

# Renewable energy and sustainable development

Triodos Emerging Markets Renewable Energy Fund  
Impact Report 2024

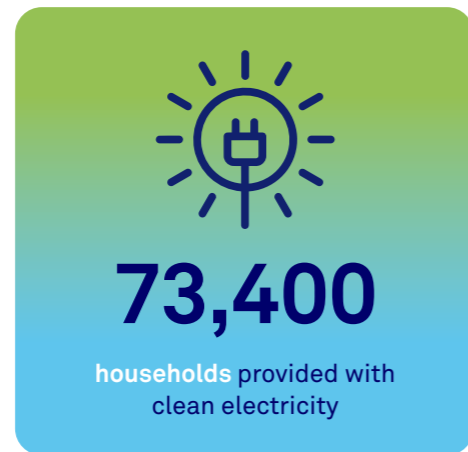
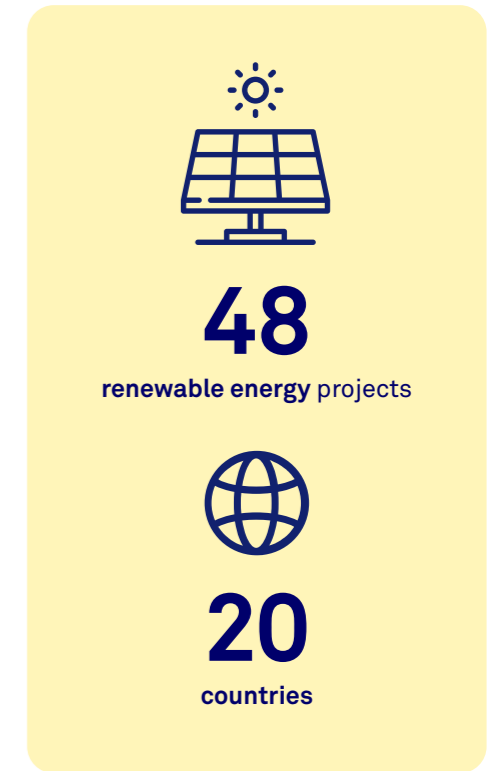
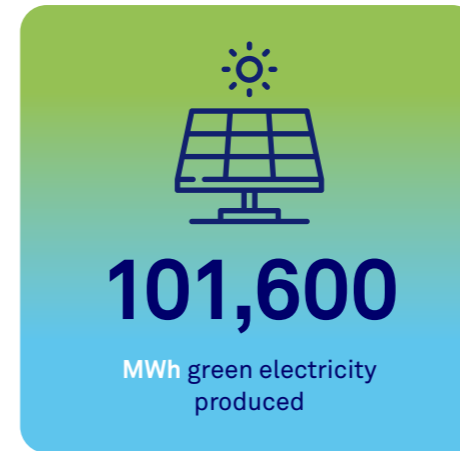
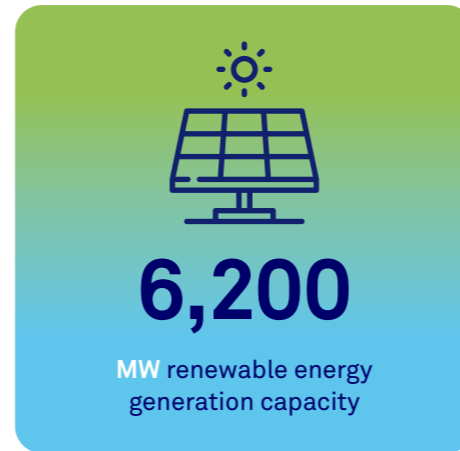
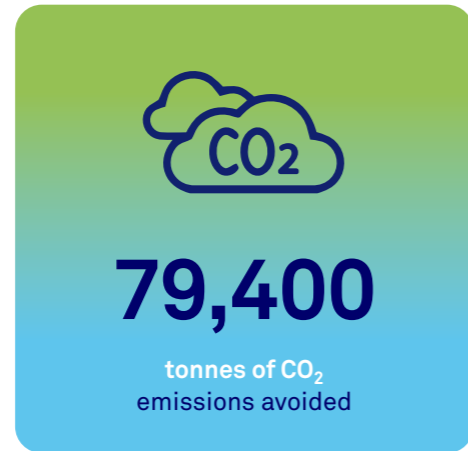
Triodos  Investment Management

This is a marketing communication. Please refer to the prospectus and the KIID of Triodos Emerging Markets Renewable Energy Fund before making any final investment decisions. A summary of investor rights in English can be found [here](#). The value of your investment can fluctuate because of the investment policy. Triodos Emerging Markets Renewable Energy Fund is managed by Triodos Investment Management. Triodos Investment Management holds a license as UCITS/AIF manager and is under the supervision of the Dutch Authority Financial Markets and De Nederlandsche Bank. Triodos Investment Management may decide to stop the marketing of its collective investment schemes in your country.





