

Stewardship update

Impact Equities and Bonds



Q2 2025

For professional investors only

Stewardship approach focusing on value creation

Distinct characteristics of our stewardship approach

As stewards of our clients' assets, we integrate stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all our stakeholders. We seek to create long-term value for the society by both directly and indirectly promoting better environmental, social and corporate governance practices.

See our [Investment and Stewardship Policy](#) and our [Stewardship webpage](#) for more details.

Direct company engagement

- ✓ Rooted in our Theory of Change for listed impact equities and bonds.
- ✓ A tool to accelerate 5 vital transitions towards a more sustainable economy.
- ✓ Understanding the depth of companies' commitment to long-term positive impact.
- ✓ One-on-one conversations, using a variety of methods to connect with companies.



Collaborative and industry engagement

- ✓ Collaborate with like-minded partners on sustainability challenges to shape an environment in which companies and investors can operate more sustainably aligned with our transition vision.
- ✓ Increase visibility of material topics.



Proxy voting

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

[Our proxy voting guidelines](#)
[Our voting records](#)

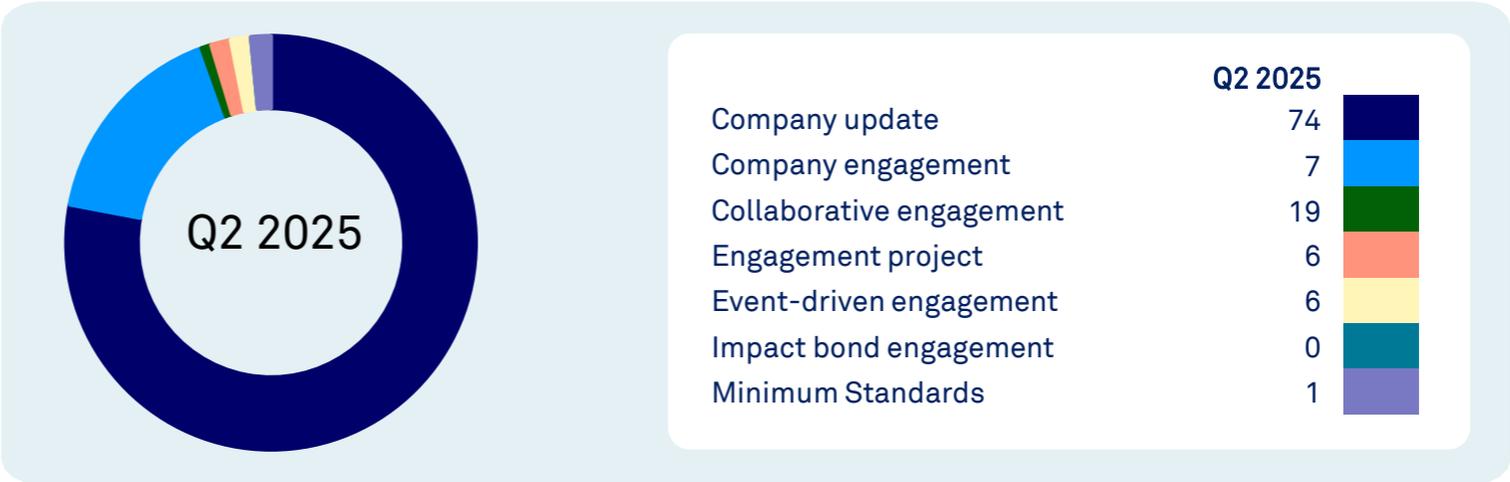


Engagement highlights Q2 2025

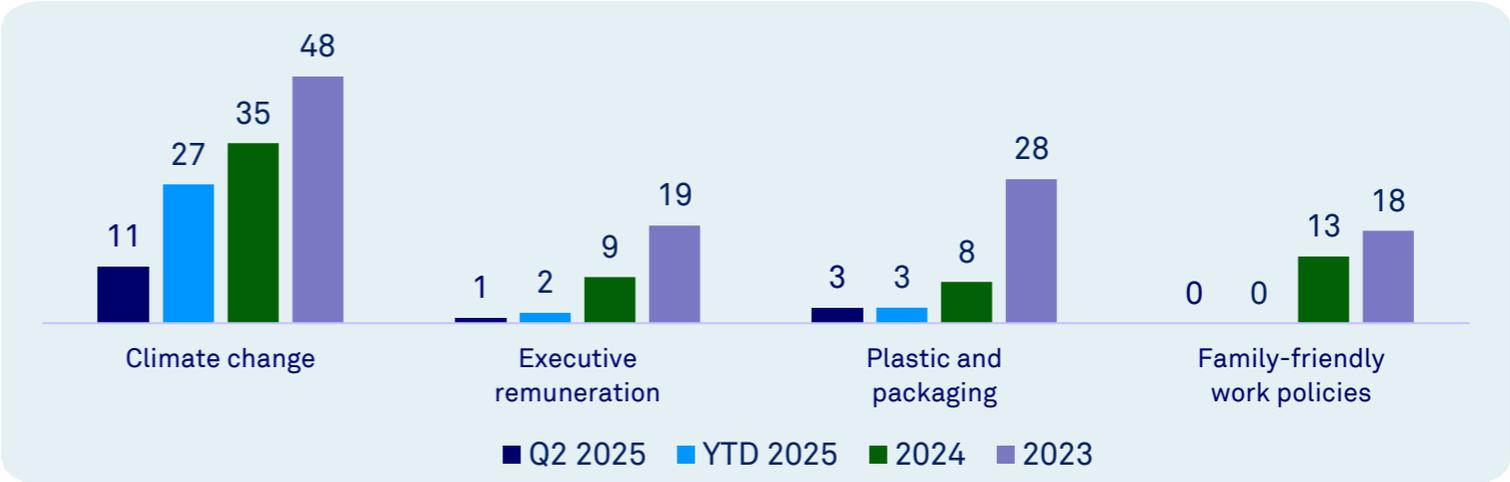
Through engagement we aim to drive positive change for society and the environment, while also boosting companies' long-term value. Our structured [engagement agenda](#) is based on the Triodos IM Theory of Change for listed impact equities and bonds

We engage with companies on a wide range of topics, ranging from company updates and sustainability issues to meeting our minimum standards. In Q2 2025, we had a total of 90 contacts with companies. One company contact can serve multiple purposes; the number of contacts is therefore lower than the total number of contact purposes.

Contact purpose



Engagement projects

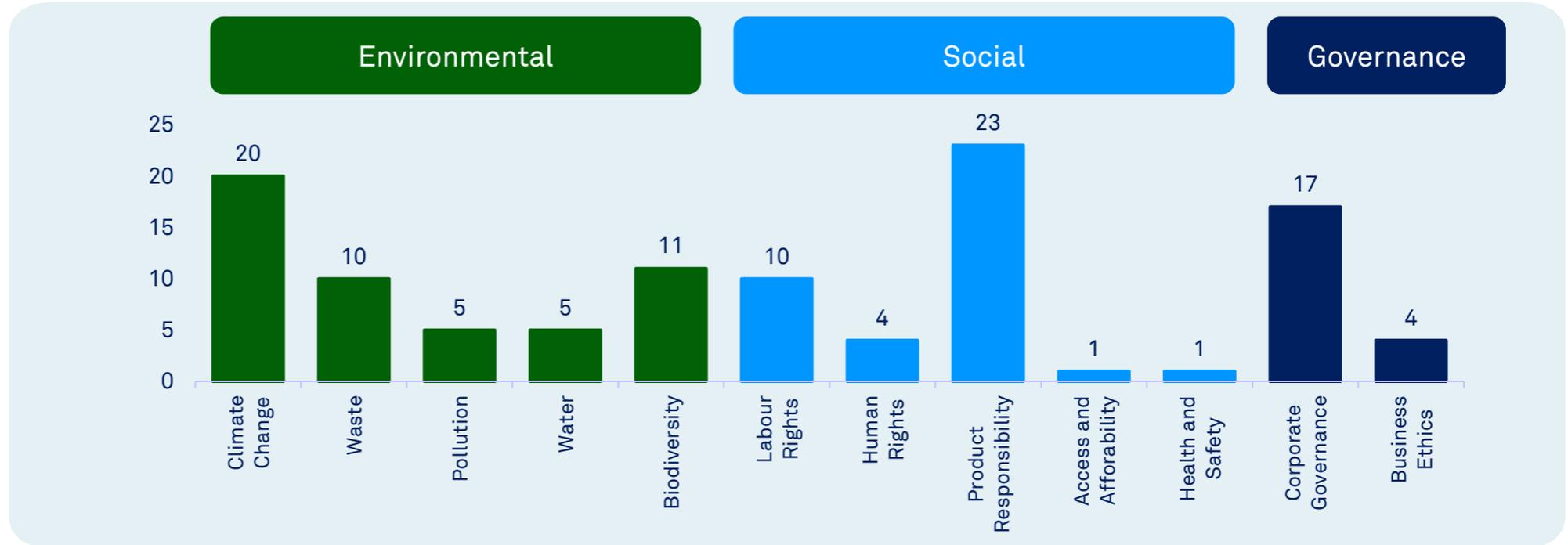


Engagement highlights Q2 2025

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.

