

PRI Reporting and Assessment survey 2011 Executive Summary

Your organisation:

Triodos Investment Management B.V.

Governance, policy and strategy (Q 11)

Triodos Bank has a very deliberate, positive approach to how we use the money our customers invest with us. We only finance organisations that help to build a sustainable future for individuals, the community and the environment.

We identify socially, environmentally and culturally responsible businesses delivering lasting, positive change.

This positive approach guides our investment decisions and our wider philosophy as an institution. But as well as this positive focus we also meet negative criteria, helping to provide clarity about who we will not finance. These negative criteria are applicable to all our products and services, but are particularly relevant for our funds that invest in stock-market listed companies.

For more information on our governance, policies and strategies please see our investment strategy document. This document can be downloaded from our website www.triodos.com.

Principle 1 - We will incorporate ESG issues into investment analysis and decision-making processes (Q 19)

Triodos Investment Management considers it important that clients know that their investments are positively contributing to a sustainable society. We carefully select companies for our funds that meet this demand. For our funds that invest on the stock market we deliberately choose to only invest in companies that meet our sustainability criteria and we do not invest in companies that we consider to be associated with unsustainable services, products or processes. Furthermore our sustainable investment products stimulate companies to actively contribute to a sustainable society through business conduct and the products and/or services they offer.

For all funds, we conduct our own sustainability analysis of companies. For funds that are externally managed our asset managers can only invest in companies that are included in our sustainable investment universe.

As a starting point for defining criteria used for the screening of companies, we have identified seven themes that we consider most relevant for society. These themes include the responsible use of our cultural heritage, animal welfare, ecosystems, human rights, natural resources, social structures and human health.

The criteria that we apply are dynamic. Changes may be prompted by legislation, public debate, best practice standards or company behaviour. For identifying desired changes we engage with various interest groups, organisations and individuals. For a full and updated overview of our investment criteria please see our website www.triodos.com.

Principle 2 - We will be active owners and incorporate ESG issues into our ownership policies and practices (Q 26)

Our goal is to improve corporate social responsibility. We do that by actively engaging with companies. The dialogue has a threefold purpose: to raise awareness, to influence company management and to generate shareholder value.

For our engagement strategy (investment strategy) and voting proxy guidelines please see our website www.triodos.com.

Principle 3 - We will seek appropriate disclosure on ESG issues by the entities in which we invest (Q 52)

In 2010 Triodos Investment Management engaged in over 750 contacts with companies for our SRI funds alone. Most contact takes place during and after the sustainability assessment process. Also all companies investigated are informed about the conclusion, underlying assessment and recommendations for change. The same goes for our voting advice. Companies are informed about our voting advice and this advice may also include recommendations for change.

We publish our engagement efforts and results in a semi-annual engagement report.

This report is published on our website (www.triodos.com).

Principle 4 - We will promote acceptance and implementation of the Principles within the investment industry (Q 58)

In case our portfolio's are managed externally Triodos Investment Management remains responsible for the sustainability assessment of companies and/or real estate. In the SLA's with our asset managers it is secured that they are not allowed to deviate from the sustainable investment universe as set by Triodos Investment Management.

Triodos Investment Management does not work with mandates or incentives. Sustainability is incorporated into our whole organisation and is therefore not rewarded separately.

There are several ways in which we promote the acceptance and implementation of the Principles within the investment industry. Examples include:

Firstly by engaging directly with investors. Signatory to the Principles is part of the selection process of financials eligible for investment by Triodos SRI funds.

Secondly through our membership and active participation in network organisations in which we work with other institutional investors and/or stakeholders to stimulate social responsible investment. Examples are: Eurosif, VBDO (NL), Belsif (BE - we are board member), Uksif (UK - we are board member), FNG (DE), Spainsif (ES), Eumedion (NL - we take seat in two commissions - Eumedion aims to maintain and further develop good corporate governance on the basis of the responsibility of institutional investors established in the Netherlands).

Thirdly by joining the Sustainable Stock Exchange initiative in which Stock Exchanges are asked to sign up to UNPRI.

Principle 5 - We will work together to enhance our effectiveness in implementing the Principles (Q 65)

Though our membership and active participation in network organisations we work with other institutional investors and/or stakeholders to stimulate social responsible investment. Examples are: Eurosif, VBDO (NL), Belsif (BE - we are board member), Uksif (UK - we are board member), FNG (DE), Spainsif (ES), Eumedion (NL - we take seat in two commissions - Eumedion aims to maintain and further develop good corporate governance on the basis of the responsibility of institutional investors established in the Netherlands). We also take seat in the Dutch "Beraad Groenfondsen". This organisation looks after the interests of Dutch Banks in relation to green, social and cultural investments.

For our SRI products we make use of collaborative engagement through individual contacts with peer or stakeholder organisations and through organised contacts like Eumedion (see above). In 2010 questions were asked on Annual General Meetings of Shareholders on our behalf by other institutional investors and likewise we raised questions at meetings on behalf of other institutional investors.

In 2010 we were signatory to the CDP and CDP Water Disclosure projects and we supported the Sustainable Stock Exchange initiative through the UNPRI clearinghouse. Moreover we endorse the Forest Footprint Disclosure Project (It is a new initiative created to help investors identify how an organisation's activities and supply chains contribute to deforestation) and we are participant in the Round Table for CSR and Animal Testing in the Netherlands. The Round Table is an informal group of stakeholders that tries to push the agenda for minimizing animal tests and stimulates the development of alternatives.

Finally we participated in the engagement workgroup of Eumedion and were member of Eurosif's Steering Committee for the Extractive Industries sector report.

Principle 6 - We will each report on our activities and progress towards implementing the Principles (Q 70)

One of our core values is transparency. We want our clients to know what we do with their money. On our website, in our monthly newsletters, in our semi-annual and annual reports we report as detailed and up-to-date possible. Apart from the references made earlier in this questionnaire, we also report on our SRI universe and fund portfolio's, along with detailed position papers on our minimum standards on our website. We also have electronic newsletters to which clients and stakeholders can subscribe.