Investing in the future of our children

Triodos Future Generations Fund
Impact Report 2023

Triodos Investment Management

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1	2	3	**4**	5	6	7

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

Impact highlights 2023

Top 3 transition themes

28%
Prosperous and Healthy People

20%
Social Inclusion and Empowerment

13%
Sustainable Food and Agriculture

Top 3 Sustainable Development Goals contributed to

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

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

27%
voted **against management**

32%
of holding companies committed to or aligned with the Science Based Targets initiative

90% less
GHG intensity **than benchmark**

8% less
Non-recycled waste **than benchmark**

10% less
Excessive CEO pay ratio **than benchmark**

Fit for the future

Looking back at 2023 leaves me with mixed feelings. I'm happy that we were able to make a start with our engagement project about family-friendly work policies. We discussed the topic with many companies in portfolio and, in doing so, were able to explain the importance of this specific topic. It also allowed us to touch upon the importance of identifying and treating children as a unique stakeholder.

The mixed feelings come from the fact that we continue to see children being the main victims of today's global challenges (war, climate change, inequalities, etc.). And despite this, research from the Global Child Forum shows that companies are not making any progress on the topic of the wellbeing of children. They are even going backwards. Engagement on child wellbeing is even more important today than it was a year ago.

Throughout 2023, we made changes to the portfolio that have made it more impactful. Positions in adidas and Hain Celestial were sold. We added Arena REIT, ITO EN, Revvity and Swedish Orphan Biovitrium.

In 2024, we will continue our engagement efforts on the wellbeing of children, stepping up our efforts. And of course, we will look for opportunities to increase the portfolio's impact, while maintaining a careful balance between risk and return.

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 2023
EUR 38,003,315

Benchmark
MSCI World Impact ESG Select Children's Rights Index

Managed by
Triodos Investment Management

Depository
CACEIS Investor Services Bank SA

GOLD

Fund 3101 0083

Read more about the Nordic Swan Ecolabel

Investing in the change makers

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

Sustainable Objectives

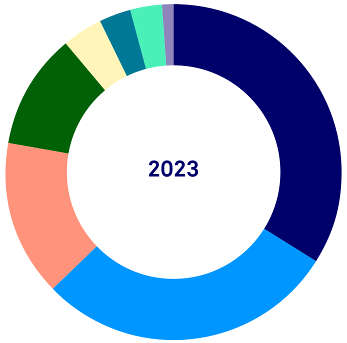
- Contribute to the transition to an economy within planetary boundaries (Renewable Resources; Circular Economy; Sustainable Mobility and Infrastructure; Sustainable Food and Agriculture; Innovation for Sustainability)
- Contribute to the transition to an economy where all humans can enjoy a prosperous life (Innovation for Sustainability; Prosperous and Healthy People; Social inclusion and Empowerment)
- Make money work for environmental and social change (all themes)

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

Impact achieved

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

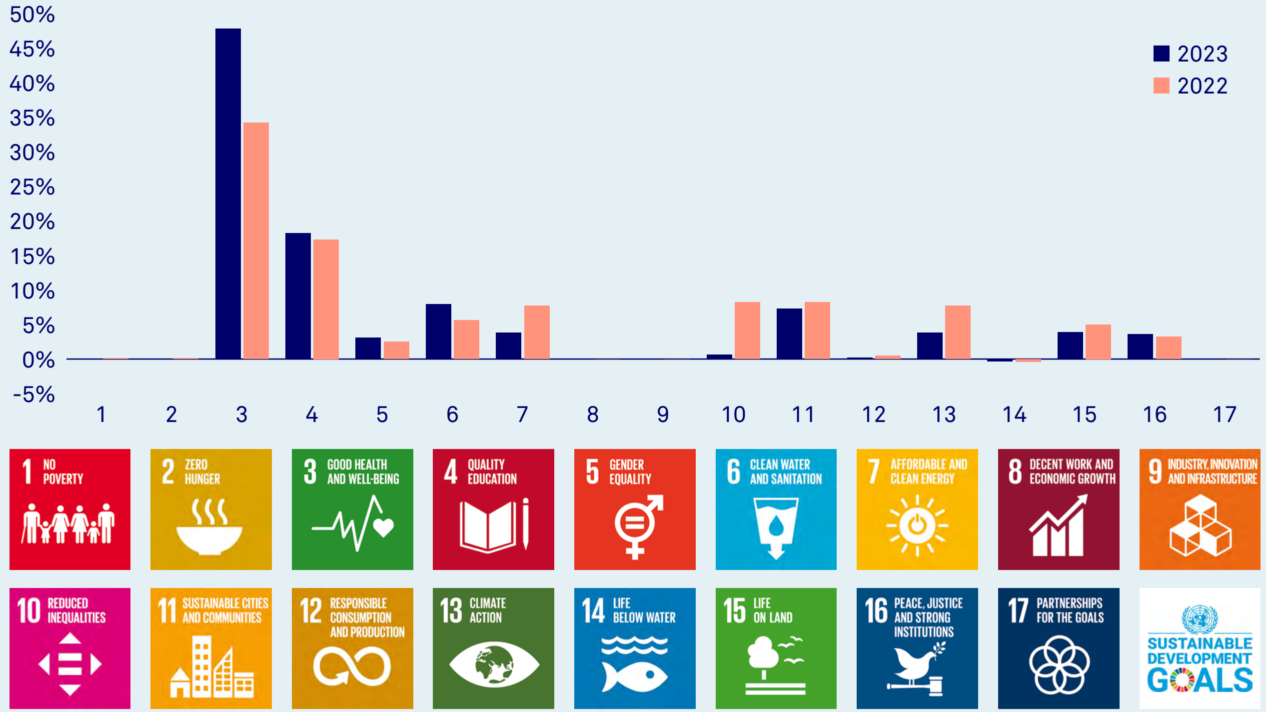
Portfolio contribution to transition themes