In Q2 2025, we specifically engaged on Environmental, Social and Governance (ESG) topics and ongoing engagement projects. Most of our contacts are used to discuss one or multiple ESG topics, so the number of ESG (sub)topics discussed is not necessarily the same as the total number of contacts (90). The diagram provides an overview of the topics discussed.

ESG topics



Pre-investment engagement example: Zebra Technologies

In June, we invested in Zebra Technologies, which offers mobile computers, asset-tracking technology and other electronic products that allow for efficient logistics services. Prior to investing, we engaged multiple times with the company to clear any outstanding questions related to our Minimum Standards. Among the topics covered, we asked in-depth questions about the dual-use of products for security and defence purposes. We concluded that the company does not derive any revenue from combat-related applications, nor that it produces products tailor-made for weapons. We also asked about their Responsible AI approach and checked that the company does not deploy critical facial or emotion recognition technology.

Engagement projects – Q2 2025 update

While we have one-on-one conversations with companies to discuss ad-hoc sustainability topics, such as positive impact and alignment with our minimum standards, we also follow a formal engagement agenda.

This agenda includes four main topics:

- Climate change
- Executive remuneration
- Plastics and packaging
- Family-friendly work policies



Climate Change

The goal of this project is to encourage our portfolio companies to set science-based emission targets, in line with the 1.5°C trajectory, as set out by the Science Based Targets initiative (SBTi). For more details read the [article](#).

Energy transition

We use two complementary approaches in our efforts to reach our main objective. The first approach is to focus on companies that are still in the early stages of establishing a climate change strategy. These companies can greatly improve their strategy by setting targets that are science-based. In the second approach, we also focus on the highest emitters in our portfolio, as reducing emissions for this group can substantially contribute to our total emissions reduction. We identified the five biggest direct emitters per strategy and prioritised them for engagement.

In **Q2 2025**, we engaged on this topic with five companies that belong to the top 10 emitters of the fund:

- ✓ **Danone**
- ✓ **DSM-Firmenich**
- ✓ **Essity Aktiebolag**
- ✓ **Evonik Industries**
- ✓ **Sekisui Chemical**



Executive remuneration

We promote balanced and fair remuneration policies and practices by limiting excessive CEO pay and reducing the pay gap in listed companies. We engaged with companies with excessive remuneration. For more details read the [article](#).

Societal transition

In 2021, we started the engagement program on remuneration, which aims to reduce the pay gap in companies, achieve concrete improvements regarding disclosure, transparency, responsiveness, risk-taking, pay for performance, and create awareness of the relationship between inequality and remuneration systems.

Our engagement focuses on companies in our portfolio where we see significant room for improvement in remuneration policies and practices. In 2025 these companies are Gen Digital (cyber security solutions), Palo Alto Networks (network security solutions), Procter & Gamble (consumer products), KLA (semiconductors), Enphase Energy (solar energy equipment), and Zimmer Biomet (medical equipment).

No new developments in **Q2 2025**.

Engagement projects – Q2 2025 update

More insights on our engagement agenda can be found [here](#)



Plastic and packaging

Extensive use of plastic has a detrimental effect on our environment, the climate, biodiversity, human rights and public health, and cleaning up the aftermath is an overwhelming task. For more details read the [article](#).

Resource transition

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 portfolios with the highest exposure to plastic pollution. Our engagement with these companies has revealed varying levels of progress toward sustainable packaging, with clear areas for improvement across all three companies.

In **Q2 2025**, we engaged on this topic with:

- ✓ **Danone**
- ✓ **Henkel**



Family-friendly work policies

Family-friendly work policies play an important role in enhancing and improving the wellbeing of children. For more details read the [article](#).

Wellbeing & Societal transitions

Family-friendly work policies are crucial for child and adult development and contribute to both an inclusive and healthy society. Evidence shows that the first 1,000 days of life have a lasting effect on a child's future. We engage with investees to create a family-friendly workplace, with policies such as paid parental leave, flexible working hours, facilitation of breastfeeding and childcare support.

In **2025**, we focus on the areas that scored the lowest in our 2024 evaluations: parental leave, breastfeeding support and childcare assistance. Given the challenges faced by US companies in these areas, we will prioritise engaging with them to drive improvements. We are mindful, however, that due to these challenges they may be less receptive to suggestions for policy enhancements than they were just a few months ago.