# Impact highlights 2024



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# Powering progress



Many emerging markets still lack reliable electricity access. This hampers their development and impedes the livelihoods of their people. Investing in local renewable energy solutions addresses these issues. Improving access to energy supports local economic activity and stimulates socioeconomic progress, thus supporting education, and healthcare. Furthermore, renewable energy projects create job opportunities, stimulating economic growth.

A good example of this is the fund's investment in AXS Energia in 2024. The construction of 14 ground-mounted solar plants in Brazil will not only boost generation and distribution of renewable energy but also have clear environmental and social benefits: reduction of greenhouse gas emissions, provision of energy security, as well as employment and income opportunities.



On a macroeconomic level, investing in renewables reduces the reliance on imported fossil fuels and enhance energy security and resilience to global market fluctuations. Given the vulnerability of emerging markets to climate change, renewable energy investments also bolster adaptive capacity and mitigate environmental risks. By transitioning to clean energy, these markets can mitigate climate change, reduce pollution, and protect ecosystems.

Looking ahead to 2025, the fund's impact objectives remain relevant and vital. The business case for clean energy stays strong, driven by environmental concerns, but more and more by geopolitical tensions, which stress the need for more energy independence. Developing countries' dependence on fossil fuel imports underscores the need for international financing to facilitate the transition to clean energy. The fund is poised to continue leveraging investor capital to achieve its impact goals, contributing to sustainable development and addressing global energy challenges.

## **Tim Crijns and Willy Bulsink**

Fund Managers Triodos Emerging Markets Renewable Energy Fund

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## Fund characteristics

### Asset class

Alternative

### Domicile

Luxembourg

### Legal structure

Semi open-ended sub-fund of Triodos SICAV II

### Inception date

29/10/2021

### AUM per December 2024

USD 44m

### Managed by

Triodos Investment Management

### Custodian

CACEIS Bank, Luxembourg Branch

# Accelerating vital transitions

The sheer magnitude of today's challenges – from climate change and resource scarcity to biodiversity loss and rising inequality – signals that we need deep changes in our human systems and institutions to realise a prosperous life for people on a thriving planet.

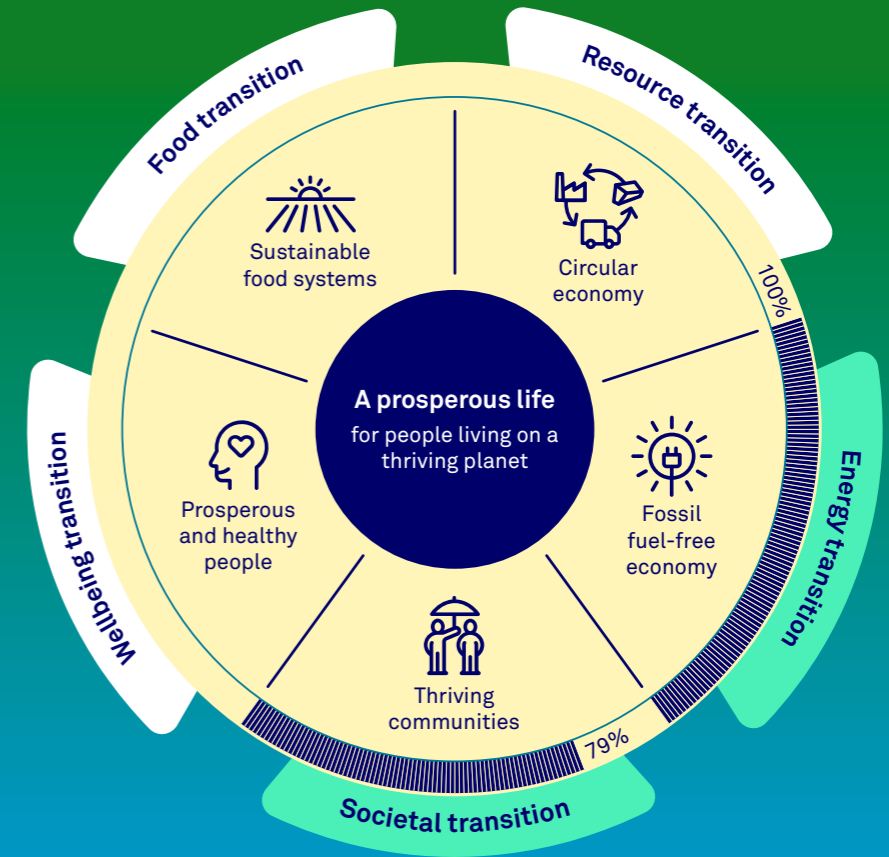
To facilitate this profound, systemic transformation, Triodos Investment Management has identified five interlinked transitions: Food, Resource, Energy, Societal and Wellbeing, all anchored in the UN Sustainable Development Goals. As a financial player, our mission is to enable and accelerate these vital transitions.

