

Article 10 (SFDR) Website disclosure

Triodos Emerging Markets Renewable Energy Fund

A Sub-Fund of Triodos SICAV II
SFDR product category: Article 9

Version January 2025

This document constitutes the website product disclosure for financial products that have sustainable investments as their objective. Under the EU Sustainable Finance Disclosure Regulation (SFDR), all Article 9 SFDR funds are required to publish sustainability-related information document on their website.

Sustainability-related information is also available in the Sustainability Annex to the Prospectus and the Sustainability-related disclosures in the Annual report of Triodos SICAV II, which can be found on the website of Triodos Investment Management (triodos-im.com). Unless otherwise defined herein, capitalised terms shall have the meaning given to them in the Prospectus of Triodos SICAV II.

A. Summary

B. No significant harm to the sustainable investment objective: To select only those investments that do not cause significant harm to the Sub-Fund's environmental sustainable investment objectives, every new investment is assessed in line with the Triodos Bank Minimum Standards. If a potential Investee is found to cause significant harm, it is excluded from investment. All applicable principal adverse impact indicators on sustainability factors are taken into account in the investment process. The Triodos Bank 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.

C. Sustainable investment objective of the financial product: The overall objective of the Sub-Fund is to offer investors an environmentally and socially sound investment in renewable energy in developing countries and emerging economies, with the prospect of long-term capital growth combined with the opportunity to contribute to the clean energy transition.

The sustainable investment objectives of the Sub-Fund are:

- To increase renewable energy capacity
- To provide access to clean and affordable energy; and
- To promote economic and social opportunities.

The Sub-Fund contributes to climate change mitigation as environmental objective set out in article 9 of the Taxonomy Regulation.

To attain the sustainable investment objectives, the Sub-Fund will invest, either directly or indirectly, in Investees in developing countries and emerging economies in the grid-connected utility scale segment and the Commercial & Industrial (C&I) sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency.

D. Investment strategy: Triodos Investment Management B.V. (Triodos IM) adopts an impact management approach into the investment process in order to attain the sustainable investment objectives of the Sub-Fund:

- *Analyse transformative potential:* Each Investee that is selected for the Sub-Fund's portfolio should positively contribute to at least one of the sustainability objectives of the Sub-Fund. The Sub-Fund primarily invests, either directly or indirectly, in Investees in developing countries and emerging economies in the grid-connected utility scale segment and the C&I sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency.
- *Mitigate negative impact:* Investees are screened against negative impact on people and planet (inside-out lens) that could jeopardise the sustainable transition that is envisioned. This includes the Triodos Bank Minimum Standards, do-no-significant-harm principle under the SFDR Delegated Regulation and any relevant sector-specific negative impacts to ensure they do not cause any significant harm. Investees are excluded when they significantly harm sustainable objectives and/or do not follow good governance practices.
- *Monitoring, measuring and managing impact:* An extensive review is performed annually, addressing environmental and sustainability performance of the Investee to make sure they do continue to contribute to the Sub-Fund's sustainability objectives and that they do not significantly harm them. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship may be discontinued.
- *Accelerate transitions:* Triodos IM is an active and involved investor and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions.

E. Proportion of investments: The Sub-Fund invests at least 80% of its Net Assets in sustainable investments. The remaining (maximum 20%) will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes. The Sub-Fund may invest up to 10% of its Net Assets in UCIs. At least 80% of the investments of the Sub-Fund will be sustainable investments that contribute to an environmental objective, while no commitment is made for sustainable investments with a social objective. The Sub-Fund does not commit to a minimum percentage of taxonomy-aligned investments, and therefore 0% of the investment of the Sub-Fund will be aligned with the Taxonomy Regulation.

F. Monitoring of sustainable investment objective:

The Sub-Fund uses multiple indicators to measure, monitor and report its sustainability performance, with regard to its sustainable investment objectives. Investees report on these indicators on a periodic basis via a pre-agreed reporting template. The data is reviewed by the impact & financial performance measurement team. If there are any questions or inconsistencies, the investment management team clarifies these with the Investee before final approval. On an annual basis, Triodos IM assesses the extent to which the sustainable investment objective has been achieved.

