Pioneering the transition to a sustainable society

Triodos Pioneer 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

24%
Resource transition

24%
Wellbeing transition

24%
Energy transition

Top 3 Sustainable Development Goals contributed to

5 key engagement topics

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

100%
of AGMs voted at

22%
voted **against management**

60%
of holding companies committed to or aligned with the Science Based Targets initiative

57% less
GHG emissions **than benchmark**

97% less
Non-recycled waste **than benchmark**

28% less
CEO compensation to median **than benchmark**

Positive performance in impact and financial return

Triodos Pioneer Impact Fund realised a decent positive performance in 2024, in a challenging year for impact-focused mid-and small cap funds. After Donald Trump's election as US president, renewable energy stocks came under even more pressure. However, financials (banks) and oil and gas companies performed well. These are sectors where the fund has no investments.

As a result, renewable stocks had a volatile year. This did not change our investment view: they still have strong impact narratives with good long-term prospects. Apart from selective investments in renewables, the fund is well diversified over many sectors and has exposure to all five of our transition themes.

During the year, we added several new holdings that combine a strong impact theme with sound financials. A good example is MSA Safety, the global leader in the supply of safety products that protect people and facility infrastructures. MSA's core products include self-contained breathing apparatus, fixed gas and flame detection systems, portable gas detection instruments, industrial head protection products, firefighter protective apparel and helmets, and fall protection devices.
Another example is ALK-Abello. This Danish company develops allergy treatments products and is currently the leading player in the global allergy immunotherapy market with an estimated market share of 40%.

The fund continues to prioritise companies that provide sustainable solutions to societal challenges, supported by strong management teams, robust governance structures, and solid financials. Additionally, our investments must present an attractive valuation.