## Contribution Triodos Emerging Markets Renewable Energy Fund

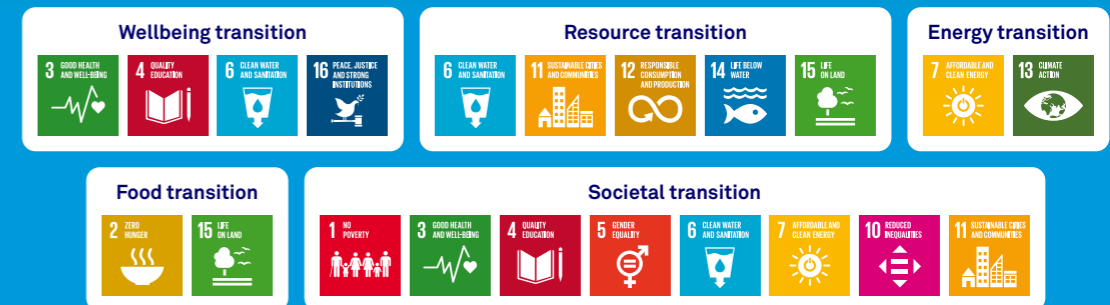
All of the fund's investments contribute to the **Energy transition**. This includes both direct investments and investments through financial intermediaries to enhance their green financing for renewable energy or energy efficiency projects.

Investments that provide first-time access and fairer distribution to clean, affordable and reliable energy for rural or low-income communities in underserved regions, for example, mini-grids and larger projects with a significant focus on local community development and job creation are considered to contribute additionally to the **Societal transition**.

## 5 interlinked transitions



### Anchored in the UN Sustainable Development Goals



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# Access to clean energy and social-economic development

Triodos Investment Management classifies Triodos Emerging Markets Renewable Energy Fund as an SFDR Article 9 fund. The fund offers investors a platform to invest capital in high-impact projects that contribute to the clean energy transition in developing countries. The projects typically increase renewable energy capacity to the national grids, or provide access to clean, affordable and reliable energy directly to commercial, industrial or household off-takers. At the same time, the projects promote economic and social opportunities for local communities and countries.

Triodos Emerging Markets Renewable Energy Fund's sustainable investment objectives are:

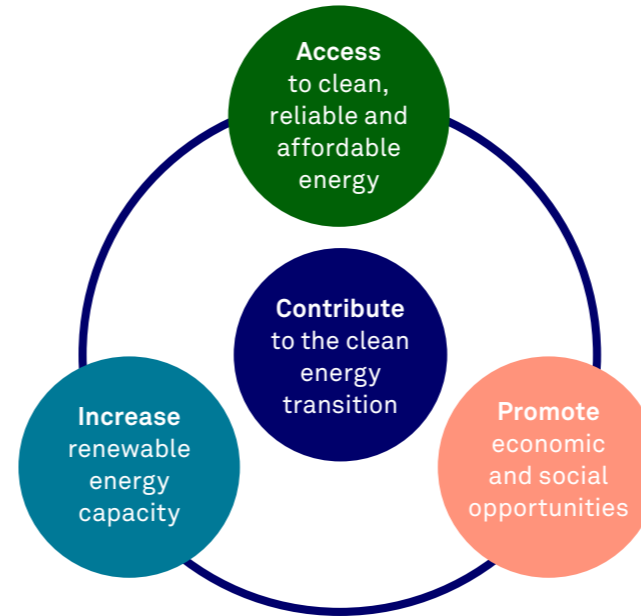
- To **increase** renewable energy capacity
- To provide **access** to clean and affordable energy
- To **promote** economic and social opportunities.

