Investing in the change makers

Triodos Global Equities Impact 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

29%
Prosperous and Healthy People

22%
Innovation for Sustainability

15%
Social Inclusion and Empowerment

Top 3 Sustainable Development Goals contributed to

3 GOOD HEALTH AND WELL-BEING

13 CLIMATE ACTION

7 AFFORDABLE AND CLEAN ENERGY

5 key engagement topics

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

100%
of AGMs voted at

19%
voted **against management**

67%
of holding companies committed to or aligned with the Science Based Targets initiative

51% less
GHG intensity than benchmark

96% less
Non-recycled waste than benchmark

76% less
Excessive CEO pay ratio than benchmark

Focus on transitions

The global economy proved resilient last year, despite growing geopolitical tensions and the highest interest rates in a decade. Although this might be a positive development, it comes at a huge cost. Our current economic system is based on growth and profit maximisation at the expense of societal wellbeing and our planet. Inequality has grown further, and climate action is slow, adding to the urgent need for transformation. It is our purpose to contribute to change by financing this transformation. Positive social, environmental and cultural change have always been the drivers of our investment activities.

Triodos Global Equities Impact Fund invests for positive change through investments in listed large caps from across the globe. The fund aims to maximise positive impact by investing exclusively in companies that contribute to one or more of the seven sustainable transition themes, which are anchored in the United Nations' Sustainable Development Goals (SDGs).

Based on the revenue contribution to the transition themes we added new impactful names to the fund. Clear contributors to the energy and water transitions, for example, are Enphase (solar energy equipment), National Grid (grid operator) and Xylem (water technology).

Besides improving positive impact, the fund's ecological footprint (portfolio CO_2 emitted, water consumed, waste produced) improved versus previous years, and was mostly lower than the footprint of the broader market.

In 2024, we will continue to look for companies that fit the transitions, and thus 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 2023
EUR 1,078,038,584

Benchmark
MSCI World Index EUR

Managed by
Triodos Investment Management

Depository
CACEIS Investor Services Bank SA

SILVER

Fund 3101 0015

Read more about the Nordic Swan Ecolabel

Investing in the change makers

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

Sustainable Objectives

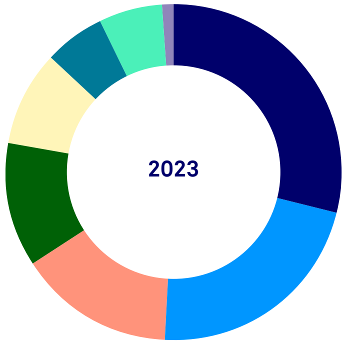
- Contribute to the transition to an economy within planetary boundaries
- Contribute to the transition to an economy where all humans can enjoy a prosperous life
- Make money work for environmental and social change

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

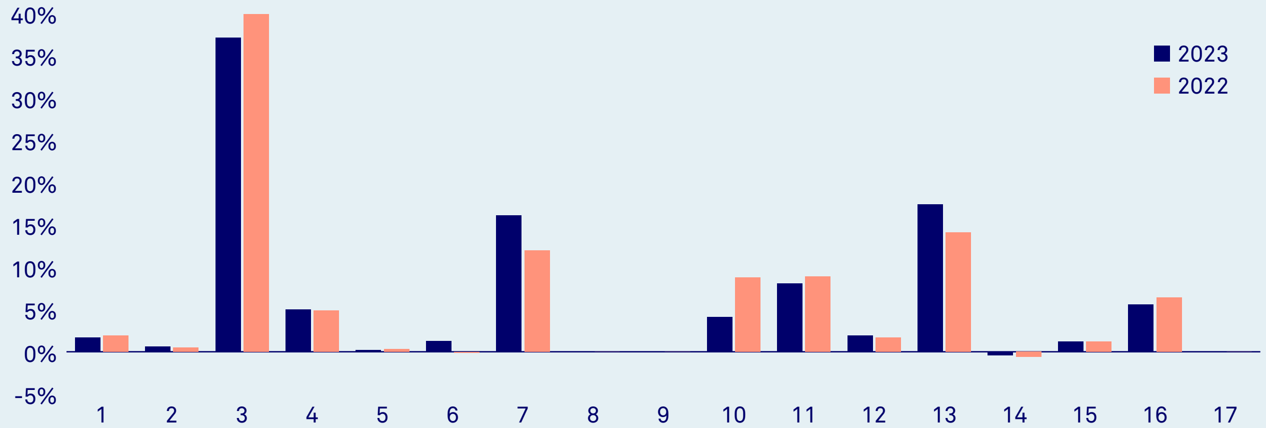
Portfolio contribution to transition themes