Dimitri Willems
Portfolio Manager Triodos Pioneer Impact Fund

Portfolio management team


Dimitri Willems


Arjan Palthe


Sjoerd Rozing


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
February 2009

AUM per December 2024
EUR 640,857,586

Benchmark
MSCI World Small and Mid Cap Index Net in Euro*

Managed by
Triodos Investment Management

Depository
CACEIS Bank, Luxembourg Branch

SFDR
Article 9

GOLD

Fund 3101 0018

Label ISR

Read more about the Nordic Swan Ecolabel

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

Investing in the changemakers

Triodos Pioneer 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

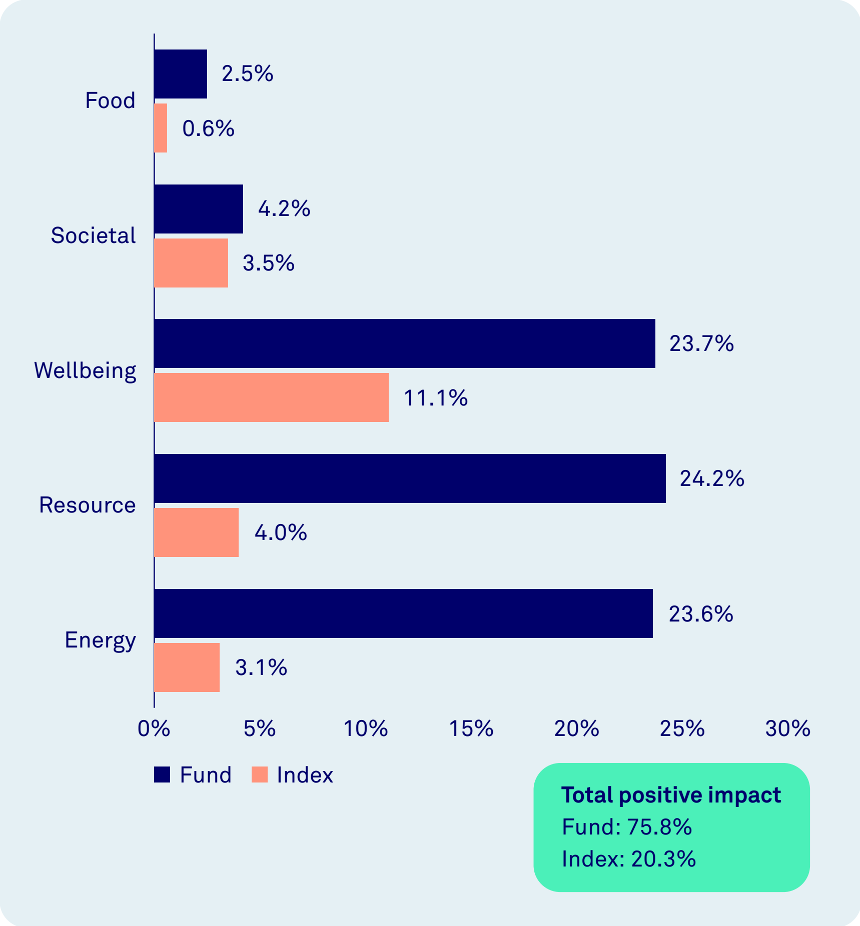
Triodos Transitions

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 Pioneer 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

Investment examples

Watts Water Technologies
The largest part of this water systems company's revenues is related to the following products and services:

- Waste water treatment (71%)

As such the company strongly contributes (71%) to the impact objectives related to the Resource transition and to SDGs 6 (71%), 11 (71%) and 12 (71%).

Qiagen
The largest part of this pharmaceutical company's revenues is related to the following products and services:

- Professional diagnostic and/or treatment devices (88%)

As such the company strongly contributes (70%) to the impact objectives related to the Wellbeing transition and to SDGs 3 (70%), 6 (70%) and 10 (70%).

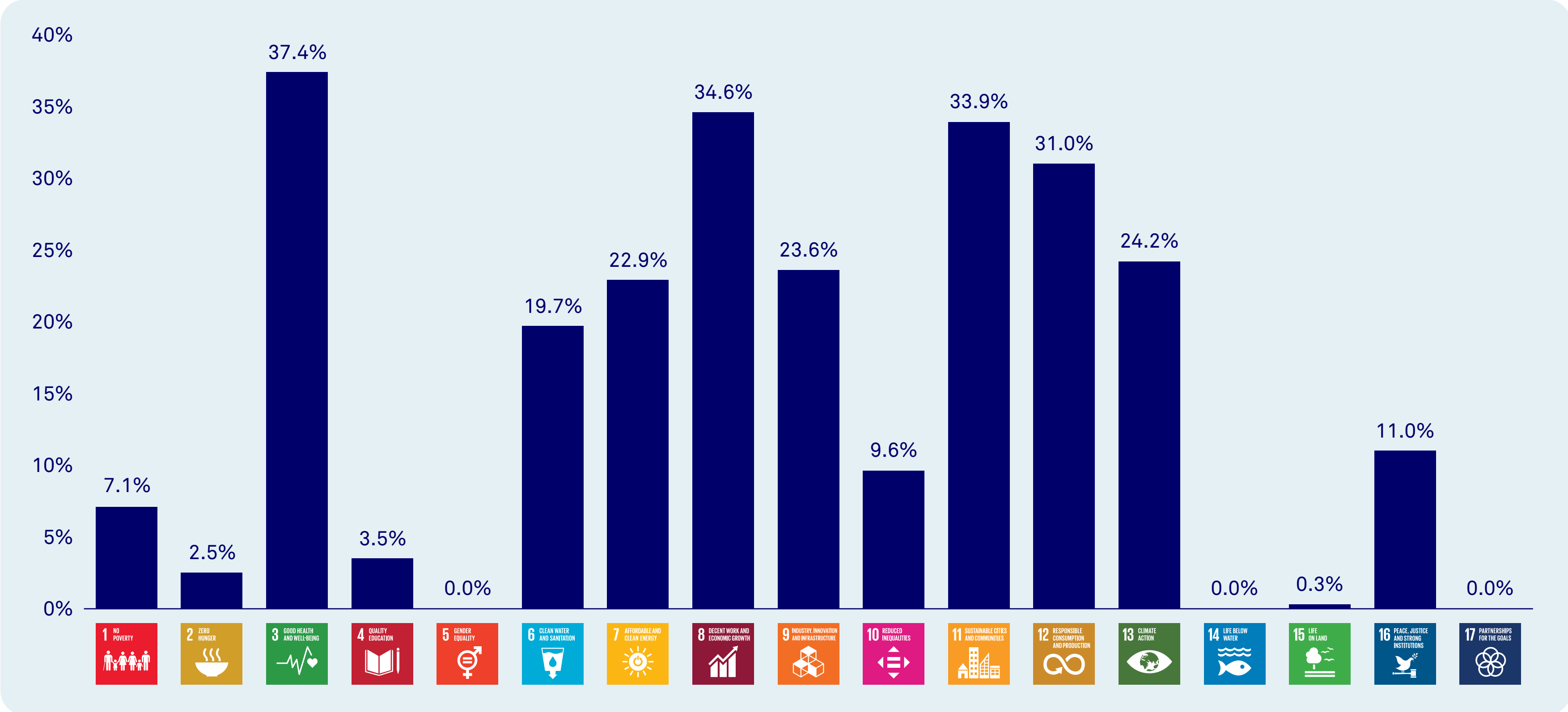
The total positive impact is not necessarily equal to the sum of the contributions to each transition, as some products and services with positive impact can be linked to multiple transition themes. This 'double counting' is eliminated at fund level to calculate the total positive impact.

