

SRI Investment and Stewardship Policy

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1 Preamble

Through its public market Socially Responsible Investing (SRI) strategies, Triodos Investment Management (Triodos IM) invests for positive change alongside a financial return. Triodos IM's fully integrated investment approach ensures that the purpose of investing includes positive change besides generating a financial return and that every step in the stewardship and investment process has been designed with this integrated purpose in mind. This is also visible and explicit in Triodos' Impact Investing investment beliefs.

The investment process starts with forming a long-term vision on sustainability and the transition towards a more sustainable economy: the global trends, resulting challenges and the sustainability solutions needed to meet these challenges. The companies Triodos IM selects for public market investment through either equity or debt must meet three criteria. Firstly, companies must address the global challenges we have identified in the transition towards a sustainable economy. Secondly, companies may not jeopardize this transition and therefore must meet Triodos' strict minimum standards. Triodos IM believes these standards are among the strictest standards used by investors. Thirdly, the securities of the companies Triodos IM invests in must have a positive financial return expectation taking into account the environmental, social and governance (ESG) factors Triodos IM deems most material.

Stewardship starts from the moment company analysis begins and develops into relationship, including dialogue and voting, throughout the holding period of the company in Triodos IM funds and portfolios. Through collaboration with other investors, Triodos IM expands the reach and effectiveness of its stewardship activities, further contributing to positive change with the resulting potential for enhanced financial returns.

Concluding, Triodos IM public market investments invests for positive change alongside a financial return in line with the broader market at acceptable risk levels, using strict investment criteria and a fully integrated investment and stewardship approach.

2 Introduction

2.1 Purpose of policy

The purpose of the Investment and Stewardship Policy is to establish guidelines for the investment decision process and investment portfolio for the Triodos SICAV I sub-funds and managed accounts, including client portfolios of Triodos Private Banking, all managed by Triodos IM.

2.2 Objective of policy

The objective of this policy is to outline the general investment goals and investment objective for the Triodos SICAV I sub-funds and managed client portfolios that govern the investment activities of Triodos IM SRI.

The policies contained in this statement are intended to provide guidelines, where necessary, to ensure that investments are managed consistent with the short term and long term financial and impact goals of the SRI strategies. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions.

2.3 Scope of policy

The scope of this policy includes all portfolio management activities undertaken by Triodos IM. These activities include both the fund management of the Triodos SICAV I sub-funds, for which Triodos IM manages assets on behalf of the Management Company (ManCo) and management of client portfolios or individual mandates.

3 Investment Objective

This section sets forth the specific investment objectives as identified for Impact Investing by Triodos IM public market investment.

3.1 Impact

Global challenges of our time such as alleviating poverty, fighting climate change, reducing inequalities and promoting prosperous and healthy growth for all within the boundaries of our planet require a different approach to investing. Through Impact Investing, investors gain exposure to companies and/or projects that deliver tangible social or environmental benefits. Together with its investors, Triodos IM provides entrepreneurs and businesses with capital, expertise, and a network enabling them to add and create real value that benefits society and the real economy. Multiple studies show that in the long-term, the performance of impact investing is comparable to mainstream investing, but with the addition of creating real value and contributing to a better quality of life. Triodos IM believes the investment industry needs a paradigm shift: from thinking in short-term financial gains to long-term positive impact. Impact investing has the potential to bring about the paradigm shift, aligning shorter-term with long-term goals, and it is the only type of investing that Triodos IM does.

3.2 Return

Triodos IM has a longstanding history in impact investing, both in public and private markets. Triodos IM invests its managed assets in listed equity and debt securities with the aim of achieving long term net asset growth while ensuring positive societal impact through investment in companies that address the global challenges as universally understood, formulated and described in the UN SDGs.

For its respective sub-funds, managed accounts and portfolios, Triodos IM thereto invest in:

- equities of listed companies and/or;
- corporate bonds and/or;
- sovereign bonds and/or;
- sub-sovereign bonds and/or;

- impact bonds (Green Bonds) and/or;
- units or shares of UCITS and/or UCIs

which (i) contribute positively to the global challenges Triodos IM has outlined and do not harm society and/or the environment, (ii) are expected to deliver attractive returns and (iii) comply with the investment strategy. The objective is to invest all or most of its assets in equities, bonds and other securities in such a way that the related risks are diversified. The aim is to achieve a long-term net asset growth. The type of securities for investment and the related risk and return profile vary for each sub-fund and managed account. The assets of each sub-fund and managed account will be invested separately in accordance with the investment objectives and policies of that sub-fund or managed account.

Managed accounts and Triodos SICAV I funds, depending on sub-fund, will invest worldwide in shares, corporate debt and/or impact bonds (green bonds) issued by listed companies that meet strict sustainability criteria. By entering into a dialogue with these companies, the sub-fund and managed accounts aim to further advance the sustainability agenda. Additionally, depending on sub-fund or account, Triodos IM also invests in sovereign and sub-sovereign bonds for liquidity and risk management purposes.

All funds and managed accounts aim to achieve financial returns that are in line with the market in the short to medium term, represented by generally accepted indices for worldwide funds that are well-diversified across sectors and regions in their respective asset class. The investment policy that is pursued by Triodos SICAV I funds is not aimed at replicating or outperforming the benchmark in the short to medium term. In the long term, Triodos IM believes that forward-looking, innovative and well-behaved companies that address the global challenges in the transition towards a more sustainable economy and society will benefit more from this transition than traditional and backward-looking companies and hence should be able to generate higher financial returns than the market.

The funds and accounts may deviate from their benchmark because Triodos IM chooses only to invest in companies that meet strict sustainability criteria, as Triodos IM believes that in the longer term sustainable investments offer more stable and higher financial returns than non-sustainable investments. Therefore, SICAV I funds and managed accounts tend to invest in companies on the basis of a long-term investment horizon.

