



# Groepsverzekeringen voor loontrekkenden

## Precontractueel document inzake duurzaamheid

Precontractuele informatie voor financiële producten als bedoeld in artikel 8, leden 1, 2 en 2 bis, van Verordening (EU) 2019/2088 en in artikel 6, eerste alinea, van Verordening (EU) 2020/852, en overeenkomstig artikel 20 van Gedelegeerde Verordening (EU) 2022/1288

Versie : 05/06/2023

De duurzaamheidsinformatie in dit precontractuele productdocument werd naar best vermogen opgesteld door NN Insurance Belgium nv op basis van de informatie die hierover momenteel beschikbaar is bij de asset managers. De regelgeving die deze asset managers verplicht om deze informatie beschikbaar te stellen is echter pas op 1 januari 2023 in werking getreden. De informatie in dit document kan worden gewijzigd en/of aangevuld naargelang van de informatie die de asset managers in de komende maanden zullen verstrekken.

## 1. Integratie van duurzaamheidsrisico's

Volgens de Europese verordening (EU) 2019/2088 inzake duurzaamheidsverslaglegging in de financiële dienstensector (Sustainable Finance Disclosure Regulation, hierna genoemd "SFDR") is NN Insurance Belgium verplicht informatie openbaar te maken over haar beleid inzake de integratie van duurzaamheidsrisico's in haar investeringsbesluitvormingsproces.

NN Insurance Belgium past het *Responsible Investment Framework Policy* van NN Group (Hierna de "RI Framework policy") toe beschikbaar op: <https://www.nn-group.com/sustainability/responsible-investment/responsible-investment-policy-framework.htm>. Dit ondersteunt de "systematische integratie van ecologische, sociale en governance factoren (hierna, "ESG-factoren") in het beleggingsproces, waardoor zowel risico's als kansen worden beheerst. NN Insurance Belgium beschouwt ESG-factoren in dit verband als de "ecologische, sociale en werkgelegenheidszaken, eerbiediging van de mensenrechten, en bestrijding van corruptie en van omkoping."

Dit RI Framework policy biedt dus richtlijnen voor NN Insurance Belgium om beter geïnformeerde investeringsbeslissingen te nemen, waarbij het risico/rendementsprofiel van de investeringsportefeuilles wordt geoptimaliseerd, terwijl in het investeringsproces rekening wordt gehouden met de kernwaarden van de NN Group. Deze manier van integratie van duurzaamheidsrisico's in het investeringsbesluitvormingsproces zorgt ervoor dat de activiteiten van NN Insurance Belgium beter aansluiten bij de bredere duurzaamheidsdoelstellingen en -verwachtingen van de samenleving.

In de RI Framework policy definieert NN Insurance Belgium ESG-risico als "het risico van (in)directe betrokkenheid bij de schending van ecologische- en sociale standaarden en normen". In de SFDR wordt de term "Duurzaamheidsrisico" gebruikt, terwijl NN Group in de RI Framework policy de term "ESG-risico" hanteert. Deze termen worden als gelijkwaardig beschouwd.

De RI Framework policy is van toepassing op alle beleggingscategorieën zowel op de eigen activa van NN Insurance Belgium als op de activa van klanten zoals gedefinieerd in het RI Framework policy. Volgens de vermogensbeheerder zal het RI-kaderbeleid echter op de volgende onderscheiden wijze worden toegepast.

### *i. Toepassing wanneer NN Insurance Belgium belegt in beleggingsfondsen die worden beheerd door externe vermogensbeheerders*

Aan beleggingsfondsen die worden beheerd door externe vermogensbeheerders kan het RI Framework-beleid van NN Group niet worden opgelegd. Daarom kunnen met name de RI-strategieën niet op deze beleggingsfondsen worden toegepast. Om dezelfde reden kan ook de NN Group Restricted List (restrictielijst) niet worden toegepast. Dit is een lijst van bedrijven en staatsobligaties van bepaalde landen waarin niet geïnvesteerd mag worden.