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.

Millicom

Millicom provides telecommunication services in developing countries in South and Latin America and Africa. This gives over 65 million people access to modern digital communication channels. Through services like digital payments, online accounts and access to microfinance loans, Millicom provides access to basic financial services to people who do not have regular bank accounts.

> Find out more here

Terna

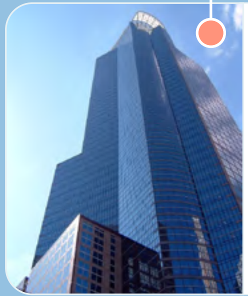
The Italian electricity transmission company plays a pivotal role in enabling the energy transition in Italy by strengthening and adapting its grids for more decentralised electricity generation, heavier peaks of supply and demand and more renewable energy generation.

> Find out more here

Universal Display

Universal Display designs and makes organic light emitting diodes (OLED). OLED is more energy efficient than LED or LCD and is used for smart phone and TV displays and solid state lighting applications. As a key player in the OLED value chain, the company contributes to making mobile devices more power efficient.

> Find out more here



Strategic Education

Strategic Education is a for-profit university, mainly serving minority groups, working adults and non-traditional students, providing them with the flexibility required to advance their education. The company is a leader when it comes to providing online education.

> Find out more here

Kurita Water Industries

Kurita Water Industries contributes to responsible water use in many different areas, including safe drinking water and wastewater treatment and reclamation. It is also active in soil and groundwater remediation to prevent contamination of groundwater and keep the ecological environment safe.

> Find out more here

Theory of Change

This Theory of Change underpins how Triodos Pioneer 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

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 Minimum Standards, or a persisting unacceptable risk.

Investments are also assessed on their Principal Adverse Impacts (PAIs) in line with SFDR guidelines for Article 9 funds. The GHG intensity, fossil fuel involvement, non-recycled waste, UNGC / OECD violations and excessive CEO pay ratios illustrate the lower negative impact of the portfolio companies' activities compared to those of the benchmark: MSCI World Small and Mid Cap Index Net in Euro.

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

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

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

Please see page 18 for the calculation methodology used.

Environmental indicators

GHG intensity scope 1+2

57% less

Fund
98.00t CO_2eq / EURm — Coverage: 98.9%

Index
229.47t CO_2eq / EURm — Coverage: 97.5%

Fossil fuel involvement

100% less

Fund
0.00% involvement — Coverage: 98.9%

Index
6.60% involvement — Coverage: 99.4%

Non-recycled waste

97% less

Fund
6.42t / EURm — Coverage: 45.4%

Index
235.72t / EURm — Coverage: 30.2%

Social

UNGC / OECD violations

equal

Fund
0.00% involvement — Coverage: 98.9%

Index
0.00% involvement — Coverage: 99.4%

Governance

Excessive CEO pay ratio

28% less

Fund
153.40 times median — Coverage: 63.0%

Index
211.68 times median — Coverage: 63.5%

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, in short: PFAS.

