



European SRI Transparency Code

Triodos Sustainable Equity Fund
Triodos Sustainable Bond Fund
Triodos Sustainable Mixed Fund
Triodos Sustainable Pioneer Fund

October 2017

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 eighth statement of commitment and covers the period October 2017 to October 2018. 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 given 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 Sustainable Equity Fund, Triodos Sustainable Bond Fund, Triodos Sustainable Mixed Fund and Triodos Sustainable Pioneer Fund.

October 2017

Contents

1. Basic details	4
The Fund Management Company	4
The SRI Funds	8
2. Approach to ESG evaluation of companies	10
3. Fund management process	16
4. Controls and ESG reporting	18

1. Basic details

The Fund Management Company

1a. Fund management company managing the fund(s) to which this code applies.

Triodos Investment Management B.V.
Arnhemse Bovenweg 140
PO Box 55
3700 AB Zeist
The Netherlands.

Our website is www.triodos-im.com

1b. General approach of Triodos IM with regards to how it takes environmental, social and governance (ESG) criteria into consideration.

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 Investment Management and Triodos Private Banking.

Triodos IM is a globally active impact investor and a wholly-owned subsidiary of Triodos Bank NV. It manages 18 sustainable investment funds. Most of these funds are categorised as Impact Investment funds, investing directly in companies or projects with the aim to deliver social or environmental benefits, alongside financial return. Triodos IM's fund portfolio also includes four Socially Responsible Investment (SRI) funds which invest worldwide in listed companies and bonds.

Through our four Triodos Socially Responsible Investment (SRI) funds, we invest in equities or bonds issued by listed companies with a strong financial position and delivering good social and environmental performance. We consider only companies that clearly outperform others within their sectors on sustainability, and that comply with our strict minimum standards. These are leading the peers in their industry towards higher standards of environmental, social and financial performance. As influential multinational companies, they have a global impact on environmental and social change.

We select these companies on the basis of strict social, environmental and governance criteria, and a rigorous research and selection process that provides a firm foundation for every investment decision.

Sustainability research and engagement are provided by Triodos Research.

Approach towards ESG

Triodos Investment Management'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.

What we stand 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. Triodos Bank exists to help individuals, organisations and businesses achieve this sometimes difficult balance.
- People, planet and profit. Our approach is based on the fundamental belief that economic activity can and 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 four different SRI funds, each with their own risk-return characteristics. The funds have a long-term investment focus and a concentrated portfolio in common. Our SRI funds offer clients the opportunity to invest in a wide range of corporate stocks and (sovereign) bonds. While doing this, we aim to ensure that we:

- only invest in companies that contribute to a sustainable society or clearly lead the sustainability agenda in a particular sector. Furthermore, we will 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 or not to invest in the products we offer. For more information about our investment strategy, see www.triodos.com/downloads/investment-management/research/investment-strategy.pdf

Principles for Responsible Investment

Triodos IM has signed the Principles for Responsible Investment. Our latest Transparency Report can be found at <https://reporting.unpri.org/surveys/PRI-reporting-framework-2017/22248DAB-4160-4E79-899B-0F6E93F17407/79894dbc337a40828d895f9402aa63de/html/2/?lang=English&a=1>

Other international and/or national initiatives supporting SRI practices

Triodos IM is a signatory or a member of the following international and/or national initiatives supporting SRI practices:

UNPRI (www.unpri.org)

Eurosif (www.eurosif.org)

National sustainable investment fora: VBDO (Netherlands), UKSIF (UK), SpainSIF (Spain) and FNG (Germany)

CDP (www.cdp.net)

Eumedion (www.eumedion.nl)

ESG engagement policy

Triodos IM has established an ESG engagement policy:

With the money entrusted to Triodos SRI 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 SRI strategy is active engagement and dialogue with the companies we invest in or are considering to invest 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 with regard to 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
- using our voting rights
- shareholder collaboration.