NN Insurance Belgium bewaakt echter de samenstelling van het fonds en vraagt vermogensbeheerders naar diens beleid voor verantwoord beleggen, waaronder restrictielijsten (lijst van bedrijven, sectoren,...) waarin niet geïnvesteerd mag worden.

Rekening houdend met onder meer de RI-strategieën en uitsluitingscriteria is NN Insurance Belgium van mening dat de waarschijnlijke impact van ESG-risico's gering zal zijn op de prestaties van de financiële producten die NN Insurance Belgium beschikbaar stelt.

Bij de beoordeling van het waarschijnlijke effect van ESG-risico's wordt rekening gehouden met de thans beschikbare regelgeving en praktische richtsnoeren. Zij kan derhalve worden herzien naarmate de regelgeving en de praktische richtsnoeren ter zake evolueren.

## **2. Indeling van de fondsen (beleggingsopties)**

In groepsverzekeringen voor loontrekkenden is er keuze voor de inrichter uit 46 onderliggende beleggingsfondsen, waarvan sommige ecologische en/of sociale kenmerken promoten of een duurzame beleggingsdoelstelling nastreven. Het interne fonds belegt voor 100% in het onderliggende beleggingsfonds. De doelstelling en beleggingsbeleid van het interne fonds komt 100% overeen met de doelstelling en het beleggingsbeleid van het onderliggende beleggingsfonds.

Op basis van de informatie van de vermogensbeheerder van de onderliggende beleggingsfondsen werden deze onderliggende beleggingsfondsen ingedeeld als artikel 6<sup>1</sup> of 8<sup>2</sup> of 9 SFDR<sup>3</sup>.

30 fondsen (65,22 % van het totaal aantal fondsen) zijn ingedeeld als artikel 8 SFDR, 6 fondsen (13,04% van het totaal aantal fondsen) zijn ingedeeld als artikel 9 SFDR en 10 fondsen (21,74 % van het totaal aantal fondsen) zijn ingedeeld als artikel 6 SFDR.

Voor fondsen ingedeeld als artikel 8 en 9, is nadere informatie over de duurzame kenmerken beschikbaar op de productpagina op onze website onder "Noodzakelijke documenten":

[MultiPlan en MultiPlan+: de flexibele groepsverzekering zonder administratieve rompslomp | NN Belgium – Verzekeringen](#)

[Alto Cash Balance: de groepsverzekering met collectieve kapitalisatie voor kmo's en grote bedrijven | NN Belgium – Verzekeringen](#)

[Alto Bonus: beloon uitzonderlijke prestaties met een bonuspensioenplan | NN Belgium – Verzekeringen](#)

[Alto Defined Contribution: de groepsverzekering met collectieve kapitalisatie voor grote bedrijven | NN Belgium – Verzekeringen](#)

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<sup>1</sup> Artikel 6 SFDR: het fonds promoot geen ecologische en/of sociale kenmerken en streeft geen duurzame beleggingsdoelstellingen na.

<sup>2</sup> Artikel 8 SFDR: het fonds promoot ecologische en/of sociale kenmerken.

<sup>3</sup> Artikel 9 SFDR: het fonds streeft een duurzame beleggingsdoelstelling na.



De informatie met betrekking tot het in overweging nemen van de belangrijkste ongunstige effecten van beleggingsbeslissingen op de duurzaamheidsfactoren opgenomen door de onderliggende beleggingsfondsen is beschikbaar in de precontractuele informatieverschaffing voor elk van deze beleggingsopties. Bij de selectie van de beleggingsopties voor dit product was de inachtneming van deze belangrijkste ongunstige effecten echter niet doorslaggevend.

### 3. Classificatie van het product

NN Insurance Belgium nv heeft dit product geclassificeerd als artikel 8 SFDR omdat het ecologische en/of sociale kenmerken promoot. Opdat het product voor de verzekeringnemer onder artikel 8 SFDR kan worden ingedeeld, moet het financiële product worden belegd in ten minste één van de beleggingsopties die worden ingedeeld als artikel 8 of 9 in de onderstaande lijst en moet ten minste één van deze beleggingsopties worden aangehouden gedurende de periode dat het product wordt aangehouden.

