



European SRI Transparency Code

Triodos Global Equities Impact Fund
Triodos Impact Pioneer Fund

June 2020

Statement of Commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Triodos Investment Management B.V., a 100% subsidiary of Triodos Bank and responsible for managing the Triodos investment funds.

We have been involved in SRI since 1996 and support the European SRI Transparency Code.

This is our tenth statement of commitment and covers the period June 2020 to June 2021. Our full response to the European SRI Transparency Code can be found below and is available on our website www.triodos-im.com

Compliance with the Transparency Code

Triodos Investment Management B.V. (Triodos IM) is committed to transparency and we believe that we are as transparent as possible within the regulatory and competitive environments that exist in the countries in which we operate. Triodos IM meets the full recommendations of the European SRI Transparency Code for its Triodos Global Equities Impact Fund, Triodos Euro Bond Impact Fund, Triodos Impact Mixed Funds and Triodos Pioneer Impact Fund.

June 2020

Contents

- 1. List of funds covered by the Code** 4
- 2. General information about the fund management company** 5
 - 2.1 Fund management company 5
 - 2.2 Triodos Investment Management track record 5
 - 2.3 Formalised ESG approach 5
 - 2.4 ESG risks and opportunities 6
 - 2.5 The team 6
 - 2.6 Responsible investment initiatives 6
 - 2.7 Total number of SRI assets 6
- 3. General information SRI funds** 7
 - 3.1 Aim of the funds 7
 - 3.2 Resources for ESG evaluation 7
 - 3.3 ESG criteria 7
 - 3.4 Principles and criteria linked to climate change 8
 - 3.5 ESG analysis and evaluation methodology 8
 - 3.6 Review of ESG evaluation 9
- 4. Investment process** 9
 - 4.1 ESG-integrated portfolio construction 9
 - 4.2 Climate change criteria 10
 - 4.3 Issuers not subject to ESG analysis
 - 4.4 Changes in the ESG evaluation and/or investment process in the last 12 months 10
 - 4.5 Investment in social goals and/or social enterprises 10
 - 4.6 Securities lending 10
 - 4.7 Derivative instruments 10
 - 4.8 Mutual funds 10
- 5. Internal and external control mechanisms to ensure ESG compliance** 10
- 6. Impact measures and ESG reporting** 10
 - 6.1 ESG quality assessment 10
 - 6.2 ESG indicators 11
 - 6.3 Communication resources 11
 - 6.4 Voting and engagement results 11

1. List of funds covered by the Code

Name of the fund(s): Triodos Global Equities Impact Fund, Triodos Pioneer Impact Fund				
Dominant/preferred SRI strategy (Please choose a maximum of 2)	Asset class	Exclusions standards and norms	Fund capital as at 31 December 2019	Other labels
<ul style="list-style-type: none"> • ESG Integration • Impact Investing 	Actively managed <ul style="list-style-type: none"> • International shares 	<ul style="list-style-type: none"> • Controversial weapons • Alcohol • Tobacco • Arms • Nuclear power • Human rights • Labour rights • Gambling • Pornography • Animal testing • Conflict minerals • Biodiversity • Deforestation • CO2 intensive (including coal) • Genetic engineering • Global Compact 	Triodos Global Equities Impact Fund: EUR 898,585,963 Triodos Sustainable Pioneer Fund: EUR 355,635,703	<ul style="list-style-type: none"> • FNG Label • Nordic Swan

Exclusion of companies from investment is based on the Triodos Minimum Standards (see page 7 for more details).

Relevant documents of the funds can be found on:

- <https://www.triodos-im.com/funds/triodos-global-equities-impact-fund>
- <https://www.triodos-im.com/funds/triodos-pioneer-impact-fund>

2. General information about the fund management company

2.1 Fund management company managing the applicant funds

Triodos Investment Management B.V.
 Landgoed De Reehorst
 Hoofdstraat 10
 3972 LA Driebergen-Rijsenburg
 The Netherlands.