3.3 Diversification and risk

Diversification across and within asset classes is the primary means by which Triodos IM expects the managed portfolios and funds to avoid undue risk of large losses over long time periods. To protect portfolios and funds against unfavorable outcomes within an asset class due to the assumption of large risks, TIM will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following general guidelines will be in place for the SICAV I funds:

- I. Up to 20% of the Net Assets of any of the funds may be held in cash. Under exceptional circumstances such as substantial uncertainties in the financial markets this percentage may be exceeded for a short period of time.
- II. The funds will not invest over 10% of the Net Assets in any single title or in multiple titles of any single issuer; nor will the total value of all securities in which it invests more than 5% of Net Assets exceed 40% of the value of fund Net Assets. The limit of 10% is increased to 35% in respect of instruments issued or guaranteed by a Member State of the European Union.
- III. With respect to fixed income investments, for individual bonds, the minimum credit quality of these investments shall be investment grade, where ratings from the following rating agencies are considered: Standard & Poor's, Moody's or Fitch.

If a bond is rated by several of these agencies, then the arithmetic average rating is attached to the bond. If a bond is not rated, the rating of its parent is applied to determine whether the bond is eligible for the Sub-Fund. The rating is consolidated to the nearest rating grade. Rating notches are not used. For sovereign bonds and sub-sovereign bonds issued by regional or local authorities, individual bond rating is not used. Instead, the average (including unsolicited) long-term local currency sovereign debt rating is used.

For the managed accounts, diversification precautions will be taken within the asset mix, risk profile and specific client restriction bandwidths agreed upon with individual clients. For private banking clients this is agreed and arranged in an SLA and related documentation between Private Banking Netherlands (PBNL) and Triodos IM SRI.

4 Investment Strategy

This section sets forth the specific return expectations and risk profiles of the various portfolios offered to retail and/or institutional clients and managed by Triodos IM SRI.

4.1 Discretionary managed client portfolios

The investment strategies for individual private banking clients are outlined in individual portfolio management agreements between either PBNL and the individual client (private banking portfolios), or Triodos IM and the individual client (managed accounts). This agreement contains financial risk and return expectations based on client-specific profiles. Portfolio management activities shall be conducted in accordance with these agreements.

4.2 Triodos Sustainable Equity Fund

In evaluating the return profile of an investment in the Triodos Sustainable Equity Fund (TSEF), investors should consider the following factor: Triodos Sustainable Equity Fund invests worldwide in shares of listed companies that meet strict sustainability criteria. By taking up a dialogue with these companies, the Triodos Sustainable Equity Fund aims to further advance the sustainability agenda. Triodos Sustainable Equity Fund aims to achieve financial returns that are in line with the market.

The typical investor in the sub-fund would be a natural person or an Institutional Investor, who wants to invest in shares of publicly listed companies that combine good financial results with a good performance on environmental, social and governance issues.

The typical investor can handle the risk of losing (part of or all) their investment. The sub-fund is designed for the investment objective of long-term capital growth through a portfolio that is well-diversified over economic sectors and geographic regions.

The Triodos investment universe does not represent regular country or sector indices. The performance of the sub-fund can temporarily differ from these indices both in a positive and in a negative way. The sub-fund aims to diversify its investments geographically, and across sectors and themes, but as it focuses on companies with sustainable activities, the return of the sub-fund is likely to differ from other large cap funds that invest globally.

4.3 Triodos Sustainable Bond Fund

Triodos Sustainable Bond Fund (TSBF) invests worldwide in bonds issued by listed companies that meet strict sustainability criteria. By taking up a dialogue with these companies, the Triodos Sustainable Bond Fund aims to further advance the sustainability agenda. In addition to corporate bonds, the Triodos Sustainable Bond Fund also invests in sovereign bonds, sub-sovereign bonds and impact bonds. Triodos Sustainable Bond Fund aims to achieve financial returns that are in line with the market.

The typical investor in the sub-fund would be a natural person or an Institutional Investor, who wants to invest in (i) corporate bonds, (ii) sovereign bonds, (iii) sub-sovereign bonds and (iv) impact bonds that combine good financial results with a good performance on environmental, social and governance issues.

The typical investor can handle the risk of losing (part of or all) their investment. The sub-fund is designed for the investment objective of long-term capital growth.

The Triodos investment universe does not represent regular country or sector indices. The performance of the sub-fund can temporarily differ from these indices both in a positive and in a negative way.

4.4 Triodos Sustainable Mixed Fund

Triodos Sustainable Mixed Fund (TSMF) invests worldwide in shares and bonds issued by listed companies that meet strict sustainability criteria. By entering into a dialogue with these companies, the Triodos Sustainable Mixed Fund aims to further advance the sustainability agenda. In addition to corporate bonds, the Triodos Sustainable Mixed Fund also invests in sovereign bonds, sub-sovereign bonds and impact bonds. In principle 60% of the portfolio is invested in bonds and 40% is invested in equities. Triodos Sustainable Mixed Fund aims to achieve financial returns that are in line with the market.

The typical investor in the sub-fund would be a natural person or an Institutional Investor, who wants to invest in shares of listed companies and (i) corporate bonds, (ii)

sovereign bonds (iii) sub-sovereign bonds and (iv) impact bonds that combine good financial results with a good performance on environmental, social and governance issues.

The typical investor can handle the risk of losing (part of or all) their investment. The sub-fund is designed for the investment objective of long-term capital growth.

The Triodos investment universe does not represent regular country or sector indices. The performance of the sub-fund can temporarily differ from these indices both in a positive and in a negative way.

4.5 Triodos Sustainable Pioneer Fund

Triodos Sustainable Pioneer Fund (TSPF) invests worldwide in shares of listed companies that meet strict sustainability criteria and are frontrunners in sustainability. By taking up a dialogue with these companies, the Triodos Sustainable Pioneer Fund aims to further advance the sustainability agenda. Triodos Sustainable Pioneer Fund aims to achieve financial returns that are in line with the market.

