

50% equities  
50% bonds  
100% impact

Triodos Impact Mixed Fund - Neutral  
Impact Report 2024



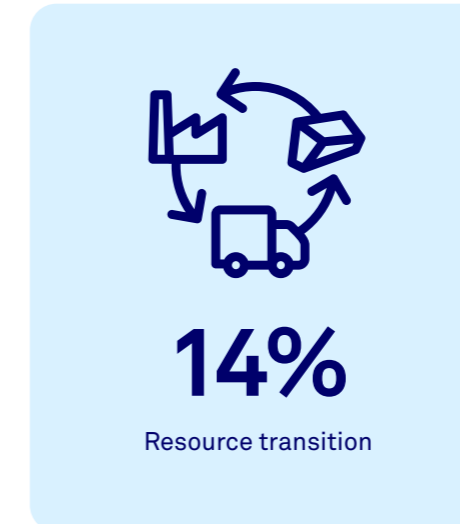
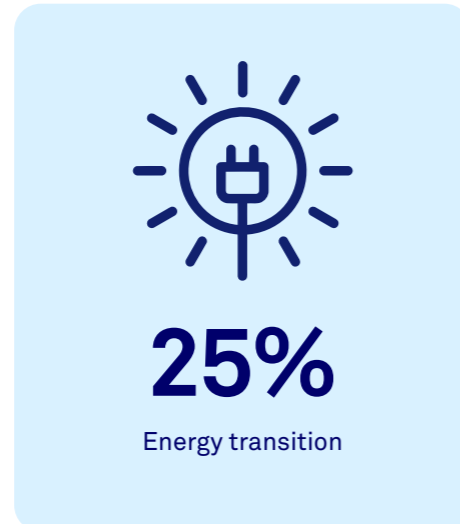
Triodos  Investment Management

This is a marketing communication. Please refer to the prospectus and the PRIIPs KID of Triodos Impact Mixed Fund - Neutral before making any final investment decisions. A summary of investor rights in English can be found [here](#). The value of your investment can fluctuate because of the investment policy. Triodos Impact Mixed Fund - Neutral is managed by Triodos Investment Management. Triodos Investment Management holds a license as alternative investment fund manager and UCITS manager and is under the supervision of the Autoriteit Financiële Markten and De Nederlandsche Bank in the Netherlands. Triodos Investment Management may decide to stop the marketing of its collective investment schemes in your country.

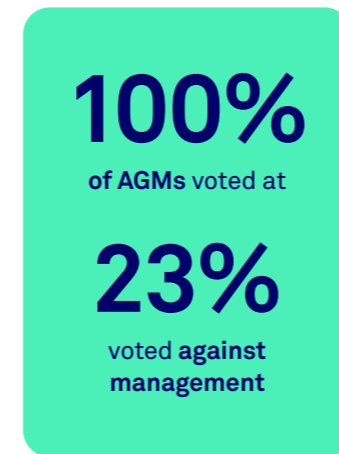


# Impact highlights 2024

## Top 3 transition themes



## Top 3 Sustainable Development Goals contributed to



- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Increasing need for positive impact

The year 2024 extended several negative global trends; more war, ongoing climate change and growing inequality. The case for transitions is getting stronger every day.

The artificial intelligence spending boom pushed equity markets higher and the re-election of Donald Trump created a pro-business market rally. Global equity markets moved up strongly. However, most of the optimism is based on short-term financial gains and does not take into account the longer-term effects on people, planet and eventually profits.

All the more reason to invest in companies and institutions that offer solutions for the environment and society and that create a lasting positive impact. And this is exactly what we did.

Triodos Impact Mixed Fund – Neutral improved its impact profile and the financial quality of the investments further by a number of changes in the equity portfolio. Six equity holdings were sold in 2024: Cisco, Checkpoint, Nike, ST Microelectronics, Bridgestone and Central Japan Railway. Seven high impact investments were added: Resmed (medical equipment), Palo Alto (security software), John Deere (agricultural equipment), Alexandria Real Estate (real estate for medical research), Carlisle (energy efficient building products), First Solar (solar energy installations) and Astra Zeneca (pharmaceuticals).

In the bond portfolio we held on to our defensive approach and maintained a preference for high-quality bonds. We sold three positions following a negative assessment of business practices or because of financial risk: BMW, Kering and Prologis. Four new issuers were added: State of Hesse (green bond), Reckitt Benckiser (personal care), United Utilities (green bond, water utility) and Astra Zeneca (healthcare).

Overall, our assessment and measurement of positive impact improved considerably last year. By enriching existing market data we established a full coverage and higher scores for positive impact, as you can see in this Impact Report.

## Rob van Boeijen

Portfolio Manager Triodos Impact Mixed Fund - Neutral

## Portfolio management team



Rob van Boeijen



Rosl Veltmeijer



Arjan Palthe



Jeroen van Herwaarden

## Fund characteristics

### Asset class

Large cap global equities and investment-grade Euro bonds

### Domicile

Luxembourg

### Legal structure

sub-fund of Triodos SICAV I

### Inception date

June 2010

### AUM per December 2024

EUR 579,736,524

### Benchmark

MSCI World Index (50%), iBoxx Euro Corporates Overall Total Return (30%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (20%)\*