These objectives are supported by a Theory of Change that outlines the pathway from our activities to expected outcomes (see p. 6). The Theory of Change guides indicators which are one of the factors considered in allocation decision, and which we use to monitor progress throughout the life of the investments (see p. 8-10).

## Why do we invest in the energy transition in emerging markets?

Emerging markets and developing countries are facing a dual challenge. On the one hand, they are particularly vulnerable to climate change, lacking the financial power to prevent or adequately respond to its impacts. On the other hand, a dependable and affordable energy supply is crucial to further socio-economic development.

Emerging markets take an increasingly important place on the global energy market. Up to 2030, the strongest growth in power demand is expected to









come from non-OECD countries, due to population growth, economic development and the current electricity deficit.

Many countries still largely depend on importing fossil fuels for energy generation. Switching to – abundantly available – local renewable energy sources enables them to strengthen their energy security and achieve greater independence. New developments in energy storage, smart grid technologies and digital solutions enhance the reliability, efficiency and scalability of renewable energy systems. This is particularly important in regions with limited or unreliable traditional grid infrastructure, allowing for more flexible and resilient energy solutions. This has a significant positive impact on the socioeconomic development of underserved communities.

## Sustainable Development Goals

Aligning our impact objectives with the UN Sustainable Development Goals (SDGs) allows us to communicate about the impact we make with our investments. Triodos Emerging Markets Renewable Energy Fund primarily contributes to the following SDGs:

 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p>Renewable energy generation projects increase access to affordable, reliable, sustainable and modern energy and reduce reliance on fossil fuels.</p>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>Projects in the renewable energy transition and related technologies offer great potential to create new green job opportunities along the value chain.</p>
 <p><b>9</b> INDUSTRY INNOVATION AND INFRASTRUCTURE</p>	<p>Integrating clean energy into commercial and industrial infrastructure, contributes to resilient infrastructure.</p>
 <p><b>10</b> REDUCED INEQUALITIES</p>	<p>Improving energy access and fairer distribution is key in reducing inequalities (including gender, rural, and low-income communities).</p>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Renewable energy generation projects and energy demand and energy intensity reduction solutions in cities contribute to sustainable cities and communities.</p>
 <p><b>13</b> CLIMATE ACTION</p>	<p>A transition to more renewable and efficient energy systems represents an opportunity to contribute to delivering on climate action.</p>

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# Theory of Change

The Theory of Change underpins how Triodos Emerging Markets Renewable Energy Fund acts, invests and evaluates its activities.

**If we:**

Invest in and engage with companies, project developers and, financial intermediaries in emerging markets that fit with our vision and the transitions needed in society and that:

**Assuming:**

**Then we expect:**

**Which will contribute to:**

- > Develop, construct, operate or finance grid-connected, utility-scale renewable energy assets

- > Develop, construct, operate or finance off-grid solar solutions for commercial and industrial clients
- > Develop or finance mini-grid solutions for underserved communities and in rural areas

- > Commit to maximising benefits for local communities, for example through economic development and job creation

- > Local markets and the policy environment favour renewable energy
- > Renewable energy is reliable and affordable

- > Clients do not have access to a reliable national electricity grid
- > Clients are open to use off-grid energy solutions

- > Projects provide budget and resources for community development and engagement
- > Local population has access to job opportunities

- > Renewable energy increases in the energy mix, resulting in avoided CO<sub>2</sub> emissions

- > More commercial and industrial clients and underserved communities will be connected to clean, reliable and affordable energy

- > All projects to stimulate local involvement and benefits
- > Local jobs to be created and skills enhanced

**Increase renewable energy capacity**

**Access to clean, reliable and affordable energy**

**Promote economic and social opportunities**

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# Investment in practice



**Increase renewable energy capacity**

“High-quality energy projects led by professional sponsors are rare, particularly in emerging markets. To identify and structure the best deals, it is essential to maintain strong relationships with like-minded impact investors, co-lenders, development financial institutions and multilateral banks. We have cultivated this trusted network over decades and actively collaborate with partners to explore exciting new opportunities in the energy transition space.”



**Gerrit-Jan Brunink**  
Principal Investment Manager

[See our 2024 results in data](#)



**Access to clean, reliable and affordable energy**

“Off-grid projects have a significant impact, granting underserved communities access to reliable and renewable energy, supported by rural electrification programmes and global partners. It’s crucial to approach these initiatives thought-fully, as they face challenges like engaging communities new to electricity, educating users on safety and building relationships with local and national authorities.”



