

Sustainability-related disclosure

Triodos Groenfonds

March 2021

Sustainable investment objective

The objective of Triodos Groenfonds is to invest assets in projects that contribute to the preservation and development of nature and the environment. The main sectors that Triodos Groenfonds invests in are renewable energy, organic farming, nature and landscape development, sustainable real estate and environmental technology. Triodos Groenfonds is recognised as a Green Fund by the Dutch government. This means that shareholders in the Netherlands enjoy tax benefits for their investment in the Fund. In order to maintain this status, at least 70% of the Fund's activities must consist of direct or indirect investments in projects that have been certified as green projects by the Dutch government.

Methodologies, screening criteria and relevant sustainability indicators

Sustainability is embedded in the investment process of Triodos Groenfonds, which has the following elements:

- Initial selection: Assessment of the vision and mission of the project, project governance and the contribution that the project makes to the preservation and development of nature and the environment. The Fund applies two selection approaches:
 - Positive screening: A project must make a positive contribution to preserving and developing nature and the environment and also offer financial reliability. The project aims to preserve ecological cycles and when carrying out its core activities considers environmental and social aspects, such as energy and water consumption, the use of materials, the impact of the project on flora and fauna, as well as local support for the project and the standards with regard to human rights and labour conditions.
 - Negative screening: In order to ensure that the Fund does not provide funding for projects that are involved in harmful activities, all projects must meet strict exclusion criteria based on the Triodos Minimum Standards.
- Research: The Investment Manager performs a thorough sustainability, financial and risk analysis, preferably on site. The comprehensive sustainability analysis verifies the outcome of the initial selection phase.
- Investment decision: The Investment Manager's investment decisions are based on a thorough assessment of the outcomes of the research process.

- Monitoring: Projects periodically report about their performance with regard to predetermined sustainability, financial and risk indicators.
- Reporting: To live up to our commitment as a responsible and transparent investor, Triodos IM regularly publishes information on the Fund's investment activities in monthly and annual reports.
- Impact indicators include: the number of tons of CO2 emissions avoided, the number of households that have been supplied with sustainable power, the number of hectares of organic farmland, and the installed capacity (MW) of the energy projects. The performance on such indicators is a consequence of the investment strategy and not a result of targeting specific indicator results.

The Investment Manager periodically verifies whether the projects are in line with the positive and negative screening criteria to ensure that the investments do not have a serious negative impact on the Fund's sustainable investment objective. When issues are found, the manager will initiate an engagement with the project. If no improvement is noted, the relationship may be terminated.

For further information on the investment process of the Fund, please refer to the prospectus of the Fund in the documents section of this page.

How the objective is to be attained

Triodos Groenfonds promotes the development of nature and the environment by funding projects in the sustainable energy, organic farming, nature and landscape development and sustainable real estate sectors. In order to achieve its objective, sustainability is embedded in the investment process.

All projects meet the criteria that have been defined for the Fund's positive and negative selection approach. These criteria have been described above and can also be found in the prospectus of the Fund. Triodos Groenfonds mainly funds projects that are recognised as green projects by the Dutch government. The criteria for eligibility for the status of green project have been laid down in the 2016 Green Funds Scheme. In addition, Triodos Groenfonds invests in foreign projects that benefit nature and the environment. These projects may also be eligible for recognition as a green project. The criteria for eligibility for the status of green project have been laid down in the 2002 Foreign Green Funds Scheme.

For Triodos Investment Management SFDR disclosures, please visit our [sustainability-related disclosures page](#).