Lijst van beleggingsfondsen:

Naam van het interne fonds	Naam van de vermogensbeheerder, naam van het onderliggende beleggingsfonds en ISIN code	SFDR classificatie
NN Life Patrimonial Defensive Fund	NN Investment Partners bv NN (L) Patrimonial Defensive LU0119196938	8
NN Life Patrimonial Balanced Fund	NN Investment Partners bv NN (L) Patrimonial Balanced LU0119195963	8
NN Life Patrimonial Aggressive Fund	NN Investment Partners bv NN (L) Patrimonial Aggressive LU0119195450	8
NN Life Patrimonial Balanced European Sustainable Fund	NN Investment Partners bv NN (L) Patrimonial Balanced European Sustainable LU1444115874	8
NN Life Emerging Markets Debt Fund	NN Investment Partners bv NN (L) Emerging Markets Debt (Hard Currency) LU0546915058	8
NN Life Multi-Asset Factor Opportunities Fund	NN Investment Partners bv NN (L) Multi-Asset Factor Opportunities LU2055071596 Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Sustainable Finance Disclosure Regulation</a>   <a href="#">Responsible Investing</a>   <a href="#">Goldman Sachs Asset Management (gsam.com)</a>	6
NN Life Euro High Dividend Fund	NN Investment Partners bv NN (L) Euro High Dividend LU0127786431	8
NN Life Health & Well-being Fund	NN Investment Partners bv NN (L) Health & Well-being	9

	LU0119214772	
NN Life Global Sustainable Equity Fund	NN Investment Partners bv NN (L) Global Sustainable Equity LU0119216553	8
NN Life European Sustainable Equity Fund	NN Investment Partners bv NN (L) European Sustainable Equity LU0991964320	8
NN Life Euro Fixed Income Fund	NN Investment Partners bv NN (L) Euro Fixed Income LU0546917773	8
NN Triodos Global Equities Impact Fund	Triodos Investment Management Triodos Global Equities Impact Fund LU0278271951	9
NN Triodos Euro Bond Impact Fund	Triodos Investment Management Triodos Euro Bond Impact Fund LU0278272504	9
NN Flossbach Von Storch Multiple Opportunities II Fund	Flossbach von Storch Flossbach von Storch Multiple Opportunities II RT LU1038809395	8
NN Pictet Global Megatrend Selection Fund	Pictet Asset Management Pictet Global Megatrend Selection LU0386882277	8
NN M&G Dynamic Allocation Fund	M&G Investments M&G (Lux) Dynamic Allocation Fund LU1582988058	8
NN M&G Optimal Income Fund	M&G Investments M&G (Lux) Optimal Income Fund LU1670724373	8
NN M&G Global Listed Infrastructure Fund	M&G Investments M&G (Lux) Global Listed Infrastructure Fund LU1665237704	8
NN R Valor Fund	Rothschild & Co Asset Management Europe R-co Valor FR0011261197	8
NN R-co Valor Balanced Fund	Rothschild & Co Asset Management Europe R-co Valor Balanced FR0013367281	8
NN Threadneedle Global Smaller Companies Fund	Columbia Threadneedle Investments Threadneedle (Lux) Global Smaller Companies LU0570870567	8
NN Threadneedle Global Focus Fund	Columbia Threadneedle Investments Threadneedle (Lux) Global Focus LU0757431068	8
NN Ethenea ethna-aktiv Fund	ETHENEA Independent Investors S.A. Ethna-AKTIV -T- LU0431139764	8
NN FFG European Equities Sustainable Moderate Fund	Acadian FFG European Equities Sustainable Moderate LU0945616984	8