### Managed by

Triodos Investment Management

### Depository

CACEIS Bank, Luxembourg Branch



Fund 3101 0016



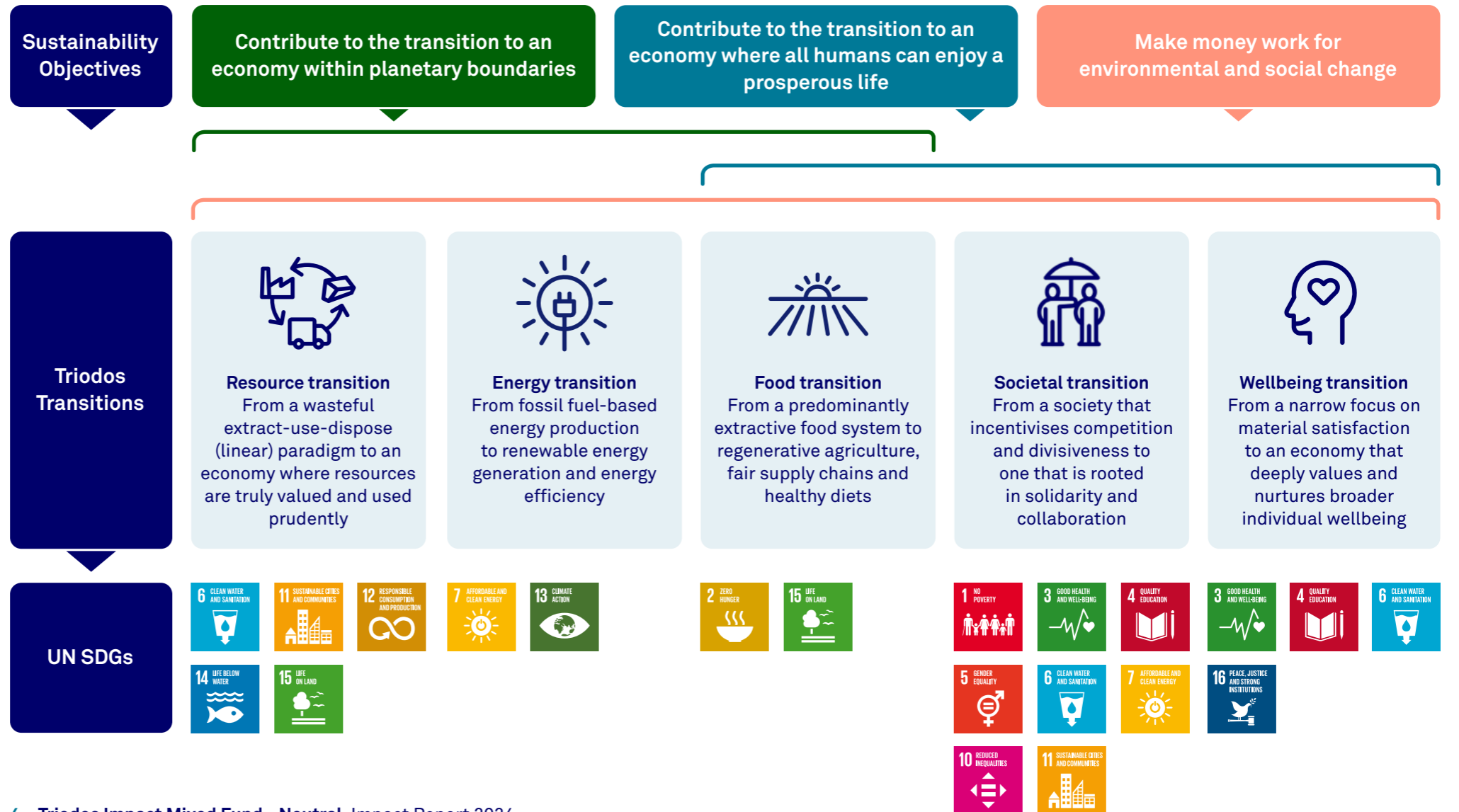
Read more about the [Nordic Swan Ecolabel](#)

\* Benchmark per January 2025: Bloomberg Developed Markets Index (50%), iBoxx Euro Corporates Overall Total Return (30%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (20%)

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Investing in the changemakers

Triodos Impact Mixed Fund - Neutral invests in listed equities and bond issuers that show, through their revenues or proceeds, the potential to transform their sectors toward an economy within planetary boundaries, where all humans can enjoy a prosperous life. We call them the changemakers for tomorrow. As an SFDR Article 9 fund, we focus on five key transitions, each linked to sustainable investment objectives and aligned with the UN Sustainable Development Goals (SDGs):

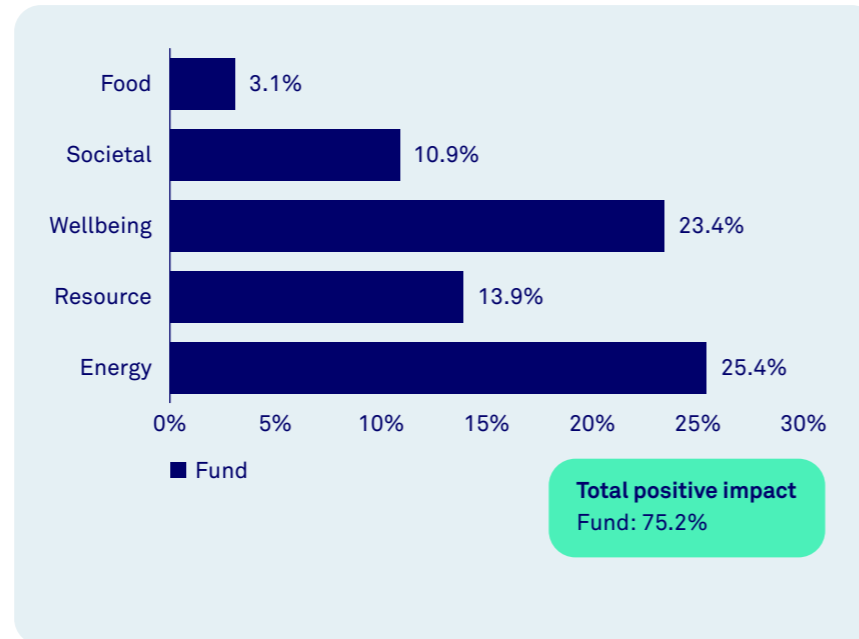


- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Impact achieved

All investments of Triodos Impact Mixed Fund - Neutral contribute to one or more of the five transitions and to the UN SDGs. For equities and corporate bonds, a minimum of 33% of company revenue from products and services must positively contribute to the transitions. For impact bonds, a minimum of 75% of the bond proceeds must positively contribute to the transitions.