	2023	2022
Prosperous and Healthy People	34%	29%
Social Inclusion and Empowerment	29%	29%
Sustainable Food and Agriculture	15%	17%
Renewable Resources	11%	11%
Innovation for Sustainability	4%	4%
Circular Economy	3%	4%
Sustainable Mobility and Infrastructure	3%	2%
Liquidity	1%	4%

Sustainable Development Goals

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



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

The increased contribution to SDG 3 is the result of the addition of Arena Reit, Revvity and Sedish Orphan Biovitrium to the portfolio. These companies contribute positively to this SDG with their products and services. The changes in the contribution to SDG 10 are caused by transactions and stricter application of positive scoring for this SDG by ISS ESG.

Impact investments

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

Access to education

Stride is a US educational services company providing virtual and blended learning. Most of its services are provided to primary and secundary schools. The company provides access to education to those who do not fit into the regular school system. Its career learning programs help to bridge the skills gap for graduates joining the workforce.

> 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. It allows parents to control their children's online activities, protecting them from potential threats.

> Find out more here

Health and survival Swedish Orphan Biovitrum is a biopharma-ceutical company focused on rare diseases. There are around 6,000 distinct rare diseases affecting more than 300 million people around the world. Around 75% of these diseases affect children, with a devastating effect on their life expectancy and quality of life. Around 30% of children diagnosed with a rare disease die before turning five.

> Find out more here

Equal opportunity and inclusion

Arena REIT is a real estate company with a specific focus on social infrastructure. The company develops and leases out real estate for childcare purposes. High-quality childcare is not only key for the development of young children, but also contributes to equality, as it allows both parents to have a career.

> Find out more here

Safe and clean environment

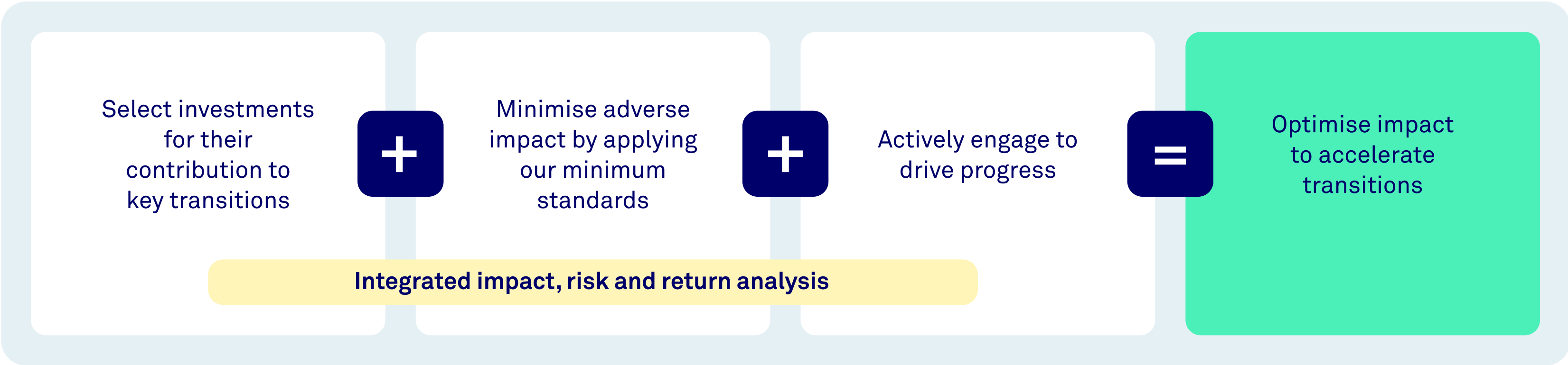
SABESP is water utility active in 372 municipalities in the state of São Paulo. The company designs and constructs water distribution infrastructure and water treatment systems. Only 52% of Brazil's homes currently have access to a sewage system and 83% to drinking water supply. Water infrastructure benefits the health of both children and their parents.

