Deep green investments
Triodos Groenfonds
Impact Report 2021

This is a marketing communication. Please refer to the prospectus and the KIID of Triodos Groenfonds before making any final investment decisions. An overview of the investor's rights can be found in the prospectus. The value of your investment can fluctuate because of the investment policy. Triodos Groenfonds is managed by Triodos Investment Management. Triodos Investment Management holds a license as alternative investment fund manager and UCITS and is under the supervision of the Dutch Authority Financial Markets and De Nederlandsche Bank.
Impact highlights 2021

- 238,600 tonnes of CO₂ emissions avoided
- 445 MW capacity
- 693,000 MWh produced
- 15,300 hectares of organic farmland financed
- 145 organic farming investments
- 233,000 households provided with clean electricity
- 71 sustainable real estate projects
- 8M organic meals produced
- 1.2 billion net assets (EUR)
- 124 renewable energy projects in 11 countries

Key Sustainable Development Goals contributed to:

1. Affordable and clean energy
2. Responsible consumption and production
3. Sustainable cities and communities
4. Life on land
5. Partnerships for the goals
6. Good health and well-being
7. Affordable and clean energy
8. Industry innovation and infrastructure
9. Sustainable cities and communities
10. Climate action
11. Responsible consumption and production
12. Life on land
13. Partnerships for the goals
14. SDGs
15. SDGs
16. SDGs
17. SDGs
Triodos Groenfonds’ impact increased in 2021 despite the COVID-19 crisis. This is reflected in most of the fund’s sustainability indicators. The growth in the fund’s capital has been directly allocated to financing projects in the sustainable building and renewable energy sectors. As a result, the number of tonnes of avoided CO2 emissions increased, as did the number of households provided with sustainable energy.

In 2021, the fund financed:
- innovative local cooperative wind farms
- roof-related solar projects and dual use of land-and-grid projects
- energy generation and storage combination projects
- market leading heat and cooling projects.

And together with the newly launched Triodos Emerging Markets Renewable Energy Fund we financed several projects in emerging countries, bundling forces to deploy more capital and catalyse the energy transition.

Triodos Groenfonds’ also has the impact goal of the preservation of sustainable soils. The fund aims to achieve this by granting loans for the expansion of the area of organically cultivated land. The number of hectares of organic agricultural land financed by Triodos Groenfonds decreased slightly in 2021 as loans repayments were received. However, the number of small projects increased.

The fund has also been very active in sustainable real estate. Here our investment focus is on the redevelopment of vacant real estate to improve and enhance energy efficiency, for example through local energy generation or heat and cold storage.

We believe the world is ready for continuous positive change, ready to embrace the energy transition and the food transition, thus making the world more sustainable. We look forward to continuing to put our dedicated investor’s capital to work to achieve this goal.

Angeles Toledo Rodriguez and Greig Blackie
Fund Managers Triodos Groenfonds
Advancing green and social investing

The objective of Triodos Groenfonds is to invest in projects that promote the conservation and development of nature and the environment. The most important sectors in which Triodos Groenfonds invests are renewable energy, organic farming, nature and landscape development, sustainable construction and environmental technology. Investments are made in such a way that their risks are diversified and to allow investors to benefit from the financial and impact returns in the return.

Why do we invest in the energy transition?

To manage climate change, the world’s energy system will shift over the next decades from one based on fossil fuels to one dominated by renewable electricity. Triodos Groenfonds finances wind, solar, energy storage and run-of-the-river hydroelectricity projects. These projects are eligible for a green certificate. The fund invests mainly in the Netherlands but may invest up to a maximum of 20% of its net assets in renewable energy projects in 46 designated emerging countries. As of December 31, 2021, about 6% of the fund’s capital is invested in 11 different emerging countries.

Why do we invest in organic farming and resilient food systems?

Organic agriculture recognises the relationship between our environment, health and the food we eat. As well as maintaining high animal welfare standards, it avoids using pesticides and chemical fertilisers and helps to revitalise the earth and maintain resilient food systems.

Triodos Groenfonds focuses mainly on the redevelopment of vacant real estate (including the transformation of offices into rental properties in the middle segment) and financing social real estate. The built environment consumes an important part of all energy in the Netherlands and is one of the largest end consumers. A truly sustainable economy requires buildings that are built completely sustainably and that starts with the reuse of materials and space. In order to achieve the greatest possible positive impact, the fund combines this with a social aspect, for example care farms and housing projects for elderly.

Why do we finance sustainable real estate

Renewable energy

- Improve energy efficiency - a reduction of electricity or heat consumption, measured in avoided CO₂ emissions
- Number of households provided with clean energy
- Capacity of renewable energy generation (MW)
- Green electricity production (MWh)

A resilient food system

- Number of meals produced for a sustainable diet
- Organic farmland in hectares
- Number of organic farming investments

Sustainable real estate

- Number of sustainable real estate projects
A values-driven investment process

How we manage impact

1. Deal sourcing and screening
   - Screen for investment projects contributing to fund’s impact objectives
   - Assess adherence to Triodos Minimum Standards
   - First stage proposal presents connection to fund’s impact objectives and material sustainability risks

2. Due diligence and negotiation
   - Detailed assessment on positive impact
   - Detailed assessment on minimum standards and governance practices
   - Assess and mitigate material sustainability risks and assess potential impact of sustainability factors on financial value
   - Credit analyst 4-eye check

3. Investment decision
   - Investment proposal and Investment Committee discussion cover sustainability and impact as well as on our contribution as investor
   - Additional covenants or conditions as well as E&S agreements subsequent for disbursement or renewal (optional)