## Contribution to transitions



Source: Triodos IM. Data per year end 2024

## Two examples

### AstraZeneca

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

- Prescription pharmaceuticals
- Vaccines

The company fully contributes (100%) to the impact objectives related to the Wellbeing transition and to SDGs 3, 6 and 10 (all 100%).

### First Solar

The largest part of this solar panel manufacturer's revenues is related to the following products and services:

- Production of solar panels (>80%)

The company fully contributes (100%) to the impact objectives related to the Energy transition and to SDGs 11, 12 and 13 (all 100%).

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.

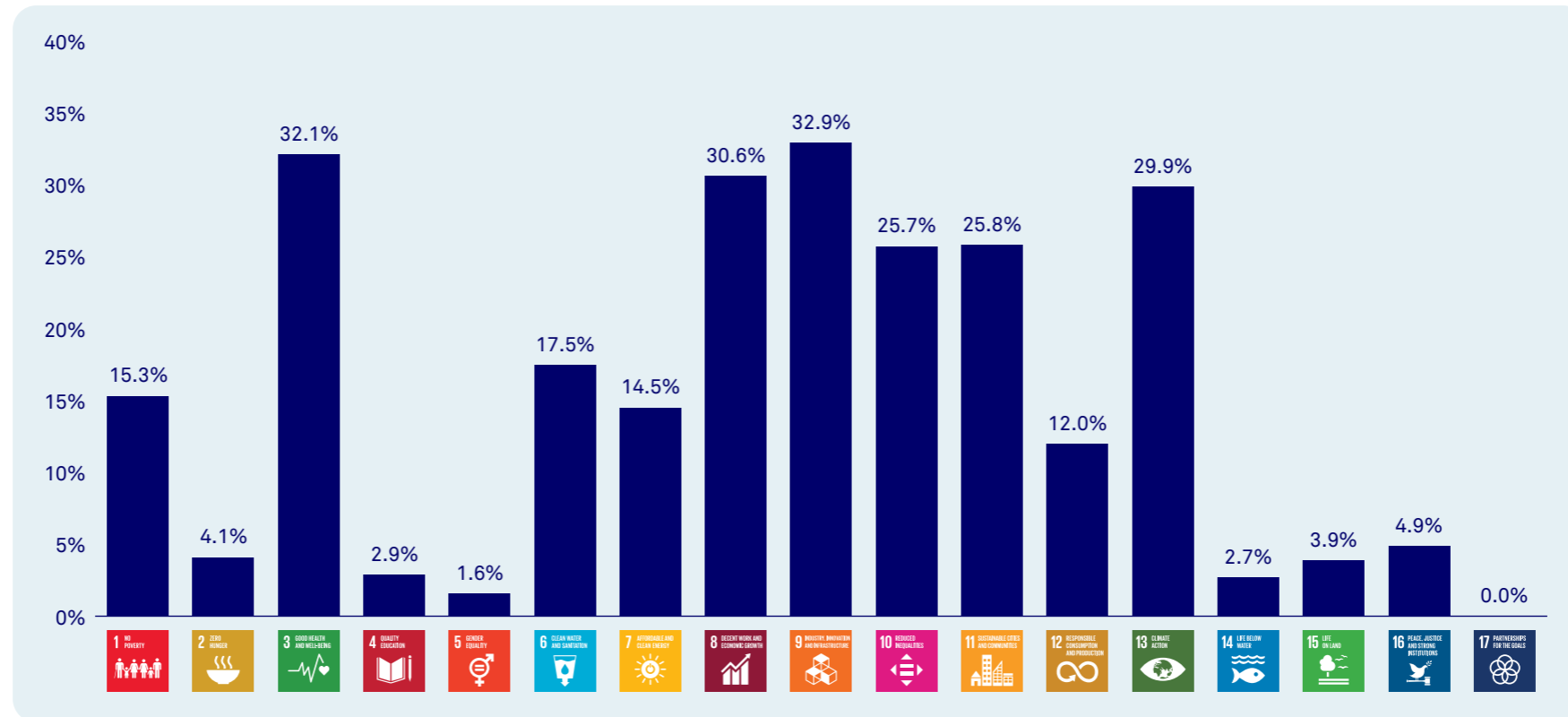
Find out [more](#) about how we optimise impact and accelerate key transitions.

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# 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 (equities, corporate bonds) or assets and projects (impact bonds) can be linked to multiple SDGs.

## Contribution to UN SDGs

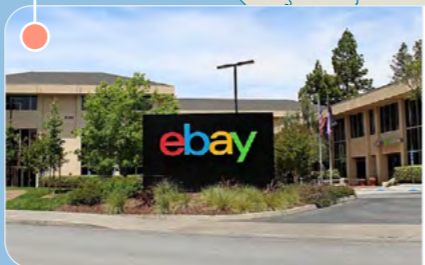


Source: Triodos IM. Data per year end 2024

# Impact investments

Click [here](#) for an overview of all investments of the fund in 2024.

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained



## eBay

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

> Find out more [here](#)



## SNCF Réseau

SNCF Réseau is the main operator of the French national rail network. Rail transport plays a key role in the ecological transition to face the challenge of climate change. The company has committed to reducing its energy consumption and GHG emissions by 20% between 2015 and 2025.

> Find out more [here](#)



## La Banque Postale

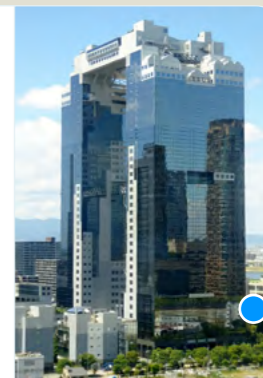
The proceeds of La Banque Postale's social bond are used to finance affordable housing and essential services. The affordable housing category has strong positive impact, as France has a shortage of social housing. Essential services include public hospitals and research centres. The projects financed aim to increase accessibility to healthcare services and improve their quality.