T: +31 (0) 30 693 24 00

E: TriodosIM@triodos.com

www.triodos-im.com

2.2 Triodos Investment Management's track record and principles regarding SRI integration

Triodos Investment Management (Triodos IM) is a globally recognised leader in impact investing and consists of Triodos Investment Management B.V. and Triodos Investment and Advisory Services B.V., both wholly owned subsidiaries of Triodos Bank N.V. Triodos IM manages direct investments in a variety of sectors including energy and climate, inclusive finance, sustainable trade, organic farming, organic food and sustainable lifestyle companies, sustainable real estate and listed companies. Triodos IM manages 18 funds. They invest in Europe and emerging markets with a range of risk-return profiles and financial instruments.

Triodos Bank is one of the world's leading sustainable banks. Its mission is to make money work for positive change. In addition to its core business of taking in savings deposits and lending them directly to sustainable enterprises, Triodos Bank offers investment services that fit its mission and vision. These services are provided by Triodos IM and Triodos Private Banking.

For more information about our Impact Equities and Bonds investment strategy, see:

<https://www.triodos-im.com/impact-equities-and-bonds>

2.3 Formalised ESG approach

Triodos IM's approach towards ESG criteria is inspired by Triodos Bank's corporate social responsibility approach. Like Triodos Bank, our mission is to make money work for positive and sustainable change. More specifically, our aim as an investor is to serve as a catalyst in the transition to an economy where planet and people come first.

Triodos IM stands for:

- Banking and investing to make a positive impact. We believe that everyone should have equal rights and the freedom to pursue their personal development and economic interests, while taking responsibility for the consequences of their actions on society and the planet.
- People, planet and profit. Our approach is based on the fundamental belief that economic activity should have a positive impact on society, the environment and culture. We value people, planet and profit - and take all three into account in everything we do. We call this sustainable banking. And it explains why we only lend to and invest in organisations that contribute to a more sustainable society.
- We offer six different funds under the Triodos SICAV I umbrella, each with their own risk-return characteristics, as part of our Impact Equities and Bonds (IEB) strategy. The funds have a long-term investment focus and a concentrated portfolio in common. The funds offer clients the opportunity to invest in a wide range of corporate stocks and (corporate, sovereign and impact) bonds. While doing this, we aim to ensure that we:
 - only invest in companies that materially contribute to a sustainable society. We do not invest in companies that are associated with unsustainable services, products or business processes. This is guaranteed by our rigorous selection process.
 - conduct constructive dialogue with companies to stimulate improved sustainability performance. This dialogue has a threefold purpose: to raise awareness, to influence company management and prompt companies to act to further sustainable business practices.
 - provide optimum transparency about our investment approach and its implementation. This enables clients to take a well-informed decision about whether to invest in the products we offer.

Documents:

- [Triodos Minimum Standards](#)
- [Proxy Voting Guidelines](#)
- [Our Approach to Investing on Stock and Bond Markets](#)