> Find out more here

Optimising impact to accelerate transitions

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

A robust process to optimise impact



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

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

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

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

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

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

Theory of Change

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

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

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

Do no significant harm

In the course of 2023, 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, Non-recycled waste and the Excessive CEO pay ratios illustrate the lower negative impact of the portfolio companies' activities compared to those of the benchmark: MSCI World Impact ESG Select Children's Rights Index.

Indicator	End of December 2023	End of December 2022
GHG intensity	**90% less** Fund: 94.15 tCO_2eq / EURm Index: 921.88 tCO_2eq / EURm	**92% less**
Non-recycled waste	**8% less** Fund: 3.14 t / EURm Index: 3.42 t / EURm	**n/a**
Excessive CEO pay ratio	**10% less** Fund: 146.35 times median Index: 162.98 times median	**64% less**

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

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

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

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

Engagement agenda

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

Climate change

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

Read the full article.

Energy transition

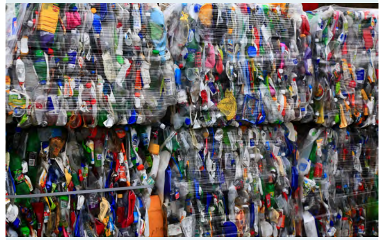
Executive remuneration

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

Read the full article.

Societal transition

Plastic pollution



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

Read the full article.

Resources transition

Family friendly working policies

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

Read the full article.

Wellbeing / Societal transition

Hazardous chemicals

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

Read the full article.

Resources transition

No change without engagement

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

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

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

The impact of engagement

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

The mutual benefits of engagement

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

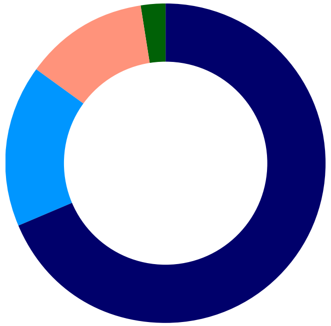
Read the full article here.

Engagement and voting summary

Engagement in 2023

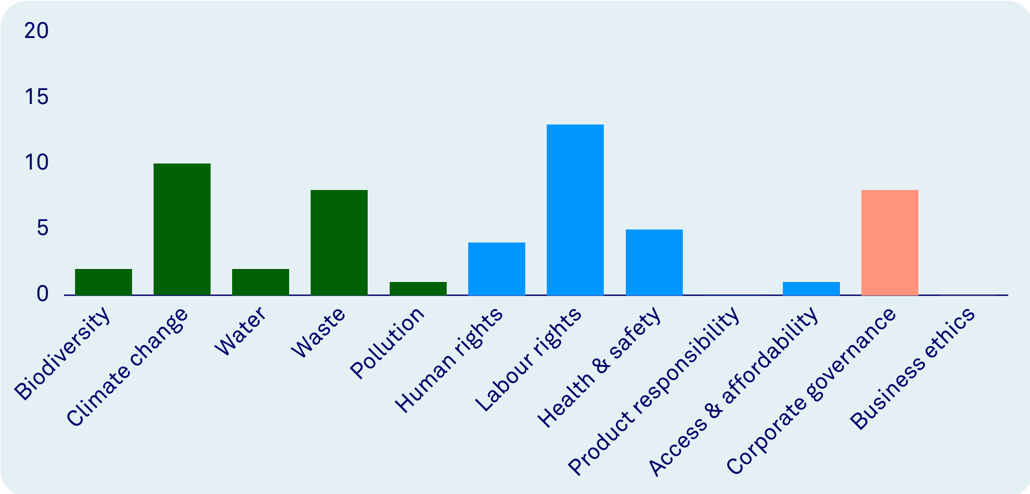
In addition to our engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2023
Company update	55
Company engagement	13
Engagement project	10
Event-driven engagement	2
Collaborative engagement	0
Impact bond engagement	0
MSA request for information	0
Total	**80**

ESG topics discussed



Number of times the topic was discussed.