> Find out more [here](#)

## Sekisui House

Buildings are currently responsible for 39% of global energy related carbon emissions, so the built environment sector plays a vital role in responding to the climate emergency. Sekisui House has constantly been ahead of the curve in terms of sustainability. The company has supplied a cumulative total of more than 70,000 net zero energy houses. In addition, the company provides a significant contribution to biodiversity.

> Find out more [here](#)



## ResMed

The Australian company ResMed is the global leader in end-to-end solutions for sleep and respiratory care. Its products are designed to diagnose, treat and manage sleep apnoea, chronic obstructive pulmonary disease and other respiratory conditions. It aims to improve patient quality of life, reduce the impact of chronic disease and lower healthcare costs.

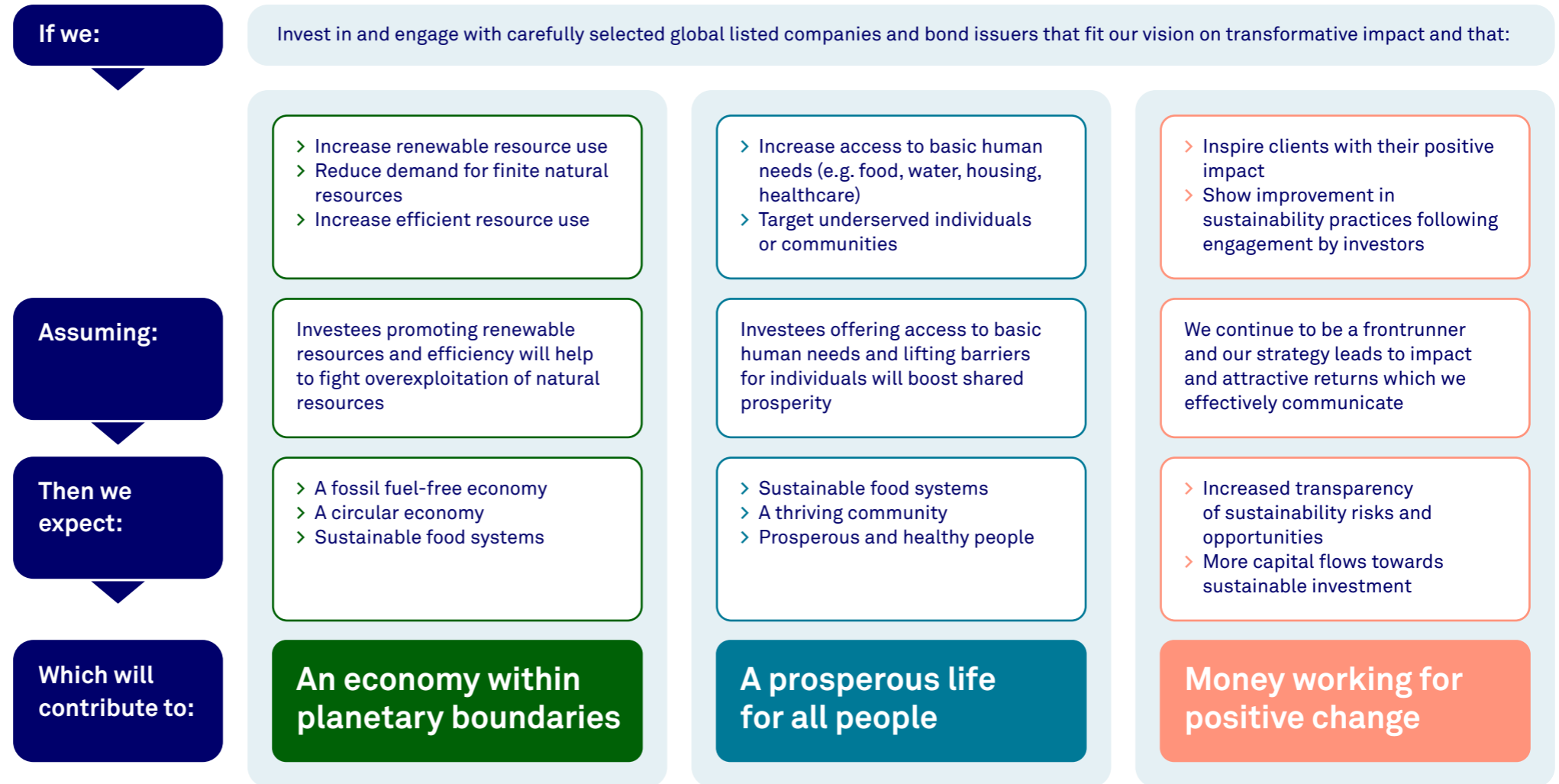
> Find out more [here](#)



- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Theory of Change

This Theory of Change underpins how Triodos Impact Mixed Fund - Neutral acts, invests and evaluates its activities.





- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# 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. At the end of 2024 the fund excluded Nidec from the investment universe due to its involvement in nuclear energy. The bond position was sold in early 2025.

Investments are also assessed on their Principal Adverse Impacts (PAIs) in line with SFDR guidelines for Article 9 funds. The GHG intensity, fossil fuel involvement, non-recycled waste, UNGC/OECD violations and excessive CEO pay ratios illustrate the lower negative impact of the portfolio companies' activities compared to those of the benchmark: MSCI World Index (50%), iBoxx Euro Corporates Overall Total Return (30%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (20%).