2.4 ESG risks and opportunities

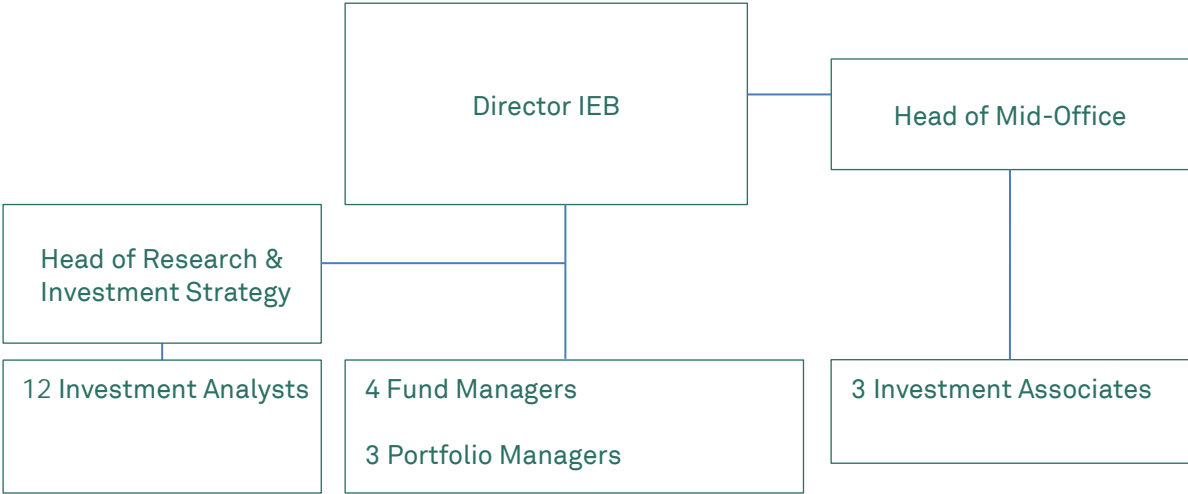
Our IEB strategy invests in listed equities and bonds of companies and organisations that materially contribute to the transition toward a sustainable society. We invest in companies that develop solutions to the world's most critical sustainability challenges, while delivering a healthy financial return. We go beyond conventional environmental, social and governance (ESG) and norms-based exclusions to ensure our portfolio is rooted in solutions.

The UN Sustainable Development Goals (SDGs) represent the global commitment to overcome the sustainability challenges in a joint effort of the public and private sectors. Triodos IE&B funds present an opportunity to play a critical role in achieving the SDGs by catalysing sustainable change and encouraging the companies that deliver it. Our selection methodology strongly correlates with the topics addressed by the SDGs.

We select companies by means of a comprehensive research and selection process that provides a firm foundation for every investment decision. In our selection process we identify the material drivers of a company’s long-term value creation beyond financial capital. Based on impact and financial data, our integrated business model analysis evaluates the impact of material sustainability factors on company value drivers over short-, mid- and long-term horizons. Sustainability research and engagement are provided by our team of investment analysts within the SRI department.

2.5 The team

Triodos IM’s IEB strategy is managed by a team of 25 people:



The SRI, listed equity and bond, team is responsible for the portfolio management of the six sub-funds of Triodos SICAV I. The team fully integrates the sustainability and financial analysis of prospective investments.

2.6 Involvement in Responsible Investment initiatives

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<ul style="list-style-type: none"> • PRI - Principles for Responsible Investment • VDBO (NL) • Eumedion (NL) • UKSIF • SpainSIF • FNG 	<ul style="list-style-type: none"> • CDP – Carbon Disclosure Project 	<ul style="list-style-type: none"> • Platform Living Wages Financials 	<ul style="list-style-type: none"> • ICGN – International Corporate Governance Network

2.7 SRI AuM

As at 31 December 2019, Triodos SICAV I’s total net assets amounted to EUR 2,025,291,743

- Triodos Euro Bond Impact Fund: EUR 309,040,478
- Triodos Global Equities Impact Fund: EUR 898,585,963
- Triodos Impact Mixed Fund (Defensive): EUR 19,603,050
- Triodos Impact Mixed Fund (Neutral): EUR 426,508,772
- Triodos Impact Mixed Fund (Offensive): EUR 15,917,777
- Triodos Pioneer Impact Fund: EUR 355,635,703

3. General information on the IEB funds covered by the Code

3.1 What the funds are trying to achieve by taking ESG criteria into account

Triodos Investment Management finances positive change. To that end we invest in companies that make a demonstrable and measurable contribution to the transition to a sustainable economy. Integrated financial and sustainability analysis on each prospective investment focuses on the potential impact of internal and external sustainability factors on a company's future financial value. To ensure their business practices do not jeopardize market adoption of sustainable solutions, prospective investments are also screened against our industry-leading process, product and precautionary minimum standards.

