

Product name: Triodos Pioneer Impact Fund
Legal entity identifier: 549300K3BHI3TTMCA19

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 69.5% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It made sustainable investments with a social objective: 30.8%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The sustainable investment objectives of the sub-fund are to:

- make money work for environmental and social change
- 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.

The (environmental) objective to contribute to the transition to an economy within planetary boundaries is addressed in the following Triodos transition themes:

- Sustainable Food and Agriculture (feed the world sustainably)
- Sustainable Mobility and Infrastructure (be mobile, live and work in a sustainable way)
- Renewable Resources (limit the use of finite resources)
- Circular Economy (make use of resources as efficiently and long as possible)
- Innovation for Sustainability (innovate for a sustainable future)

The (social) objective to contribute to the transition to an economy where all humans can enjoy a prosperous life is addressed in the following Triodos transition themes:

- Sustainable Food and Agriculture (feed the world sustainably)
- Prosperous and Healthy People (become and stay healthy and happy)
- Social Inclusion and Empowerment (create a society in which all people can fully participate)
- Innovation for Sustainability (innovate for a sustainable future)

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Through investments that contribute to the Sustainable Mobility and Infrastructure, Renewable Resources and Innovation for Sustainability transition themes, the sub-fund contributed to the following environmental objectives as set out in article 9 of the EU Taxonomy:

- climate change mitigation
- climate change adaptation

The sub-fund realised its three sustainable investment objectives by investing solely in listed equities that actively contribute to at least one transition theme.

As of 1 January 2024, Triodos Investment Management has aligned the sustainability objectives of the (potential) investments for the sub-funds of Triodos SICAV I with five transitions instead of the former seven transition themes. The five interlinked transitions for transformation need to take place to achieve our vision for a prosperous life for people on a thriving planet. These transitions are the food transition, resource transition, energy transition, societal transition and wellbeing transition. Every (potential) investment is assessed in-depth on its thematic fit with the Triodos transitions. Based on the products and/or services offered, the investments in the investment portfolio have been reclassified to the five new transitions. The investment strategy followed by the sub-fund remains unchanged. More details about our vision and the five transition themes can be found [here](#).

How did the sustainability indicators perform?

In order to measure the attainment of its sustainable investment objectives, the sub-fund measures its exposure to the Triodos transition themes as a percentage of portfolio holdings that contribute to at least one transition theme and as a percentage of assets under management allocated to each theme. Since each Triodos transition theme is linked to one or more UN SDGs, the sub-fund also reports its absolute and relative contribution to environmental (SDGs 6, 7, 11, 12, 13 and 15) or social (SDGs 1, 2, 3, 4, 5, 10 and 16) SDGs based on external data performing a comprehensive assessment of company products and services that affect SDGs. The contribution is measured by SDG scores, which range on a scale from -10 (products/services having a significant obstructing impact to the SDGs) to 10 (products/services having a significant contributing impact to the SDGs). The sub-fund also reports its carbon footprint relative to its benchmark (scope 1 and 2 emissions). The benchmark of the sub-fund (used for performance measurement only) is MSCI World Small & Mid Cap Index.

In 2023, all investments contributed to at least one of the transition themes. All seven transition themes were represented in the sub-fund with the largest exposure at year-end to Innovation for Sustainability (28.1% of net assets).

The contribution of the sub-fund to the SDGs was significantly higher than that of the benchmark. The sub-fund particularly contributed to SDG3, SDG6, SDG7 and SDG13.

	Sub-fund	Benchmark
Environmental SDGs	4.7	-0.4
Social SDGs	1.1	0.5

Source: ISS SDG Product & Services Score as of 31 December 2023

The carbon footprint of the sub-fund was lower than that of the benchmark:

	Sub-fund	Benchmark
Carbon footprint (tonnes of CO ₂ equivalent)	41,675	102,557

Source: ISS as of 31 December 2023

The performance of the indicators is a consequence of the investment strategy of the sub-funds and not a result of targeting specific indicator results. The data used to calculate the performance of the sustainability indicators is derived by the Management Company from companies directly and/or via data providers and have not been subject to an assurance by an auditor or a review by a third party.