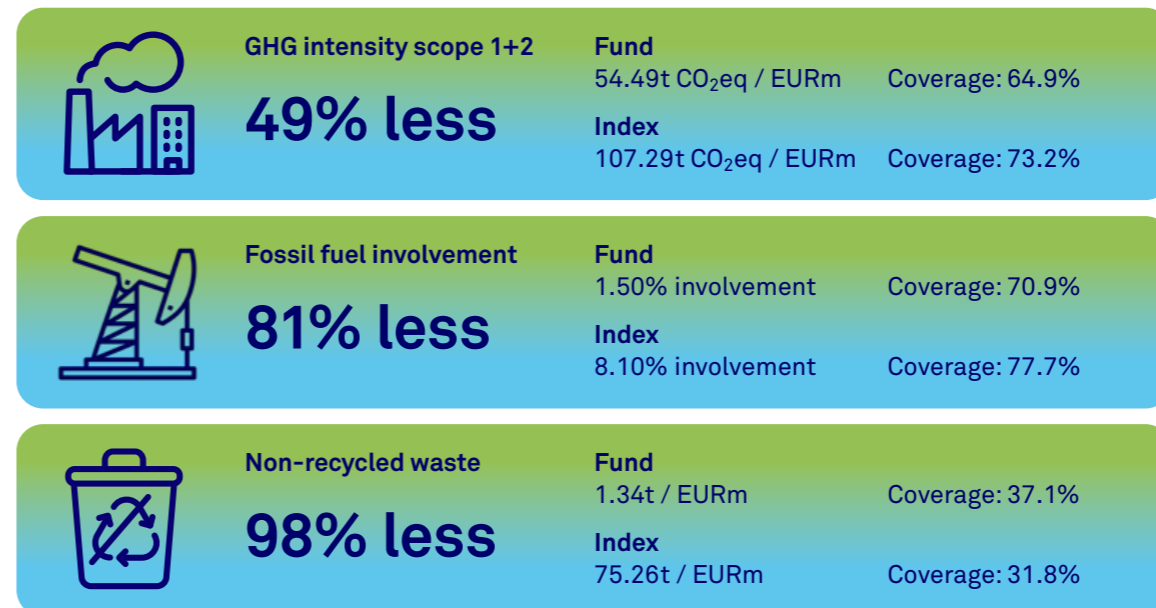
The impact indicators are calculated using PAI data from Morningstar Sustainalytics.

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

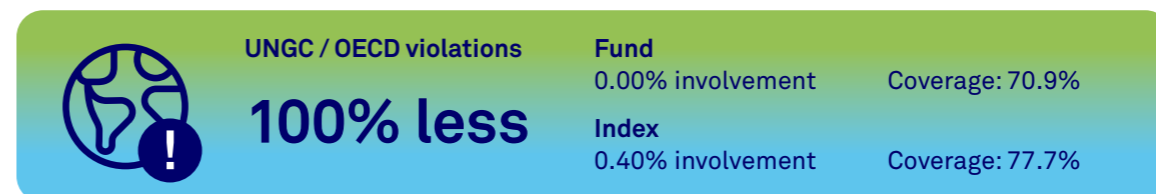
- GHG intensity scope 1+2
- Fossil fuel involvement
- Excessive CEO pay ratio

Please see page 19 for the calculation methodology used.

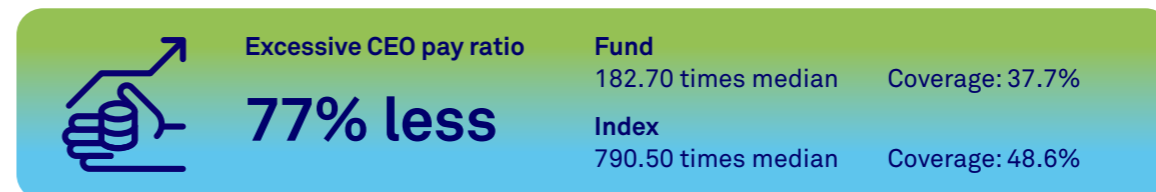
## Environmental indicators



## Social



## Governance



- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# 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.”

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# 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:

<div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px; text-align: center; margin-bottom: 10px;"><b>Climate change</b></div>  <div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px;"> <p>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.</p> <p style="text-align: center;"><a href="#">Read the full article.</a></p> <div style="background-color: #00838f; color: white; text-align: center; padding: 5px; border-radius: 10px;"><b>Energy transition</b></div> </div>	<div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px; text-align: center; margin-bottom: 10px;"><b>Executive remuneration</b></div>  <div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px;"> <p>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.</p> <p style="text-align: center;"><a href="#">Read the full article.</a></p> <div style="background-color: #00838f; color: white; text-align: center; padding: 5px; border-radius: 10px;"><b>Societal transition</b></div> </div>	<div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px; text-align: center; margin-bottom: 10px;"><b>Plastic pollution</b></div>  <div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px;"> <p>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 &amp; Gamble, the three companies in our Impact Equities and Bond portfolios with the highest exposure to plastic pollution.</p> <p style="text-align: center;"><a href="#">Read the full article.</a></p> <div style="background-color: #00838f; color: white; text-align: center; padding: 5px; border-radius: 10px;"><b>Resources transition</b></div> </div>	<div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px; text-align: center; margin-bottom: 10px;"><b>Family-friendly working policies</b></div>  <div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px;"> <p>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.</p> <p style="text-align: center;"><a href="#">Read the full article.</a></p> <div style="background-color: #00838f; color: white; text-align: center; padding: 5px; border-radius: 10px;"><b>Wellbeing / Societal transition</b></div> </div>	<div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px; text-align: center; margin-bottom: 10px;"><b>Hazardous chemicals</b></div>  <div style="background-color: #e0f2f1; border-radius: 10px; padding: 10px;"> <p>Hazardous chemicals have been a key topic of our company engagement agenda since 2021. In a collaborative effort we encourage chemical companies to phase out hazardous chemicals and transition toward more sustainable solutions. In 2024, we met with chemical companies Akzo Nobel, Evonik, and Shin-Etsu to discuss synthetic, highly toxic per- and polyfluoroalkyl substances or PFAS.</p> <p style="text-align: center;"><a href="#">Read the full article.</a></p> <div style="background-color: #00838f; color: white; text-align: center; padding: 5px; border-radius: 10px;"><b>Resources transition</b></div> </div>
--	---	---	---	---