	2023	2022
Prosperous and Healthy People	29%	30%
Innovation for Sustainability	22%	22%
Social Inclusion and Empowerment	15%	15%
Sustainable Mobility and Infrastructure	12%	15%
Renewable Resources	9%	7%
Sustainable Food and Agriculture	6%	7%
Circular Economy	6%	3%
Liquidity	1%	1%

Sustainable Development Goals

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



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

The increased contribution to SDG 6 is the result of the addition of Xylem and the increased weight of Advanced Drainage Systems. The increased contribution to SDGs 7 and 13 is the result of the addition of Enphase Energy. In addition the IT holdings in the portfolio did well last year and IT companies generally strongly contribute to both SDGs. The changes in the contribution to SDG 10 are caused by transactions and stricter application of positive scoring for this SDG by ISS ESG.

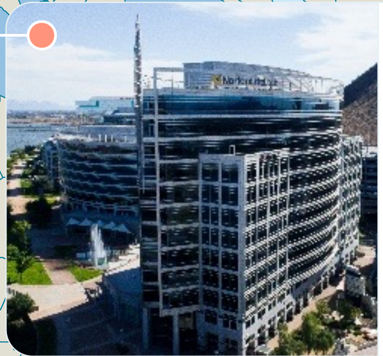
Impact investments

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

Pearson

Pearson delivers positive social impact thanks to its educational focus and its global reach. The company addresses several of the SDGs: 4. Quality education, 8. Decent work and economic growth (helping learners acquire the knowledge and capabilities they need for employment and empowerment) and 10. Reduced inequalities (inclusive products and services compatible with every learner's needs).

> Find out more here



Gen Digital

The increase of online activity in combination with the enormous growth of the Internet-of-Things leads to a higher risk of cybercrime. The company provides cybersecurity software to protect consumers from cyber criminals, thereby defending the human right to privacy. Through its security software the company helps customers to detect, respond to and prevent security threats.

> Find out more here

Advanced Drainage

Advanced Drainage Systems (ADS) is the second largest plastics recycler in the US, recycling 550 million pounds of household and industrial plastics annually. Its drainage systems help to manage storm and wastewater efficiently and safely.

> Find out more here

Xylem

Xylem's products and services improve water quality and reduce the environmental impact of human activities by cleaning used water for responsible discharge back to nature. The company also contributes to the development of 'water consciousness' through several citizenship initiatives.

> Find out more here

Intuitive Surgical

Robotic surgery enables surgeons to conduct their procedures with less impact on the patient. This leads to reduced pain and discomfort, smaller incisions and reduced blood loss, helping patients to recover more quickly from surgical procedures. Intuitive Surgical's da Vinci systems enhance the options for surgery, offering surgeons better visualisation, dexterity and precision.

> 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

Select investments for their contribution to key transitions + Minimise adverse impact by applying our minimum standards + Actively engage to drive progress = Optimise impact to accelerate transitions

Integrated impact, risk and return analysis

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 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:

	› 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 Index EUR.

Indicator	End of December 2023	End of December 2022
GHG intensity	51% less Fund: 53.49 tCO_2eq / EURm Index: 108.78 tCO_2eq / EURm	62% less
Non-recycled waste	96% less Fund: 2.01 t / EURm Index: 51.88 t / EURm	n/a
Excessive CEO pay ratio	76% less Fund: 205.86 times median Index: 841.68 times median	28% 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

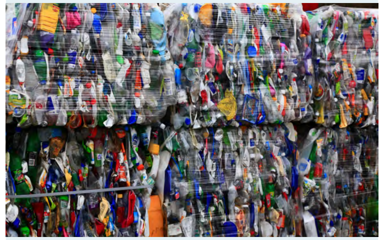
Executive remuneration

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.

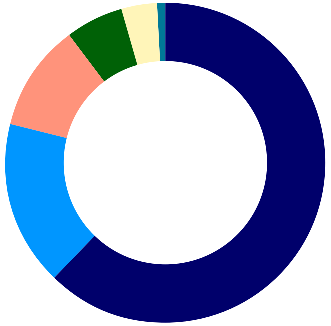
Read the full article here.