G. Methodologies: The Sub-Fund uses the Triodos Impact Management Cycle as an overarching tool to manage its impact. Impact management is about actively steering our means to optimise the Sub-Fund's positive impact and minimise its negative impact. In order to do so, Triodos IM has developed 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 Sub-Fund's targets and expectations and if not, why not, and defines what actions should be taken (i.e. capital allocation decisions, engagement or thought leadership) to optimise the contribution to impact.

H. Data sources and processing: To measure progress towards these long-term impact objectives certain indicators are established and will be measured periodically. To collect the appropriate information to screen for the positive impact of the Sub-Funds' assets, Triodos IM's investment management team performs an extensive due diligence. Information resulting from the due diligence and/or questionnaires is inserted in Triodos IM's systems, and data is collected through the investee's quarterly and annual reports. When the information is obtained and verified, it is processed by the impact & financial performance measurement team to be four-eye checked by the fund manager.

I. Limitations to methodologies and data: The sustainable objectives of the Sub-Fund are based on a Theory of Change, which may contain flawed

assumptions. Triodos IM addresses this limitation by evaluating the Sub-Fund's progress and adjusting the strategy as part of the annual learning and adapting part of the Impact Management Cycle. Data is reported by Investees. Limitations related to quality and collection of data used to attain sustainable objectives mostly relate to the extent to which Investees disclose information and the timing of delivery. Generally, information is received in a timely manner, however, not each Investee delivers the same quality at the same time.

For measuring Triodos Emerging Markets Renewable Energy Fund's positive impact PCAF's (Partnership for Carbon Accounting Financials) methodology is used, which is not tailored to capture all impact the Sub-Fund is making, such as projects with negative equity, early-stage assets or non-generating assets.

J. Due diligence: The due diligence carried out on the underlying assets consist of a positive screening in which the transformative potential is assessed, followed by a negative impact assessment to screen the impact on people and planet (inside out). The impact of external sustainability factors on the Sub-Fund's investments (outside in) is assessed which results in potential sustainability risks, such as physical / societal and transition risk. A due diligence policy and process is in place at Triodos IM to ensure that all the necessary stages and steps of due diligence are followed before the decision to invest is taken.

K. Engagement policies: Impact investing 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 models, funds 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.

B. No significant harm to the sustainable investment objective

To select only those investments that do not cause significant harm to the Sub-Fund's environmental sustainable investment objectives, every new investment is assessed in line with the Triodos Bank Minimum Standards. If a potential Investee is found to cause significant harm, it is excluded from investment. All applicable principal adverse impact indicators on sustainability factors are taken into account in the investment process. The Triodos Bank 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.

Principal Adverse Impact indicators

The mandatory indicators for adverse impact on sustainability factors and two selected optional indicators on sustainability factors are analysed and assessed as part of the overall investment process. Triodos IM selected one environmental optional principal adverse impact (PAI) indicator from Table 2 and one social optional PAI indicator from Table 3 of Annex I of the SFDR Delegated Regulation, in particular no. 4. Investments in companies without carbon emission reduction initiatives and no. 15. Lack of anti-corruption and anti-bribery policies respectively.

The data for the mandatory and optional PAI indicators is collected during the due diligence on Investees and is based either on information obtained directly from the Investee, a third-party expert, or on information from public sources. In case information is not (yet) available or not feasible to obtain, Triodos IM uses proxy indicators supplied by reputable institutions with experience in the relevant industry. Both the assessment and the conclusions of the potential adverse impacts on sustainability factors as well as the positive impact of the Sub-Fund's investments are recorded and translated into monitoring and reporting items in line with the Triodos IM Due Diligence Policy.