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Engagement and voting summary

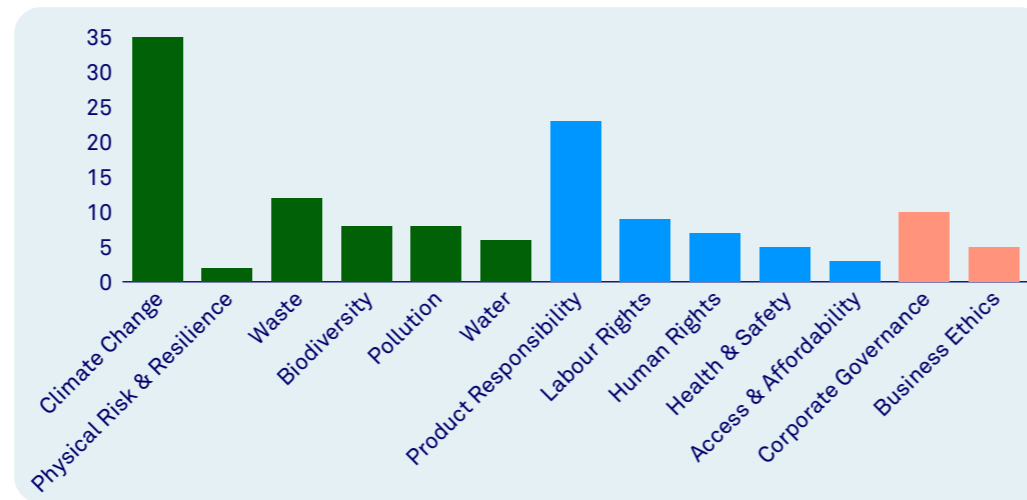
## Engagement in 2024

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

### Company contact purpose



### 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.

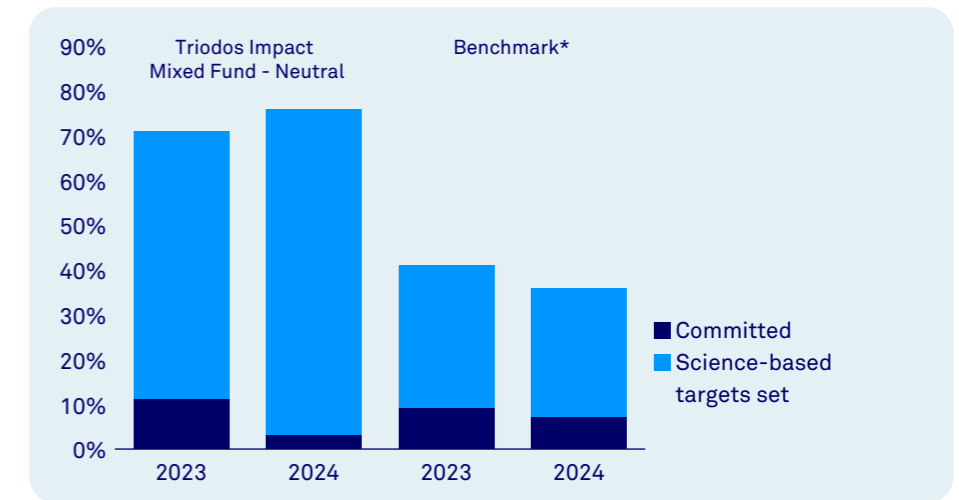
**23%**  
voted against management

The fund voted at 50 annual general meetings on a total of 732 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.



\* MSCI World Index (50%), iBoxx Euro Corporates Overall Total Return (30%) and iBoxx Euro Eurozone Sovereign 1-10 Total Return (20%)

# Sustainability risks and opportunities

## ESG risks and opportunities of the ten largest holdings

Company name	Risks	Opportunities
<b>European Union</b>	The EU issues impact bonds to finance its SURE program. This program does not apply exclusion criteria for sectors that have negative environmental or social impact. Proceeds may therefore be allocated to sectors with negative impact.	SURE funding is used for increased public expenditure related to employment and income preservation, such as short-time work schemes, parental leave, child-care support, wage subsidies and social security contributions.
<b>RELX</b>	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 it contributes to society by advancing science and health, protecting people, improving the rule of law and providing access to justice.
<b>Danone</b>	Biodiversity loss, climate change and water stress impair agricultural production and are therefore a material risk to Danone's sourcing operations. An additional risk are the packaging materials used by the company.	Danone may increase its brand value by being positively associated with sustainable sourcing, deforestation-free programs and shifting towards more sustainable packaging solutions.
<b>NVIDIA</b>	NVIDIA has outsourced most its manufacturing activities. Some of its suppliers and manufacturing partners could be involved in controversies related to conflict minerals, labour violations, disposition of hazardous waste material or violation of international legislation, which could negatively impact the company. There are also risks related to the ethical use of AI.	The company contributes to and accelerates the development of various aspects of artificial intelligence (AI). Furthermore, with data centers consuming a growing portion of the world's energy, improving performance and energy efficiency is a principal R&D goal for the company.
<b>EssilorLuxottica</b>	The main risks are product quality and safety, antitrust violations, and data security, as the company manages health-related data. The absence of a split between the roles of chairman and CEO is a governance risk.	The company incorporates environmental considerations in product design, increasing the use of bio-materials in glass frames. It plans to address other health issues such as hearing loss by integrating hearing aids into frames.
<b>Germany</b>	The green bond finances projects that enhance knowledge and innovation about climate and environmental matters. For such research projects it is difficult to determine what the positive impact is and how they contribute to reaching Germany's climate goals.	Germany is highly committed to achieving carbon neutrality by 2050. It has emission goals for sectors including transport, renewable energy, industry, agriculture and waste management and has issued green bonds to finance projects that contribute to achieving such climate goals.
<b>Assa Abloy</b>	Assa Abloy is exposed to risks concerning the environmental impact of its 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 targets a 25% reduction vs. 2020 of GHG emissions, energy and water use and waste by 2025. There is also a SBTI-approved target for net zero emissions by 2050.
<b>Taiwan Semiconductor Manufacturing</b>	Key risks include the use of electricity and water, the use of hazardous substances and PFAS and related waste, the health and safety of employees and workers along the supply chain, exposure to the sourcing of conflict minerals as well as climate and geopolitical risks.	Our society is increasingly becoming digital and connected, which requires ever more computing power. As the largest and most advanced chip maker globally, TSMC is well positioned to support the increasing computing power requirements in a cost- and energy efficient way.
<b>Mastercard</b>	Mastercard's relevant ESG risks include employment security and wellbeing, data protection and information security, customer protection and digital inclusion, responsible client management and marketing, and energy management of data centres.	Mastercard promotes social inclusion and empowerment by expanding financial access worldwide. It has helped bring millions of financially excluded individuals into the digital economy through initiatives like the Mastercard Farmer Network.
<b>Intuitive Surgical</b>	The main ESG risks for Intuitive Surgical are product quality and safety. Other risks are related to supply chain management, cybersecurity, access and affordability, animal welfare and anticompetitive behaviour (antitrust).	Intuitive Surgical is the pioneer and global leader in robotic-assisted, minimally invasive surgery technology. Patients recover more swiftly from these surgical procedures, allowing them to return home sooner, leading to better availability of hospital beds and lower total cost of care.