Engagement and voting summary

Engagement in 2023

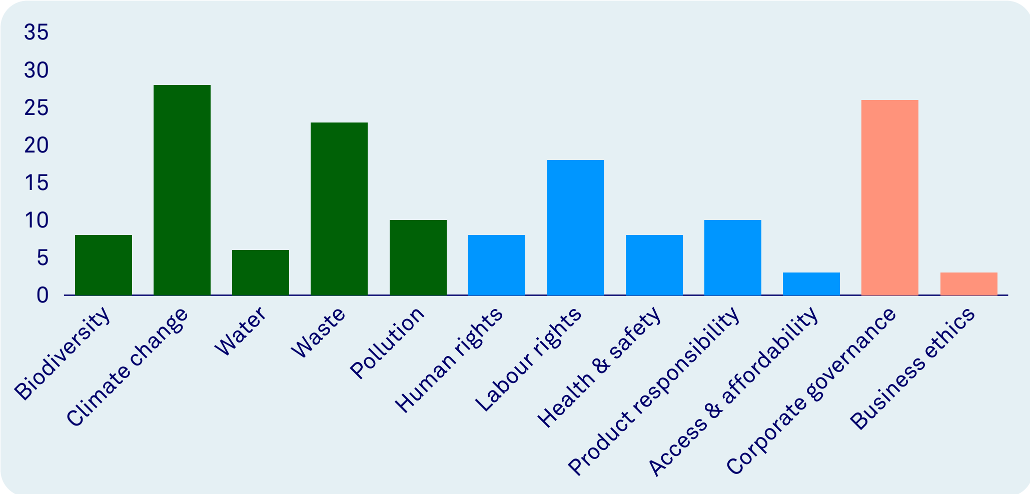
In addition to our engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2023
Company update	86
Company engagement	23
Engagement project	15
Collaborative engagement	8
Event driven engagement	5
MSA request for information	1
Impact bond engagement	0
Total	**138**

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.

19%
voted against management

The fund voted at 46 Annual General Meetings on a total of 710 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
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 fibers.	Through its services the company contributes to society by advancing science and health, protecting people, improving the rule of law and providing access to justice. RELX offers an open access model, where the writer pays a fee for publication, which then is freely accessible. Furthermore, RELX has a comprehensive strategy to make its contents more accessible for disadvantaged groups worldwide.
NVIDIA	NVIDIA has outsourced most of its manufacturing activities. Some of its suppliers could be involved in controversies related to the use of conflict minerals, labor violations, or violation of international legislation which could negatively impact the company.	The company contributes to and accelerates the development of various aspects of artificial intelligence (AI). Furthermore, with data centers consuming a meaningful (and growing) portion of the world's energy, improving performance and energy efficiency is a principal R&D goal for the company.
EssilorLuxottica	The main risks are product quality and safety, competitive behaviour (antitrust) and datasecurity. Other risks include the company's growing anti-union stance in the US and the fact that there is no split in the roles of chair and CEO.	EssilorLuxottica is working on products slowing myopia in children, and (via the acquisition of Nuance) on integrating hearings aids into frames. The company also has several programs to increase the access and affordability of its glasses.
Vestas Wind Systems	As a manufacturer of wind turbines, the company could be involved in controversies related to safety at work, biodiversity, and human rights.	An increase in gas prices could accelerate the transition towards lower GHG emission alternatives such as wind. Furthermore, wind energy represents off- and on-grid opportunities for developing countries to develop their energy infrastructure.
Novo Nordisk	As a pharmaceutical company, Novo Nordisk's main ESG risks are product quality and safety, supply chain management, access and affordability, animal welfare, responsible marketing and competitive behaviour.	The company has a comprehensive strategy to enhance access and affordability of diabetes treatments in low and middle-income countries which includes addressing distribution challenges, capacity building, and price ceilings in developing countries. In 2021, Novo Nordisk successfully launched its obesity medicine Wegovy, which can lead to 15% weight loss and reduced probability of cardiovascular diseases.
Elevance Health	Elevance's main ESG risks include access and affordability, privacy and data security, and competitive behaviour.	Elevance is an enabler of the transition to value-based care. Currently, 63% of its revenues is directly tied to value-based care, which is set to increase to 80% by 2027.
Advanced Drainage Systems	As a building products company that provides mainly below-ground products, Advanced Drainage's main ESG risks are the ecological impact of its products, as well as employee health and safety during manufacturing.	Advanced Drainage benefits from the ongoing material conversion from traditional concrete pipes to high-density polyethylene and polypropylene pipes. These are more environmentally friendly alternatives to concrete pipes. The company could further increase the use of recycled plastics in its products.
Deutsche Telekom	For Telekom, data security and customer privacy are the main ESG risks. Also energy management is a risk, given the large amounts of energy needed to operate its extensive network and the data centers.	Deutsche Telekom actively empowers customers by promoting media literacy with a wide range of projects and initiatives like workshops and training courses. Focusing on energy efficiency, the company already derives 100% of its electricity from renewable sources, while at the same time it strives to decrease its energy intensity.
Intuitive Surgical	As a manufacturer of robotic-assisted surgical technology, the main ESG risks for Intuitive Surgical are product quality and safety, supply chain management, access and affordability, animal welfare and competitive behaviour.	Robotic surgery enable surgeons to conduct their procedures with less impact on the patient: greater consistency, reduced pain and discomfort, faster recovery times, smaller incisions and reduced blood loss are some of the main benefits. While its products reduce overall cost of care, the company could adopt a more comprehensive strategy to enhance access and affordability of its products and services.
Acciona Energias Renovables	The main ESG risks for the company are biodiversity loss and health and safety issues resulting from building and operating its wind and solar parks.	Acciona Energia contributes to the energy transition by operating wind and solar parks. The company currently invests in energy storage and the extension of the useful lives of wind turbines via repowering. Improving the recyclability of wind turbines and solar panels could be the next step.