More about our efforts to engage with companies can be found in our SRI report on <https://www.triodos-im.com/sri-engagement-report>

Voting policy

Triodos IM has established a 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 that can be found on https://www.triodos-im.com/binaries/content/assets/tim/sri-theme-documents/proxy_voting_guidelines.pdf

Promotion and the development of SRI

Besides its direct contacts with individual companies, Triodos IM contributes to the promotion and the development of SRI through collaboration with other shareholders towards:

- Companies, e.g. asking 13 electronics and automobile companies about allegations by Amnesty International that they use cobalt from artisanal mining in the Democratic Republic of Congo (DRC) involving child labour
- Investors, e.g. signing an investor letter initiated by Farm Animal Investment Risk and Return (FAIRR), calling on 16 companies in the food industry to help reduce meat consumption by offering healthy, sustainable, affordable and appetising alternatives to animal-sourced food products.

1c. List of SRI products and the specific resources allocated to them

Triodos IM manages four Socially Responsible Investment (SRI) Funds. The SRI Funds are registered under the umbrella of the Triodos SICAV I fund with domicile in Luxembourg. As of 30 June 2016, the assets under management of the four SRI funds combined came to EUR 1,279 million. The four SRI funds of Triodos IM are:

1. Triodos Sustainable Equity Fund - This fund primarily invests in shares of large cap companies, listed on the worldwide markets. (Inception date 13-07-2007; ISIN codes LU0309381191 (class I-cap), LU0309381514 (class I-dis), LU0785617183 (class KR-cap), LU0785617266 (class KR-dis), LU1092519765 (class KI-cap), LU1092519849 (class KI-dis), LU0278271951 (class R-cap), LU0278272413 (class R-dis), LU1538863777 (class S-cap), LU1538863850 (class S-dis), LU0785617340 (class Z-cap), LU0785617423 (class Z-dis)).
2. Triodos Sustainable Bond Fund - This fund primarily invests in Euro denominated bonds issued by large cap companies and governments, listed on the worldwide markets. (Inception date 13 July 2007; ISIN codes LU0309381605 (class I-cap), LU0309381860 (class I-dis), LU0785617696 (class KR-cap), LU0785617779 (class KR-dis), LU1092520003 (class KI-cap), LU1092520342 (class KI-dis), LU0278272504 (class R-cap), LU0278272769 (class R-dis), LU1538863934 (class S-cap), LU1538864072 (class S-dis), LU0785617852 (class Z-cap), LU0785617936 (class Z-dis)).
3. Triodos Sustainable Mixed Fund - This fund primarily invests in shares of large cap companies, listed on the worldwide markets, and Euro denominated bonds issued by large cap companies and governments, listed on the worldwide markets. (Inception date 07-10-2010; ISIN code LU0504302943 (class I-cap), LU0504303081 (class I-dis), LU0785618074 (class KR-cap), LU0785618157 (class KR-dis), LU1092520938 (class KI-cap), LU1092521159 (class KI-dis), LU0504302356 (class R-cap), LU0504302604 (class R-dis), LU1538864155 (class S-cap), LU1538864239 (class S-dis), LU0785618231 (class Z-cap), LU0785618405 (class Z-dis)).
4. Triodos Sustainable Pioneer Fund - This fund primarily invests in shares of small and midcap companies listed on the worldwide markets. (Inception date 09-03-2007; ISIN code LU 0309382678 (class I-cap), LU0309383726 (class I-dis), LU0785618587 (class KR-cap), LU0785618660 (class KR-dis), LU1092521233 (class KI-cap), LU1092521407 (class KI-dis), LU0278275606 (class P-cap), LU 0278272843 (class R-cap), LU 0278272926 (class R-dis), LU1538864312 (class S-cap), LU1538864403 (class S-dis), LU0785618744 (class Z-cap), LU0785618827 (class Z-dis)).

For a link to the funds' web pages see section 4b.