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Sustainability risks and opportunities

## Risks and opportunities of largest GHG emitters

Company name	Risks	Opportunities
<b>Toyota</b>	For car manufacturers, the main sustainability issues are the reduction of CO <sub>2</sub> emissions of the car fleet across the whole product lifecycle as well as environmental standards in the supply chain.	Toyota is committed to contributing to safe and energy-efficient mobility concepts for all people across income groups and regions, including transport infrastructure. These efforts, to some degree, facilitate a reduction of the environmental burden caused by cars.
<b>Nidec</b>	As a manufacturing company operating globally, Nidec faces risks related to GHG emissions and energy management as well as supply chain related risks. Furthermore, given the role of Nidec's founder and a turbulent CEO succession process, corporate governance can also be seen as a risk.	With its products Nidec supports the trends towards decarbonisation (e.g. traction motors for EVs) and energy savings (including products to make appliances and datacentre cooling more power efficient).
<b>Atlas Copco</b>	Atlas Copco faces climate-related risks such as increased regulatory pressure on carbon emissions, potential supply chain disruptions due to extreme weather events and higher energy costs affecting operations and manufacturing.	Opportunities for Atlas Copco are EV manufacturing equipment and emission control abatement systems. The company can benefit from the growing demand for energy-efficient and low-emission industrial solutions, expanding its market share by developing sustainable technologies that help customers reduce their environmental footprint.
<b>Procter &amp; Gamble</b>	P&G faces several climate-related risks despite its progress on reducing absolute scope 1 and 2 emissions. Significant challenges remain in addressing scope 3 emissions – nearly 98% of which stem from purchased goods, upstream transportation, product use, and end-of-life treatment. Additionally, product usage emissions and physical risks such as water scarcity, drought, flooding, and tropical cyclones continue to expose the company to potential operational and cost volatility.	Opportunities for P&G include further leveraging its strong climate strategy to drive deeper decarbonisation. By continuing to expand its renewable energy portfolio - aiming for full grid integration across all sites - and promoting consumer practices like cold-water washing, the company can further lower product usage emissions.
<b>Continental</b>	Key risks in the company's operational management include greenhouse gas emission reduction targets and action plans, performance of tyre models according to EU regulation and a strategy to optimise the energy efficiency of its products. Environmental risks are, by and large, managed well.	Opportunities for automotive suppliers can be found in helping to improve the energy efficiency of vehicles. Further opportunities lie in the development of products for alternative drives, new mobility concepts and more sustainable raw material use.

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
<b>Shin-Etsu Chemical</b>	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.
<b>Nomad Foods</b>	Nomad Foods operates in the food products industry, heavily relying on ecosystem services. Its biodiversity risks primarily stem from its raw material supply chain.	The company can enhance its sustainability profile by ensuring sustainable use of water and by taking measures to reduce the climate impact of agricultural production within its value chain. Evaluating the presence of invasive alien species in its operations and supply chain also presents an opportunity to further improve risk mitigation.
<b>Toyota</b>	For car manufacturers, the main sustainability issues are the reduction of CO <sub>2</sub> 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.
<b>Darling Ingredients</b>	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.
<b>Roche</b>	Biodiversity loss driven by pollution through air, water and soil is the main risk for pharmaceutical companies like Roche. Risk management for substances of concern and wastewater, and hazardous waste management for treatment facilities are key.	The company recognises the importance of biodiversity and ensures that the discovery and development of products derived from any non-human organisms are in line with the principles and goals of the UN Convention on Biological Diversity. An assessment of its impacts and dependencies on biodiversity of its operations or its supply chain would be a clear improvement.

The biodiversity laggards per fund are identified top down, with addition of biodiversity data from several sources. The first step of identifying the biodiversity laggards for each fund 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 or obstruction of the UN Sustainable Development Goals, taking into account their products and services, policies and involvement in controversies. We select additional biodiversity laggards from companies that have been assessed by ISS ESG to have a negative score on SDGs 14 (Life on land) and 15 (Life below water).