NN FFG Global Flexible Sustainable Fund	Funds For Good FFG Global Flexible Sustainable LU1697917083	8
NN BlackRock Global Allocation Fund	BlackRock BGF Global Allocation Fund A2 EUR (CAP) LU0171283459 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN DNCA Invest Eurose Fund	DNCA Investments DNCA Invest Eurose LU0284394235	8
NN Nordea Global Real Estate Fund	Nordea Asset Management Nordea Global Real Estate Fund LU0705259769	8
NN Nordea Global Climate and Environment Fund	Nordea Asset Management Nordea Global Climate and Environment Fund LU0348926287	9
NN Capital Group Global Allocation Fund	Capital Group Capital Group Global Allocation Fund (LUX) B EUR LU1006075656 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN Schroder Global Energy Transition Fund	Schroders Schroder ISF Global Energy Transition LU2390151400	9
NN JPM US Technology Fund	JPMorgan Asset Management JPM US Technology Fund LU0159052710	8
NN Carmignac Patrimoine Fund	Carmignac Gestion Carmignac Patrimoine A EUR Acc FR0010135103	8
NN Carmignac Emergents Fund	Carmignac Gestion Carmignac Emergents A EUR Acc FR0010149302	9
NN JP Morgan Euro Liquidity Fund	JPMorgan Asset Management JP Morgan euro liquidity fund LU0088882138 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN Fidelity America Fund	Fidelity International Fidelity Funds - America Fund LU0251127410	8
NN Fidelity World Fund	Fidelity International Fidelity Funds - World Fund LU1261432659	8
NN Fidelity Pacific Fund	Fidelity International Fidelity Funds - Pacific Fund LU0368678339	8
NN Blackrock iShares core MSCI world fund	iShares Core MSCI World UCITS ETF IE00B4L5Y983	6

	Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	
NN Blackrock iShares core S&P 500 fund	iShares Core S&P 500 UCITS ETF IE00B5BMR087 Informatie over de ongunstige effecten op de duurzaamheid: Nog niet beschikbaar	6
NN Blackrock iShares MSCI europe SRI fund	iShares MSCI Europe SRI UCITS ETF IE00B52VJ196	8
NN Life Multi Invest Low	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Multi Invest Medium Low	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Multi Invest Medium	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Multi Invest High	Fund of fund Informatie over de ongunstige effecten op de duurzaamheid: <a href="#">Informatieverschaffing over duurzaamheid   NN Belgium – Verzekeringen</a>	6
NN Life Patrimonial future	NN (B) Fund Patrimonial Future CAP BE6313167197	8





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

Therefore the fund also reports its absolute and relative contribution to environmental (SDGs 6, 7, 11, 12, 13 and 15) or social (SDGs 1, 2, 3, 4, 5, 10 and 16) SDGs based on external data performing a comprehensive assessment of company products and services that affect SDGs.

Finally, the fund reports its carbon footprint relative to its benchmark.

### How do sustainable investments not cause significant harm to any environmental or social 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.

### How have the indicators for adverse impacts on sustainability factors been taken into account?

What Triodos considers significant environmental and social harm is outlined in the Minimum Standards. For every (new) investment, alignment with the Minimum Standards is assessed. If an issuer is found to cause significant harm in relation to any of those standards, it is excluded from investment. Sovereign issuers are assessed similarly, based on the Sovereign Framework, which excludes governments that are under international (EU and UN) sanctions and have not ratified the most accepted UN-backed conventions, including the most important ones related to human rights and the environment.

FOR INSTRUMENTS ISSUED BY COMPANIES (E.G. CORPORATE BONDS, IMPACT BONDS):

The PAIs are taken into account in the second phase of the investment process (negative impact, consisting of three steps), both as part of the initial screening and the continuous monitoring of investments:

1. Negative screening: Every (potential) investee is screened for involvement in controversial business activities. If an investee exceeds the threshold below, “high concern” is concluded, and the investee is excluded from investment.

Triodos controversial activity	SFDR PAI	Threshold
Controversial weapons	14 (Exposure to controversial weapons)	Any involvement
Fossil fuels	4 (Exposure to companies active in the fossil fuel sector)	GlCS Energy Sector classification (i.e. companies active in the fossil fuel sector)
Hazardous substances	E9 (Investments in companies producing chemicals)	Pesticides – production, distribution (>5% revenue) Persistent Organic Pollutants – production, use (>0% revenue)

2. Controversies: Every (potential) investee is assessed on violations of UN Global Compact and OECD Guidelines for Multinational Enterprises on a case-by-case basis considering violations in the last three years. Per case, the verification of information, severity and company response are considered to conclude if a case is low, medium or high concern. In case a company is involved in severe and/or frequent violations without taking credible remediation measures, “high concern” is concluded, and the investee is excluded from investment.