Voting

100%
of AGMs voting at

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

27%
voted against management

The fund voted at 35 Annual General Meetings on a total of 485 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.

Following their merger in May 2023, DSM-Firmenich submitted in January 2024 a combined emissions target to the SBTi for validation, which is still pending.

Sustainability risks and opportunities

ESG risks and opportunities of the ten largest holdings

Company name	Risks	Opportunities
Blackbaud	The main ESG risks relate to energy management, human capital and employee wellbeing, data protection and information security, product design and lifecycle management, and competitive behaviour.	Serving over 45,000 customers in the social good community in 100+ countries (including non-profit organisations, cultural organisations, as well as primary and secundary schools and higher education institutions and healthcare organisations) with its software, the company contributes to social inclusion and empowerment.
Hologic	Hologic's main ESG risks are product quality and safety, supply chain management, access and affordability, data protection and privacy and competitive behaviour.	Hologic's products and services directly contribute to the SDG of ensuring health. Further improving the access and affordability of its products, to which end it has many partnerships, is an opportunity for Hologic.
Stride	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.
Gen Digital	The main ESG risks relate to energy management, human capital and employee wellbeing, data protection and information security, product design and lifecycle management, and competitive behaviour.	Gen Digital provides cybersecurity solutions to over 500 million users worldwide. Its solutions protect consumers and small businesses and their data, identity and reputation against various cyber threats and attacks, thereby defending the human right to privacy and empowering digital life.
Cooper Companies	As a medical instruments company, the main ESG risks are product quality and safety, supply chain management, access and affordability and competitive behaviour.	Through several partnerships, Cooper raises awareness of myopia progression and funds research on myopia, educates optometrists on myopia management and improves access and affordability of fertility treatments.
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, palm oil.	Kerry's products contribute to reducing food waste, to the provision of healthy and nutritious food and to shifting to plant-based diets. The company has also started taking steps to tackle social and environmental risks in its supply chain.
SIG Group	The main ESG risks for SIG Combibloc are environmental: responsible sourcing of wood fibers 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 to increase the recycling rate of beverage cartons in Europe to 70% by 2030 and to create 650,000 hectares of sustainable forest worldwide by 2030. Besides environmetal opportunities, SIG's products enable more people to have access to healthy food and beverages.
Revvity	Revvity's main ESG risks are product quality and safety, supply chain management, access and affordability, animal welfare, data protection and privacy and competitive behaviour.	By contributing to improved disease diagnosis and the development of new and more personalised medicine, Revvity improves the health and well-being of people. The company also commits to expanding sickle cell disease screening across Sub-Saharan Africa by donating screening equipment to these countries.
Fisher & Paykel Healthcare	As a provider of respiratory medical devices for hospital and home care, the main ESG risks for Fisher & Paykel are product quality and safety, supply chain management, access and affordability, cybersecurity and data protection and competitive behavior. Other specific risks are potential patent disputes, personal injury liability cases and extreme droughts for its factory in Mexico.	By providing respiratory devices for oxygen therapy and sleep apnea, the company provides life saving treatments and contributes to better quality of life. The Fisher & Paykel Foundation supports underserved and underrepresented communities, for example by supporting initiatives that improve access to healthcare and education for indigenous communities in New-Zealand and the Pacific Islands.
PowerSchool	As a provider of cloud-based software for schools, PowerSchool's main ESG risks are mainly related to data security and privacy, cybersecurity, human capital and energy management. Another specific risk for PowerSchool is excessive remuneration.	PowerSchool's software contributes to children's education by enabling a more tailored and location-agnostic approach to learning.The company is taking steps to address several sustainability issues in its operation, including energy and climate risks.

