AI). Furthermore, with data centres 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.
RELX	As a company active in publishing and information provision, 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 fibres.	RELX distributes vital research and information and manages the largest database in the world for academic research in science, technology, medicine, law and business. Through these services it contributes to society by advancing science and health, protecting people, improving the rule of law and providing access to justice.
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 chair 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.
Mastercard	Mastercard's relevant ESG risks include employment security and wellbeing, data protection and information security, customer protection and digital inclusion, responsible client management and marketing, and energy management of data centres.	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).	An opportunity for Intuitive Surgical is to adopt a more comprehensive strategy to enhance access and affordability of its products and services.
KLA	Risks include electricity use, supply chain management, employee health and safety, data security and protection of IP, and increasingly stringent US export controls.	As the world's leading supplier of inspection and metrology systems to the semiconductor industry, KLA helps customers to improve their manufacturing processes and efficiency and to reduce waste.
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. As the largest and most advanced chip maker globally, TSMC is well positioned to support the increasing computing power requirements in a cost- and energy efficient way.
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.
Deere	Agricultural equipment manufacturers like Deere face high ESG risks primarily from ongoing reliance on fossil fuels, leading to significant greenhouse gas emissions. Additionally, the company faces risks related to indirect environmental impacts of agricultural practices on biodiversity and deforestation.	By leveraging advanced solutions like autonomous machinery, AI-driven spraying and comprehensive digital farm management, the company can help farmers achieve higher yields and substantial cost savings, driving sustainability throughout the agricultural value chain.
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.	Beyond providing essential hygiene products, P&G strives to spread awareness and education on hygiene and environmental topics. In addition, P&G is working towards minimising its environmental footprint and working on circular solutions. It may increase its brand value by being positively associated with sustainable sourcing, deforestation-free programmes and shifting towards more sustainable packaging solutions.

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.
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.
Deere & Co	While Deere has validated SBTi targets covering scope 1, 2, and 3 emissions, most of its reductions are scope 2. With scope 3 accounting for 99% of total emissions, the challenges of reducing emissions in purchased goods, services, and the use of sold products remain substantial. Additionally, rising energy consumption and reliance on fossil fuels expose Deere to regulatory and cost pressures, making it vulnerable to future carbon pricing and operational inefficiencies.	Deere may improve its climate performance by leveraging its SBTi-validated targets and by investing in energy efficiency and renewable energy. Further reducing scope 3 emissions would also drive significant progress. Expanding its electric and hybrid model offerings and continuing to optimise operations would enable Deere to better manage its carbon footprint and position itself competitively in a low-carbon future.
Xylem	Xylem is exposed to climate-related risks such as water scarcity, extreme weather events disrupting supply chains, and stricter environmental regulations impacting product requirements and operations.	Xylem may capitalise on the increasing global demand for advanced water management solutions, including energy-efficient pumps, smart water technologies, and wastewater treatment innovations that support climate resilience.
National Grid	National Grid's ESG risks mainly concern ensuring a sustainable supply chain, reliability and efficiency of the network, as well as worker health and safety.	The replacement of existing grid assets is the largest driver for grid investments, due to aging substations, transformers and power lines. National Grid can benefit from a ramp in grid investments resulting from a higher need for clean power.

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
Novo Nordisk	Biodiversity loss driven by pollution through air, water and soil is the main risk for pharmaceutical companies like Novo Nordisk. Risk management for substances of concern and wastewater, and hazardous waste management for treatment facilities are key.	Novo Nordisk's roadmap to become nature positive by 2045 creates opportunities to improve supply chain assessments and reduce environmental impacts, particularly regarding deforestation-free sourcing and water-use efficiency. Deepening analyses of land use, water stress, and biodiversity at production sites can help the company identify cost-effective measures to mitigate risks and comply with emerging regulations.
Nomad Foods	Nomad Foods operates in the food products industry, heavily relying on ecosystem services. Its biodiversity risks primarily stem from its raw material supply chain.	The company can enhance its sustainability profile by ensuring sustainable use of water and by taking measures to reduce the climate impact of agricultural production within its value chain. Evaluating the presence of invasive alien species in its operations and supply chain presents an opportunity to further improve risk mitigation.
Shin-Etsu Chemical	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, also 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.
Darling Ingredients	The company faces risks related to wastewater management, soil health, climate change, and agricultural practices within its supply chain.	The company could further enhance biodiversity by adopting a clear stance on soil, water and biodiversity management in its supply chains. Providing detailed information on the proportion of raw materials sourced from organic farming would also be beneficial.
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.	The company recognises the importance of biodiversity and ensures that discovery and development of products derived from any non-human organisms are in line with the principles and goals of the UN Convention on Biological Diversity. 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 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
NVIDIA	Climate change, corporate governance
RELX	Climate change, labour rights
EssilorLuxottica	Corporate governance
Mastercard	Impact narrative
Intuitive Surgical	Corporate governance
KLA	Biodiversity, climate change, waste, corporate governance, human rights
Taiwan Semiconductor	Health and safety
Danone	Biodiversity, climate change, pollution
Deere & Co.	Biodiversity, climate change, pollution, waste, business ethics, health and safety
Procter & Gamble	Biodiversity, climate change, pollution, waste, corporate governance, labour rights

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.