3.2 Resources used for ESG evaluation

Basic sustainability information about companies is purchased from ESG data provider Sustainalytics. These data are analysed by Triodos Research that also conducts additional research and draws conclusions. The nine investment analysts of Triodos Research are responsible for keeping Triodos IM up to date with the latest thinking on sustainability issues.

Triodos Research uses multiple sources in its research, including regular contact with leading international experts that represent various interests and stakeholder groups. This contributes to a broader perspective on what are often very complex issues.

External resources are:

Sustainalytics, ESG data provider (www.sustainalytics.com)

ISS Oekom, carbon emission data (www.issgovernance.com)

S&P Trucost, waste and water usage data (www.trucost.com/)

PIRC, voting advice and services provider (www.pirc.co.uk)

3.3 ESG indicators taken into account

Triodos Investment Management finances positive change. To that end we invest in companies that make a demonstrable and measurable contribution to the transition to a sustainable economy. Integrated financial and sustainability analysis on each prospective investment focuses on the potential impact of internal and external sustainability factors on a company's future financial value.

To be eligible for investment, each company, in addition to having a positive contribution to our transition themes (see 3.5 for more details), must also meet our strict minimum standards. Companies must prove that they do not jeopardize the transition to a sustainable society, and we confirm this by conducting a complete analysis of the company against our [Triodos Group minimum standards](#). We believe our minimum sustainability criteria are among the strictest in the investment industry.

Our positive approach logically leads to several exclusions, categorised as follows:

- *Human dignity*

Health and safety: alcohol, gambling, pornography, tobacco and weapons

Human rights: conflict minerals, human rights and labour rights

- *Planet awareness*

Animals: animal testing, factory farming, fisheries, and fur and specialty leather

Environment: biodiversity, deforestation, energy, genetic engineering, hazardous substances and contamination, natural resources and mining, water

- *Governance*

Accounting and remuneration, corruption, taxes, violation of legislation, codes and conventions

Resources and products that companies use, manufacture or sell, may be irreconcilable with our positive impact ambitions. For these products, Triodos Bank distinguishes two approaches. For involvement with genuinely unsustainable products, Triodos Bank applies a zero-tolerance policy (e.g. for weapons and nuclear energy); involvement with such products leads to exclusion from financing or investment. For other undesirable products maximum involvement thresholds are in place to minimise

exposure (e.g. 5% for the production of tobacco products). A company that exceeds the set threshold demonstrates to have made a strategic choice for involvement and is therefore excluded from financing or investment.

Our Precautionary Principle minimises the risk of negative impact. We use this principle to set preconditions for companies that operate in industries with increased sustainability risk, such as human rights violations or high levels of greenhouse gas emissions. The Precautionary Principle requires policies, programmes and performance data through which companies demonstrate their awareness and aim to prevent and manage involvement in controversies and negative effects of their business.

3.4 Principles and criteria linked to climate change

Our Minimum Standards, which all companies must meet to be eligible for investment, include requirements on climate change policies and targets for greenhouse gas emissions reduction, especially for industries that we consider 'high-risk' due to their carbon emissions exposure.

In assessing the carbon footprint of our IEB portfolios, we follow the [Platform for Carbon Accounting Financials](#) (PCAF) approach. The footprints are calculated according to the Greenhouse Gas Protocol.

3.5 ESG analysis and evaluation methodology

We build our portfolios based on the principle that only companies that fulfil our sustainability criteria can be invested in. We select them by using a three-step approach. First, we select companies based on sustainable activities (positive screening – step 1) with the caveat that these companies must also comply with our minimum standards (negative screening – step 2).

Step 1: Idea generation and positive screen

From a broad universe of companies, we select those that offer products or services, or have operating models that support the transition to a sustainable society. Triodos Investment Management has identified certain types of products and services that contribute to the transition to a sustainable world. These sustainable activities, which the United Nations have set forth to act on in their 17 Sustainable Development Goals (SDGs), address the global challenges posed by structural trends such as ageing population, resource scarcity, inequality and exclusion. Seven transition themes act as a lens to select the funds' investments. A company that derives a substantial part of its revenues from such sustainable activities qualifies for investment by one of our IEB funds.