...and compared to previous periods?

Compared to 2022, the contribution of the sub-fund to the transition themes has changed as follows:

	31 December 2023	31 December 2022
Social Inclusion and Empowerment	12.5%	10.9%
Prosperous and Healthy People	9.9%	10.5%
Sustainable Food and Agriculture	4.1%	8.4%
Renewable Resources	20.0%	23.5%
Circular Economy	12.8%	7.9%
Innovation for Sustainability	28.1%	23.6%
Sustainable Mobility and Infrastructure	13.0%	13.2%
Cash	-0.3%	1.9%

The contribution of the sub-fund to the environmental SDGs as at 31 December 2023 was lower than as at 31 December 2022:

	31 December 2023	31 December 2022
Environmental SDGs	4.7	4.8
Social SDGs	1.1	1.2

The lower contribution was due to a decrease in SDG scores for some existing issuers in the portfolio, lower exposure to some existing issuers with positive SDG scores as well as the removal of some issuers with positive SDG scores.

The relative carbon footprint of the sub-fund was higher as at 31 December 2023 than as at 31 December 2022:

	31 December 2023	31 December 2022
Carbon footprint (tonnes of CO ₂ equivalent)	-59.4%	-64.3%

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

To select only those investments that do not cause significant harm to any environmental or social sustainable investment objective, every (new) investment has been assessed on its alignment with the Minimum Standards. If an issuer was found to cause significant harm to any of those standards, it was excluded from investment. All applicable principal adverse impact indicators (PAIs) on sustainability factors have been taken into account in the investment process. The Minimum Standards, that are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, also set out the minimum standards for employee relations, remuneration, taxes and other corporate governance topics that investees must meet in order to be eligible for investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

With the introduction of the SFDR Delegated Regulation as from 1 January 2023, PAIs have been introduced to establish standards for reporting on principal adverse impacts. The

process for taking into account PAIs as applied from 1 January 2023 is detailed below. In 2023, all investments of the sub-fund were screened to avoid or reduce principal adverse impacts when investing.

The PAIs have been taken into account in the second phase of the investment process (negative impact, consisting of three steps), both as part of the initial screening and the continuous monitoring of investments:

1. **Negative screening:** Every (potential) investee has been screened for involvement in controversial business activities. If an investee exceeded the threshold below, “high concern” was concluded, and the investee was excluded from investment.

Triodos controversial activity	SFDR PAI	Threshold
Controversial weapons	14 (Exposure to controversial weapons)	Any involvement
Fossil fuels	4 (Exposure to companies active in the fossil fuel sector)	GICS Energy Sector classification (i.e. companies active in the fossil fuel sector)
Hazardous substances	E9 (Investments in companies producing chemicals)	Pesticides – production, distribution (>5% revenue) Persistent Organic Pollutants – production, use (>0% revenue)

2. **Controversies:** Every (potential) investee has been assessed on violations of UN Global Compact and OECD Guidelines for Multinational Enterprises on a case-by-case basis considering violations in the last three years. Per case, the verification of information, severity and company response were considered to conclude if a case was low, medium or high concern. In case a company had been involved in severe and/or frequent violations without taking credible remediation measures, “high concern” was concluded, and the investee was excluded from investment.

Triodos assessment	SFDR PAI	Threshold
Controversies	10 (Violations of UN Global Compact principles and OECD Guidelines) 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines) S7 (Incidents of discrimination) S14 (Number of severe human rights issues and incidents) S16 (Cases of insufficient action with breaches of anti-corruption) S17 (Convictions and fines for anti-corruption)	Significant violations of UN Global Compact or OECD Guidelines within the last 3 years

3. **ESG assessment:** By combining our proprietary materiality map, highlighting material ESG issues per industry, with an understanding of the company’s actual business activities, the risk that an investee inflicts negative impacts on these ESG issues has been assessed. Based on the risk classification (low, medium or high risk), the company must have met additional requirements such as having sustainability programs, reporting, certifications, policies or practices in place. In case a company did not meet these requirements but was in transition, it was flagged for engagement. The PAIs were considered on an absolute basis, over time and compared to five peers (where relevant). Taking all of the above into consideration, a company’s practices were assessed as low, medium or high concern. If “high concern” was concluded, the investee was excluded from investment.