The typical investor in the sub-fund would be a natural person or an Institutional Investor, who wants to invest globally in shares of listed companies of primarily small and midcap size that combine good financial results with proven leadership in their contribution to sustainable development. This leadership is proven by an excellent performance on social and environmental issues if a company provides regular products and services, or by the provision of sustainable products and services, i.e. companies benefiting from the transition towards a more sustainable economy and society, and companies seeing innovative disruption to 'old economy' business models as an opportunity for growth.

The typical investor can handle the risk of losing (part of or all) their investment. The sub-fund is designed for the investment objective of long-term capital growth through a concentrated and focused investment portfolio that is typically suited for investors with a higher risk tolerance.

The Triodos investment universe does not represent regular country or sector indices. The performance of the sub-fund can temporarily differ from these indices both in a positive and in a negative way. The sub-fund aims to diversify its investments across themes. In addition, by its very nature of concentrating in small and mid-sized companies and focusing on companies pioneering in sustainable activities, the sub-fund may invest a significant proportion of its assets in a limited number of sectors. As a result, both the return and the volatility of the returns of the sub-fund are likely to differ significantly from other small and midcap funds that invest globally.

5 Asset allocation

Triodos IM realizes that strategic allocation of fund and portfolio assets across broadly defined financial asset categories with varying degrees of risk, return, and return correlation will be a significant driver of long

term investment returns and fund asset value stability. The investment strategies for individual private banking clients are outlined in individual portfolio management agreements between either PBNL and the individual client (for private banking portfolios) or Triodos IM and the individual client (managed accounts). These agreements include strategic asset allocation and bandwidths.

5.1 Strategic asset allocation (SAA)

Fund assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of equity investments will be to achieve long term capital growth of portfolio assets, while the role of fixed income investments will be to generate income, provide for more stable periodic returns and provide some protection against a prolonged decline in the market value of the equity portion of fund investments.

5.1.1 Funds

Long term strategic asset allocation will be determined by Triodos IM's Investment Policy Committee (IPC), and will establish guidelines governing the asset allocation of the various sub-funds with the aim of achieving long term returns while being properly diversified to mitigate financial market risks.

The IPC will once a year establish and update its long-term financial markets outlook, comprised of:

- expected economic growth and corporate profit growth across sectors and regions
- expected interest rates and inflation
- expected asset class returns for the various categories Triodos IM invests in (large cap equities, small & midcap
- equities, government bonds, corporate bonds) as well as return expectations for the various regions Triodos IM invests in (North America, Eurozone, developed Asia-Pacific).

Upon establishing expected returns, the IPC will decide on an appropriate long term strategic asset allocation recommendation, given the sub-funds' long-term objectives and short-term constraints.

Guidelines on minimum and maximum exposures for long-term strategic asset allocation in the Triodos Sustainable Mixed Fund that are currently in place are the following:

- Equity portion minimum 30% - maximum 60%
- Fixed Income portion minimum 40% - maximum 70%

5.1.2 Discretionary Private Banking client portfolios

For Private Banking clients, guidelines on minimum and maximum exposures for long term strategic asset allocation in mixed portfolios depend on individual client risk profile and investment agreement. Guidelines that are currently in place are the following:

- Equity portion minimum 0% - maximum 100%
- Fixed Income portion minimum 0% - maximum 100%
- Alternatives portion minimum 0% - maximum 25%
- Cash portion minimum 0% - maximum 20%.

The IPC decides on the long-term strategic asset allocation for each of the different predetermined Private Banking client risk profiles (i) Fixed Income/Behoudend,

(ii) Conservative/Defensief, (iii) Balanced Bonds/Neutraal, (iv) Balanced Shares/Offensief, and (v) Growth/Zeer Offensief.

For other individually managed accounts, asset allocation and asset mix, can be tailored to specific client requirements and objectives.

5.2 Tactical asset allocation (TAA)

While the strategic asset allocation is determined on an annual basis and sets forth the long-term allocation over asset categories, due to the evolving business cycle, market fluctuations and investor sentiment, in the medium to shorter term the desired allocation may differ from long-term allocation.

Hereto, the IPC will once per month discuss actual developments in financial markets and implications for the short term to medium term outlook and possible resulting deviations from the long-term scenario. Every month, the IPC monitors developments, updates its views on the respective asset classes and, where necessary, decides on tactical asset allocation for each of the different private banking client risk profiles (i) Fixed Income/Behoudend, (ii) Conservative/Defensief, (iii) Balanced Bonds/Neutraal, (iv) Balanced Shares/Offensief, and (v) Growth/Zeer Offensief.

5.3 Asset allocation TSEF

The sub-fund invests at least 67% of its Net Assets in shares of large cap companies that are listed on the worldwide markets, that comply with the sustainable investment strategy described in the general part of the Prospectus, in the section "Sustainability Assessment", and that offer good investment prospects. Up to 33% of the sub-fund's Net Assets may be held in small and midcap companies. The definition of the market capitalisation of small, mid and large cap companies is dynamic and is based on the index methodology used by MSCI. The Management Company will update the market capitalization thresholds for small, mid and large cap companies once a year.

Up to 20% of the Net Assets may be held in cash. Under exceptional circumstances such as substantial uncertainties in the financial markets this percentage may be exceeded for a short period of time. However, under normal market circumstances, the sub-fund aims to be fully invested with only limited assets held in cash for liquidity purposes, such as managing in and outflows.

The sub-fund may not invest more than 10% of its Net Assets in shares or units of other UCITS or other UCIs.

5.4 Asset allocation TSBF

The sub-fund primarily invests in Euro-denominated corporate bonds, impact bonds, sovereign bonds and sub-sovereign bonds which comply with the sustainable investment strategy described in the general part of the Prospectus, in the section "Sustainability assessment", and offer good investment prospects.