Triodos IM SRI resources

Year inception first SRI fund: June 1997, Triodos Meerwaarde Mixfonds (now Triodos Sustainable Mixed Fund)

Year establishment internal SRI team: 1997

SRI organisation: SRI is a business line of Triodos IM, which is a fully owned subsidiary of Triodos Bank.

Sustainability research and engagement is provided by Triodos Research (see 2b for more details).

External resources are:

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

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

Delta Lloyd Asset Management, financial analysis and fund management (until March 2017)

1d. Resources used by Triodos IM to inform investors about the ESG criteria taken into account

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. In addition, Triodos Research publishes a quarterly e-zine to which investors can subscribe. All information is available through <https://www.triodos-im.com/socially-responsible-investing>.

Details about our ESG criteria can be found in the investment strategy and the minimum standards documents that are available through <https://www.triodos-im.com/binaries/content/assets/tim/sri-theme-documents/our-approach-to-investments-on-stock-and-bond-markets.pdf> and <https://www.triodos-im.com/binaries/content/assets/tim/sri-theme-documents/minimum-standards-and-exclusions.pdf>

The SRI Funds

1e. The funds to which this Code applies and their main characteristics

1. Triodos Sustainable Equity Fund (KIID 6). This fund primarily invests in shares of large cap companies, listed on the worldwide markets
2. Triodos Sustainable Bond Fund (KIID 3). This fund primarily invests in Euro denominated bonds of large cap companies and sovereigns, listed on the worldwide markets.
3. Triodos Sustainable Mixed Fund (KIID 4). This fund primarily invests in shares of large cap companies, listed on the worldwide markets, and Euro denominated bonds of large cap companies and sovereigns, listed on the worldwide markets.
4. Triodos Sustainable Pioneer Fund (KIID 6). This fund primarily invests in shares of small and midcap companies listed on the worldwide markets.

See also 1c.

SRI strategy used, according to Eurosif classification

- Sustainability Themed Investment (Pioneer fund: Climate Protection, Healthy People, Clean Planet, Corporate Social Responsibility)
- Best-In-Class investment Selection (Equity, Bond and Mixed funds)
- Exclusion of Holdings from Investment Universe (all funds)
- Engagement and Voting on Sustainability Matters (all funds)

1f. What the funds are trying to achieve through taking into account ESG criteria

Socially Responsible Investment is for Triodos IM a strategic approach to use money for positive change. We believe that in the long term, the most successful businesses will be those that achieve the right balance between their social, environmental and economic performance. So when it comes to investing in the stock market, we think that investing in these companies makes sense from a financial perspective as well as a sustainability perspective.

2. Approach to ESG evaluation of companies

2a. Fundamental principles underlying ESG research methodology

To ensure that companies meet our social and environmental requirements, they are screened against a wide range of criteria, in a three step process:

Step 1: Sustainable activities (= Sustainability Themed Investment). We've identified certain types of products and services that contribute to the health and wellbeing of people and the planet (see for more information 2c). A company that derives over 50% of its revenues from such sustainable activities qualifies for investment by one of Triodos SRI funds, provided it also passes step 3.

Step 2: Best-in-class. A company that does not derive over 50% of its revenues from sustainable activities (step 1) can still qualify for investment if its all-round sustainability performance puts it among the best in its industry. Triodos Research assesses the performance by using over 70 generic and sector-specific indicators, relating to environmental, social and governance issues. Together, these ESG indicators determine the sustainability score of a company. When this score puts the company in the top 50% performers within its industry, it is eligible for investment - provided it also passes step 3.

Step 3: Minimum standards (= Exclusion of Holdings from Investment Universe). Our minimum standards are the bottom line: they ensure that we do not fund a company that is engaged in activities that are harmful to individuals, society or the environment. All companies that pass step 1 or 2 must meet the minimum standards before we'll consider investing in them. See 2c for a list of our minimum standards.