Triodos			
ESG issue		SFDR PAI	Threshold
Environmental	Climate change	1 (GHG emissions) 2 (Carbon footprint) 3 (GHG intensity) 5 (Share of non-renewable energy consumption and production) 6 (Energy consumption intensity) E4 (Companies without carbon reduction initiatives) E5 (Energy consumption per non-renewable energy source)	High risk for climate change without GHG emissions reporting and Paris-aligned reduction targets; Significant controversies
	Water	E6 (Water usage and recycling) E7 (Investments in companies with-out water management policies) E8 (Exposure to areas of high water stress)	High risk for water scarcity without activities to reduce freshwater use; Significant controversies
	Waste	E13 (Non-recycled waste ratio)	Significant controversies
	Pollution	8 (Emissions to water) 9 (Hazardous and radioactive waste ratio) E2 (Emissions of air pollutants)	Significant controversies
	Ecosystems	7 (Activities negatively affecting biodiversity) E11 (Companies without sustainable land/agriculture practice) E12 (Companies without sustainable oceans/seas practice) E15 (Deforestation)	High risk for human rights or conflict minerals without relevant policy and practices; Significant controversies
Social	Human rights & community	S9 (Lack of human rights policy) S10 (Lack of human rights due diligence)	High risk for human rights or conflict minerals without relevant policy and practices; Significant controversies
	Labour practices	S1 (Companies without workplace accident prevention policies) S2 (Rate of accidents) S3 (Numbers of days lost to injuries, accidents, fatalities or illness) S4 (Lack of supplier code of conduct) 12 (Unadjusted gender pay gap) S5 (Lack of grievance/complaints mechanism for employee matters) S12 (Operations and suppliers at significant risk of child labour) S13 (Operations and suppliers at significant risk of forced labour)	High risk for labour rights without relevant policies, targets and monitoring; Significant controversies
	Supply chain management	S12 (Operations and suppliers at significant risk of child labour) S13 (Operations and suppliers at significant risk of forced labour)	High risk for labour rights in the supply chain without relevant policies, targets and monitoring; Significant controversies
Governance	Corporate governance	13 (Board gender diversity) S8 (Excessive CEO pay ratio)	CEO pay ratio exceeding 100:1 and size-adjusted absolute CEO pay exceeding €2.5 mln in the last 5 years; Significant controversies
	Business ethics	S15 (Lack of anti-corruption and anti-bribery policies) S6 (Insufficient whistleblower protection)	Significant controversies

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

All investments made in 2023 were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Prior to being selected for investment and for the entire duration of the investment, (potential) investees are screened for compliance with the Minimum Standards. The Minimum Standards are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Alignment with the Minimum Standards is assessed in the second phase of the investment process through the check on controversies and the ESG assessment, based on data from external sources and additional in-house desk research (see above the answer to question 'How were the indicators for adverse impacts on sustainability factors taken into account?'). In case of significant violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (i.e. having severe impact, recurrence of incidents, lack of risk management and inadequate remediation measures), the investee is excluded from investment.



How did this financial product consider principal adverse impacts on sustainability factors?

The sub-fund considered all PAIs on sustainability factors referred to in the tables above. Every potential investment has been assessed using the relevant policies and if an issuer was found to cause significant harm, it was excluded from investment. PAIs have been continuously monitored to ensure the sub-fund remained compliant with our policies.

In 2023, continuous monitoring led to four companies being excluded from the Triodos investment universe. These are Royal Philips (due to controversies on a medical device), Power Integrations (due to irresponsible tax behaviour), Starbucks (due to labour rights violations) and Thames Water Utilities (due to weak corporate governance).