Corporate bonds, impact bonds and sub-sovereign bonds not issued by regional or local authorities must be rated at least investment grade. Euro-denominated sovereign bonds and sub-sovereign bonds issued by regional or local authorities must be rated at least investment grade. Ratings from the following rating agencies are considered: Standard & Poor's, Moody's or Fitch. If a bond is rated by several of these agencies, then the arithmetic average rating is attached to the bond. If a bond is not rated, the rating of its parent is applied to determine whether the bond is eligible for the Sub-Fund. The rating is consolidated to the nearest rating grade. Rating notches are not used. For sovereign bonds and sub-sovereign bonds issued by regional or local authorities, individual bond rating is not used. Instead, the average (including unsolicited) long-term local currency sovereign debt rating is used.

Under normal circumstances, most of investments within the fund will be allocated towards corporate bonds and impact bonds. The allocation towards corporate bonds and impact bonds ensures that the fund fulfills its goal of contributing to a positive transition towards a more sustainable world, while having a positive financial return expectation.

The allocation towards sovereign bonds and sub-sovereign bonds ensures that the risk characteristics of the fund with regard to interest rate risk, credit risk and liquidity risk are managed in accordance with the expectations of its investors. Overall, all bonds used for investment within the fund may not jeopardize (the transition to) a more sustainable world and must meet TIM's strict minimum standards.

Up to 20% of the Net Assets may be held in cash. Under exceptional circumstances such as substantial uncertainties in the financial markets this percentage may be exceeded for a short period of time. However, under normal market circumstances, the sub-fund aims to be fully invested with only limited assets held in cash for liquidity purposes, such as managing in and outflows.

The sub-fund may not invest more than 10% of its Net Assets in shares or units of other UCITS or other UCIs.

5.5 Asset allocation TSMF

The sub-fund primarily invests in shares of large cap companies that are listed on the worldwide markets, and in euro-denominated corporate bonds, impact bonds, sovereign bonds and sub-sovereign bonds which comply with the sustainable investment strategy described in the general part of the Prospectus, in the section 'Sustainability assessment', and offer good investment prospects.

These investments will have the same characteristics as the investments described in the investment policy of Triodos Sustainable Equity Fund and Triodos Sustainable Bond Fund. However, the investments within the fund will not be an exact mirror of the investments in aforementioned funds, as factor risks, and concentration risks may demand a more diversified allocation within the fund.

Triodos Sustainable Mixed Fund adjusts the allocation between equities and fixed income based on the economic outlook and market views as determined by the IPC in order to take advantage or mitigate risks of market developments, within the following ranges:

- Shares minimum 30% - maximum 60%
- Bonds minimum 40% - maximum 70%

Up to 20% of the Net Assets may be held in cash.

Under exceptional circumstances such as substantial uncertainties in the financial markets this percentage may be exceeded for a short period of time. However, under normal market circumstances, the sub-fund aims to be fully invested with only limited assets held in cash for liquidity purposes, such as managing in and outflows.

The sub-fund may not invest more than 10% of its Net Assets in shares or units of other UCITS or other UCIs.

5.6 Asset allocation TSPF

The sub-fund invests at least 67% of its Net Assets in shares of small and midcap companies that are listed on the worldwide markets, that comply with the sustainable investment strategy described in the general part of the Prospectus, in the section "Sustainability assessment", and that offer good investment prospects. Up to 33% of the sub-fund's Net Assets may be held in large cap companies. The definition of market capitalization of small, mid and large cap companies is dynamic and is based on the index methodology used by MSCI. The Management Company will update the market capitalization thresholds for small, mid and large cap companies once a year.

Through the sub-fund the investor will invest in shares of global small and mid-sized companies that are active on the forefront of innovative and ground-breaking developments in the field of sustainability. The sub-fund focuses on a sustainable future for people and planet through investments in companies that are leading in sustainable products and technologies and that provide solutions addressing the investable sustainability themes. Through its solutions-focus, the sub-fund will have a concentrated exposure to companies active in the fields of 1. sustainable energy (climate protection), 2. environmental technology (clean planet) and 3. medical technology (healthy people). In addition, the sub-fund will also invest in companies that are clear CSR Leaders in their respective sectors.

Up to 20% of the Net Assets may be held in cash.

Under exceptional circumstances such as substantial uncertainties in the financial markets this percentage may be exceeded for a short period of time. However, under normal market circumstances, the sub-fund aims to be fully invested with only limited assets held in cash for liquidity purposes, such as managing in and outflows.

The sub-fund may not invest more than 10% of its Net Assets in shares or units of other UCITS or other UCIs.

5.7 Use of instruments & other

Investment managers are prohibited from:

- I. Purchasing securities on margin or executing short sales;
- II. Using leverage to enhance financial returns;
- III. Purchasing or selling derivative securities for leverage;
- IV. Pledging or hypothecating securities; lending securities to third parties.

Furthermore, unless expressly authorized by the ManCo and specified in a prospectus change, investment managers shall refrain from:

- I. Purchasing or selling derivative securities for speculation;
- II. Purchasing or selling derivatives with the aim of hedging market exposure;
- III. Engaging in other investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected given the objectives of the respective portfolio.

6 Portfolio construction

Asset allocation is concerned with the top-down positioning of portfolios and funds over various distinctive asset categories. Within the asset allocation and resulting asset category positioning ranges as set forth by the IPC, individual fund managers and portfolio managers are responsible for portfolio construction.

6.1 Title selection

Titles eligible for investment for both funds and managed accounts will meet the strict Triodos IM SRI investment criteria as set forth in the SICAV I prospectus, without exception in the case of managed accounts.

Individual equity and fixed income titles can be selected for portfolio inclusion based on various merits. These may include but are not limited to (i) stocks or bonds issued by companies with a good thematic fit or companies that are solution providers in the transition towards a more sustainable future, addressing the global sustainability challenges Triodos has outlined, (ii) best-in-class investment propositions, (iii) risk mitigation purposes, especially in the case of government bonds.

