

Sustainability-related disclosure

Triodos Impact Mixed Fund - Defensive

March 2021

Sustainable investment objective

Triodos SICAV I - Triodos Impact Mixed Fund - Defensive ('TIMF-D' or 'Fund') has sustainable investments as its objective as described in article 9 of the SFDR. The objective of the Fund is to maximise positive impact by investing exclusively in companies that contribute to one or more of our seven sustainable transition themes. To do so, the Fund intends to invest its assets in:

- Shares of listed companies and/or
- Corporate Bonds and/or
- Sovereign Bonds and/or
- Sub Sovereign Bonds and/or
- Impact Bonds and/or
- Units or shares of UCITS and/or UCIs

which (i) are expected to deliver attractive returns, (ii) do not harm society and/or the environment and (iii) comply with the investment strategy as described in the prospectus.

Methodologies, screening criteria and relevant sustainability indicators

TIMF-D invests exclusively in the Triodos investment universe: shares of listed companies or bonds (or UCITS or UCIs) that meet Triodos Investment Management's (Triodos IM) criteria. To be included in the universe, companies are screened in a specific sustainability assessment process which entails the following.

Triodos IM has identified certain types of products and services that contribute to the transition to a sustainable world. These sustainable activities, which the United Nations have set forth to act on in their 17 Sustainable Development Goals (SDGs), address the global challenges posed by structural trends such as ageing population, resource scarcity, inequality and exclusion. Triodos IM has identified seven transition themes that are instrumental in the transition toward a sustainable economy. These seven transition themes, as a lens to select investments, are defined as follows: Sustainable Food & Agriculture, Sustainable Mobility & Infrastructure, Renewable Resources, Circular Economy, Prosperous & Healthy People, Innovation for Sustainability and Social Inclusion & Empowerment. Triodos IM explores and assesses how these themes provide opportunities for positive change.

The Fund's objective to maximise positive impact in alignment with the investment policy is incorporated in the transition themes. TIMF-D measures its exposure to the transition themes (positive impact) and quantifies its relative exposure towards SDGs,

and its CO₂, water and waste footprint. The relative positioning on the SDGs, CO₂, water and waste footprint is an outcome of the investment process rather than an objective. A company that materially contributes to one or more of the seven transition themes through its products, services or processes, is eligible for investment if it also meets Triodos Bank's minimum standards. The minimum standards ensure that the investments do not significantly harm the sustainable investment objective of the Fund. The sustainability assessment is conducted in-house by Triodos IM. For idea generation and (initial) sustainability assessment, both internal research and research from external parties is used alongside company engagement for information.

Every company in the Triodos investment universe is continuously monitored. If Triodos IM finds that a company or institution no longer meets the sustainable investment criteria, or is in danger of no longer meeting the criteria, it can deploy various dialogue methods to call that company to account. If the dialogue does not produce the desired change in behaviour, the company or institution will be removed from the Triodos investment universe and the stock or bond will be divested from all portfolios within a period of three months after removal from the Triodos investment universe.

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

How the objective is to be attained

The strategy for selecting companies, Impact Bonds, Sub Sovereign Bonds issued by international financial institutions and (semi-)public institutions, and UCITS or UCIs eligible for investment is essentially determined by the integrated analysis of the factors "People", "Planet" and "Profit" taking strict minimum criteria into account for the factors "People" and "Planet". The strategy for selecting Sovereign Bonds and Sub Sovereign Bonds issued by regional or local authorities, eligible for investment is essentially determined by the risk factors currency, liquidity and credit quality.

The final decision relating to selection of companies, international financial institutions, (semi-)public institutions and (regional or local) governments for investment is based on the integrated analysis of the factors "People", "Planet" and "Profit", in combination with the top-down investment outlook and portfolio construction.

The Fund contributes to the following environmental objectives as set out in article 9 of the Taxonomy:

- climate change mitigation, through the investments that contribute to the transition themes Sustainable Mobility & Infrastructure, Renewable Resources and Innovation for Sustainability;
- climate change adaptation through the investments that contribute to the transition themes Sustainable Mobility & Infrastructure, Renewable Resources and Innovation for Sustainability;

Triodos Investment Management

- the sustainable use and protection of water and marine resources through the investments that contribute to the transition theme Sustainable Food & Agriculture;
- the transition to a circular economy through the investments that contribute to the transition theme Circular Economy;
- pollution prevention and control through the investments that contribute to the transition theme Sustainable Mobility & Infrastructure; and
- the protection and restoration of biodiversity and ecosystems through the investments that contribute to the transition theme Sustainable Food & Agriculture.

More information on how the Fund implements its investment strategy can be found in the previous section.

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