Companies can also be selected for their leading role in corporate social responsibility within their industry. These are the Corporate Social Responsibility (CSR) Pioneers. A company that qualifies as a CSR Pioneer is considered a real sector leader in terms of corporate social responsibility, with either best-in-class behaviour in its approach to stakeholder management or demonstrating clear leadership in its products or production process, showing its industry the path of transition to a sustainable society.

Based on the challenges presented by global mega-trends we have distilled seven key transition themes. These themes act as a lens to select the funds' investments:

1. Sustainable food and agriculture - Sustainable food and agriculture refers to an agricultural system that can meet societies food and other agricultural products needs in the present without comprising the ability of future generations to meet their own needs. As with conventional farming soil management, crop management, water management, disease/pest management and waste management are the key components. However, the methods used are radically different; they must be ecologically and socially sustainable.
2. Renewable resources - Renewable resources are natural reserves that can be replenished naturally. Some renewable resources, such as solar and wind energy, have essentially endless supplies. Other resources take time to renew, such as water, wood and oxygen. Additionally, though it takes significant time to replenish them, many precious metals are also considered renewable.
3. Circular economy - A regenerative system in which resource input and waste, emission, and energy leakage are minimised by slowing, closing, and narrowing energy and material loops. Re-use of materials and products, reduction of the use of finite resources and the recycling of materials are key in contributing to a circular economy.

4. Sustainable mobility and infrastructure - Mobility and infrastructure cover a broad range of facilities, structures, systems and services that support the day-to-day operations of human society. The transport, energy and water, telecommunication, waste and sanitation are among the most important elements of the infrastructure sector. Sustainable infrastructure is designed, constructed and operated to optimise environmental, social and economic impact.
5. Innovation for sustainability - Sustainable innovation is a process where sustainability considerations are integrated into company systems from idea generation through to research and development (R&D) and commercialisation. This applies to products, services and technologies, as well as new business and organisation models. Different innovation levels exist. From small improvements and complete redesigns of existing products to the design of new products, services and complete systems.
6. Prosperous and healthy people - Prosperous and healthy people are in a state of physical, mental and social wellbeing. Essential to reaching a state of fulfillment is a well-functioning system that improves the quality of life for individuals. This theme aims to help people achieve their best self.
7. Social inclusion and empowerment - Social inclusion is the creation or improved access to facilities that enable people to actively participate in society. Individuals and groups need to be empowered to develop themselves. Front runners in social inclusion stimulate gender equality, equal pay and provide job opportunities to disadvantaged and/or disabled people.

More details about the seven transition themes can be found in our white paper '[Impact investing through listed equities and bonds](#)'.

Step 2: Minimum standards check and exclusion

We review companies for the possible risk that their business practices could jeopardize the transition we envision by evaluating the company against our minimum standards. Companies that do not meet our Minimum Standards are ineligible for investment in our funds. Every company is subjected to a thorough analysis and, if included in the Triodos investment universe, continuously monitored to see whether it still meets our Minimum Standards. If we find that a company no longer meets these or is in danger of no longer meeting the Minimum Standards, we will approach the company and call it to account. If this does not lead to the desired change in behaviour, the company will be removed from our investment universe and the stock or bonds of the company will be divested from all portfolios within a period of three months after removal from the investment universe.

See our [Minimum Standards and Exclusions](#) for more details.

3.6 Review of ESG evaluation

The Triodos Bank Minimum Standards are dynamic and may be subject to changes prompted by legislation, public debate, best practice standards and company behaviour. In addition, the engagement and continuous dialogue with experts, interest groups and civil society organisations may prompt policy amendments.