Read the full article.

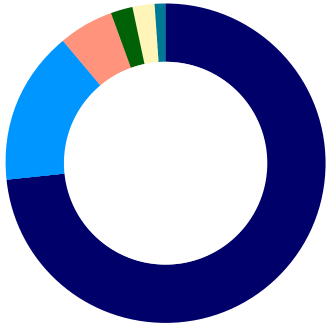
Resources transition

Engagement and voting summary

Engagement in 2024

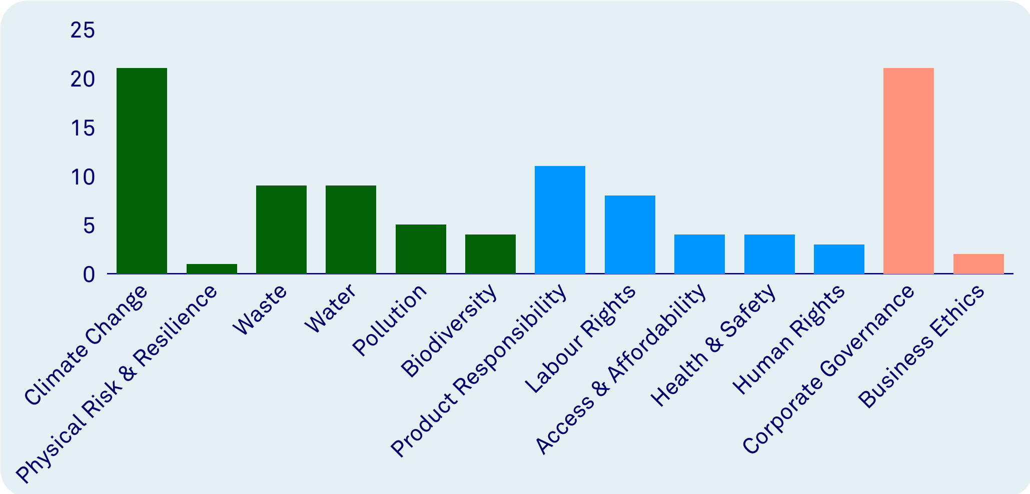
In addition to our engagement agenda, we have conversations with companies to discuss topics that are important to us as an impact investor.

Company contact purpose



	2024
Company Update	66
Company Engagement	14
Collaborative Engagement	5
Engagement Project	2
Minimum Standards information	2
Event Driven Engagement	1
Impact Bond Engagement	0
	90