For the selection of the optional PAI indicators, Triodos IM has assessed the degree of relevance and data availability from an entity perspective. The level of harm is assessed within the context of the Sub-Fund and the Investee. The PAI indicators are classified as low, medium or high level of (potential) harm. In case a medium or high level of harm is assessed for a certain PAI indicator, Triodos IM's investment management team provides further clarification and to what extent this can be mitigated and managed by the Investee and/or by Triodos IM. In case no satisfactory clarification nor mitigatory measures are possible, the Investee is not deemed suitable for investment. When proxy data is the only data available (country and sector level data), a qualitative assessment of the Investee exposure is discussed in the investment proposal for medium and high levels of harm. When PAI indicators are not applicable (for example the availability of certain policies for small enterprises), Triodos IM's investment management team can apply qualitative assumptions as per the Triodos IM Due Diligence Policy.

Alignment with 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 in line with the Triodos Bank Minimum Standards that sets out the products, processes and activities that Triodos IM excludes from investments. The Triodos Bank Minimum Standards cover the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Such due diligence screening takes place according to the Triodos IM Due Diligence Policy and includes both desk research and, where applicable, on-site due diligence. An integral part of this process constitutes the assessment of governance, employee relations, customer treatment, tax arrangements and sustainability risks, as well as checks of policies and mechanisms to ensure alignment with the above-mentioned standards depending on the nature of the investment in question. Should a breach take place after investing, Triodos IM engages with the Investee to remediate the breach or assesses whether divestment is required.

C. Sustainable investment objective of the financial product

The overall objective of the Sub-Fund is to offer investors an environmentally and socially sound investment in renewable energy in developing countries and emerging economies, with the prospect of long-term capital growth combined with the opportunity to contribute to the clean energy transition.

The sustainable investment objectives of the Sub-Fund are:

- To increase renewable energy capacity
- To provide access to clean and affordable energy; and
- To promote economic and social opportunities.

The Sub-Fund contributes to climate change mitigation as environmental objective set out in article 9 of the Taxonomy Regulation.

To attain the sustainable investment objectives, the Sub-Fund will invest, either directly or indirectly, in Investees in developing countries and emerging economies in the grid-connected utility scale segment and the C&I sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency.

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

D. Investment Strategy

Triodos IM adopts an impact management approach into the investment process in order to attain the sustainable investment objectives of the Sub-Fund:

- Analyse transformative potential:

Each Investee that is selected for the Sub-Fund's portfolio should positively contribute to at least one of the sustainability objectives of the Sub-Fund. The Sub-Fund therefore primarily

invests, either directly or indirectly, in Investees in developing countries and emerging economies in the grid-connected utility scale segment and the C&I sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency. Developing countries and emerging economies are expected to face the strongest growth in power demand, while being particularly vulnerable to climate change and typically having underdeveloped energy systems. The grid-connected utility scale and C&I investments will enable the production of clean energy at a large scale, which directly links to the Sub-Fund objective to increase renewable energy capacity. The Sub-Fund's investments into off-grid solutions allow parts of the population which are not yet connected to the grid to gain access to clean and affordable energy, while at the same time promoting economic and social opportunities.

- Mitigate negative impact:

Investees are screened against negative impact on people and planet (inside-out lens) that could jeopardise the sustainable transition that is envisioned. This includes the Triodos Bank Minimum Standards, do-no-significant-harm principle under the SFDR Delegated Regulation and any relevant sector-specific negative impacts to ensure they do not cause any significant harm. Investees are excluded when they significantly harm social objectives and/or do not follow good governance practices.

- Monitoring, measuring and managing impact:

Investees frequently report on their financial, impact data and ESG performance. The impact data relates to the renewable energy produced, clients connected, and economic and social opportunities created. An extensive review is performed annually, addressing environmental and sustainability performance of the Investee to make sure they do continue to contribute to the Sub-Fund's sustainability objectives and that they do not significantly harm them. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship, may be discontinued. The Sub-Fund has the possibility to terminate the contractual agreement with debt Investees in case the implications of the breach with the sustainable investment criteria are considered to be unacceptably high or in case the Investee does not show willingness to improve its sustainability approach. Collected quantitative and qualitative information form the basis of Triodos IM's impact management efforts. Triodos IM reviews its contribution to the sustainable investment objectives of the Sub-Fund and progress realised, and makes adjustments to the investment approach if and when needed.