Responsibility for keeping the minimum standards up-to-date and for assessing companies' compliance with the standards, lies with the investment analysts. Each analyst is designated to several minimum standards. Their responsibilities, in this regard, include keeping track of developments by maintaining regular contact with external experts, following publications and monitoring performance of companies on relevant topics. The analysts also draft discussion papers and proposals for changes to the minimum standards.

Proposals for change to the minimum standards are brought by the investment analysts to the MICC. If the agreed change requires an update of the formal Triodos Group "Minimum Standards" document, the change needs to be agreed upon by the Executive Board of Triodos Bank. The MICC ensures that these proposals are brought forward to the Executive Board and that changes to the minimum standards are communicated internally and externally (if needed).

4. Investment process

4.1 ESG-integrated portfolio construction

Once companies are deemed eligible for investment (see steps 1 and 2 in 3.5), integrated financial and sustainability analysis (step 3) is conducted to see whether companies qualify as portfolio candidates. Portfolio construction and investment decisions depend on price appreciation potential,

portfolio manager conviction, risk-return characteristics and portfolio requirements and market circumstances.

Step 3: Integrated analysis – portfolio construction

For companies that have passed the first two hurdles, we then conduct a complete integrated financial and sustainability analysis. This step focuses on the potential impact of sustainability factors on a company's future financial value, making our approach both solutions-focused and forward-looking.

Equity portfolio

If a company fits with at least one of our seven transition themes, we look for confirmation by checking its vision, mission and culture, as supported by management, to ensure its positive impact. We then identify the company's financial value drivers (the underlying determinants of revenue growth, operating profit margins, capital needs and cost of capital) and evaluate the interplay between financials and sustainability. We assess how the identified value drivers are affected by the ESG issues Triodos deems most material in the field of operations the company is active in. The outcome of this integrated analysis results in a cashflow-based valuation for the company. The price appreciation potential and fund manager conviction of a company are key elements in the portfolio construction process.

4.2 Climate change criteria integrated in portfolio construction

To be eligible for investment, companies must meet the requirements related to climate change, as included in our Minimum Standards (see also 3.4).

4.3 Issuers not subject to ESG analysis

All issuers in the Triodos IM IEB portfolios are subject to the same strict ESG analysis as described in sections 3.3 – 3.5.

4.4 Changes in the ESG evaluation and/or investment process in the last 12 months

In April 2018, the portfolio management of the SRI funds was taken over from Delta Lloyd Asset Management. Whereas more conventional approaches focus on best-in-class in combination with negative screening, Triodos IM focuses on positive inclusion by selecting and investing in companies that with their products and services actively contribute to a sustainable future.

The insourcing of the portfolio management also brings a new investment process. This new process is about positive selection based on our sustainability vision rather than who is best-in-class. Companies are selected based on the seven transition themes mentioned in 3.5. Companies need to be contributing in at least one of these areas. We then apply our strict minimum standards for which we are known and integrate the financial and sustainability analysis to assess eligibility for investment.

Between January and September 2018, the following Minimum Standards have been adjusted:

- Deforestation: The threshold for sourcing of wood (and pulp / paper) with sustainable forestry certification has been increased.
- Nuclear arms investments: as of 1 January 2019, zero-tolerance applied; relevant companies will be checked in Q4
- Products from genetically modified animals for consumption: requirements needed for food and food retail companies

4.5 Investment in social goals and/or social enterprises

Triodos Euro Bond Impact Fund and Triodos Impact Mixed Funds invest in specific social goals through impact bonds.

4.6 Securities lending

The Triodos IEB-funds do not engage in securities lending activities.

4.7 Derivative instruments

The Triodos IEB-funds do not use derivative instruments.

4.8 Mutual funds

The Triodos IEB-funds do not invest in mutual funds.

5. Internal and external control mechanisms to ensure ESG compliance

Timeline tracking

Triodos IM maintains an on-going list of the current and eligible investments, with timestamps of the date the last full ESG analysis was completed for each company. This is how we ensure that each company is reviewed fully within every twelve months.