ESG topics discussed



Number of times the topic was discussed. Environmental Social Governance

Voting

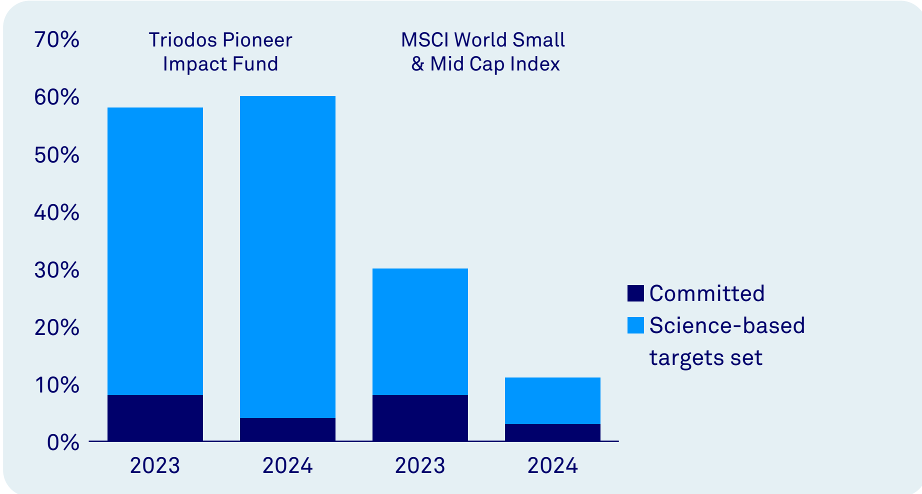
100%
of AGMs voting at

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

22%
voted against management

The fund voted at 43 Annual General Meetings on a total of 548 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
Planet Fitness	The company's main environmental risks are related to energy use and GHG emissions from its gyms. On the social side, inclusivity is a key topic: having been involved in controversies related to discrimination and transgender rights, the company has implemented a non-discrimination policy.	An opportunity is to further expand into emerging economies, for example in Latin America, with a focus on affordable gym subscriptions. The company could also further expand in low-income areas in the US, where 20% of its gyms are currently located.
Mueller Water Products	Mueller Water Products' main ESG risks include the environmental impact of its products, particularly regarding water distribution and wastewater treatment, as well as employee health and safety, data protection and privacy.	The main opportunities lie in the development of more efficient leak-detection technologies to reduce water loss. Other key opportunities include contributing to climate resilience by supporting water infrastructure upgrades, and promoting circular economy practices through metal recycling in manufacturing.
Terna	The main risks for grid operators like Terna are system stability and reliability, as well as worker safety.	As an electricity transmission operator, Terna plays a vital role in facilitating energy transition by connecting more renewable energies to the network and transporting renewable energy over long distances.
Koninklijke KPN	As a telecommunications operator, KPN stores and has access to data of its clients. Data security and privacy of its customers are therefore important risks. Reducing emissions from running its networks and datacenters also poses risks and challenges.	Telecommunications technology enables people to connect with each other, which is key for inclusion and empowerment in this increasingly digital society. KPN does well with its ESG targets in emissions, energy, recycling, etc.
Acuity Brands	Acuity Brands faces cybersecurity and data privacy risks due to increasingly connected lighting solutions, which have already led to a data breach. Additionally, the company is exposed to health and safety risks and a high environmental impact. Another concern is excessive executive remuneration, reflected in a high CEO-to-median employee pay ratio.	Acuity Brands estimates that 90% of its revenues are related to energy-efficient products and services. Through its LED products, there is a target of avoiding 100 million metric tonnes of GHG emissions between 2020 and 2030. In addition, Acuity Brands has targets for net zero GHG emissions by 2040 and for reducing the energy and water intensity of its production processes.
DS Smith	The main ESG risks for DS Smith are environmental: responsible sourcing of wood fibres, waste generation, water usage and operations in areas with high water stress, pollution, non-renewable energy use, GHG emissions, impact of extreme weather events, and the introduction of stricter climate-related regulation.	DS Smith manufactures corrugated packaging made from over 75% recycled material, supporting the circular economy. It sources wood fibres from FSC-certified forests and aims to help customers remove one billion pieces of plastic packaging by 2030. The company targets a 46% reduction in GHG emissions by 2030 (from a 2019 baseline) and aims for net-zero by 2050.
Owens Corning	For Owens Corning, the main sustainability issues are related to the environmental footprint like GHG emissions, energy use, water use, waste and air pollution. Other sustainability risks are health and safety and product quality and safety.	Owens Corning's insulation, roofing and fiberglass products contribute to energy savings in the built environment. The company has ambitious targets to reduce energy, water and waste in its operations and there are GHG emissions reduction targets in place that are in line with the 1.5 degree scenario.
Allegion	Allegion is exposed to risks concerning the environmental impact of its products such as GHG emissions, energy use, water use, waste, pollution and hazardous substances. Other risks are health and safety of employees, product quality and safety, cybersecurity and data privacy.	The company's lock products contribute to the general sustainability goals of crime prevention and safeguarding peace. In terms of environmental impact of its operations, Allegion has ambitious goals for reducing GHG emissions, energy use, water use and waste. The company carries out lifecycle assessments to improve the environmental footprint of its products.
Advanced Drainage Systems	As a building products company that mainly provides 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.	Already the largest plastics recycler in North America, the company could further increase the use of recycled plastics in its products.
Gentex	Gentex' main ESG risks are labour rights, employee health and safety, product quality and safety, and GHG emissions. Additionally, given the connectivity of its products, there is a risk for data privacy and cybersecurity.	Its digital vision and connectivity products such as HomeLink stand to benefit from the secular trend to improve car connectivity to make them more user-friendly. In addition, there is an increasing focus on safety, both inside and outside the car.