- Accelerate transitions:

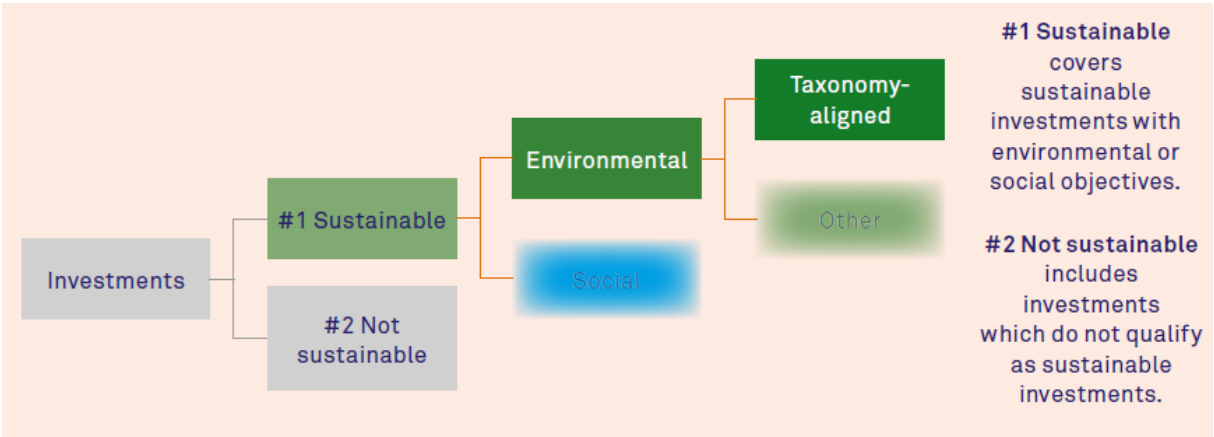
Triodos IM is an active and involved investor and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions. This includes all efforts of Triodos IM: besides the provision of financing to its Investees as per the other three elements of Triodos IM's impact management approach described above, this includes the use of social and environmental action plans and engagement on the progress made by Investees.

Policy to assess good governance practices of investee companies

The assessment of good governance practices of Investees performed by Triodos IM looks at the structure of rules, practices, and processes used to direct and manage a company or a project and aims to balance the interests of all stakeholders. It is an integral part of the due diligence phase and may vary in depth, complexity and scope depending on the Investee and

context of a transaction. It covers a wide range of aspects but specifically checks for irregularities and compliance with best practices in at least the following areas: accounting, remuneration, business (mal)practices, corporate structure, disclosures, stakeholder management, anti-money and counter-terrorism financing, and taxation. At a minimum, all investments must demonstrate a sufficient level of good governance, and in case of identified controversies demonstrate an acceptable action plan for improvement in order to be considered for investment. This process is described in more detail in the Triodos IM Due Diligence Policy. The assessment of good governance practices is carried out by the investment manager or analyst and is included in the investment proposal, which is discussed and subsequently approved by Triodos IM's investment committee. Existing investments undergo periodic review and monitoring, which includes the review and monitoring of good governance practices.

E. Proportion of investments



The Sub-Fund invests at least 80% of its Net Assets in sustainable investments. The remaining (maximum 20%) will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes. Due to the neutral nature of these investments, they will not qualify as sustainable investments. The Sub-Fund may invest up to 30% of its Net Assets in other UCIs.

In order to allow for the build-up of the investment portfolio, the actual percentage of non-sustainable investments (in the form of cash or cash equivalents) might exceed the above stated percentage during the 48 months following the launch date of the Sub-Fund.

After that time and due to the illiquid nature of the investments of the Sub-Fund and the need to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, the actual percentage of non-sustainable investment (cash or cash equivalents) might exceed the above stated percentage for a limited period of time of maximum twelve months. Should such a situation arise, the Sub-Fund will take reasonable actions to remedy such situation as soon as possible, taking due account of the interests of its shareholders.