Sustainability risks and opportunities

Risks and opportunities of largest GHG emitters

Company name	Risks	Opportunities
Revvity	Revvity does not report on scope 3 emissions and is thus not able to provide a complete picture of its GHG emissions. In addition, its GHG emissions reduction targets for scope 1 and 2 emissions have not been validated by SBTi yet.	Revvity is committed to increased sourcing of renewable energy and to setting science-based reduction targets for its GHG emissions. Concerning the environmental impact of Revvity's products, the company has taken measures towards improving the product lifecycle by manufacturing durable and upgradable products.
Kerry	Most of the company's GHG-emissions are scope 3, especially from purchased goods and the processing and use of products and transportation. While Kerry Group has set a relative target to reduce scope 3 emissions (30% reduction in GHG emissions per tonne of finished product by 2030 vs 2017), this has not resulted in a strong decrease of absolute emissions.	To reduce its scope 3 GHG emissions, Kerry undertakes several initiatives to encourage its suppliers to reduce emissions. Furthermore, the company commits to making all plastic packaging reusable, recyclable or compostable by 2025 and has a portfolio of food protection and preservation technologies that enhance the shelf life of food products, thereby reducing food waste.
Essity	Most of the company's emissions are scope 3: purchased raw materials, shipments, waste from operations and waste after product use. Despite having a strategy to reduce emissions, Essity still consumes over 80% of its energy use from non-renewable sources.	Essity has committed to achieve net zero emissions of greenhouse gases by 2050 and has near term SBTi-approved reduction targets for 2030 for scope 1-3 GHG emissions. In its operations, Essity has managed to reduce the carbon intensity by 23% between 2005 and 2022.
Lion	Lion has emission reduction targets, validated by SBTi, but its scope 3 emissions are still significant, inherent to their laundry and home care products. Promoting environmentally friendly habits by consumers is a focus area, but is 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 increasing the use of renewable energy. The latter includes efforts to reduce water usage at households and a focus on reducing plastics by using refills.
SABESP	Key operational management 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.

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

Sustainability risks and opportunities

Risks and opportunities of biodiversity laggards

Company name	Risks	Opportunities
ITO EN	ITO EN faces risks related to the use of sustainable water resources and other nature-related risks of agricultural supply chains, such as for tea.	ITO EN can further improve on climate change related impacts by setting targets that are in line with the Paris Agreement and implementing and disclosing an energy management system. Other opportunities include monitoring management and supplier standards of biodiversity, freshwater use, and soils in their agricultural supply chains and disclosure of the share of raw materials produced by organic farming.
Ebro Foods	Accelerating loss of biodiversity, climate change, and water stress impair agricultural production, which might pose a material risk to Ebro Food's sourcing operations. Deforestation is linked to soil erosion and disrupted rainfall patterns, which may compromise agricultural yields. This has also been associated with problematic labour practices, such as human rights abuses.	Ebro Foods aims to contribute to stronger preservation of the environment, biodiversity, and mitigation of climate change by applying promoting growing techniques in its supply chain aimed at reducing crop emissions.
Lion	Lion operates in the household and personal care industry, the main biodiversity risks are directly related to the life cycle of the products, mainly the choice and sourcing of raw materials (palm oil, paper) as well as their use and disposal by consumers.	Demand for more sustainable products and ingredients is increasing, as well as how these are produced and packaged. We see an opportunity for Lion to increase brand value by being positively associated with sustainable sourcing, deforestation-free programs and shifting towards more sustainable packaging solutions.
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	ACOMO sources, processes, trades, packages, and distributes natural agricultural products, like spices, nuts, edible seeds, and tea, for food & beverage industries around the world, its most significant risks to biodiversity lie in its supply chain with the production of its raw materials.	Demand for sustainable, natural and healthy food is strong and Acomo is well-positioned to benefit from it. 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 determining the biodiversity laggards per fund, is to identify the high-risk sectors for negatively affecting biodiversity. These include agriculture, construction and infrastructure, extractive industries, fishery and aquaculture, food and beverages, forestry and logging, shipping, chemicals, and pharmaceuticals. From these sectors, we filter companies with a relatively high negative impact on biodiversity using data from the World Benchmarking Alliance (WBA) and from ISS-ESG.

