

Triodos Impact Mixed Fund - Offensive

A sub-fund of Triodos SICAV I

SFDR product category: Article 9

No significant harm to the sustainable

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

Sustainable investment objective of the financial

product: The sustainable investment objectives of the fund are to:

- Make money work for environmental and social change
- Contribute to the transition to an economy within planetary boundaries
- Contribute to the transition to an economy where all humans can enjoy a prosperous life.

In order to realise these three objectives, the fund invests in listed equities and bonds that actively contribute to at least one Triodos transition theme. Each Triodos transition theme is linked to one or more UN Sustainable Development Goals (SDGs):

- Sustainable Food and Agriculture: SDG 2, 3, 12 and 15
- Sustainable Mobility and Infrastructure: SDG 6, 7, 11 and 13
- Renewable Resources: SDG 6, 7 and 13
- Circular Economy: SDG 6, 12 and 15
- Prosperous and Healthy People: SDG 3
- Innovation for Sustainability: SDG 3, 7, 12 and 16
- Social Inclusion and Empowerment: SDG 1, 4, 5 and 10

The fund contributes to climate change mitigation and adaptation as set out in article 9

of the EU Taxonomy.

Investment strategy: Triodos Investment Management (Triodos IM) has defined four stages in the investment process in order to attain the sustainable objectives of the fund:

- Contribution to transitions (positive screening): Every (potential) investment is assessed in-depth on its thematic fit with the Triodos transition themes, for which impact objectives have been defined.
- Negative impact: In order to eliminate any significant negative impact, every (potential) investment goes through an exclusionary screening consisting of three steps: negative screening, check on controversies and ESG assessment. Every (potential) investment is assessed on its alignment with the Minimum Standards or the Sovereign Framework. During this stage, all PAIs and good governance criteria are taken into account.
- Integrated analysis: The research team considers the outcomes of all three stages and analyses the investment impact, risk and return, which then leads to the investment decision.
- Accelerate transitions (stewardship): Triodos IM frequently engages on environmental and social topics that are relevant to each company's individual business models, as well as on general corporate governance issues.

Proportion of investments: The fund invests at least 85% of its net asset value in sustainable investments. The remaining (maximum 15%) will be regular sovereign bonds, cash or cash equivalents held as ancillary liquidity. The fund can invest no more than 10% of assets in other UCITS or other UCIs.

At least 30% of the investments of the fund will be sustainable investments that contribute to an environmental objective. At least 30% of the investments of the fund will be sustainable investments that contribute to a social objective.

The minimum share of sustainable investments with an environmental objective that are aligned with the EU Taxonomy is 3% (including and excluding sovereign bonds). The Triodos transition themes, which are used for the positive selection of the investments, encompass more environmentally sustainable economic activities than currently covered by the EU Taxonomy. This percentage is likely to

increase over time as the remaining four Taxonomy objectives are finalised and more economic activities are added to the Taxonomy. The minimum share of investments in transitional activities is 0%, while the minimum share of investments in enabling activities is 0%.

Monitoring of sustainable investment objective:

The extent to which the sustainable investment objective has been achieved is continuously monitored. Included in this assessment is the performance of the sustainability indicators in a quantitative and qualitative manner as well as against established targets. In order to monitor the attainment of its sustainable investment objectives, the fund measures its exposure to the Triodos transition themes, its absolute and relative contribution to SDGs and its carbon footprint relative to its benchmark.

Methodologies: Triodos IM uses the Triodos Impact Management Cycle as an overarching tool to manage its impact. Impact management is about actively steering the means to optimise positive impact and minimise negative impact. In order to do so, Triodos IM develops a Theory of Change, which serves as a basis to set impact objectives and set and measure sustainability indicators. Triodos IM verifies that the outcomes meet the targets and expectations and if not, why not, and Triodos IM defines what actions should be taken (i.e. capital allocation decisions, engagement or thought leadership) to optimise the contribution to impact.

Data sources and processing: To determine whether a (potential) investment contributes to the sustainable investment objective, several data sources are used. Independent research provider ISS ESG is the source for the SDG Impact Rating Products and Services score. These scores assess the overall impact of a company's product portfolio on the achievement of the SDGs. Secondly, for every investee an investment analyst consults relevant public disclosures such as the annual report and in the case of impact bonds, the information disclosed by the issuer. Where no detailed information is available, own estimations are used.

Limitations to methodologies and data: The limitation of using percentage of net sales generated with relevant products/services to estimate attainment of the sustainability objective, is that sales are not always disclosed at a high level of detail. This analysis is often accompanied by a more qualitative assessment. Impact bonds are used to steer the investment

in a more precise direction. However, the quality and reliability of reported impact data can be an issue as well as the estimation of use of proceeds at the time of issuance.

Due diligence: The due diligence carried out on the underlying assets consists of a positive screening, a negative impact assessment (consisting of three steps) and an integrated analysis. A Due Diligence policy and process is in place to ensure that all the necessary stages and steps of due diligence are followed before the decision to invest is taken.

Engagement policies: A focus on impact includes the careful selection of investees, as well as proactively supporting or advocating for investees to increase their positive and reduce or avoid negative impact. To do so, Triodos IM frequently engages on environmental, social and governance topics that are relevant to each investee's business model, fund or sector context as well as on general corporate development and business strategy issues. This is done through 1) company engagement, 2) active ownership and 3) advocacy - influencing decisions within political, economic, and social institutions.