This screening methodology is applied to equity investments as well as to corporate bonds. Active engagement and dialogue are a key element of our SRI strategy, with the aim of raising awareness of sustainability, stimulating action and creating lasting change. (= Engagement and Voting on Sustainability Matters).

The three steps of the selection process are elaborated in 2c.



For sovereign bonds, we apply a different three-step selection process

Step 1: Countries must belong to the 50 best functioning democracies within the group of 100 largest economies.

Step 2: Countries must be free of boycotts supported by the United Nations.

Step 3: Countries must underwrite the most important, broadly supported conventions of the United Nations.

The three steps of the selection process are elaborated in 2c.

2b. Internal and external resources used to carry out research

Basic sustainability information about companies is purchased from ESG data provider Sustainalytics (see 4b). These data are analysed by Triodos Research that also conducts additional research and draws conclusions. The eight investment analysts of Triodos Research are responsible for keeping Triodos IM up to date with the latest thinking on sustainability issues.

Triodos Research proposes changes to the SRI universe quarterly, which is decided on by an SRI investment committee. This committee consists of representatives of Triodos IM: the Managing Director, Head of SRI, Head of Triodos Research and the Manager Corporate Communications.

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.

2c. ESG analysis criteria used

Sustainable activities

A company that derives over 50% of its revenues from sustainable activities qualifies for investment by one of the Triodos SRI 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. The sustainable activities that we identified are grouped in the following themes:

- Clean planet.
- Climate protection.
- Healthy people.
- CSR Pioneers.

These activities are elaborated below.

Clean planet

We favour companies that contribute to a clean planet and the development of solutions for environmental pollution. This is an urgent issue because our natural environment is under increasing pressure. Examples of products and services that fall within the scope of this theme are environmental technology aimed at preventing and cleaning up pollution, equipment to monitor energy and water consumption, bicycles and public transport.

Climate protection

Climate change poses a serious threat to the long-term health of the environment and the world's population. It requires global action by governments, companies and citizens. We encourage companies to contribute to combating climate change. Companies in this theme are active in the production of renewable energy from the sun, wind, waves and geothermal

energy. In addition, we include companies that develop new ways to storing energy and enhancing energy efficiency.

Healthy people

We prefer companies that contribute to a healthy lifestyle for everyone. Companies that fall within this theme offer solutions for health care issues, such as medical technology, drugs for treating serious diseases in developing countries, clean drinking water and innovative health care, medicines based on natural ingredients and organic food products.

CSR Pioneers

A company that qualifies as a CSR Pioneer is considered a real sector leader in terms of corporate social responsibility. A CSR Pioneer demonstrates leadership in its products or production process, showing its industry the path of transition to a sustainable society.

In addition to the above, in specific situations or as part of new developments, other sustainable activities may also be considered, for example new products or services that have particular importance from an environmental and/or social perspective.

Identification of best-in-class companies

A company that does not derive over 50% of its revenues from sustainable activities (step 1) can still qualify for investment if its all-round sustainability performance puts it among the best in its industry. Triodos Research assesses the performance by using more than 70 generic and sector-specific indicators, relating to Environmental, Social and Governance (ESG) issues. These issues are elaborated below.

Environmental

The environmental indicators compose a picture of the sustainability of the production process and the nature of the products supplied. To justify its long-term existence, a company must make a continuous effort to minimise its negative impact on the natural environment, including the reduction of water and energy use, green procurement and the development of sustainable products and services. Sector-specific indicators include, for example, the scope of Forest Certification (Paper & Forest Products) and Fleet emissions (Automobiles).

Social

The social indicators examine the way in which a company fulfils its role in society and covers its relations with the community, employees, contractors, customers and competitors. Good employee relations are an important condition for the long-term success of a company. Employment terms and working conditions, and also the labour conditions of employees in the supply chain, are rated according to several different indicators. Sector-specific indicators include, among others, the existence of a Data Privacy policy (Media) and the offering of Fair Trade products (Food Products).