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

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

Engagement with the ten largest holdings

Company name	Engagement topics
Blackbaud	No engagement
Hologic	Governance
Stride	Climate change, human rights, labour rights
Gen Digital	Governance
Cooper Companies	Waste
Kerry	Biodiversity, climate change, waste, governance, health and safety, human and labour rights
SIG Group	No engagement
Revvity	Climate change
Fisher & Paykel	Climate change, waste, governance, health and safety, human and labour rights
PowerSchool	Governance

Implementation of sustainability regulation

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

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

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

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

Impact reporting in 2024

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

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

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

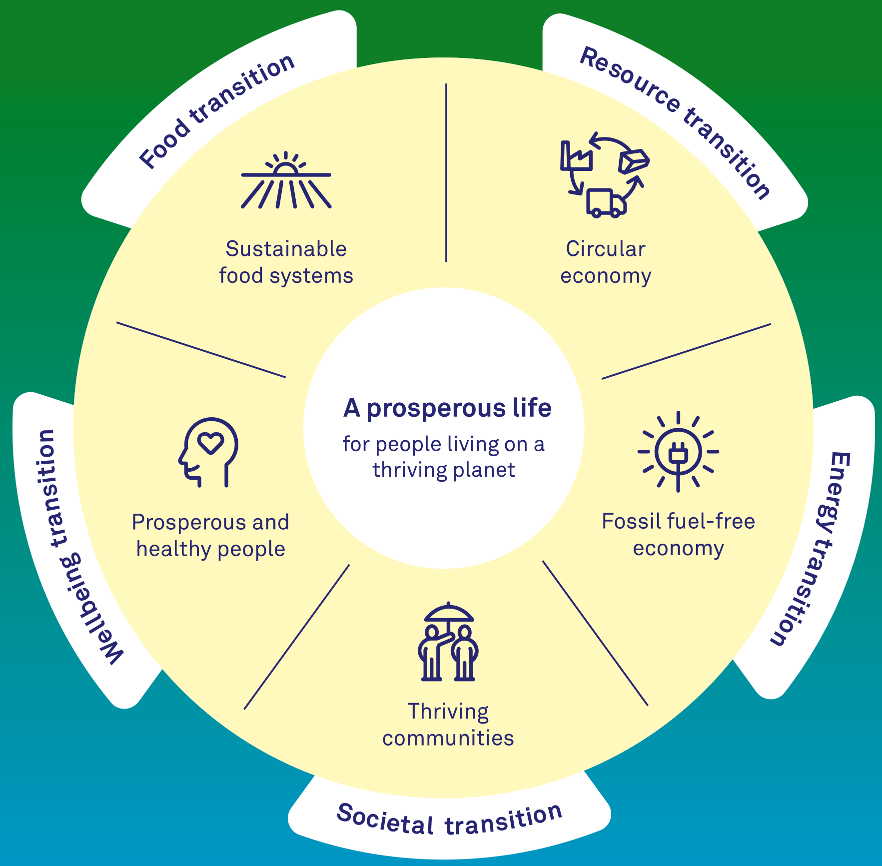
In 2023, we fully implemented the five transition themes into the fund's impact management and measurement process. On pages 18 and 19 you can see how we report on them as of 2024.

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

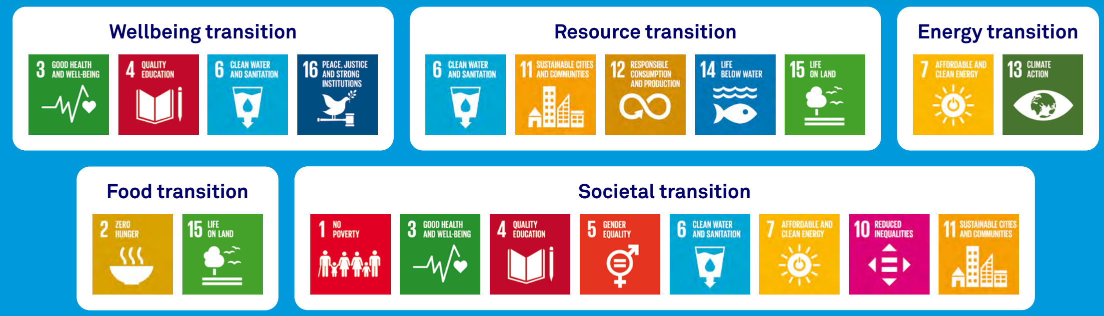
Furthermore, we will continue strengthening and evolving our impact management and measurement practices and processes, and intensify our collaboration with other asset managers and institutions to increase harmonisation.