6.2 Weightings

Weightings of the individual titles within a portfolio context are in general a function of (a combination) of the following fundamental factors: (i) UCITS requirements as stated in the prospectus or individual managed account restrictions, (ii) predetermined TIM risk tolerance limits, (iii) individual title risk contribution, (iv) appreciation potential, also called upside, (v) investment manager conviction levels on bottom-up company fundamentals, company sustainability impact and top-down thematic exposure desired in the portfolio, (vi) individual title issue size, trading volume and other liquidity characteristics. In constructing a portfolio, the investment manager will seek to find a proper balance between social impact

and thematic exposure, return requirements and risk characteristics within the fund or portfolio investment mandate. Individual position risk and return contributions as well as risk and return characteristics of the portfolio shall be monitored on a daily basis.

6.3 Sell discipline

There can be various reasons for reducing positions in individual titles or selling equity or fixed income positions. These include but are not limited to:

An issuing company no longer meets Triodos Minimum Standards: in this case, entire positions in the specific title are to be sold;

- I. Issuing company fundamentals have deteriorated or are deteriorating, warranting a different view of the (risks and prospects of) equities or bonds of the company;
- II. Shares of a company have reached the price target set by TIM integrated analysis: in such cases, research into the issuing entity will need to be conducted to see if a new price target is justified; otherwise the position will be reduced or sold, depending on investment alternatives and portfolio requirements;
- III. Fund or portfolio cash flows (as set forth in section 7 on rebalancing);
- IV. Liquidity events (as set forth separately in section 9).

In most cases, it is left to the discretion of the individual fund or portfolio manager to decide upon the time frame in which holdings will be (partly) divested. However, in case of (I) a Minimum Standards breach, the positions in both equity and corporate bonds that TIM holds for its funds and portfolios shall be entirely sold within three months of said breach occurring, taking into account market developments and liquidity constraints.

Furthermore, if a particular title is to be sold for managed accounts and/or the SICAV I funds on the basis of a Minimum Standards breach and a new private banking client or other managed account is activated (or cash inflows are to be invested for clients or the funds) during the three-month period that the title under consideration is to be sold, these particular titles will be excluded from any buy transactions during this period.

7 Rebalancing & trading

It is expected that a fund's or portfolio's actual asset allocation and securities positioning can and will deviate from targeted weights as a result from varying periodic returns earned on investments in different asset classes and securities. The portfolio will be rebalanced to its targeted normal weightings under the following procedures:

- I. Fund managers and portfolio managers will use incoming cash flow (contributions) or outgoing money movements (disbursements) of funds and portfolio to realign the current weightings closer to the target weightings of each fund and managed account;
- II. Fund managers and portfolio managers will monitor and review holdings of the funds and portfolios

and will exercise discretion in adjusting the actual weightings towards target weight if deviations due to market movements in one or more holdings of the fund or portfolio have become too significant;

- III. Fund managers and portfolio managers shall act within a reasonable period of time to rebalance after evaluating deviation from target ranges.

Rebalancing of existing positions may also take place upon the implementation of portfolio decisions (increase, decrease of existing positions; buy new positions or sell holdings entirely) as outlined in the portfolio construction process.

When implementing orders, to guarantee proper procedures in rebalancing and preserve trading accuracy, every proposed order is to be checked and accorded by at least two Triodos IM SRI employees with trading responsibility:

- I. In the event of cash inflows or outflows up to EUR 100,000 proposed trades will be checked and accorded by (at least) two mid-office employees, or one Mid-Office and one front-office employee, before being sent to the trading desk;
- II. In the event of cash flows over EUR 100,000 all proposed trades will be checked by (at least) one Mid-Office employee and one Front-Office employee (fund manager or portfolio manager) before being sent to the trading desk;
- III. In the event of portfolio decisions, rebalancing and proposed order generation, check and validation will be done by (at least) two Front-Office employees before being sent to the trading desk.

Furthermore, all fund and portfolio transactions shall be proposed and agreed upon by Triodos IM SRI front- and mid-office employees that are physically present at the Triodos IM premises.

8 Monitoring portfolio investments and performance

Triodos IM will monitor the portfolios' investment performance against stated investment objectives on a monthly basis and formally assess the portfolios and underlying securities investments.

The respective portfolio composite investment performance will be judged against the following standards:

- I. Societal impact from investments;
- II. The portfolio's absolute long term (real) return objective;
- III. The individual portfolio's reference index, which is represented by the relevant benchmark as set forth in the prospectus; for internal reference and performance evaluation purposes, investment returns will also be evaluated versus a selected group of peers;
- IV. The relevant absolute and relative risk parameters for the fund or portfolio being evaluated.

In keeping with the overall long-term absolute and relative financial objectives of the portfolios, Triodos IM

will evaluate investment managers and performance over a suitably long investment horizon, generally across full market cycles of five to seven years, commensurate with Triodos IM's investment horizon.

Investment performance reports and portfolio characteristics for the funds managed shall be provided by TIM on a (calendar) monthly basis.

9 Risk management

Triodos IM will monitor the portfolios' market fluctuations against stated investment risk profiles on an ongoing basis and evaluate portfolio positioning and risk characteristics based on (i) portfolio restrictions as set forth in the prospectus, (ii) market risk and (iii) factor risk.

9.1 Portfolio and client specific restrictions

Portfolio positioning is evaluated on a daily basis to ensure that market fluctuations do not cause a possible breach against the risk limitations set forth in the SICAV I prospectus or as agreed with individual private banking and institutional clients.

Pre-trade and post-trade compliance checks are in place and taken into account in the Order Management System (OMS) to ensure that proposed orders do not constitute a possible breach against the risk limitations set forth in the SICAV I prospectus or as agreed with individual private banking and institutional clients.

Furthermore, every proposed trade is to be accorded by at least two TIM employees with investment responsibilities, as outlined in the rebalancing guidelines, before being sent to the trading desk.