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, including transport infrastructure. These efforts, to some degree, facilitate a reduction of the environmental burden caused by cars.
Procter & Gamble	For household and personal care companies, the main sustainability issues are directly related to the life cycle of the products. As for the environmental impact of its products, Procter & Gamble shows a robust approach through life-cycle assessments as well as measures to reduce the impact of packaging.	Procter & Gamble's product portfolio mainly consists of personal and household care products. There is no indication that the company has implemented comprehensive measures to actively promote products through an improved and/or externally certified sustainability profile.
Bridgestone	Regarding the company's operational management, key risks include greenhouse gas emission reduction targets and action plans, energy intensity and a strategy to optimise the energy efficiency of its products.	Tyres have a significant influence on the fuel consumption of cars. The company has developed tyres with a lower rolling resistance, which contribute to improved fuel efficiency. The company also conducts research on sustainable alternatives for rubber and incorporates recycled rubber into its products. The company's diversified materials segment includes a niche business with bicycles.
Xylem	Xylem's ESG risks are mainly tied to worker health and safety and corruption. The company also serves the oil and gas industry, but this accounts for less than 5% of its revenues and its products are not tailor-made for this industry.	Xylem benefits from secular drivers increasing the demand for water and water products. Water consumption is doubling every 20 years due to population growth, urbanisation, industrial expansion, agricultural development, and tightening regulatory requirements.
Henkel	Henkel's GHG emissions mostly take place in scope 3, as the production phase (scope 1+2) only account for 1% of its total emissions. Within scope 3, the main sources of emissions are the use phase of its products and the raw materials for its products and packaging and transportation. Besides that, Henkel relies on fossil carbon as a raw material for its products (surfactants in detergents and shampoos, resins in adhesives and plastics for packaging).	The company is making efforts to reduce the overall environmental footprint of its products and operations through the systematic use of lifecycle assessments as well as targets and measures to reduce the impact of packaging. It also aims to shift its portfolio to a more sustainable direction, and has set a goal to work with customers, consumers and suppliers to avoid 100 million tons of CO_2 between 2016 and 2025.

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

The biodiversity laggards per fund are identified top down, with 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
RELX	Biodiversity, climate change, governance, labour rights
NVIDIA	Biodiversity, climate change, business ethics, governance, physical risk and resilience, human rights
Essilorluxottica	Labour rights
Vestas Wind Systems	Climate change, waste,
Novo Nordisk	Climate change, waste, governance, health and safety
Elevance Health	Climate change, waste, governance
Advanced Drainage Systems	Governance
Deutsche Telekom	Governance
Intuitive Surgical	No engagement
Corporacion Acciona Energias Renovables	Waste

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.