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

Focus on five interlinked transitions



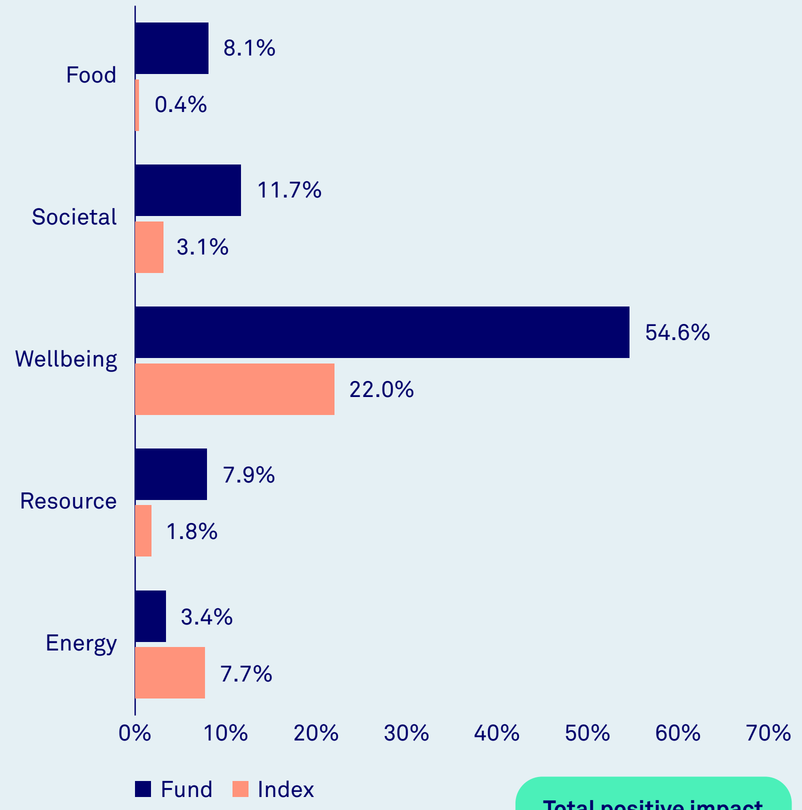
Anchored in the UN Sustainable Development Goals



Impact reporting in 2024

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

Contribution to transitions



Total positive impact
Fund: 74.5%
Index: 32.4%

Source: Triodos IM. Data per year end 2023

Two examples

Bright Horizons Family Solutions
The largest part of this childcare and early education company's revenues is related to the following products and services:
- childcare services with an education focus (75%)
- childcare and/or dependent care services (20%)

As such the company strongly contributes to the impact objectives related to the societal (95%) and wellbeing (75%) transitions and to SDGs 4 (75%), 5 (95%) and 10 (95%).