Triodos assessment	SFDR PAI	Threshold
Controversies	10 (Violations of UN Global Compact principles and OECD Guidelines)	Significant violations of UN Global Compact or OECD Guidelines within the last 3 years
	11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines)	
	S7 (Incidents of discrimination)	
	S14 (Number of severe human rights issues and incidents)	
	S16 (Cases of insufficient action with breaches of anti-corruption)	
	S17 (Convictions and fines for anti-corruption)	

3. ESG assessment: By combining our proprietary materiality map, highlighting material ESG issues per industry, with an understanding of the company’s actual business activities, the risk that an investee inflicts negative impacts on these ESG issues is assessed. Based on the risk classification (low, medium or high risk), the company must meet additional requirements such as having sustainability programs, reporting, certifications, policies or practices in place. In case a company does not meet these requirements but is in transition, it is

flagged for engagement. The PAI indicators are considered on an absolute basis, over time and compared to five peers (where relevant). Taking all of the above into consideration, a company's practices are assessed as low, medium or high concern. If "high concern" is concluded, the investee is excluded from investment.

Triodos ESG issue		SFDR PAI	Threshold
Environmental	Climate change	1 (GHG emissions) 2 (Carbon footprint) 3 (GHG intensity) 5 (Share of non-renewable energy consumption and production) 6 (Energy consumption intensity) E4 (Companies without carbon reduction initiatives) E5 (Energy consumption per non-renewable energy source)	High risk for climate change without GHG emissions reporting and Paris-aligned reduction targets; Significant controversies
	Water	E6 (Water usage and recycling) E7 (Investments in companies without water management policies) E8 (Exposure to areas of high water stress)	High risk for water scarcity without activities to reduce freshwater use; Significant controversies
	Waste	E13 (Non-recycled waste ratio)	Significant controversies
	Pollution	8 (Emissions to water) 9 (Hazardous and radioactive waste ratio) E2 (Emissions of air pollutants)	Significant controversies
	Ecosystems	7 (Activities negatively affecting biodiversity) E11 (Companies without sustainable land/agriculture practice) E12 (Companies without sustainable oceans/seas practice) E15 (Deforestation)	High risk for biodiversity, deforestation, cotton, soy, palm oil or fishery without relevant policies, programs and measures promoting sustainable activities; Significant controversies
Social	Human rights & community	S9 (Lack of human rights policy) S10 (Lack of human rights due diligence)	High risk for human rights or conflict minerals without relevant policy and practices; Significant controversies
	Labour practices	S1 (Companies without workplace accident prevention policies) S2 (Rate of accidents) S3 (Numbers of days lost to injuries, accidents, fatalities or illness) S4 (Lack of supplier code of conduct) 12 (Unadjusted gender pay gap) S5 (Lack of grievance/complaints mechanism for employee matters) S12 (Operations and suppliers at significant risk of child labour) S13 (Operations and suppliers at significant risk of forced labour)	High risk for labour rights without relevant policies, targets and monitoring; Significant controversies
	Supply chain management	S12 (Operations and suppliers at significant risk of child labour) S13 (Operations and suppliers at significant risk of forced labour)	High risk for labour rights in the supply chain without relevant policies, targets and monitoring; Significant controversies
Governance	Corporate governance	13 (Board gender diversity) S8 (Excessive CEO pay ratio)	CEO pay ratio exceeding 100:1 and size-adjusted absolute CEO pay exceeding €2.5 mln in the last 5 years; Significant controversies
	Business ethics	S15 (Lack of anti-corruption and anti-bribery policies) S6 (Insufficient whistleblower protection)	Significant controversies

FOR INSTRUMENTS ISSUED BY SOVEREIGNS (E.G. IMPACT BONDS):