Governance

Ethical business management is an important condition for a sustainable relationship between a company and its stakeholders. The Governance indicators analyse the corporate

structure and the company's business ethics, but also ESG governance, tax transparency and remuneration. Sector-specific indicators include for instance the existence of a Responsible Investment policy (Financials) and Clinical Trial Standards (Health Care).

Together, the ESG indicators determine the sustainability score of a company. When this score puts the company in the top 50% performers within its industry, it is eligible for investment.

Identification of best-in-class governments

Triodos Sustainable Bond Fund and Triodos Sustainable Mixed Fund may also invest in sovereign bonds. These are issued by countries that meet the highest standards of democratic government and have signed the world's most important environmental, social and human rights treaties and conventions.

The effectiveness of a country's democratic process and the level of safety provided to the citizens are examined based on:

1. Voice and accountability: the right to participate in the political process, freedom of expression and free media.
2. Political stability and Absence of violence: intensity and severity of conflicts in relation to use of violent methods, frequency and severity of violent behaviour and implications for population.
3. Government effectiveness: quality of public and civil services and the degree of independence from political pressures, the quality of policy formulation and implementation and the credibility of the government's commitment to such policies.
4. Regulatory quality: the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
5. Rule of law: the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
6. Control of corruption: the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

We consider it neither feasible nor desirable to engage with governments as an investor, despite the goal to influence sustainable behaviour. Governments should be supervised and influenced only by their citizens through democratic processes. Sovereign bonds are therefore considered a neutral investment category that we want to limit as much as possible.

Minimum standards

Following the selection of companies with sustainable activities (step 1) and the identification of best-in-class companies (step 2), companies are assessed against Triodos Bank's minimum standards. Our minimum standards are the bottom line: they ensure that we do not fund a company that is engaged in activities that are harmful to individuals, society or the environment. All companies that pass step 1 or 2 must meet these standards before we will consider investing in them. If a company does not meet our minimum standards, it is excluded. We may make an exception if a company commits itself to meeting the standards in the near future.

Our minimum standards ensure that unsustainable products, like weapons and nuclear power, and unsustainable production processes, such as the violation of human rights and environmental damage, are excluded from our sustainable investment universe. But they also include preset requirements for policies and programmes that show the company is aware of the sustainability risks of its industry and that it takes action to mitigate these risks.

We apply the following minimum standards:

- Alcohol
- Animal testing
- Coal
- Conflict minerals
- Controversial projects
- Corruption
- Environmental damage (including Biodiversity, Deforestation, Climate Change, Water)
- Factory farming
- Fossil fuels
- Fur
- Gambling
- Genetic engineering
- Hazardous substances
- Nuclear power
- Pornography
- Tobacco
- Violation of corporate governance principles
- Violation of human rights, including labour rights
- Violation of legislation, codes of conduct or conventions
- Weapons

The minimum standards are dynamic, evolving over time with our deepening understanding of sustainability, and reflect the latest developments in society. In practice, this means that we are continually tightening them, to ensure that we only invest in companies that are really setting the pace within their industry.

An up-to-date and detailed overview of our minimum standards is published on <https://www.triodos-im.com/socially-responsible-investing>. This overview also details the thresholds we use for revenues from products we do not want to invest in. When the revenues of a company exceed the threshold, it will be excluded from investment.

While the threshold for exclusion for most products is set on 5% of total revenues, we also apply a strict 0% threshold for products and activities that we do not want to have any involvement in:

- *Weapons*, the supply of components and services that are tailor-made and essential for their functioning and the financing of controversial weapons producers;
- Extraction / production of *unconventional oil or gas*, including products or services that are tailor-made and essential for their extraction;
- Production, retail or distribution of *nuclear power*, building nuclear power stations and supply of components or services that are tailor-made for nuclear power production, transportation or depositing of (spent) fuel;
- Development and commercialisation of *transgenic* food and feed crops and cotton;
- Production or use of substances on the *POP-list* as defined by the United Nations Stockholm Convention on Persistent Organic Pollutants.