**Marius Groenberg**  
Principal Investment Manager

[See our 2024 results in data](#)



**Promote economic and social opportunities**

“Energy projects can create valuable local jobs, but to strengthen community ties and ensure a positive impact, it’s vital to establish effective community development programmes. This includes proper budgeting, transparent engagement and support for local needs. We carefully assess these factors before investing and actively monitor community impact throughout the project’s lifespan, ensuring that renewable energy initiatives benefit both the environment and the communities they serve.”



**Nadine Hoepermans**  
Environmental and Social Manager






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# Impact data overview

## Increase renewable energy capacity

### Key impact indicators

		2024*	2023	Change
	Cumulative number of projects	48	37	30%
	Tonnes of CO <sub>2</sub> emissions avoided	79,400	68,300	16%
	Number of households provided with clean electricity	73,400	66,900	10%
	Renewable energy generation capacity (MW)**	6,200	4,300	41%
	Green electricity production (MWh)	101,600	84,700	20%

\* The full 2024 production data was not yet available; the calculation is based on production data from the period Q4 2023-Q3 2024.

\*\* Renewable energy generation capacity is the total capacity added to the grid over the fund's lifetime, not attributed to the share of the fund in the assets. Attributed generation capacity is 80MW.

\*\*\* Impact per million EUR invested is calculated by dividing the result by the total portfolio size/1 million as of the end of the reporting period.

SDGs contributed to:



### Explanation

The increase in the renewable energy generation capacity is mainly driven by increase in capacity for existing projects, and to a small extent by the addition of a new investee in Latin America to the fund in 2024 with several operational sites. For the existing projects, either on-grid projects reached commercial operations date and started delivering green energy to the grid or for off-grid mini-grids many additional sites have been constructed and provide first-time access to renewable energy for rural communities. For each million invested, the fund helped to avoid 2,641 tonnes of CO<sub>2</sub> emissions in the atmosphere.\*\*\*

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## Access to clean, reliable and affordable energy

### Key impact indicators

		2024	2023	Change
	Number of commercial and industrial clients connected to clean, reliable and affordable energy*	310	355	-13%
	Number of new households connected to clean, reliable and affordable energy*	4,900	501	886%

## Promote economic and social opportunities

### Key impact indicators

		2024	2023	Change
	Number of direct jobs supported	N/A**	5,800	
	Number of community development programmes	29	25	16%

\* These indicators are based on totals reported by the investees and not attributable to the share of the fund.

\*\* This figure was not available at the time of publication and will be added later in 2024.

SDGs contributed to:



### Explanation

In 2024, a decrease in new commercial and industrial connections is due to the repayment of the senior loan by one investee.





The number of new households counts the households accessing energy for the first time from the mini grid projects. 2023 included WeLight Madagascar. In 2024, WeLight expanded and PowerGen was added.

### Explanation

In 2024, the number of community development programmes increased due to existing investees increasing the number of operational projects, thereby introducing community development programmes and the addition of a new investee.



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## Triodos Energy Transition Europe Fund contributes to the following UN Sustainable Development Goals

SDG	Rationale	Key impact indicators	Example investees
 <ul style="list-style-type: none"> <li>• Universal access to affordable, reliable and modern energy services (Target 7.1)</li> <li>• Increasing renewable energy in the global energy mix (Target 7.2)</li> <li>• Developing sustainable energy services for all in developing countries (Target 7.b)</li> </ul>	Renewable energy generation projects increase access to affordable, reliable, sustainable and modern energy and reduce reliance on fossil fuels.	<ul style="list-style-type: none"> <li>• Renewable energy generation capacity: <b>6,200 MW</b></li> <li>• Renewable energy production: <b>101,600 MWh</b></li> </ul>	<a href="#">Maranatha, Dominican Republic</a>
 <ul style="list-style-type: none"> <li>• Upgrading infrastructure and retrofitting industries to make them sustainable (Target 9.4)</li> </ul>	Integrating clean energy in commercial and industrial processes, electrifying transport, energy efficiency, waste management and similar industry and infrastructure innovation contributes to resilient infrastructure.	<ul style="list-style-type: none"> <li>• Number of commercial and industrial clients: <b>310</b></li> </ul>	<a href="#">EVN Finance, Vietnam</a>
 <ul style="list-style-type: none"> <li>• Achieving employment and decent work for all women and men (Target 8.5)</li> <li>• Promoting labour rights and safe and secure working environments for all workers (Target 8.8)</li> </ul>	Projects in the renewable energy transition and related technologies offer great potential to create new green job opportunities along the value chain. We require that our investees develop and implement community development plans in every project.	<ul style="list-style-type: none"> <li>• Number of direct jobs supported: <b>Not available*</b></li> </ul>	<a href="#">Green Growth Equity Fund, India</a>
 <ul style="list-style-type: none"> <li>• Empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status (Target 10.2)</li> </ul>	Projects that provide access, fairer distribution, quality and affordability of energy access is key in reducing inequalities (incl. gender, rural and low-income communities) contributing to potential improvements in energy spending, fuel debt traps and income disparities.	<ul style="list-style-type: none"> <li>• Number of new households connected to clean, reliable and affordable energy: <b>4,900</b></li> </ul>	<a href="#">WeLight, Madagascar</a>