The PAIs are taken into account in the second phase of the investment process (negative impact), both as part of the initial screening and the continuous monitoring of investments:

Triodos ESG issue	SFDR PAI	Threshold
Environmental	15 (GHG intensity)	Ratification of: <ul style="list-style-type: none"> <li>Paris Convention</li> <li>Framework Convention on Climate Change</li> <li>Kyoto Protocol</li> </ul>
Governance	16 (Investee countries subject to social violations)	<ul style="list-style-type: none"> <li>Ratification of international controversial weapons conventions</li> <li>United Nations and European Union sanctions</li> </ul>

The PAI assessment is based on data provided by external parties (third-party ESG data provider, public information and/or investee company).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Prior to being selected for investment and for the entire duration of the investment, (potential) investees are screened for compliance with the Minimum Standards. The Minimum Standards are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Alignment with the Minimum Standards is assessed in the second phase of the investment process through the check on controversies and the ESG assessment, based on data from external sources and additional in-house desk research (see above the answer to question 'How have the indicators for adverse impacts on sustainability factors been taken into account?'). In case of significant violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (i.e. having severe impact, recurrence of incidents, lack of risk management and inadequate remediation measures), the investee is excluded from investment.



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes ☐ No

Yes, the fund considers all PAIs on sustainability factors referred to in the tables above. How these adverse impacts are considered, is outlined in the Minimum Standards Policy, Due Diligence Policy and Sovereign Framework, where applicable. Every potential investment is assessed using the relevant policies and if an issuer is found to cause significant harm, it is excluded from investment. PAIs are continuously monitored to ensure the fund remains compliant with our policies. On a yearly basis, the PAIs of the fund are collected and analysed to plan actions for the next reference period.

Information on the PAIs will be available in the annual report of the fund.



## What investment strategy does this financial product follow?

The management company has defined four stages in the investment process in order to attain the sustainable objectives of the fund. Every potential investment that has passed the first three stages is included in the Triodos investment universe. This universe is the basis from which investments must be made; the fund is not allowed to invest outside the Triodos investment universe. The bottom-up approach used to build the Triodos investment universe leads to a reduction of 60 to 90% of the benchmark universe, on average.

- **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. Impact indicators based on sources of revenue data are used to track companies' contribution towards the impact objectives formulated per transition theme. The analysis is further substantiated by examining companies' product offering and relevant impact indicators as well as other qualitative evidence of sustainable practices as stated by companies' policies and active programmes. Every (potential) investment needs to actively contribute to at least one Triodos transition theme in order to be eligible for the Triodos investment universe.
- **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 (see above the answer to question 'How have the indicators for adverse impacts on sustainability factors been taken into account?'). 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. Every (potential) investment needs to align with the Minimum Standards or the Sovereign Framework in order to be eligible for the Triodos investment universe.
- **Integrated analysis:** From the previous assessment of negative sustainability impact, the management company selects those ESG factors that are expected to have a material financial impact on the investment. 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. The financial impact is qualitatively considered.
- **Accelerate transitions (stewardship):** The management company aims to accelerate and direct transitions through thought leadership, stakeholder dialogues, engagement and advocacy. As such, the management company 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.

Once included in the Triodos investment universe, every eligible investment is continuously monitored to ensure it still meets the investment criteria. To do so, the management company bases itself on the alerts it gets from external parties signaling any new development or controversy, and on its own research, which includes news feeds and analyst sector expertise.

In case the management company finds that an (eligible) investment no longer meets the investment criteria, or is in danger of no longer meeting the criteria, it evaluates whether a dialogue with the issuer could be fruitful. If, due to the nature of the investment criteria violation, dialogue is not expected to lead to change or if there has been a dialogue with the issuer which has not led to the desired change, the eligible investment will be removed from the Triodos investment universe and the investment will be divested from all portfolios within a period of three months after removal from the Triodos investment universe.

### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The binding element of the investment strategy in order to attain the fund's sustainable investment objectives is to only make sustainable investments (excluding ancillary assets) that contribute to at least one of the Triodos transition themes (positive screening). In this respect, every (potential) investment is assessed in-depth on its thematic fit with the Triodos transition themes, for which impact objectives have been defined as described below. Impact indicators based on sources of revenue data are used to track companies' contribution towards the impact objectives formulated per transition theme. The analysis is further substantiated by examining companies' product offering and relevant impact indicators as well as other qualitative evidence of sustainable practices as stated by companies' policies and active programmes.

- Sustainable Food and Agriculture impact objectives:
  - Contributing to production and distribution of healthy and affordable food
  - Promote sustainable agriculture and use of terrestrial and marine ecosystems
  - Promote healthy nutrition and lifestyles
  - Foster consumer awareness and producer accountability
  - Promote sustainable fisheries and protect aquatic ecosystems
- Sustainable Mobility and Infrastructure impact objectives:
  - Contribute to the shift to sustainable mobility
  - Foster transition to sustainable buildings
  - Contribute to greener and more efficient energy and water infrastructure
- Renewable Resources impact objectives:
  - Increase availability of renewable energy
  - Preserve natural resources, limiting the amount of water used
  - Ensure conservation and restoration of ecosystems
- Circular Economy impact objectives:
  - Optimise material use and reduce waste generation (through prevention, reduction, recycling and reuse)
  - Foster availability of circularity-enabling technologies and designs (circular support)
  - Encourage circular business models
- Prosperous and Healthy People impact objectives:
  - Foster quality healthcare for all
  - Promote active lifestyles, self-expression and culture
  - Encourage prevention through hygiene and personal care
- Innovation for Sustainability impact objectives:
  - Promote technologies increasing resource efficiency
  - Promote technologies advancing positive social impact
  - Support development of tech-based enablers of multiple transitions
- Social Inclusion and Empowerment impact objectives:
  - Promote access to key products and services
  - Promote quality education for all
  - Promote access to job markets and foster fair and decent working conditions
  - Stimulate women's empowerment and well-being
  - Promote inclusion and empowerment of marginalised groups and individuals

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

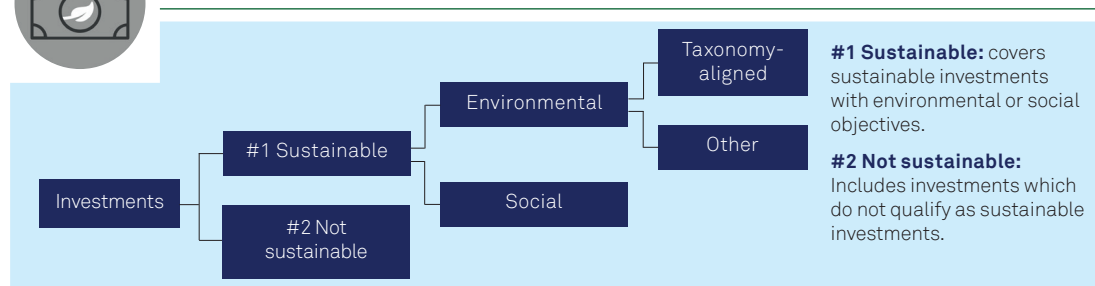
**Asset allocation** describes the share of investments in specific assets.

### What is the policy to assess good governance practices of the investee companies?

The Minimum Standards is used to assess good governance practices of investee companies. This policy describes our minimum standards for employee relations, remuneration, taxes and other corporate governance topics. Additionally, the Triodos Position on Tax describes the five principles to ascertain good governance in relation to tax. The Minimum Standards and the Position on Tax are applied through internal policies and procedures. Existing investments undergo periodic review and monitoring, which includes the review and monitoring of good governance practices.



### What is the asset allocation and the minimum share of sustainable investments?



The fund invests at least 80% of its net asset value in sustainable investments, which will be split between sustainable investments with an environmental objective (minimum 30%) and sustainable investments with a social objective (minimum 30%), with the remaining 20% floating between the two as either environmentally or socially sustainable as to allow for flexibility for proper portfolio management as fitting in the strategy of the fund.