2d. ESG analysis and evaluation methodology

For our ESG analysis and evaluation methodology, see 2a and 2c. More details are available at <https://www.triodos-im.com/socially-responsible-investing>.

2e. Review frequency of ESG evaluation

Triodos Research reviews the methodology on a continuous basis. Every new analysis is an opportunity to improve the research process. Improvement areas are discussed by the sustainability analysts and with internal co-workers. Changes are proposed to the Triodos IM SRI Investment committee that decides on minor adaptations. Major adaptations of the minimum standards have to be approved by the Triodos Bank Executive Board.

Since October 2016, we updated a number of our minimum standards:

Deforestation

Three industries were added to the list of industries that run a high risk of being or getting involved in deforestation, i.e. Food & Staples Retailing, Hotels, Restaurants, & Leisure, and Food Products. Together with soy, beef is the most important driver of deforestation, especially in South America. Companies that process or sell beef are required to have a policy on prevention of deforestation, or support organisations that either have or are developing deforestation standards.

Retail of electricity from fossil fuels

Triodos Research expanded its earlier decision to exclude companies that receive more than 5% of their revenues from electricity generated from coal to electricity generated from all fossil fuels. This change did not result in changes to the investment universe.

Conflict minerals

Health Care Equipment was added to the list of industries that are high-risk for the use of conflict minerals. A feasibility study performed over the last year showed that a sufficient number of companies in this industry has implemented a policy and programmes to ensure that no conflict minerals are used in their products. A small number of selected companies that does not fully meet the new requirements yet will be closely followed and engaged with.

Remuneration

Triodos Bank excludes companies that are involved in remuneration controversies that publicly raise significant ethical/moral concerns and are in clear violation of local or international standards of best practice, while failing to take credible measures. A new step was added to the assessment process. A set of 4 indicators was defined that express a company's performance and policies regarding (CEO) remuneration. These include the ratio between CEO remuneration and average employee remuneration, and the existence of a claw back provision. The remuneration practices of the ten worst performing companies in the investment universe will be further analysed, which may lead to exclusion.

3. Fund management process

3a. How ESG criteria are taken into account when defining the universe of eligible investments

Once a company passes step 3 of our selection process as described under 2a and 2c, it is added to the sustainable investment universe. The volume of this universe, i.e. the number of companies eligible for investment, is relatively constant: 287 as of 31 December 2016, 295 as of 31 December 2015 and 287 as of 31 December 2014. Of the 91 best-in-class companies that were assessed for the first time in 2014, only 22 (24%) were approved. In 2015 and 2016, the success ratio was 29% of respectively 94 and 73 companies.

A company that qualifies for investment is subjected to a thorough analysis at least once every three years. During the intervening period the company is actively monitored. A (potential) violation of our minimum standards will be investigated. If dialogue with the company does not produce the desired change in behaviour, we will remove it from the investment universe. The same rules are applied in the selection process of countries.

3b. How ESG criteria are taken into account in the portfolio construction

The SRI investment universe is established on a quarterly basis within Triodos IM by the investment committee. This universe is subsequently communicated to Delta Lloyd Asset Management (DLAM) that carries out the actual portfolio construction, based on its market insights and thorough financial expertise.

In March 2017, Triodos IM announced its plans to insource the asset management for the SRI funds in the course of 2018. This means that from that moment on Triodos IM will take on the portfolio construction.