9.2 Market risk

Market risk will be monitored on a daily basis and risk parameters will be evaluated accordingly. These include but are not limited to: Value-at-Risk (VaR), portfolio tracking error and portfolio beta.

TIM considers market risk the outcome of a carefully constructed portfolio or fund and hence VaR, beta and tracking error will be a result of the portfolio construction process rather than a steering variable. Having said that, market risks will be actively monitored and measured; in case of excessive risk resulting from portfolio construction decisions, Triodos IM may act to alter portfolio positioning in order to mitigate market risk and address risk characteristics or bring risk back into what Triodos IM deems to be acceptable risk tolerance levels.

Note furthermore that Triodos IM considers risk versus a benchmark an inherent proposition of active portfolio management as the funds' objective is neither to beat or replicate the market index but rather to generate market returns while having societal impact.

The use of financial derivatives and forex hedging to alter portfolio risk characteristics or abovementioned market risk exposures is not allowed for the accounts of the funds, as described in section 5 on asset allocation.

9.3 Factor risk

Factor risks are unintended risks which are implicit exposures or portfolio sensitivities to certain macroeconomic entities and factors. These risks include but are not limited to: oil price risk, currency risk, interest rate risk, style risk.

Triodos IM considers factor risks the outcomes of a carefully constructed portfolio or fund and hence market factor risks will be a result of the portfolio construction process rather than a steering variable. Having said that, factor risks will be actively monitored and measured; in case of excessive risk resulting from portfolio construction decisions, Triodos IM may act to alter portfolio positioning in order to mitigate factor risk and address risk characteristics or bring risk back into what Triodos IM deems to be acceptable risk tolerance levels. The use of financial derivatives and forex hedging to alter portfolio risk characteristics or abovementioned factor risk exposures is not allowed for the accounts of the funds, as described in section 4 on asset allocation.

9.4 Systemic risk

Due to Triodos IM's strong investment beliefs, its impact investing focus and the resulting investment choice to invest in innovative, well-behaved and forward-looking companies that address the sustainability challenges in the transition towards a more sustainable economy, certain global economic sectors or industries will *a priori* be excluded from the Triodos IM investment universe. This reflects an active investment decision, that can result in a portfolio more concentrated than the benchmark or reference index, which may still include certain 'old economy' sectors and industries.

Therefore, from time to time, Triodos IM investment performance may lag that of the reference index in the short to medium term; Triodos IM however believes that through this active positioning, over the long run, the systemic risks of investing in certain non-adaptive industries, more prone to disruption or transformational change, are avoided.

9.5 Other risks

Other key investment-related risks Triodos IM has identified may include but are not limited to:

- operational risk;
- counterparty risk;
- liquidity risk (separately addressed in section 10 on liquidity events);
- euro currency denomination risk;
- legal risk.

Risk management policies and processes are in accordance with the applicable regulatory standards, e.g. Triodos IM will be compliant with ISAE3402.

9.6 Risk management framework & responsibilities

The ManCo has implemented an integral risk management framework throughout its organization to adequately monitor and manage the risks related to the

sub-funds. The risk management framework is based on the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) framework for integral risk management. Furthermore, it contains a permanent, independent risk management function, as well as policies and procedures designed in accordance with European regulations and best market practices.

The risk management framework describes, amongst others, the roles and responsibilities of the risk management function, risk governance (the 'three lines of defense' model) and the risk management process to identify, measure, mitigate, monitor, report and evaluate all relevant risks related to the sub-funds and client portfolios. The risk management function is responsible for the implementation and execution of the risk management process and policies. The risk management function is functionally and hierarchically separated from the fund and portfolio management function.

In the abovementioned 'three lines of defense model', portfolio managers and fund managers through internal control systems and measures have primary responsibility for measuring, monitoring and managing fund and portfolio risks such as market risk, factor risk and systemic risk such as described in paragraphs 9.1 till 9.4 and section 10 – this constitutes the first line of defense. The second line of defense is comprised of financial control, security, quality management, inspection, compliance and the risk management function. Lastly, the internal audit function is the third line of defense within Triodos IM.

10 Liquidity events

This section addresses Triodos IM procedures that will be initiated in case of unforeseen or sudden market events with (potentially) severe market impacts.

In case of such events, Triodos IM is to organise a meeting on the shortest notice practically feasible with the Head of SRI, Head of Research and Fund managers to assess the event and evaluate the implications for investments under Triodos IM management.

Findings can result in portfolio actions being taken on behalf of capital preservation for the client, taking into account UCITS requirements as set forth in the prospectus, individual portfolio limitations and boundaries, and liquidity needs in case of redemptions. In extreme cases, findings can result in the request of a trading halt or suspension.

As the sub-funds are open-ended funds, each sub-fund may in theory be faced with many redemptions on each valuation day. In such an event, investments need to be sold quickly to comply with the repayment obligation towards the redeeming shareholders. In the extreme scenario that positions held on behalf of a sub-fund cannot be liquidated in time and at a reasonable price, the ManCo can resort to the request for suspension or restriction of purchase and issue of the individual sub-fund's shares.

11 Corporate actions

Corporate actions for listed equities can have many forms. Below is a (non-exhaustive) list of examples:

- I. Splits
- II. Mergers & acquisitions
- III. Special dividends & scrip dividends,
- IV. Tender offers
- V. Trade blocks (voting) (record date Annual General Meeting or AGM)

In the event of such corporate actions affecting positions held by Triodos IM funds and/or portfolios, fund and portfolio managers have full discretion on interpretation of these actions in light of portfolio requirements and shall decide on a case-by-case basis on how to treat the individual propositions, e.g. receiving dividend in cash or equity; partaking in a tender offer; retaining positions if Triodos IM is looking to cast its vote at company AGMs.

12 IPOs and allocation

Participation in an Initial Public Offering (IPO) is left to the discretion of individual fund and portfolio managers, if the investment proposition under consideration meets the criteria set forth to be eligible for inclusion in the respective funds and can be included in the portfolio without compromising its risk profile or breaching any of the portfolio or client restrictions as outlined earlier.