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

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Engagement with the ten largest holdings

Company name	Engagement topics
RELX	Climate change, labour rights
Danone	Biodiversity, climate change, pollution
NVIDIA	Climate change, corporate governance
EssilorLuxottica	Corporate governance
Assa Abloy	Climate change, corporate governance
Deere & Co.	Impact narrative, climate change, pollution, waste, business ethics, health and safety
Mastercard	Impact narrative
Intuitive Surgical	Corporate governance
Taiwan Semiconductor	Health and safety
KLA	Biodiversity, climate change, waste, corporate governance, human rights, labour rights

## Implementation of sustainability regulation

### SFDR

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

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

### EU Taxonomy

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

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



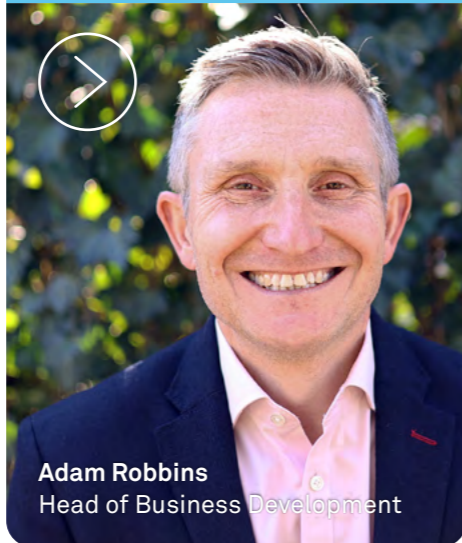
- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# Watch our bite-sized Masterclasses

Grow your knowledge of impact investing and join our experts as they share practical insights to help you navigate this rapidly developing market.

## Sustainable investing

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



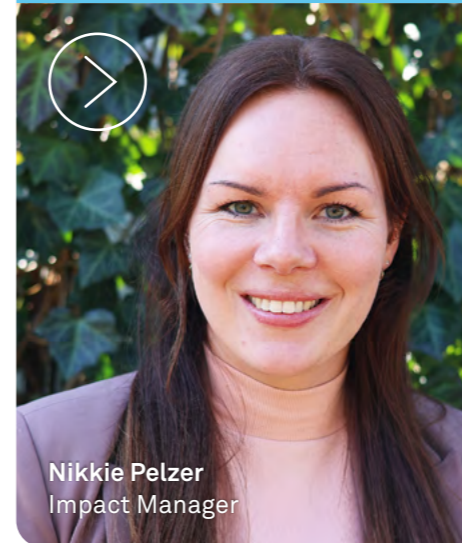
## Impact management

Find out how to embed impact into your investment approach, using tools like the impact management cycle and the Theory of Change. Learn to adapt strategies over time to effectively align with your mission and investment goals.



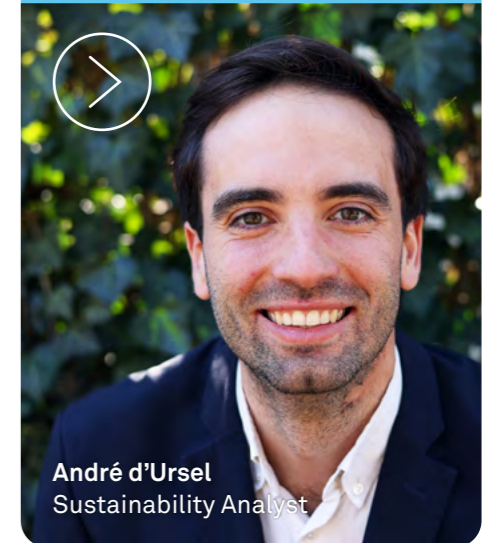
## Impact measurement

Learn more about the importance of impact measurement in investing for decision-making, accountability, and transparency. Explore the role of data, legislation, and the Theory of Change in creating a meaningful measurement process.



## Engagement

Learn more about the power of shareholder engagement as a tool for driving positive change in listed companies. Gain insight into effective stewardship strategies and the tangible results achievable through impactful company engagement.



- > Impact highlights 2024
- > Foreword by the Portfolio Manager
- > Investing in the changemakers
- > Impact achieved
- > Impact investments
- > Theory of Change
- > Do no significant harm
- > Engagement in the spotlight
- > Engagement agenda
- > Engagement and voting summary
- > Sustainability risks and opportunities
- > Engagement with the ten largest holdings
- > Our masterclasses
- > Impact metrics explained

# 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

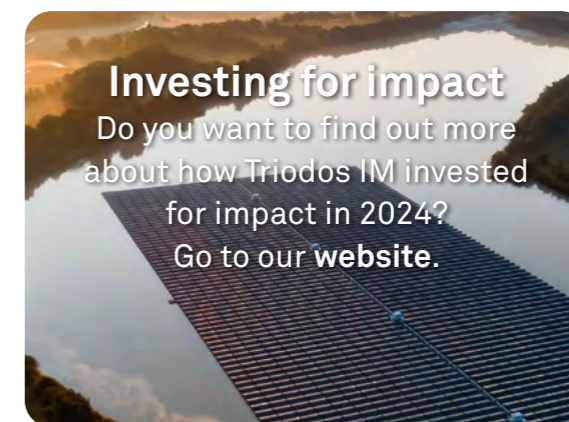
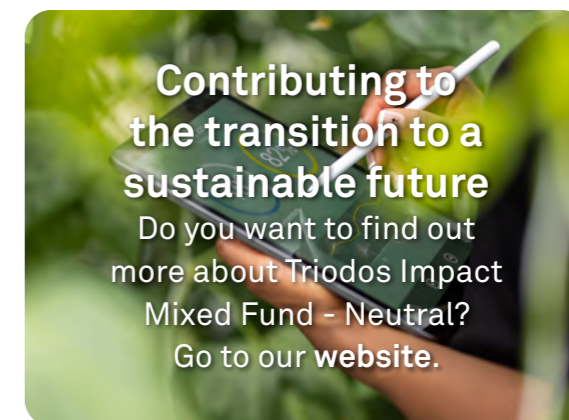
(GHG) emissions. It is the amount of GHG produced per unit of revenue generated by the company, measured in tonnes of CO<sub>2</sub> per EURm generated in revenue. The carbon intensity is then weighted using the portfolio weight to get a weighted average for the portfolio.

- **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 divided 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 Impact Mixed Fund - Neutral 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](#).