The engagement efforts with investee companies aimed at minimising principal adverse impacts were focused on the PAIs related to greenhouse gas emissions, waste and labour practices.

The list includes the investments constituting the greatest proportion of investments of the financial during the reference period which is: 2023



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Planet Fitness	Fitness facilities	4.2	United States
BE Semiconductor Industries	Manufacture of other special-purpose machinery n.e.c.	4.2	Netherlands
Universal Display	Manufacture of electronic components	4.0	United States
Strategic Education	Tertiary education	4.0	United States
Terna	Transmission of electricity	3.8	Italy
Signify	Manufacture of electric lighting equipment	3.6	Netherlands
Advanced Drainage Systems	Manufacture of builders' ware of plastic	3.5	United States
D S Smith	Manufacture of corrugated paper and paperboard	3.5	Great Britain
Gentex	Manufacture of electrical and electronic equipment for motor vehicles	3.4	United States
GN Store Nord	Manufacture of communication equipment	3.3	Denmark
Owens Corning	Manufacture of other non-metallic mineral products	3.0	United States
Kyoritsu Maintenance	Hotels and similar accommodation	3.0	Japan
Landis+Gyr	Manufacture of other electrical equipment	3.0	Switzerland
Badger Meter	Manufacture of instruments and appliances for measuring, testing and navigation	2.9	United States
Mueller Water Products	Manufacture of other taps and valves	2.9	United States

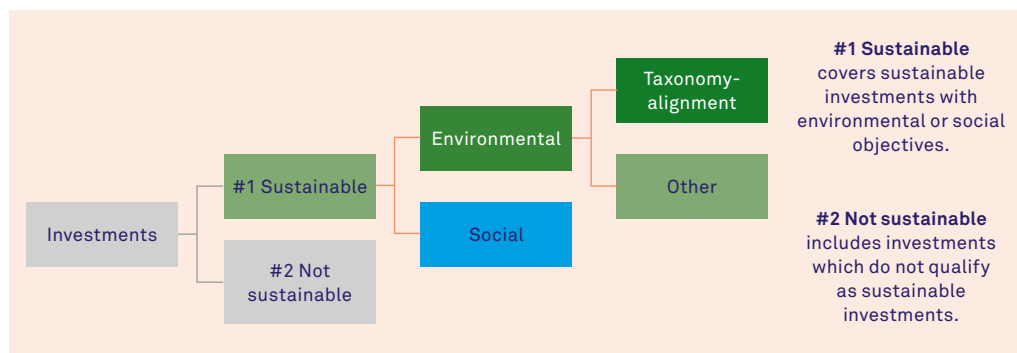
Source (Sector): NACE5



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



100.3% of the net assets of the sub-fund were invested in sustainable investments as per 31 December 2023.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

In which economic sectors were the investments made?

Several new investments were done over the year 2023. The investments have been done across sectors related to:

- Wireless telecommunications activities
- Security systems service activities
- Processing and preserving of meat
- Manufacture of electrical and electronic equipment for motor vehicles
- Manufacture of railway locomotives and rolling stock
- Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
- Fitness facilities
- Water collection, treatment and supply



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Through investments that contribute to the Sustainable Mobility and Infrastructure, Renewable Resources and Innovation for Sustainability transition themes, the sub-fund contributes to the following environmental objectives as set out in article 9 of the EU Taxonomy:

- climate change mitigation (22.8%)
- climate change adaptation (0.0%)

As per 31 December 2023, 22.8% of the investments were Taxonomy aligned. The sub-fund did not have any sovereign exposures.