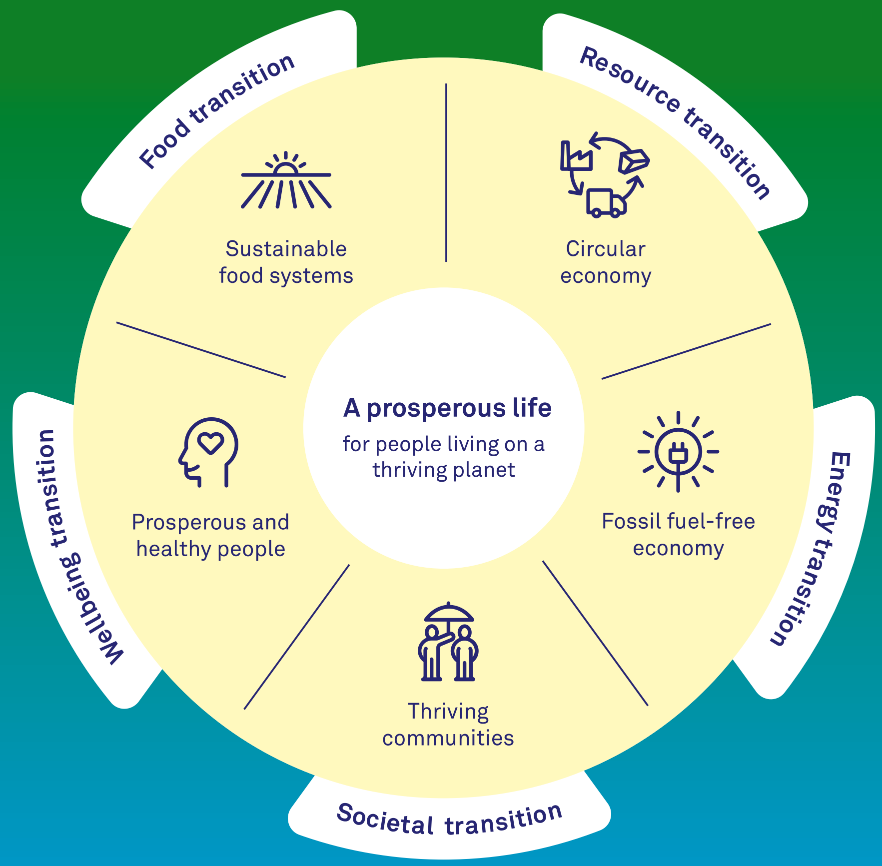
In 2023, we fully implemented the five transition themes into the fund's impact management and measurement process. On pages 18 and 19, you can see how we report on them as of 2024.

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).

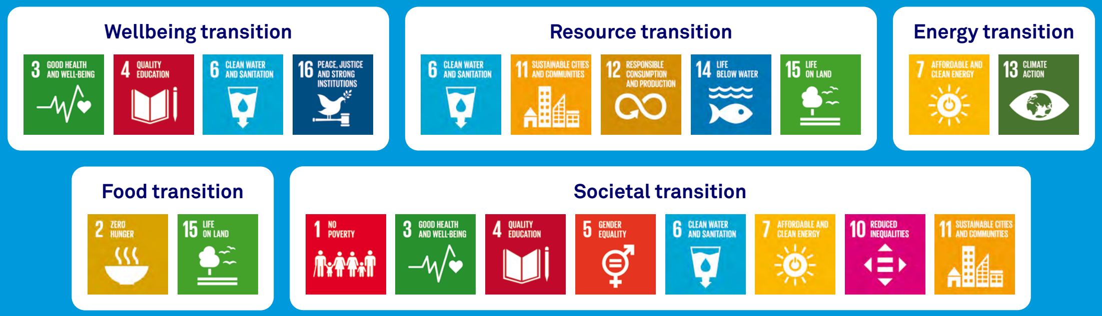
Furthermore, we will continue strengthening and evolving our impact management and measurement practices and processes, and intensify our collaboration with other asset managers and institutions to increase harmonisation.