Collaborative engagement – update

Together with professional associations, public policy makers, legislators, regulators, industry bodies and other relevant stakeholders (NGOs, international organisations, etc.) we strive to shape an environment in which companies and investors can operate more sustainably.

Collaborative engagement increases the visibility of the topics being discussed and expands the overall power of our engagement activities.



Hazardous chemicals

We joined a collaborative engagement to encourage chemical companies to phase out hazardous chemicals and transition towards more sustainable solutions. For more details, read the [article](#).

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

No new developments in **Q2 2025**.



Access to Nutrition initiative

The Access to Nutrition initiative (ATNi) is a global foundation actively challenging the food industry, investors and policymakers to shape healthier food systems. For more details: accesstonutrition.org.

We had a call with Danone as part of the Access to Nutrition collaborative initiative. The company ranks 1st in the [Global Access to Nutrition Index 2024](#), demonstrating its leadership role in responsible nutrition.



Investor Statement on Seafood Traceability

For more details: [Seafood Traceability Engagement | FAIRR](#)

To ensure that emerging seafood traceability commitments and systems are aligned with best practices, the FAIRR Initiative, with support from World Wildlife Fund (WWF-US), Planet Tracker, the World Benchmarking Alliance (WBA) and the UN Environment Programme Finance Initiative's (UNEP FI) Sustainable Blue Economy Finance Initiative are bringing key seafood sector investors together to collaboratively engage in constructive dialogues with a core group of companies.

Triodos Investment Management is a member of FAIRR and signed the statement in Q2 2025.

Initiator

FAIRR

Voting summary Q2 2025

In Q2 2025, we voted at 83 annual general meetings on a total of 1,232 resolutions.

83
AGMs

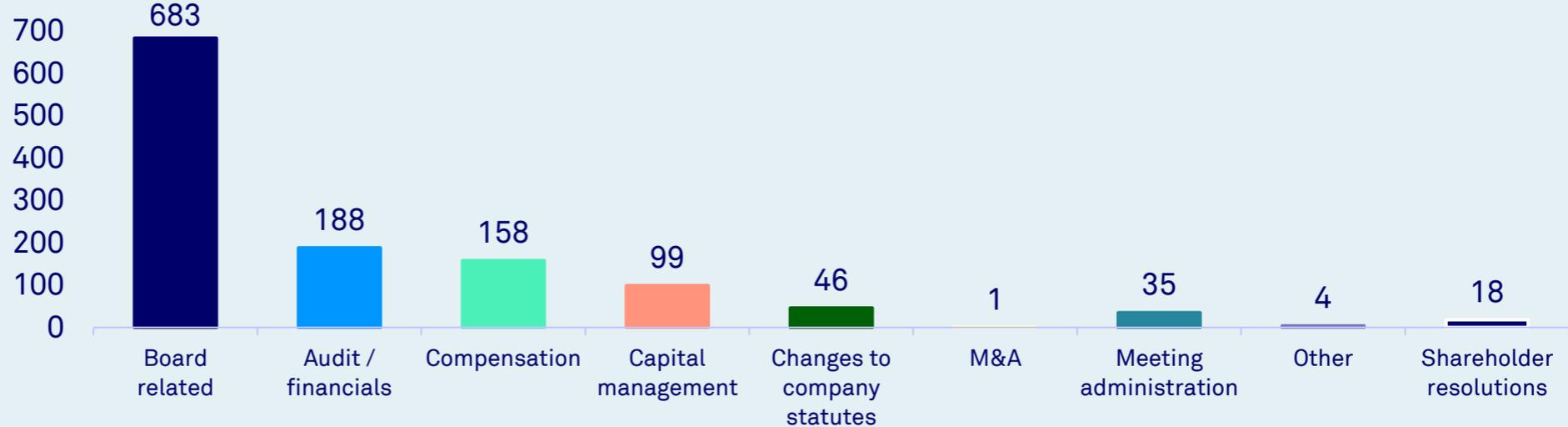
1,232
resolutions

22%
against

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.

See our [voting records](#) for more details.

Voting topics



Source: Triodos Investment Management

Shareholder proposals on Equity, Diversity, and Inclusion

Last quarter, we voted on several US shareholder proposals regarding Equity, Diversity and Inclusion (EDI). We supported three proposals on EDI reporting at Planet Fitness, Elevance Health, and Nvidia. We voted against a racial equity audit at Mastercard, judging that the costs outweigh the benefits, but will continue to monitor the company and may support similar future proposals if needed.

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 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 Business Development team at:

+31 (0)30 694 2400

TriodosIM@triodos.com

www.triodos-im.com

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 judgment 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 judgment 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 Investment BV 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.