Sustainability risks and opportunities

Risks and opportunities of largest GHG emitters

Company name	Risks	Opportunities
Signfy	The company is active in a sector responsible for an estimated 28% of global GHG emissions. Another risk is that the largest source of GHG emissions for Signify is in the use phase of its products (99% of all GHG emissions), which are very difficult to reduce. Other sources for the company's GHG emissions are energy use, manufacturing, materials sourcing and transportation.	The company aims to reach net-zero emissions for all scopes by reducing absolute GHG emissions by 90% in 2040. Since 2019, scope 1, 2 and 3 GHG emissions were already reduced by 50. Signify has published a detailed plan for reducing GHG emissions, mostly focusing on further improving energy efficiency in its products, increasing the sourcing of renewable energy and engaging with suppliers for GHG emissions reductions in its supply chain.
Knorr-Bremse	Manufacturing parts such as braking systems for rail vehicles and commercial vehicles is an energy-intensive process. While Knorr-Bremse purchases mostly renewable electricity, and for a small extent generates renewable electricity itself, it also relies for a substantial degree on natural gas which is harder to abate. In addition, the largest source of GHG emissions for Knorr-Bremse is in the use phase of its products (scope 3), which are very difficult to reduce. Other emission risks are sourced materials and transportation of materials and products.	The company has an ambitious and detailed strategy to reduce its GHG emissions throughout the whole value chain. A long-term net-zero target by 2050 for all scopes is in place. In the near term, there is a target for scope 1 and 2 for 75% reduction of GHG emissions by 2030, while as of 2023 it already achieved a 70% reduction. For scope 3 the near-term target is a reduction of 25% by 2030. It is not on track to meet this target as scope 3 GHG emissions actually rose by 10% as of 2023.
Acuity Brands	The company is active in a sector responsible for an estimated 28% of global GHG emissions. Another risk is that the largest source of GHG emissions for Acuity is in the use phase of its products (99% of all GHG emissions), which are very difficult to reduce. Other sources for the company's GHG emissions are energy use, manufacturing, materials sourcing and transportation.	Through its LED products, it targets to avoid 100 million metric tonnes of GHG emissions between 2020 and 2030. Acuity Brands has a science-based GHG target of 43% reduction in scope 1 and 2 emissions by 2029. With a reduction of 25% in 2024, the company is on track to meet this target. For scope 3 it has already achieved its target of 66% reduction of emissions intensity of sold products by 2030, reaching a reduction of scope 3 emissions intensity of 71% in 2024.
Darling Ingredients	Darling Ingredients faces climate risks due to its reliance on natural gas and diesel in its production process. With its renewable energy consumption remaining low, the company is vulnerable to rising energy costs, regulatory pressures, and potential operational disruptions. Moreover, as it only recently committed to net zero by 2050 and is in the early stages of validating its science-based targets.	By validating its net-zero baseline and its SBTi targets and by further optimising its energy consumption, the company can drive significant GHG reductions. Increasing the share of renewable energy in its global energy mix - both through consumption and production via its biofuels unit - alongside engaging in nature-based carbon removal projects, would not only lower emissions but also improve cost efficiencies.
Ingredion	Ingredion faces climate risk due to its reliance on industrial boilers and product dryers that contribute significantly to its GHG emissions. The energy-intensive nature of its manufacturing processes, along with its heavy dependence on a corn-based agricultural supply chain, exposes the company to volatile fuel and electricity prices, stringent regulatory pressures, and physical threats such as temperature extremes and drought.	Ingredion could boost its climate performance by setting clear energy reduction targets, increasing the share of renewable energy and reducing its energy intensity. Its proactive disclosures in sustainability reports and CDP responses provide a solid foundation for deeper integration of climate risk management.