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



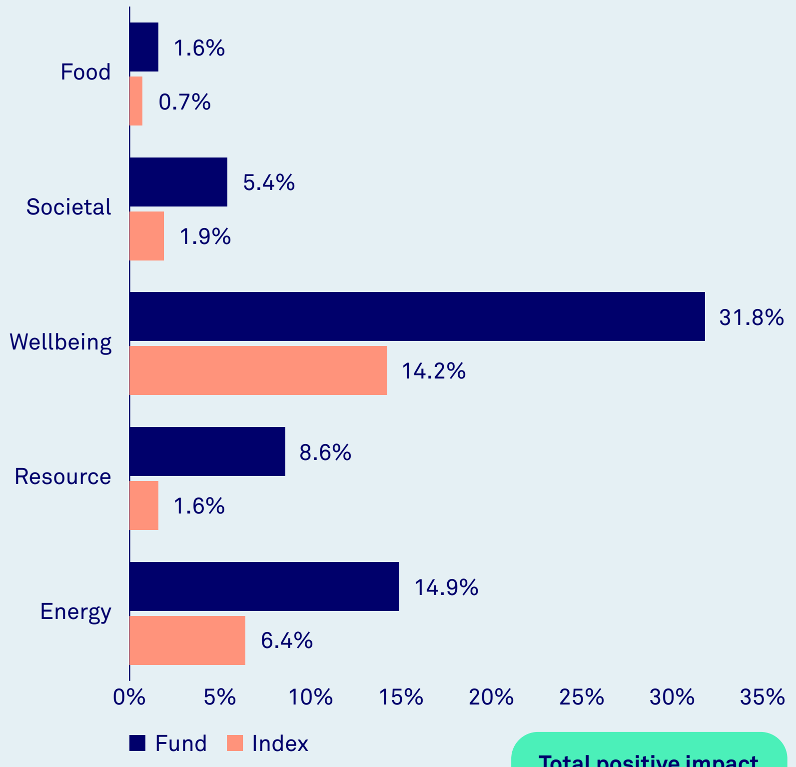
Anchored in the UN Sustainable Development Goals



Impact reporting in 2024

All investments of Triodos 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 the company revenues from products and services must positively contribute to the transitions.

Contribution to transitions



Total positive impact
Fund: 58.6%
Index: 23.0%

Source: Triodos IM. Data per year end 2023

Two examples

Sonova
The largest part of this hearing care company's revenues is related to the following products and services:
- assistive devices, professional diagnostic and/or treatment devices (80%)
- diagnostic facilities and/or services, specialised software solutions supporting healthcare (10%)

As such the company strongly contributes to the impact objectives related to the wellbeing transition (90%) and to SDGs 3 (90%) and 6 (90%).

Enphase Energy
The largest part of this energy technology company's revenues is related to the following products:
- key components for renewable energy systems (100%)