### Taxonomy-aligned activities

are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies.
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The remaining (maximum 20%) will be regular sovereign bonds and cash or cash equivalents held as ancillary liquidity. Due to the neutral nature of these investments, they will not qualify as sustainable investments.

More information on the purpose and proportion of the remaining (non-sustainable) investments is disclosed below in the answer to question 'What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?'.

### How does the use of derivatives attain the sustainable investment objective?

Not applicable.



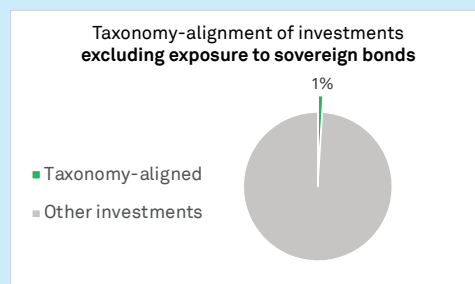
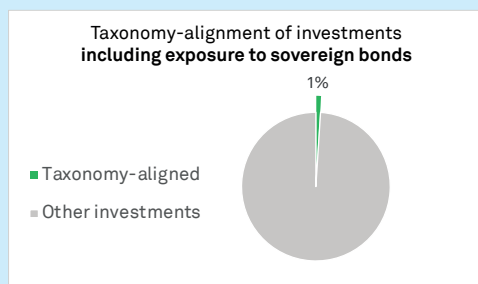
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-data is purchased from a third-party data provider that has a review process in place to verify and validate the data. The coverage of this third-party reviewed data includes equity and corporate bonds. Taxonomy-data related to bonds that are not covered by this data provider are obtained directly from investee companies. A distinction is made between Taxonomy-aligned data reported by investee companies and equivalent information collected or estimated by the data provider based on publicly available information. The Taxonomy-aligned economic activities are measured by turnover as this data is readily available and provides a good insight into the scope of sustainable activities of the investee companies. Also, turnover data is more stable than capital or operational expenditure figures which are highly variable from one year to another, resulting in an undesirable volatility in Taxonomy-alignment.

To support its proper liquidity and risk management, the fund may invest in regular sovereign bonds in a proportion of maximum 10%. Currently, there is no data to determine the Taxonomy alignment of sovereign bonds, whether green/social or regular.

The Taxonomy minimum alignment percentages shown in the graphs below are not subject to an assurance by an auditor or a review by a third party.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional activities is 0%, while the minimum share of investments in enabling activities is 0%.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund commits to a minimum 30% of sustainable investments with an environmental objective aligned with SFDR. 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. Presently, the EU Taxonomy focuses on certain sectors only, whereas the Triodos transition themes are sector-agnostic. The percentage of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is likely to decrease over time as the remaining four Taxonomy objectives are finalised and more economic activities are added to the Taxonomy.



### What is the minimum share of sustainable investments with a social objective?

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



### What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Although the fund does not plan to have other investments than sustainable investments, it can hold regular sovereign bonds (as opposed to impact bonds issued by countries and their regions) as a liquid, low-risk investment category to manage the risk profile of the investment portfolio. In addition, the fund can hold cash and cash equivalents as ancillary liquidity.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

These investments do not affect the delivery of the sustainable investment objectives of the fund on a continuous basis. Firstly, they are used - all in limited proportion - to support the proper liquidity and risk management of the fund. Secondly, sovereign bonds adhere to minimum environmental or social safeguards through the application of the Sovereign Framework. Thirdly, the management company assesses on a regular basis whether counterparties for cash and cash equivalents comply with the four pillars of the UN Global Compact, using data from a third-party provider. These four pillars consist of 1) human rights, 2) labour rights 3) environment and 4) anti-corruption. Also, the management company assesses its counterparties' policies and sustainability performance.



### Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.



### Where can I find more product specific information online?

More product-specific information can be found in the section 'Sustainability-related disclosures' on the website [triodos-im.com/funds/triodos-euro-bond-impact-fund](https://triodos-im.com/funds/triodos-euro-bond-impact-fund)