\* The number of direct jobs supported in 2023 was not available yet at the time of the publication of the report.

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SDG	Rationale	Key impact indicators	Example investees
 <ul style="list-style-type: none"> <li>• Ensuring access to adequate, safe and affordable basic services (Target 11.1)</li> <li>• Reducing the adverse per capita environmental impact of cities (Target 11.6)</li> </ul>	<p>Integration of renewable energy in urban infrastructure and community renewables projects reduces environmental impact and contributes to modern, sustainable cities.</p>	<ul style="list-style-type: none"> <li>• Number of households provided with clean electricity: <b>73,400</b></li> </ul>	<p><a href="#"><u>Climate Investor One, Netherlands</u></a></p>
 <ul style="list-style-type: none"> <li>• Integrating climate change measures into national policies, strategies and planning (Target 13.2)</li> </ul>	<p>A transition to more renewable and efficient energy systems in developing communities represents an opportunity contribute to delivering on climate action by mitigating the effects of climate change.</p>	<ul style="list-style-type: none"> <li>• Tonnes of CO<sub>2</sub> emissions avoided: <b>79,400</b></li> </ul>	<p><a href="#"><u>Lotus Wind Power, Vietnam</u></a></p>



# Impact investments

Click [here](#) to access an interactive world map that shows all investments as at year-end 2024.

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## Bailyk, Kyrgyzstan

Bailyk Finance provides affordable financial solutions to around 43,000 small businesses and households, predominantly in rural areas of Kyrgyzstan. Examples are loans for renewable energy sources, the installation of solar powered fridges and heaters and loans for energy efficiency improvements of residential buildings.

> Find out more [here](#)



## ARC, Rwanda

ARC Power is a leading provider of sustainable and clean energy solutions. The company aims to expand its operations and implement the grid expansion and grid-tied distributed renewable energy generation assets across the country.

> Find out more [here](#)



## AXS Energia, Brazil

Distributed generation allows consumers to generate their own electricity from renewable resources. AXS Energia is an experienced player in this segment of the renewable energy market. It makes access to renewable energy easy through its subscription plans.

> Find out more [here](#)



## Lotus Wind Power, Vietnam

With an installed power capacity of 144 MW, the Lotus Wind Power Project is the largest of its kind in Vietnam, consisting of three separate 48 MW farms. Construction of the farms started in 2020 and operations commenced in November 2021. The project increased Vietnam's wind power capacity by 30%.

> Find out more [here](#)



# Do no significant harm

## Minimising adverse impact

To make sure that its investments do not cause any significant harm, Triodos Emerging Markets Renewable Energy Fund continuously monitors alignment with the strict Triodos Minimum Standards. Material risks for the fund's investments in emerging markets are related to the impact of the project on the surrounding environment and local communities, occupational health and safety and human rights and labour rights both at project level and in its supply chain.

During due diligence, each investment is thoroughly screened on potential negative impact on people and planet by applying the Triodos Minimum Standards (also see text box). Depending on the size of the project, environmental and social impact assessments are performed for each investment by independent experts and are required to comply with local law and the IFC Performance Standards. We perform such screening in close cooperation with our partner lenders, such as DFIs and other impact investors. If no satisfactory clarification nor mitigatory measures are possible, the investee is not deemed suitable for investment.

During the entire lifecycle, the investment is monitored on a continuous basis and at least annually on potential adverse impact on people and planet. Should a breach take place after investing, the investment team engages with the investee to remediate the breach.

Sustainability in the supply chain has become an important item in our due diligence process and we proactively engage with and support our investees on this topic.

## Triodos Minimum Standards

The Triodos Minimum Standards set out the absolute minimum standards that we apply for all our direct investment activities within Triodos Investment Management. They are applied based on environmental, economic and social externalities and provide an overview of the products, processes and activities that we do not want to be involved in.