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
Ingredion	Ingredion faces biodiversity risks primarily in the areas of soil health, sustainable water use, and overall ecosystem integrity.	Ingredion may strengthen its biodiversity profile by increasing the share of raw materials sourced from regenerative and certified sustainable agriculture. By enhancing its monitoring of soil health and water use, the company can not only mitigate risks but also position itself as a leader in promoting ecosystem resilience and sustainable resource management.
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.
Sekisui Chemical	The main biodiversity risks include raw materials use, chemical substance emissions and the disposal of products sold.	Sekisui Chemical mitigates the negative impact on biodiversity in several ways, including the implementation of responsible sourcing programmes and green chemistry principles.
MSA Safety	MSA Safety's products contain hazardous chemicals such as PFAS. These chemicals can interfere with the natural hormone systems of many species, causing problems with reproduction and health. They also pollute water and soil, affecting the plants and animals living in those ecosystems.	MSA Safety reports well on its hazardous waste, but not on its use of and exposure to PFAS or other hazardous substances, nor how such substances are treated. This is a significant opportunity for improvement, as would be the disclosure of its impact and dependency on biodiversity.
ACCIONA ENERGIAS RENOVA	As a company whose business model is based on the development of sustainable infrastructure, ACCIONA's activities could have an impact on biodiversity. Land occupancy is one of the principal impacts on biodiversity from changes in land use and habitat fragmentation.	As a pure play renewable energy provider, ACCIONA contributes to the net zero emission transition. ACCIONA incorporates biodiversity conservation into its strategy, as a key component when making decisions in the areas of planning, implementation, operating and dismantling of its facilities.

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 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
Planet Fitness	Climate change
Mueller Water Products	Corporate governance
Terna	Climate change
KPN	Business strategy
Acuity Brands	Biodiversity, climate change, waste, corporate governance
DS Smith	No engagement. Company was acquired in 2024.
Owens Corning	Business strategy
Allegion	Business strategy
Advanced Drainage Systems	Positive impact
Gentex	Business strategy

Implementation of sustainability regulation

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

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

EU Taxonomy
We also report on the EU Taxonomy framework for funds that have an environmental objective. The EU Taxonomy is a manual that explains which economic activities are green and which are not for each sector.

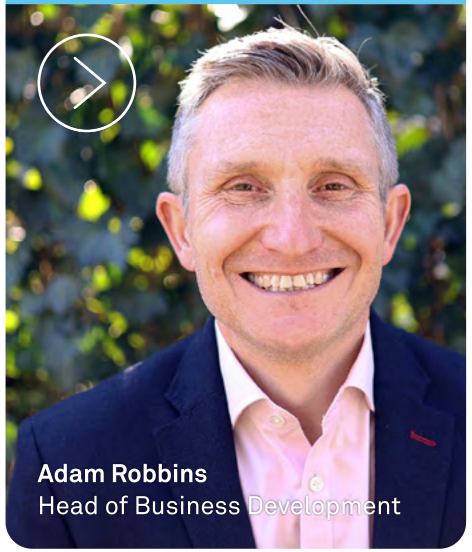
Find out more about the EU SFDR and Taxonomy requirements. The fund's sustainability-related disclosures in accordance with SFDR can be found here.

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

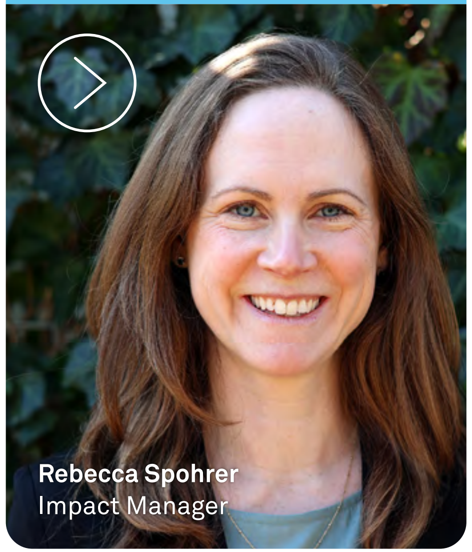
Delve into the nuances of sustainable investment strategies, such as ESG integration and impact investing. Learn to identify different approaches and align them with your values and financial goals.