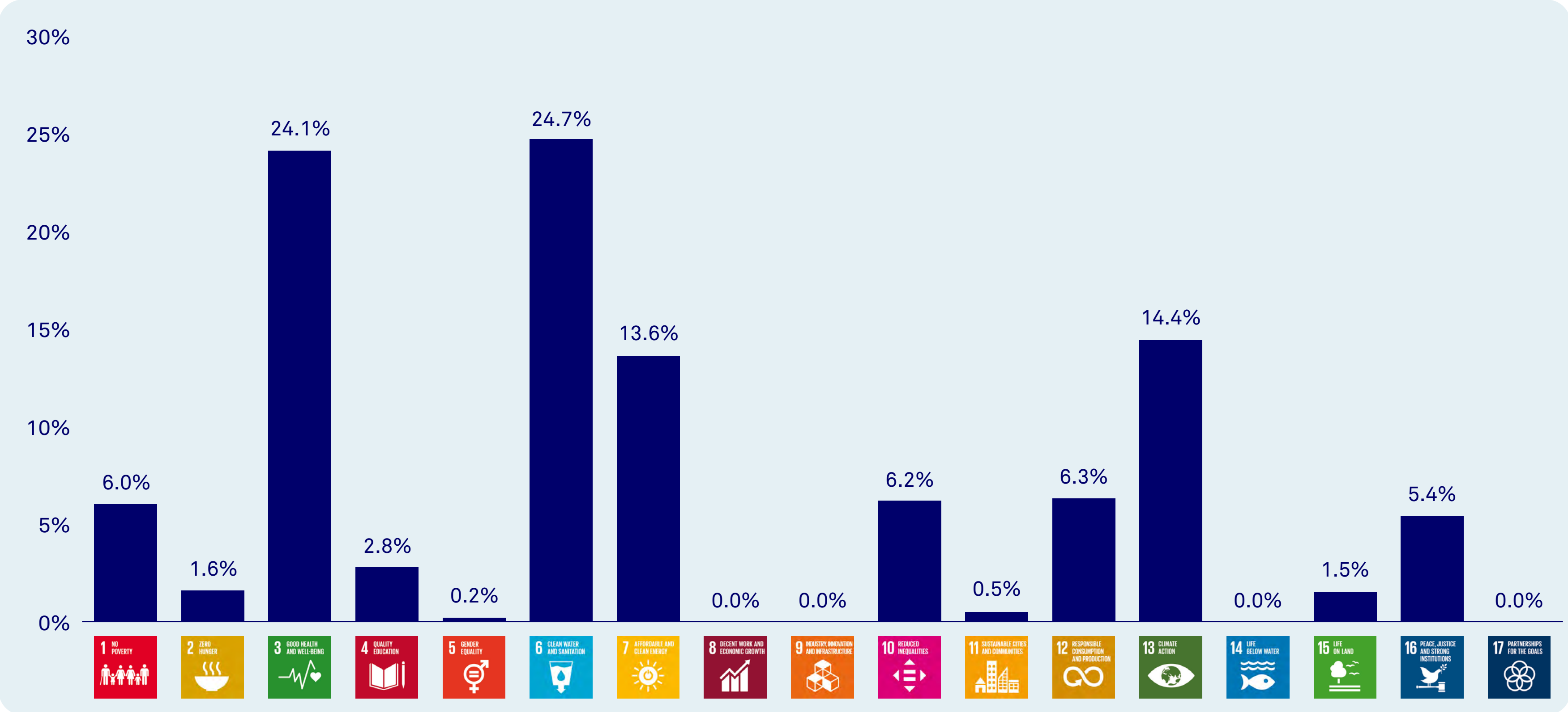
As such the company strongly contributes to the impact objectives related to the energy transition (100%) and to SDGs 7 (100%) and 13 (100%).

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

Impact reporting in 2024

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

Contribution to UN SDGs



Source: Triodos IM. Data per year end 2023

Impact metrics explained

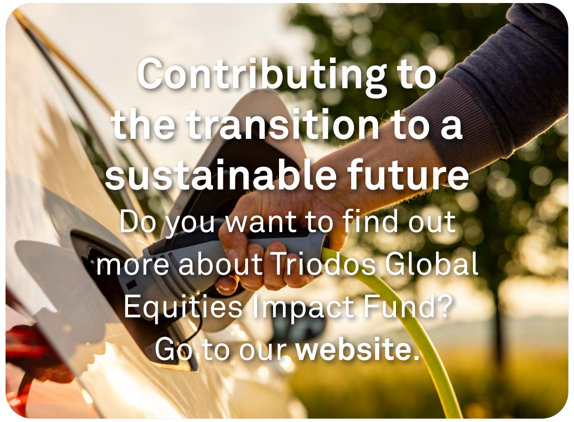
Contribution to the **UN Sustainable Development Goals** is based on the ISS ESG Sustainable Solutions Assessment, which is a comprehensive assessment of company products and services that affect the SDGs. This data enables investors to identify the share of products and services that have a positive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

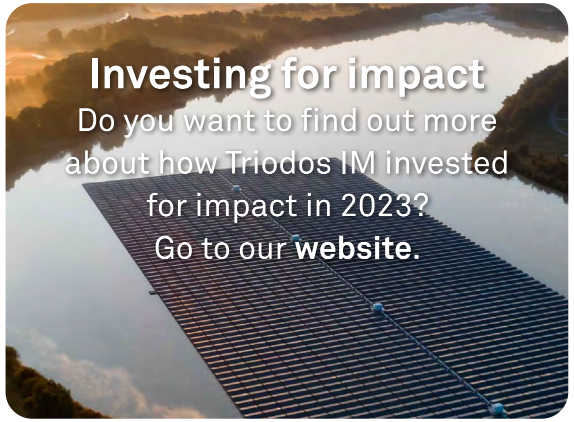
The **Science Based Targets initiative** (SBTi) provides a common scientifically recognised methodology to calculate GHG emissions and to set targets.Having companies set an SBTi target helps to minimise the existing problems related to a lack of guidelines to measure the companies' scope 3 GHG as well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

Climate-related financial risk disclosures

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

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





About Triodos Investment Management

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

Investing in positive change

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

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