The minimum standards are based on our values and are embedded in all our finance and investment processes. Where relevant and possible we also apply industry standards, for example the IFC Performance Standards for financial inclusion funds and renewable energy projects in emerging markets. By applying minimum standards, we exclude most of the sustainability risks as defined by regulators.

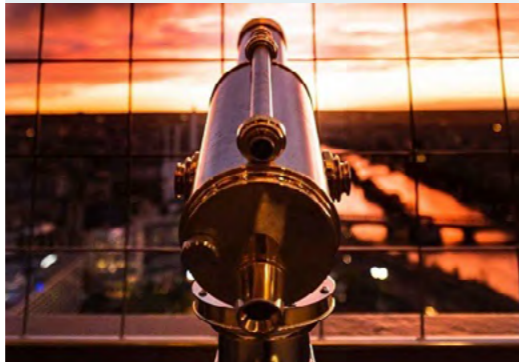
Driven by external developments and based on new insights we reviewed our minimum standards and implemented several changes. Some of the changes concern the principles, exclusion criteria and thresholds, in relation to topics such as sex work, alcohol and cannabis, deforestation, conflict minerals, biofuels, water dams and responsible technology (AI).

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# Engagement agenda

As an active investor, we use our influence to promote the long-term value creation of the companies we invest in. Starting with the initial analysis and due diligence, we engage in regular dialogue with our investment companies to drive more sustainable business practices. In the case of our equity investments, we use our board seat and position to influence the activities and behaviour of the investee companies to reduce the negative and increase the positive impact of their business activities.

## Environmental and social impact performance



We require that our investees integrate plans and standards into their core processes to reduce negative and enhance positive environmental and social impact that stems from their operations.

## Local communities



Our investees develop and implement community development programmes to support local communities to improve their quality of life. Examples of initiatives in 2024 are education scholarship programmes, subsistence support, improvement of local infrastructure and access to clean water and sanitation.

## Human rights in supply chains



We ask our clients to confirm their commitment to human rights and the respect of human rights in their supply chain during the dialogue before investing, especially in the case of solar panel solutions. Confirmation could be in the form of a written confirmation from the supplier, such as within the solar module supply chain, or a thorough analysis of the client's processes and procedures in selecting and monitoring their suppliers.

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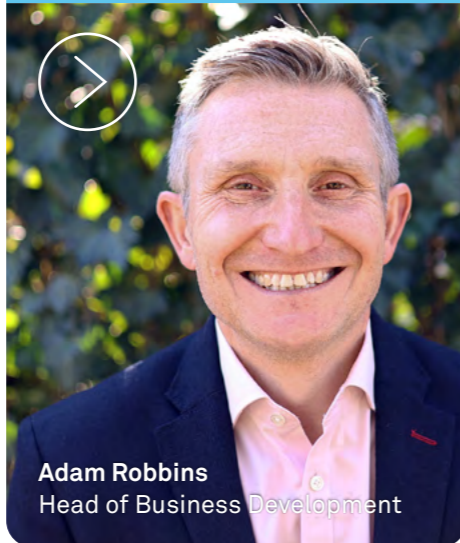


# Watch our bite-sized Masterclasses

Grow your knowledge of impact investing and join our experts as they share practical insights to help you navigate this rapidly developing market.

## Sustainable investing

Delve into the nuances of sustainable investment strategies, such as ESG integration and impact investing. Learn to identify different approaches and align them with your values and financial goals.



## Impact management

Find out how to embed impact into your investment approach, using tools like the impact management cycle and the Theory of Change. Learn to adapt strategies over time to effectively align with your mission and investment goals.



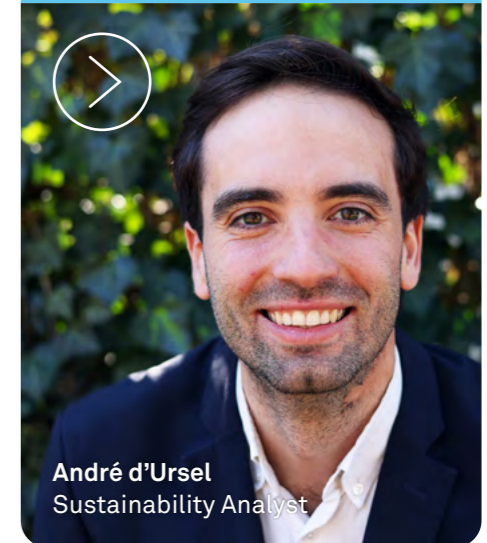
## Impact measurement

Learn more about the importance of impact measurement in investing for decision-making, accountability, and transparency. Explore the role of data, legislation, and the Theory of Change in creating a meaningful measurement process.