Responsibilities and process

Each company is assigned to two Triodos IM analysts by theme (one lead and one verifying analyst). As per 1 April 2018, each analyst is responsible for ensuring that their companies are updated at least every twelve months. The full ESG and integrated analysis process for each company typically takes between two days and two months, depending on levels of questions that require direct engagement / contact with the company, and speed of their responses.

6. Impact measures and ESG reporting

6.1 ESG quality assessment

Triodos SICAV I sub-funds each publish an annual [impact report](#). These reports are available on the fund website pages. Investors can also find annual reports and other key investor documentation there.

These fund sustainability and impact reports include:

- A brief description of the main ESG-motivated activities conducted by the fund during the reporting period
- An overview of holdings excluded in the period (also identifying the reason)
- Summary of engagements
 - o Number of engagements and topics
 - o Brief descriptions of company-specific engagements
- Extent of voting
 - o Number and percentage of AGM/EGMs at which the fund manager voted in the relevant period
 - o Company-specific voting will be published separately on our website's Socially Responsible Investment landing page at the Triodos SICAV I level
- Description of relevant and/or material sustainability trends and developments for the fund's holdings in the short or long term
- Fund absolute impact figures (CO2) against the benchmark

6.2 ESG indicators

Best-in-class based on ESG criteria is only used for idea generation. Companies are selected based on their contribution to a sustainable society (see 3.5).

6.3 Communication resources

We believe in full transparency, so that clients can decide for themselves whether our investments match their own personal values. We publish our complete and up-to-date sustainable investment universe, the investment portfolios for each sub-fund and our minimum standards online.

We keep investors up-to-date with the semi-annual and annual report, annual engagement report, our monthly fund fact sheets and proxy voting ballots. All information is available through <https://www.triodos-im.com/impact-equities-and-bonds>.

Details about our ESG criteria can be found in the [investment strategy](#) and the [Triodos Minimum Standards](#) documents.

6.4 Voting and engagement results

Engagement policy

With the money entrusted to Triodos IEB funds comes the responsibility - and the power - to influence the way the companies in which we may invest do business. The key element in our IEB strategy is active engagement and dialogue with the companies we invest in or are considering investing in, aiming to raise awareness of sustainability, to stimulate action and to create lasting positive change.

Where appropriate, we will seek to discuss substantial and relevant issues regarding their ESG performance, aiming to enhance the business performance of companies.

Triodos Research engages with companies on behalf of Triodos IM by means of:

- engagement during selection process
- providing feedback on the results of our assessments
- monitoring our sustainable investment universe
- wider engagement about sustainability topics, strategy and financial performance
- using our voting rights
- shareholder collaboration.

More about our engagement activities can be found in our [Impact Report](#).

Voting policy

We take our responsibility as a shareholder seriously, strongly believing that by exercising our voting rights, we can exert a positive influence on a company's long-term strategy. Triodos Research has a mandate to vote by proxy at shareholder meetings of all companies that we invest in. We also attend shareholder meetings to question the company's Board on its sustainability performance. We apply our own strict proxy voting guidelines. The full policy is laid down in our [proxy voting guidelines](#).

Triodos IM is solely responsible for the information provided in this European SRI Transparency Code.

About EUROSIF

The European Sustainable Investment Forum (Eurosif) is the leading European membership association whose mission is to develop sustainability through European financial markets.

Eurosif's purpose is to:

- Promote best practice in Sustainable and Responsible Investment (SRI) on behalf of its members
- Lobby for European regulation and legislation that supports the development of SRI
- Support its members in developing their sustainable and responsible investment business
- Promote the development of, and collaboration between SIFs across Europe
- Provide research and analysis on the development and trends within the SRI market across Europe
- Raise awareness of and increase demand for SRI throughout the European capital markets

For further information on Eurosif or more details on the European SRI Transparency Code, please look at our website, www.eurosif.org and contact Eurosif at +32 (0)2 743 29 47 or by email at contact@eurosif.org.