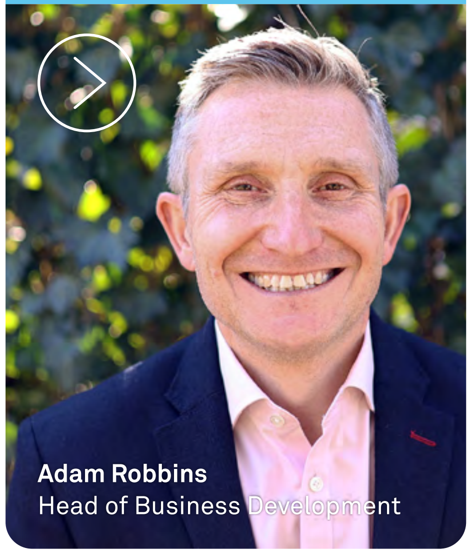
Find out more about the EU SFDR and Taxonomy requirements. The fund's sustainability-related disclosures in accordance with SFDR can be found here.

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

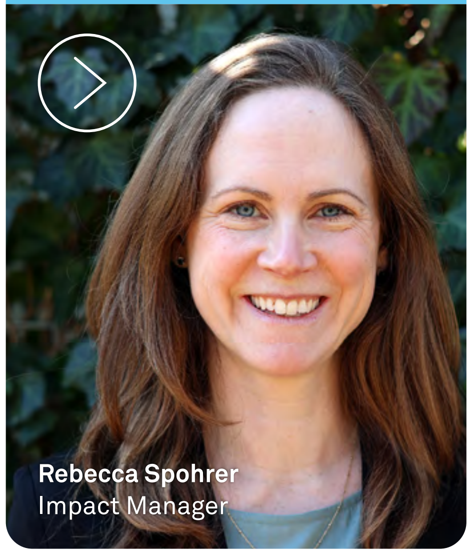
Delve into the nuances of sustainable investment strategies, such as ESG integration and impact investing. Learn to identify different approaches and align them with your values and financial goals.



Adam Robbins
Head of Business Development

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.



Rebecca Spohrer
Impact Manager

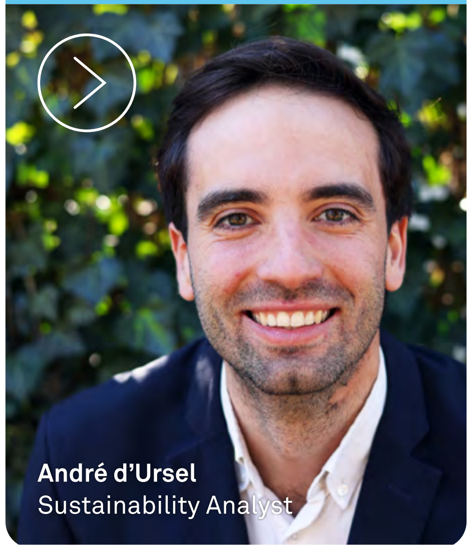
Impact measurement

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.

Nikkie Pelzer
Impact Manager

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.



André d'Ursel
Sustainability Analyst

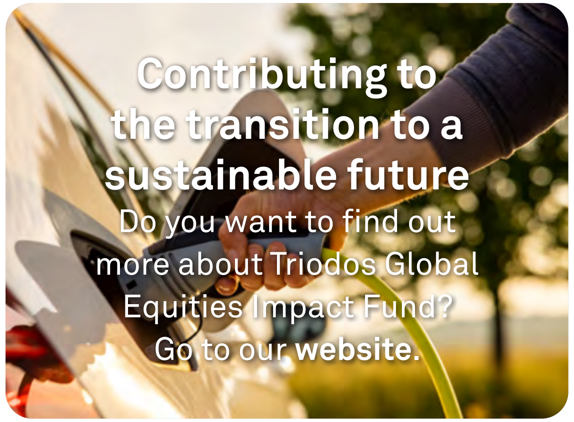
Impact metrics explained

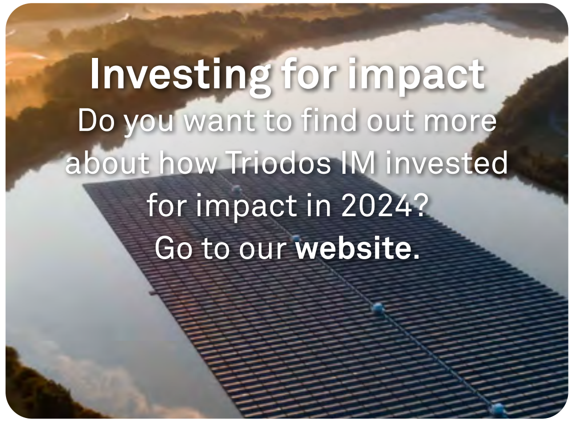
Contribution to the **UN Sustainable Development Goals** is based on the ISS ESG Sustainable Solutions Assessment, which is a comprehensive assessment of company products and services that affect the SDGs. This data enables investors to identify the share of products and services that have a positive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