## Engagement

Learn more about the power of shareholder engagement as a tool for driving positive change in listed companies. Gain insight into effective stewardship strategies and the tangible results achievable through impactful company engagement.



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# Annex: Impact metrics explained

The figures in this impact report are reported as proportional to the share of the fund in the asset except for a few indicators, in this case it is stated in the below explanations. This 'attribution' is calculated based on the market value of the fund's equity and debt divided by the balance sheet total of the asset which is used as proxy.

## Cumulative number of projects

The cumulative total number of projects the fund is financing with the debt and equity investments over the fund's lifetime, reported as total, not attributed.

## Tonnes of CO<sub>2</sub> emissions avoided

Tonnes of CO<sub>2</sub> emissions avoided by generating renewable energy compared to generating electricity by conventional means. The emissions avoided by operational assets are calculated based on the actual production figure and an 'emission factor'. The emission factor is based on the grey energy facilities that are first priced out of the market and replaced by renewables in a certain country.

## Number of households provided with clean electricity

The number of households equivalents for which the annual electricity demand can be serviced by the megawatt hours produced. The number of households is calculated based on the actual production figure divided by the annual electricity usage per household in a certain country.

## Renewable energy generation capacity (MW)

The total megawatt generating capacity that the fund supported to install over the fund's lifetime. Reported as total, not attributed.

## Number of community development programmes

For each investment, we require our clients to have a community development programme or plan to enhance positive impact for the local communities affected by the projects. Reported as total, not attributed.

## Green electricity production (MWh)

Megawatt hours generated by the funds' operational, energy producing assets.

## Number of commercial and industrial clients connected to clean, reliable and affordable energy

The number of commercial and industrial clients connected over the fund's lifetime. This is calculated based on the number of connections added by the projects. Reported as total, not attributed.

## Number of new households connected to clean, reliable and affordable energy

The number of new households accessing electricity for the first time. This is calculated based on the energy produced by the off-grid projects in the portfolio and average electricity use per household in the country. Reported as total, non-attributed.

## Number of direct jobs supported

The total number of full-time equivalent employees of the investees in the year. Reported as total, not attributed.

## Implementation of sustainability regulation

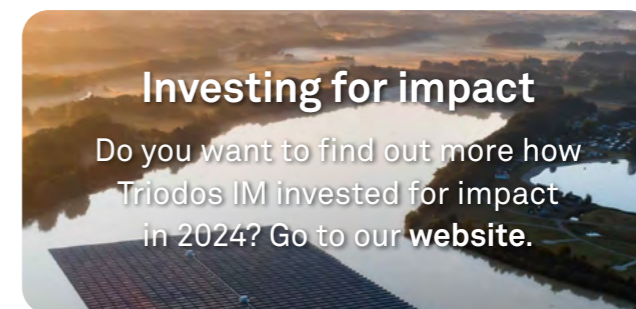
### SFDR

We classify all our funds as Article 9 Funds under the EU Sustainable Finance Disclosure Regulation (SFDR).

### EU Taxonomy

As of 1 January 2023, Triodos IM is obliged to report what percentage of a fund's portfolio is aligned with the EU Taxonomy Regulation.

Find out more: [EU SFDR](#) and [Taxonomy requirements and the disclosures in the fund's latest annual report](#).



## Climate-related financial risk disclosures

This [disclosure](#) shows how climate-related risks and opportunities are organised in processes and procedures to consider both physical risks (that arise as physical consequences from climate change) and transition risks (relating to the transition to a climate-neutral economy).

For a full understanding of Triodos IM's approach to climate change, this disclosure should be considered together with Triodos Bank's Integrated Annual Report and our [emissions reduction ambitions](#).

## About Triodos Investment Management

Triodos Investment Management (Triodos IM) is a globally active impact investor. We see impact investing as a driving force in the transition to a green, inclusive and resilient economy.

We have built up in-depth knowledge throughout our 30+ years of impact investing in sectors such as Energy and Climate, Financial Inclusion and Sustainable Food and Agriculture. Triodos IM also invests in listed companies that support sustainable solutions for the future. Assets under management as per end of December 2024: EUR 5.8 billion.

Triodos IM is a wholly owned subsidiary of Triodos Bank, a leading expert in sustainable banking.

## Investing in positive change

For more information about our impact investment strategies and solutions, please contact our Investor Relations team at:

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