The Taxonomy percentages shown in the graphs below have not been subject to an assurance by an auditor or a review by a third party.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?¹

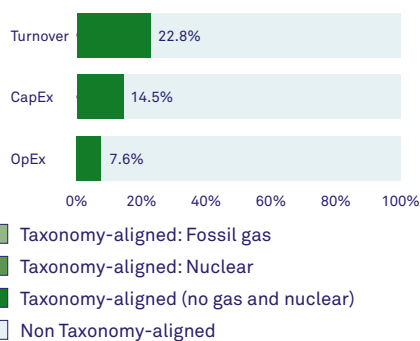
- Yes
- In fossil gas
 - In nuclear energy

No

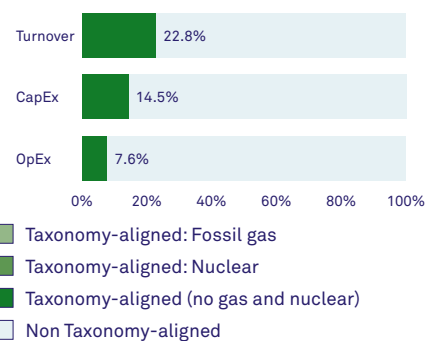
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

As at 31 December 2023, the sub-fund invested 17.0% of its investments in enabling activities and 0.0% in transitional activities.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Compared to 2022, the taxonomy-alignment of investments of the sub-fund was significantly higher. This is among others due to an increase in available data regarding companies in the portfolio of the sub-fund.

Taxonomy-alignment of investments including sovereign bonds

	31 December 2023	31 December 2022
Turnover	22.8%	13.6%
CapEx	14.5%	10.4%
OpEx	7.6%	0.0%

Taxonomy-alignment of investments excluding sovereign bonds

	31 December 2023	31 December 2022
Turnover	22.8%	13.6%
CapEx	14.5%	10.4%
OpEx	7.6%	0.0%



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 46.7% as at 31 December 2023.

We do not steer on the percentage of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. The Triodos transition themes, which are used for the positive selection of the investments, encompass more environmentally sustainable economic activities than currently covered by the EU Taxonomy. Presently, the EU Taxonomy focusses on certain sectors only, whereas the Triodos transition themes are sector-agnostic. The percentage of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is likely to decrease over time as more economic activities are added to the Taxonomy.



What was the share of socially sustainable investments?

The share of sustainable investments contributing to a social objective was 30.8% as at 31 December 2023.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The sub-fund held -0.3% of its net assets in cash and cash equivalents as ancillary liquidity. Cash and cash equivalents did not affect the delivery of the sustainable investment objectives of the sub-fund on a continuous basis. Firstly, they were used - in limited proportion - to support the proper liquidity management of the sub-fund. Secondly, the Management Company assessed on a regular basis whether counterparties for cash and cash equivalents comply with the four pillars of the UN Global Compact, using data from a third-party provider. These four pillars consist of 1) human rights, 2) labour rights, 3) environment and 4) anti-corruption. Also, the Management Company assessed its counterparties' policies and sustainability performance.



What actions have been taken to attain the sustainable investment objective during the reference period?

In our investment philosophy we strive for a balanced approach in diversifying the portfolio holdings over the environmental and social side of the impact spectrum. A new holding added in 2023 in our Sustainable Mobility & Infrastructure theme (environmental side) was Knorr-Bremse. Knorr-Bremse is a market leader for producing braking systems and other subsystems for rail and commercial vehicles. The company's positive impact is twofold. On the one hand, as the global market leader in brake systems for trains, the company is key in the development of trains, which is known to be among the most energy and CO₂-efficient modes of transport. Knorr-Bremse is also a key player in the automation of trucks, which has the potential to significantly reduce fuel consumption and accident rates. On the other hand, Knorr-Bremse is developing eco-design across its product lines to provide more energy-efficient products.

Another holding added in our Prosperous & Healthy People theme (social side) was Planet Fitness. Planet Fitness is a US-based fitness centre operator that operates over 2,400 fitness centres in all the US states as well as in Canada, Australia, Panama, Puerto Rico and Mexico. Planet Fitness has over 17 million members. The company's mission is to provide a welcoming, non-intimidating environment where anyone can pursue a healthy lifestyle regardless of their fitness level. Planet Fitness offers a low-cost membership model of \$10 per month for basic access, which makes it affordable for people from lower-income backgrounds to access fitness facilities.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.