4. Signing and closing
   - ESG covenants and conditions in loan documentation
   - Add exclusion list to loan agreement
   - Reporting requirements in loan documentation

5. Monitoring and reviewing
   - Portfolio monitoring and investment monitoring with Equator Principles and IFC Performance standards
   - Investment review (potential change, termination)
   - Investment company knowledge sharing & engagement
   - Internal learning & adapting
   - Monitoring community development program

6. Communication and reporting
   - Impact reporting and thought leadership publications and events
   - Industry advancement by proactively contributing to relevant sustainability and impact initiatives and knowledge sharing with financial market participants

Positive impact
- Do no significant harm
- Manage sustainability risk
- Investor contribution

Over the course of 2021 and 2022 we implement changes to the investment process based on our impact ambitions and sustainability regulations (e.g. EU SFDR, EU Taxonomy, MiFID II).
Impact highlights 2021

Foreword by Fund Managers

Advancing green and social investing

Impact management process

Impact investments

Impact data overview

Impact measurement

Contact

Impact investments

Click here to access an interactive world map that shows a selection of the fund’s investments in 2021.

PowerGen

Developed and operated by PowerGen Renewable Energy

28 rural mini-grids in Nigeria will provide 55,000 people access to clean energy.

› Find out more here

Severinus

Severinus is a Dutch care organisation, primarily for people with an intellectual disability, sometimes in combination with a physical, sensory or multiple disability, difficult to understand behaviour and dementia.

› Find out more here

Zonneboog

De Zonneboog is a biodynamic, mixed farm growing a wide range of crops and also home to cows, pigs, chickens and bees.

› Find out more here

Solar Park Tynaarlo

This first large-scale floating solar plant in Europe is developed and exploited by GroenLeven.

› 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, helping the country to reduce its dependency on coal.

› Find out more here

Click here to access an interactive world map that shows a selection of the fund’s investments in 2021.
Impact data overview

Transition towards renewable energy

Key SDGs contributed to:

- SDG 7 Affordable and Clean Energy
- SDG 9 Industry, innovation and infrastructure
- SDG 12 Responsible Consumption and Production
- SDG 13 Climate action
- SDG 17 Partnerships for the goals

Key impact indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year-end 2021</th>
<th>Year-end 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tonnes of CO2 emissions avoided</td>
<td>238,600</td>
<td>225,300</td>
<td>+6%</td>
</tr>
<tr>
<td>Number of households provided with clean electricity</td>
<td>233,000</td>
<td>225,000</td>
<td>+4%</td>
</tr>
<tr>
<td>Capacity of renewable energy generation (MW)</td>
<td>445</td>
<td>396</td>
<td>+12%</td>
</tr>
<tr>
<td>Green electricity production (MWh)</td>
<td>693,000</td>
<td>640,000</td>
<td>+8%</td>
</tr>
<tr>
<td>Number of renewable energy projects</td>
<td>145</td>
<td>124</td>
<td>+17%</td>
</tr>
</tbody>
</table>

Portfolio composition per impact theme

<table>
<thead>
<tr>
<th>Category</th>
<th>% of renewable energy</th>
<th>% NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy NL</td>
<td>54.1</td>
<td></td>
</tr>
<tr>
<td>Renewable energy EM</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Sustainable real estate</td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>Organic farming</td>
<td>12.2</td>
<td></td>
</tr>
<tr>
<td>Liquidities</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Solar</td>
<td>49.3</td>
<td></td>
</tr>
<tr>
<td>Wind</td>
<td>42.6</td>
<td></td>
</tr>
<tr>
<td>Run of river hydro</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Biomass</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3.2</td>
<td></td>
</tr>
</tbody>
</table>

Impact highlights

2021

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Impact data overview

Impact measurement

Contact
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Impact management process

Impact investments

Impact data overview

Impact measurement

Contact

Impact data overview

Transition towards resilient food system

Key SDGs contributed to:

- 12 Responsible Consumption and Production
- 13 Climate Action
- 15 Life on Land

Key impact indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year-end 2021</th>
<th>Year-end 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of organic meals produced (millions)</td>
<td>8.0</td>
<td>7.3</td>
<td>+10%</td>
</tr>
<tr>
<td>Hectares of organic farmland financed</td>
<td>15,300</td>
<td>10,500</td>
<td>+47%</td>
</tr>
<tr>
<td>Number of organic farming investments in the Netherlands</td>
<td>145</td>
<td>145</td>
<td>0%</td>
</tr>
</tbody>
</table>

Sustainable real estate

Key SDGs contributed to:

- 3 Good Health and Well-being
- 11 Sustainable Cities and Communities
- 13 Climate Action

Key impact indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year-end 2021</th>
<th>Year-end 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sustainable real estate projects in the Netherlands</td>
<td>71</td>
<td>70</td>
<td>+1.4%</td>
</tr>
</tbody>
</table>

Organic farming

- Dairy: 48.3%
- Arable: 26.2%
- Organic-farm meat: 13.0%
- Mixed farming: 4.4%
- Organic poultry & egg: 0.5%
- Horticulture & fruit: 0.4%
- Other: 7.2%

Sustainable real estate

- Combined projects: 62.0%
- Care farms & housing: 29.4%
- Business projects: 7.7%
- Housing projects: 1.0%
Impact measurement

The data for this impact report is based on our PCAF (Partnership for Carbon Accounting Financials) methodology.

For the attainment of its sustainable investment objective, Triodos Groenfonds reports on impact indicators such as MWh green electricity produced, CO2 avoided, household equivalents according to the PCAF methodology. The performance of such indicators is a consequence of the investment strategy and not a result of targeting specific indicator results.

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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 25+ 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 2021: EUR 6.4 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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