Intermediary changes in the universe are also communicated to DLAM. If a portfolio company is removed from our investment universe, DLAM is required to adjust the portfolio accordingly within six months after removal. More information about portfolio construction is available in <https://www.triodos-im.com/socially-responsible-investing>

Between 1 January and 31 August 2017, the following companies were removed from the investment universe on account of ESG criteria:

- BBVA (ES): no longer meets our minimum standard on Controversial projects
- LafargeHolcim (CH): no longer meets our minimum standard on Violation of human rights
- Perkinelmer (US): no longer meets our minimum standard on Animal testing
- Rentokil (UK): no longer meets our minimum standard on Animal testing
- Stericycle (US): no long meets our minimum standard on Violation of legislation
- VF Corp (US): the company no longer belongs to best-in-class

3c. ESG engagement policy

The ESG engagement policy of Triodos IM (see 1b) is applied to the SRI funds. We actively engage with companies we invest in. During the screening process, we send companies questionnaires and further specific questions about their strategies and plans. After investment, we use our voting rights, sometimes in a coalition with other engaged investors, to further influence company behaviour.

All companies analysed are potentially subject to contact during the research process. When selected for investment and/or contacted, companies receive information about the outcome of the analysis.

In general, engagement on behalf of the fund is undertaken by Triodos Research. Sometimes the Fund Manager is involved in engagement.

All our engagement activities can be found in our SRI report on <https://www.triodos-im.com/sri-engagement-report>

Triodos IM does not consider it feasible or desirable to engage with governments as an investor, despite the goal to influence sustainable behaviour. Governments should be supervised and influenced only by its citizens through democratic processes.

3d. Voting policy integrating ESG criteria

The Proxy Voting Guidelines of Triodos IM (see 1b), outlining the broader voting philosophy, is applied to the SRI funds. The Guidelines are developed in the belief that long-term business success will depend on the successful integration of social, cultural, environmental and financial considerations on business decisions.

For the full policy see https://www.triodos-im.com/binaries/content/assets/tim/sri-theme-documents/proxy_voting_guidelines.pdf

3e. Securities lending activities

The Triodos Sustainable Investment funds do not engage in securities lending activities.

3f. Derivative instruments

The Triodos Sustainable Investment funds do not use derivative instruments.

3g. Unlisted entities pursuing strong social goals

The Triodos Sustainable Investment funds only invest in listed equities and bonds.

4. Controls and ESG reporting

4a. Control procedures

Triodos IM has the following control procedures in place to ensure the compliance of the portfolio with the ESG rules:

Triodos Research has its own internal quality management system and handbook that are applied to the sustainability analysis process on a daily basis. On a quarterly basis Triodos Research checks the actual portfolio's against the universe. Compliance breaches are reported to the asset manager immediately upon notification. In practice the asset manager brings the portfolio in line with the universe immediately upon notification. In 2016 no such incident occurred.

Adjustments to the Triodos investment universe are established on a quarterly basis by the investment committee. For composition of the committee, see 1c.

Public media and documents used to inform investors about the SRI approach

Triodos CSR policy: <http://www.triodos.com/en/about-triodos-bank/who-we-are/mission-principles/what-we-stand-for/>

Triodos investment strategy: <https://www.triodos-im.com/socially-responsible-investing>

Triodos SRI webpages: <https://www.triodos-im.com/socially-responsible-investing>

Triodos SRI portfolio's: <https://www.triodos-im.com/socially-responsible-investing>

Triodos Sustainable Bond fund: <https://www.triodos-im.com/funds/triodos-sustainable-bond-fund>

Triodos Sustainable Equity fund: <https://www.triodos-im.com/funds/triodos-sustainable-equity-fund>

Triodos Sustainable Mixed fund: <https://www.triodos-im.com/funds/triodos-sustainable-mixed-fund>

Triodos Sustainable Pioneer fund: <https://www.triodos-im.com/funds/triodos-sustainable-pioneer-fund>

Triodos proxy voting guidelines: https://www.triodos-im.com/binaries/content/assets/tim/sri-theme-documents/proxy_voting_guidelines.pdf

Triodos minimum standards: <https://www.triodos-im.com/binaries/content/assets/tim/sri-theme-documents/minimum-standards-and-exclusions.pdf>

SRI Networks and partners: www.triodos.com/en/investment-management/who-we-are/networks-and-partners/sri

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.