

## Sustainability-related disclosure

### Triodos Fair Share Fund

March 2021

#### Sustainable investment objective

Triodos Fair Share Fund (or 'Fund') has sustainable investment as its objective as set out in article 9 of the SFDR. The objective of the Fund is to invest in institutions that contribute to the development of an inclusive financial sector that is accessible to all sections of the population in developing countries and emerging markets. The Fund makes direct and indirect investments in financial institutions focused on microfinance and SME finance that empower people and businesses to achieve their goals and aspirations and contribute to a sustainable and balanced local economy.

#### Methodologies, screening criteria and relevant sustainability indicators

Triodos Investment Management ('Triodos IM') applies two sustainability selection approaches in assessing potential investees.

##### Step 1: Positive screening

Triodos Fair Share Fund actively looks for financial institutions in emerging markets that provide significant contributions to financial inclusion, especially to the microfinance and SME finance sector. These financial institutions have to fulfil these underlying basic criteria:

- Have a clear vision and mission that reveals their commitment and intention to contributing to a more social and sustainable economy;
- Show evidence of clear commitment towards serving the real economy; and
- Take environmental and social risks into consideration in their core business.

Sustainable indicators which are taken into consideration for this screening are, amongst others, the type of financial products offered, the sectors that are served, the type of clients (savings and loans), and additional programs such as training for customers, and the criteria from the negative screening as formulated below.

##### Step 2: Negative screening

To ensure that the Fund does not finance projects and companies that are engaged in harmful activities, in addition to the positive screening, investees also have to pass the negative screening. The negative screening entails applying the exclusion criteria based on the [Triodos Minimum Standards](#).

For further information on the investment process of the Fund, please refer to the Fund's 'Sustainability policy', in the Funds' prospectus under the documents section of this page.

## **How the objective is to be attained**

All investments are monitored for compliance to the positive selection and the negative screening criteria to make sure they do not significantly harm the sustainable investment objective of the Fund. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship may be discontinued.

For the attainment of its sustainable investment objective (invest in institutions that contribute to the development of an inclusive financial sector) the Fund reports on impact indicators, e.g.: loan clients reached by financial institutions in portfolio, average loan amount, percentage female loan clients, savings clients reached by financial institutions. The performance of such indicators is a consequence of the investment strategy and not a result of targeting specific indicator results.

For Triodos Investment Management SFDR disclosures, please visit our [sustainability-related disclosures page](#).