In case of participation, fund and portfolio managers are not allowed to overstate their intended demand and will aggregate their real demand for the instrument being listed on the exchange. Upon allocation to Triodos IM fund accounts, equal client treatment means fair distribution among the participating portfolios which implies that Triodos IM will allocate instruments of the newly issued equity to participating funds and portfolios according to subscription size on a pro-rata basis.

13 Stewardship

Stewardship is the entrusted responsibility from end beneficiaries for a duty of care. Clients of Triodos IM aim to receive a financial return and generate positive impact through investing in listed companies. To this aim, Triodos IM carefully selects companies as described in this investment policy and carries out engagement and voting to maximize the investee company's contribution to positive change, improving company results from an integrated financial and sustainability perspective. Triodos IM believes that companies with a sound strategic direction that incorporates material ESG factors will in the long run see corporate value drivers impacted positively, and hence not only contribute to societal change but create solid financial returns and improved shareholder value as well.

Whereas the core of stewardship is in engagement and voting, the comprehensive selection of investee companies is considered an element of stewardship as well.

13.1 Engagement

Engagement with investee companies is one of the cornerstones of the investment strategy. Through dialogue with the investee companies, Triodos IM aims to maximize the positive impact of these companies on society and the planet in a way that benefits all stakeholders, including the company itself. Triodos IM regards engagement an integral part of its role as a responsible shareholder. Engagement includes voting on shareholder meetings and maintaining an active dialogue with companies on all issues of relevance to its relation as a shareholder or bondholder of a company. Triodos IM aims to work towards engagement for change with all investee companies, driven both by a risk-based and opportunities-based approach.

13.1.1 Engagement strategy

The engagement strategy of Triodos IM is designed to have meaningful dialogue with investee companies with the aim to maximize positive change and create long term value for the benefit of its beneficiaries, for society and for the planet whilst enhancing the long-term value creation potential of the company under engagement as well.

Triodos IM carefully chooses relevant topics, sets goals and selects the most appropriate engagement type and tools. Fundamental company research, thematic research, and a well-managed relation with the investee companies are key ingredients of the engagement strategy.

13.1.2 Company engagement plan

As part of the engagement strategy, Triodos IM develops an engagement plan for all investee companies. This plan defines the engagement topics and goals and it describes and motivates the choice for the type of engagement and the choice of appropriate tools applied. It is then completed with operational details and concrete process steps, with indicative timelines. A template engagement plan provides for a consistent structure and quality of the plans. The company engagement plan includes:

- Engagement topic(s) and goal(s);
- Appropriate type of engagement;
- Choice of tools and further operational aspects of the plan.

Each engagement plan is evaluated before closure. See more details under section 13.1.7.

13.1.3 Engagement topics

Starting point for an engagement plan is the engagement paragraph in the company investment case. Topics identified can be risk-based or opportunity-based. Secondly, there may be developments within the investment themes that Triodos IM considers an opportunity for engagement to enhance positive impact and decrease risks. Thirdly, controversies and incidents (cases of controversial business conduct) can serve as input for an engagement plan. With the topics chosen, the plan is further developed, considering the urgency and momentum of the topics and the number of topics that can effectively be discussed with a company.

Where relevant, and in the context of topics identified as described above, Triodos IM may engage with policy

makers on issues that affect responsible investment and corporate governance. Most likely Triodos IM will do so in collaboration with national or international investor membership organizations or other relevant stakeholder groups. The aim is to be transparent about such activities, motivation and goals.

Investment case

In the investment case, engagement topics are identified and summarised. Topics relate to the core business, products, services and operations of the company, or follow from Triodos Bank's investment beliefs and minimum standards. Topics that are presented are considered material to the company and acting on these topics can contribute to the long-term value creation of the company. Concrete goals are defined, and an indicative deadline is set. As such, topics identified in the company analysis may be risk (prevention) based, but also opportunity-driven.

Thematic engagement projects

Thematic engagement is driven by Triodos IM's investment beliefs, themes and strategy that cover leading sustainability trends and topics. The basis for such thematic engagement may be own or contracted thematic research, studies by third parties or e.g. regulatory developments that are of significance for Triodos IM's investments. Thematic engagement projects will be integrated in the relevant company engagement plans, with where appropriate, specified goals for each company.

Controversies and incidents

Investee companies and companies that are selected for investment, are monitored continuously. Triodos IM uses a variety of sources, ensuring to be rapidly informed about news, positive or negative, about these companies. Such news, especially if negative and material, may give reason to contact a company to receive more detailed information, and/or to express concern. The materiality of incidents is quickly assessed and, depending on the level of concern, may be given priority over other pending topics. As such, these engagement topics are risk-driven.

13.1.4 Types of engagement

For each engagement, TIM makes sure to choose the right instruments and approach. For example, Triodos IM assesses the level of awareness within the investee company with regards to the topic as that serves as an indicator of whether to either raise awareness first, or to convince a company, or encourage a company to act. Three types of engagement are considered:

Individual engagement

When there is a well-established relation with an investee company, or Triodos IM is confident that such a relationship can be developed, individual engagement, a direct dialogue with relevant level company management and/or experts is the most commonly applied type of engagement to start with. Triodos IM will primarily use this type of engagement with companies in its nearest geographic region and considers other types of engagement for companies in more remote and culturally different markets.

Outsourcing engagement

To maximize impact, considering available capacity and means, Triodos IM may outsource part of its engagement to professional engagement service provider(s) that share Triodos IM's investment values and deep understanding of integrated investment. The possibility of outsourcing engagement is part of the engagement plan. The selection of a possible external provider takes place in accordance with the guidelines as set out in the Triodos Outsourcing & Vendor Management policy.

