

Sustainability-related disclosure

Triodos Emerging Markets Renewable Energy Fund

March 2021

Sustainable investment objective

Triodos SICAV II – Triodos Emerging Markets Renewable Energy Fund ('Triodos Emerging Markets Renewable Energy Fund, or 'Fund') has sustainable investment as its objective as set out in article 9 of the SFDR. The objective of the Fund is to offer investors an environmentally and socially sound investment in renewable energy projects and companies in developing countries and emerging economies, with the prospect of an attractive financial return combined with the opportunity to contribute to the energy transition and in particular to affordable and clean energy (SDG 7).

Methodologies, screening criteria and relevant sustainability indicators

Triodos Investment Management ('Triodos IM') applies two sustainability selection approaches in assessing potential investees.

Step 1: Positive screening

Triodos Emerging Markets Renewable Energy Fund actively looks for projects and companies in developing countries and emerging economies that significantly contribute to the energy transition by:

- Generating clean energy and increasing the total share of renewable energy in the energy mix in emerging markets, thereby reducing carbon emissions
- Improving access to reliable and affordable energy for all (democratisation of energy)
- Working closely with local communities and promote economic opportunities within the area of influence of the project
- Catalysing private sector funding for renewable energy projects in emerging markets by (co-) creating bankable structures and setting examples

Step 2: Negative screening

To ensure that the Fund does not finance projects and companies that are engaged in harmful activities, in addition to the positive screening, investees also have to pass the negative screening. The negative screening entails applying the exclusion criteria based on the Triodos Minimum Standards.

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

How the objective is to be attained

All investments are monitored for compliance to the positive selection and the negative screening criteria to make sure they do not significantly harm the sustainable investment objective of the Fund. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship may be discontinued.

For the attainment of its sustainable investment objective ('to offer investors an environmentally and socially sound investment in renewable energy projects and companies in developing countries and emerging economies, with the prospect of an attractive financial return'), the Fund reports on impact indicators, e.g.: the CO2 emissions avoided, the household equivalents, the number of new direct jobs). The performance of such indicators is a consequence of the investment strategy and not a result of targeting specific indicator results.

The Fund contributes to climate change mitigation as environmental objective set out in article 9 of the Taxonomy Regulation. In order to meet to this objective, the Fund invests in EU Taxonomy-eligible economic activities.