The Sub-Fund does not make use of derivatives to attain the sustainable investment objective.

Minimum share of sustainable investments with an environmental objective

At least 80% of the investments of the Sub-Fund will be sustainable investments that contribute to an environmental objective.

Minimum share of sustainable investments with a social objective

All investments are contributing primarily to an environmental objective. Thus, 0% of the sustainable investments of the Sub-Fund contribute to a social objective.

Sustainable investments with an environmental objective aligned with EU Taxonomy

The Sub-Fund does not invest in fossil gas or nuclear energy related activities that comply with the EU Taxonomy.

The two graphs below show in green 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.

1. Taxonomy-alignment of investments including sovereign bonds*

- ☒ 0% Taxonomy-aligned (no fossil gas and nuclear)
- ☐ 100% Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds*

- ☒ 0% Taxonomy-aligned (no fossil gas and nuclear)
- ☐ 100% Non Taxonomy-aligned



This graph represents up to 100% of the total investments. As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds, if any, in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

Minimum share of investments in transitional and enabling activities

The minimum share of investments in transitional and enabling activities are expected to be 0%.

Minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy

The investments of the Sub-Fund contribute to climate change mitigation by investing in proven technologies in the following clean energy segments:

- Wind power
- Hydropower (small and medium run-of-the-river)
- Solar PV
- Mini-grid and off-grid solutions
- Other more innovative technologies, including but not limited to, energy storage and energy efficiency.

These activities are eligible activities under the EU Taxonomy. However, since the Sub-Fund invests mainly in emerging markets, there are various challenges in determining taxonomy-

alignment. Firstly, unlike EU-based assets, non-EU assets are not subject to mandatory taxonomy reporting requirements and thus, they do not disclose information on their taxonomy-alignment. This lack of standardised reporting mechanisms and data availability makes it challenging to comprehensively evaluate and confirm taxonomy alignment.

Moreover, the EU Taxonomy criteria are designed with a strong reference to compliance with specific EU regulations. For assets outside the EU, the EU Taxonomy allows in certain cases for compliance with the IFC Performance Standards as equivalent to the taxonomy criteria (i.e. in relation to the assessment and management of environmental and social risks). The assets of the Sub-Fund comply with the IFC Performance Standards. However, IFC Performance Standards are not completely aligned with the taxonomy criteria, thus compliance with these standards is not sufficient. Furthermore, there is currently unclarity regarding the level of proof that is required to demonstrate compliance with the taxonomy criteria. In the absence of adequate proof, the regulatory expectation is a disclosure of 0% taxonomy-alignment.

Therefore, due to the lack of clear regulatory guidance regarding the correct interpretation and application of the taxonomy criteria in emerging markets and in order to ensure transparency towards investors and to comply with regulatory expectations, the Sub-Fund takes a prudent approach and commits to 0% taxonomy-alignment. The Sub-Fund is actively monitoring developments related to the EU Taxonomy and will revisit its approach and disclosures following any further regulatory guidance on this topic. The investment strategy regarding the above-mentioned clean energy segments and extensive due diligence remains unchanged.

Investments included under “#2 Not sustainable”: purpose and minimum environmental or social safeguards

Although the Sub-Fund does not plan to have other investments than sustainable investments, it can hold cash and liquid assets as ancillary liquidity as well as currency derivatives.

These assets do not affect the delivery of the sustainable investment objectives of the Sub-Fund on a continuous basis. Firstly, they are used – in limited proportion – to support the proper liquidity and risk management of the Sub-Fund. The Sub-Fund aims to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests whilst remaining invested in relatively illiquid investments that contribute to the sustainable investment objectives of the Sub-Fund. As the Sub-Fund only hedges to limit currency risk, the hedging does not affect the sustainability objective of the Sub-Fund either. Secondly, Triodos IM regularly assesses whether the counterparties for these assets comply with the four pillars of the UN Global Compact, using data from a third-party provider. UN Global Compact is a principle-based framework that calls companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, Triodos IM assesses its counterparties’ policies and sustainability performance.