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

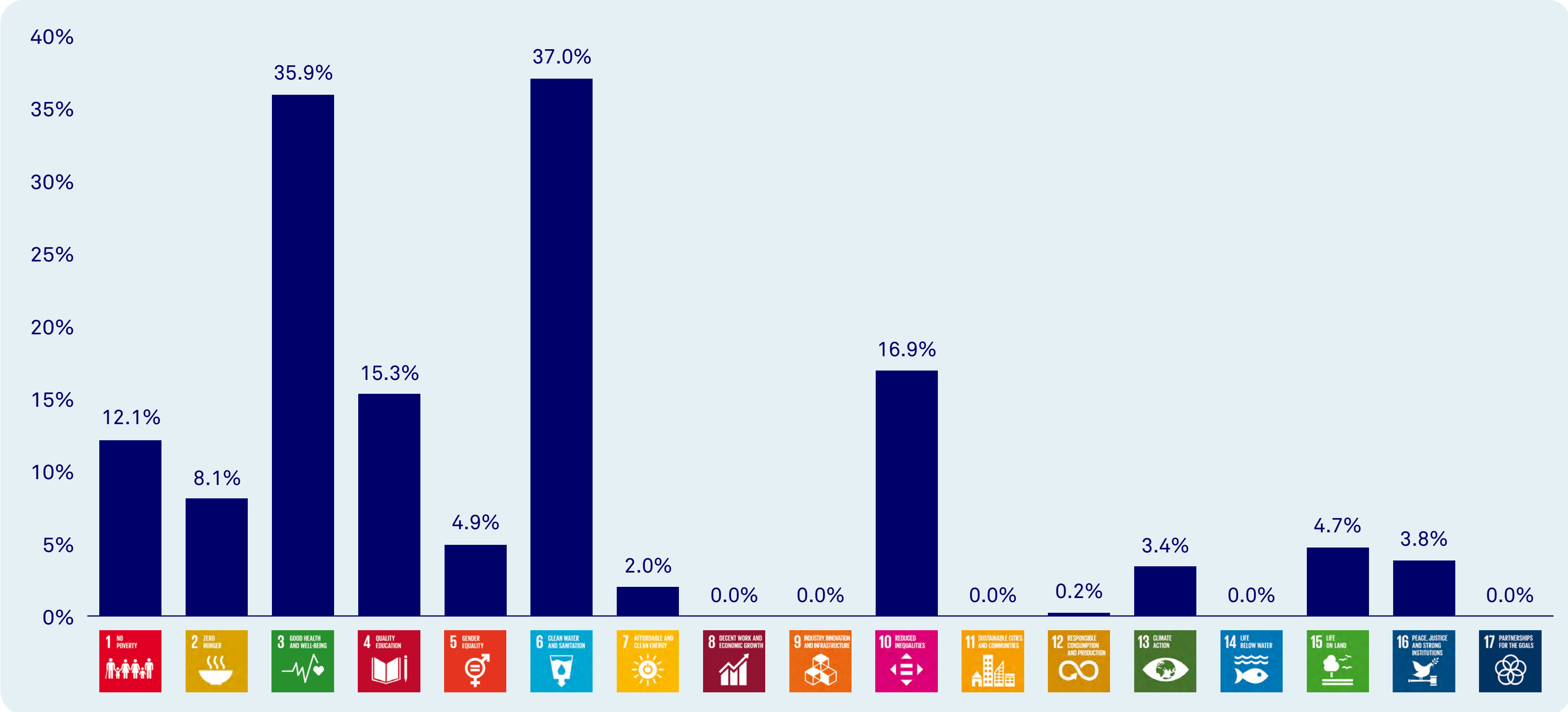
As such the company strongly contributes (100%) to the impact objectives related to the wellbeing transition and to SDGs 3 (100%) and 6 (100%).

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

Impact reporting in 2024

The 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.

Contribution to UN SDGs



Source: Triodos IM. Data per year end 2023

Impact metrics explained

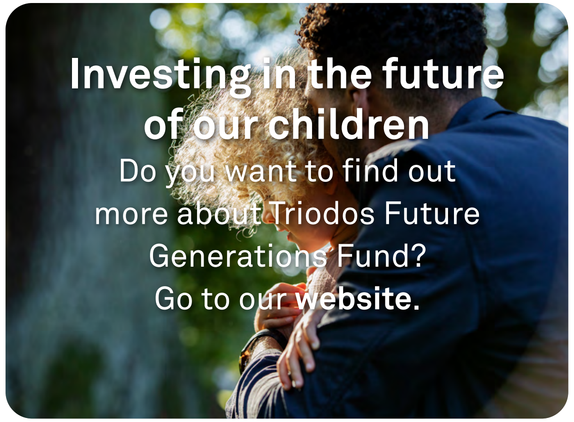
Contribution to the **UN Sustainable Development Goals** is based on the ISS ESG Sustainable Solutions Assessment, which is a comprehensive assessment of company products and services that affect the SDGs. This data enables investors to identify the share of products and services that have a positive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

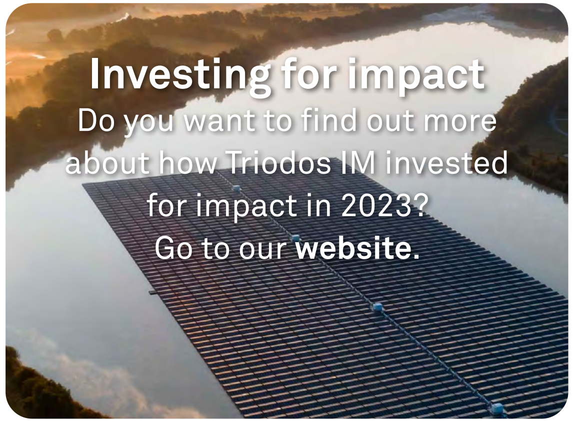
The **Science Based Targets initiative** (SBTi) provides a common scientifically recognised methodology to calculate GHG emissions and to set targets.Having companies set an SBTi target helps to minimise the existing problems related to a lack of guidelines to measure the companies' scope 3 GHG as well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

Climate-related financial risk disclosures

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

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





About Triodos Investment Management

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

Investing in positive change

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

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