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

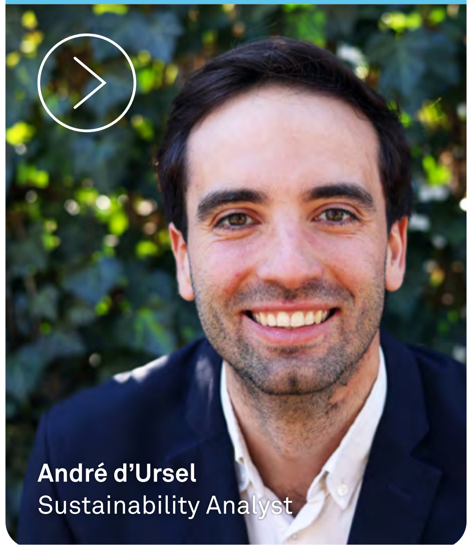
Impact measurement

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

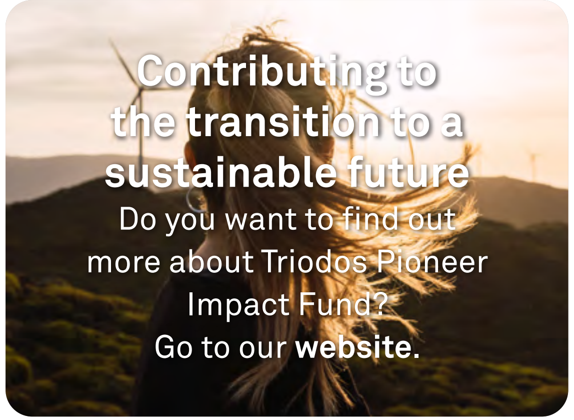
Impact metrics explained

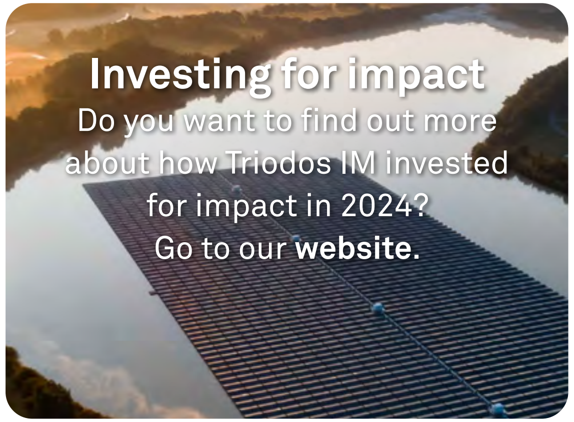
Contribution to the **UN Sustainable Development Goals** is based on the ISS ESG Sustainable Solutions Assessment, which is a comprehensive assessment of company products and services that affect the SDGs. This data enables investors to identify the share of products and services that have a positive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

+31 (0)30 694 2400
TriodosIM@triodos.com
www.triodos-im.com

Published
April 2025

Text
Triodos Investment Management

Design and layout
Via Bertha, Utrecht

Disclaimer

- This document has been carefully prepared and is presented by Triodos Investment Management.
- It does not carry any right of publication or disclosure, in whole or in part, to any other party.
- This document is for discussion purposes only.
- The information and opinions in this document constitute the judgement of Triodos Investment Management at the time specified and may be subject to change without notice, they are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient. Under no circumstances is it to be used or considered as an offer to sell, or solicitation of any offer to buy, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or be taken as investment advice.
- Triodos Pioneer Impact Fund is managed by Triodos Investment Management BV. Triodos Investment Management is a licensed AIFM and UCITS management company under the Financial Supervision Act by the Dutch Financial Markets Authority (Autoriteit Financiële Markten, AFM).
- The content of this document is based upon sources of information believed to be reliable, but no warranty or declaration, either explicit or implicit, is given as to their accuracy or completeness.
- This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.
- All copyrights patents and other property in the information contained in this document is held by Triodos Investment Management and shall continue to belong to Triodos Investment Management. No rights whatsoever are licensed or assigned or shall otherwise pass.
- When investing in the fund, please take into account all the characteristics and/or objectives of the promoted fund as described in its prospectus. Further, please take notice of the sustainability aspects of the fund as found here.