F. Monitoring of sustainable investment objective

A combination of quantitative and qualitative information forms the basis of Triodos IM's impact management efforts. The Sub-Fund uses among others the following indicators to measure, monitor and report its sustainability performance, with regard to its sustainable investment objectives:

To increase renewable energy capacity:

- MW production
- Tonnes of CO2 emissions avoided

To provide access to clean and affordable energy:

- Number of C&I clients connected to clean, reliable and affordable energy
- Number of households connected to clean, reliable and affordable energy

To promote economic and social opportunities:

- New direct jobs
- Number of community development programs

The performance of such indicators is a consequence of the investment strategy of the Sub-Fund and not a result of targeting specific indicator results.

Investees report on their financial and impact data on a quarterly basis, and ESG performance on an annual basis via a pre-agreed reporting template. The ESG performance report tracks the economic and social opportunities created and if the Investee is in compliance with our ESG standards. The data is reviewed by Triodos IM's investment management and impact & financial performance measurement teams. If there are any questions or inconsistencies, the investment management team clarifies these with the Investee before final approval. An evaluation of the performance of the projects is conducted by the investment management team on a quarterly basis. A complete review is conducted at least annually, including an environmental and social assessment, and potentially a site-visit.

On an annual basis, Triodos IM assess the extent to which the sustainable investment objective has been achieved. The results of this assessment are used as part of Learning and adapting phase of the Impact Management Cycle (section G). The Sub-Fund reports to investors on sustainability performance on a regular basis.

Furthermore the investment monitoring process has been translated into controls on the most material operational and financial risks. These controls are assessed as part of the ISAE 3402 audit on Triodos IM, as performed by an external auditor on Triodos IM. The Sub-Fund reports to investors on sustainability performance on a regular basis.

G. Methodologies

Triodos IM invests to generate social and environmental impact alongside a healthy financial return. It uses the Triodos Impact Management Cycle as an overarching tool in its methodology to manage its impact. Impact management is about actively steering the

means to optimize positive impact and minimize negative impact in the context of the risk/return profiles of the funds managed by Triodos IM.



The impact strategy of the Sub-Fund is determined, taking into account factors such as the risk/return profile, asset class, availability of investment opportunities and regional focus. The Sub-Fund determines this impact strategy based on its vision. In order to do so, Triodos IM has developed a Theory of Change as part of the strategy phase of its Impact Management Cycle. The Theory of Change serves as a basis to set impact objectives and sustainability indicators. In the monitoring phase Triodos IM measures the impact of its investment activities. In the subsequent learning and adapting phase 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 its contribution to impact. Learning and adapting takes place on four levels: the investment level, the fund level, Triodos IM level and increasingly on Triodos Group level. This cycle is repeated continuously as a way to steer on/manage the impact of the Sub-Fund's investments.

H. Data sources and processing

To collect the appropriate information to screen for the positive impact of the Sub-Funds' assets, Triodos IM's investment management team performs an extensive due diligence. Information resulting from the due diligence and/or questionnaires is inserted in Triodos IM's systems, and data is collected through the investee's quarterly and annual reports. When the information is obtained and verified, it is processed by Triodos IM's impact & financial performance measurement team to be four-eye checked by the fund manager. Reliability and validity of the data are checked by identifying unusual fluctuations. When these are

identified, it is qualitatively assessed whether the fluctuations of values over time are explicable. Data on actual production figures lag a quarter.

The Sub-Fund measures the avoided carbon emissions by using the Partnership for Carbon Accounting Financials (“PCAF”) methodology. The sustainability indicator measures absolute greenhouse gas (GHG) emissions. For more information on the GHG accounting methodology used by the Sub-Fund, please refer to Section 6 (Scope 3 Investments - Environment: avoided emissions from Renewable Energy) in the document ‘Triodos Bank Greenhouse Gas accounting methodology’, which can be downloaded on the Triodos Bank N.V. website (<https://www.triodos.com/download-centre>).