Collaborative engagement

From time to time Triodos IM takes part in engagement activities initiated by other investors, civil organizations (non-governmental organizations or NGOs) or other stakeholders or may initiate collaborative engagement itself. Important channels for collaborative engagement are PRI and, for the Dutch market, Eumedion. Triodos IM takes part in such initiatives when:

- The topic aligns with the Triodos IM engagement agenda
- it invests in the targeted companies
- it believes the proposal is of high quality, contains concrete goals and generates substantial impact
- it believes that adding the Triodos name adds to the credibility and the success of the engagement.

13.1.5 Tools of engagement

The engagement plan also motivates a choice of engagement tools. These may be more informal tools such as calls and emails, or formal tools such as proxy voting, shareholder resolutions and or using speaking rights at a company's AGM.

Engagement tools:

- Calls and/or emails
- Engagement letters
- Company visits
- Events
- Proxy voting and AGM visits (described in more detail in section 13.2)
- Shareholder resolution
- Conduct & publish thematic research

13.1.6 Roles involved in engagement efforts

The SRI engagement coordinator is responsible for overall guidance of engagement activities. In the execution of an engagement plan, the following roles within the Triodos IM SRI team are involved:

- Investment Analyst
- Portfolio Manager
- Fund Manager

In case of escalation or engagement issues that require specific attention:

- Head of SRI

13.1.7 Evaluation

Regular evaluation takes place at two levels: at company engagement plan level, and at engagement strategy level. Before closure, every company engagement plan is evaluated with regard to the result of the engagement, the impact, and the process. Results and impact of the engagement provide material to communicate to clients,

and evaluation of process and results will be used to further advance Triodos IM's engagement strategy. The engagement strategy will also be reviewed periodically to incorporate lessons learned and improve the strategy.

13.1.8 Engagement escalation

If the outcome of an engagement process is not as expected or clearly the objectives are not met, this may eventually lead to exclusion of a company for investment. Such decisions will depend on the severity and/or urgency of the topic, impact of the case or event, public sensitivity of case or event. Before Triodos IM draws an ultimate decision, it make sure that during the engagement process, it has:

- Informed the investee company about the possible ultimate consequence tied to the engagement process;
- Used different ways to 'escalate' the engagement.

To escalate engagement Triodos IM may consider taking the dialogue to the executive level or non-executive directors, or outside the company, initiating wider investor support, making a public statement, raising attention at the AGM or submitting shareholder resolutions or other relevant solutions.

13.1.9 Engagement participants

Triodos IM will engage with companies on behalf of both SICAV I fund investors and managed account clients.

13.2 Proxy voting

Triodos IM fulfills its voting responsibility mostly by using the option to vote by proxy. Voting preparation (advice) and voting execution are outsourced to an external party. For 2018 this is Pensions & Investment Research Consultants (PIRC), based in the UK. PIRC drafts its voting advice based on the Triodos Proxy Voting Guidelines. PIRC informs Triodos IM on a quarterly basis whether votes have been casted correctly. Triodos IM does not actively seek confirmation of companies of vote receipt and counting.

13.2.1 Decision for voting

In principle, Triodos IM votes at all meetings held by companies in portfolios of the investment funds provided it holds shares with voting rights.

Triodos IM aims to discuss the agenda of the Annual General Meeting with the company prior to the meeting. In principle, voting will occur in line with Triodos Proxy Voting Guidelines which are published on the Triodos IM website and are in line with the Dutch corporate governance code and relevant international corporate governance codes. The guidelines are updated regularly and are approved by Triodos IM's Minimum Criteria & Proxy Voting Guideline Committee. These guidelines cover board composition, remuneration, sustainability, annual accounts and other governance related topics. Shareholder resolutions are considered on a case-by-case basis. After voting by proxy, Triodos IM informs the company about voting decisions, including an explanation of oppose, abstain, or withhold votes. Preferably this is done prior to the meeting, which makes further dialogue and a potential vote change still possible. If the dialogue with a company results in a

deviation from the Triodos Proxy Voting Guidelines, Triodos IM decides to do so on a case-by-case basis. Companies are actively informed about the Triodos Proxy Voting Guidelines.

If fitting in the engagement strategy Triodos IM may visit AGM of European companies and speak and/or vote at these meetings. For the Dutch market, Triodos IM cooperates with Eumedion participants to visit AGMs and to engage with companies at these meetings. If relevant and in line with Triodos IM's engagement strategy it may also co-file shareholder resolutions at AGMs.

13.2.2 Reporting on voting & voting records

All voting ballots are published on the Triodos IM website monthly. These ballots include an explanation of oppose, abstain, and withhold votes.

13.2.3 Voting participants

Triodos IM will engage with companies on behalf of both SICAV I fund investors and managed account clients. However, whereas Triodos IM will proxy vote for SICAV I fund investors and managed accounts if so agreed upon, for private banking managed portfolio client assets Triodos IM will currently not participate in proxy voting.

It is noted that Private Banking aspires to apply proxy voting for its private banking accounts as well. Triodos IM supports this aspiration, acknowledging that practical barriers and cost implications would need to be considered before voting is implemented in the current setup.

13.3 Transparency & record keeping

13.3.1 Transparency

Triodos IM aims to uphold maximum transparency towards clients, investee companies and other stakeholders. Policies, fund holdings and engagement activities and outcomes are published on the Triodos IM website.

13.3.2 Record keeping

Triodos IM systematically documents engagement activities and voting for the benefit of compliance with relevant regulation and to allow for reporting to beneficiaries, clients and other relevant stakeholders.

14 Policy changes

Triodos IM will change the Investment Policy if this is perceived necessary, for instance because of regulatory changes, organizational changes at TIM and/or changes in trading on exchanges or capital markets.

15 Ownership and maintenance

This policy is owned and maintained by the Head of SRI. This document and any changes thereto need to be approved by the Triodos IM's management board and the NFRC. This document will be reviewed once every year at a minimum.

Triodos Investment Management, March 2018