I. Limitations to methodologies and data

The sustainable objectives of the Sub-Fund are based on the Sub-Fund’s Theory of Change. A Theory of Change is a description of how Triodos IM expects the Sub-Fund’s investment activities to lead to positive impact. It outlines a pathway which Triodos IM expects to lead to the Sub-Fund’s ultimate impact, considering underlying assumptions and risks along the way. These assumptions might be flawed. The annual learning and adapting aspect of the Impact Management Cycle serves to reassess and mitigate this risk where possible.

Data is reported by Investees. Limitations related to quality and collection of data used to attain sustainable objectives mostly relate to the extent to which Investees disclose information and the timing of delivery. Quarterly impact performance data is reported to investors one quarter behind actual results achieved. As described in section H, Triodos IM has multiple checks in place to review the reliability and validity of the data.

For measuring Triodos Emerging Markets Renewable Energy Fund’s positive impact PCAF’s methodology is used. Unfortunately, PCAF’s methodology is not tailored to capture all impact the Sub-Fund is making. For example, for projects with negative equity on their balance sheet in which Triodos Emerging Markets Renewable Energy Fund has an equity stake, no impact will be attributed. Therefore, this methodology incentivises to invest debt in tail-end energy assets. On top of that, the methodology is not tailored to capture impact generated by investing in early-stage assets i.e., assets in the development or construction phase. For non-generating assets the PCAF methodology does not properly capture (future) impact. For these assets, alternative ways have been implemented. The indicators mentioned earlier are a way to measure and include the impact excluded by the PCAF methodology.

J. Due diligence

The due diligence carried out on the underlying assets consists of a positive screening in which the transformative potential is assessed, followed by a negative impact assessment to screen the impact on people and planet (inside out), which includes the Triodos Bank Minimum Standards, do no significant harm principle and any sector specific negative impacts. The impact of external sustainability factors on Triodos IM’s investments (outside in) is assessed which results in potential sustainability risks, such as physical / societal and transition risk. Every investment case considers impact, risk and return. This is described in more detail in section D ‘Investment strategy’ in which it is also explained how Triodos IM even further accelerates transitions by integrating active stewardship in every aspect of the

investment management process. A due diligence policy and process is in place at Triodos IM to ensure that all the necessary stages and steps of due diligence are followed before the decision to invest is taken. Furthermore the due diligence process has been translated into controls on the most material operational and financial risks. These controls are assessed as part of the ISAE 3402 audit, as performed by an external auditor.

K. Engagement policies

Impact investing dictates which Investees the Sub-Fund finances and how. This 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. Types of engagement include requesting information and disclosure, investigating alleged shortcomings of an Investee's responsible management, sharing expertise, encouraging and tracking companies' performance towards pre-defined goals, voting, and board membership. This is done with the aim to create long term value for the benefit of society and for the planet whilst enhancing the long-term value creation potential of the company.

As such, 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. Triodos IM undertakes the following range of activities in its active investment approach, depending on the asset class.

1. Company engagement
2. Active ownership
3. Advocacy | Influencing decisions within policy-making, economic, and social institutions.

Engagement procedures

As the first step in the investment selection process is a screening on positive impact potential, followed by the strict Triodos Bank Minimum Standards screening, significant harmful activities are excluded from portfolios ex-ante. Key opportunities for improvement and for longer term value creation are identified and provide the basis for building trusting relationships with Investees. The engagement agenda is prepared by a range of department representatives and approved in Triodos IM's Impact Committee. Engagement activities are monitored on a quarterly basis in the Impact Financial Risk Committee and reported upon annually.

Sustainability-related controversies

In the case of (alleged) adverse impact, the Investee is contacted to clarify and investigate the allegations or information, and to assess the severity of the incident as well as the responsibility and accountability of the Investee. Involvement in a controversy with limited corporate responsibility would lead to expressing a concern and more scrutiny on the topic, while involvement in a severe controversy highlighting clear Investee shortcomings would lead to a major concern and divestment.