

Building an inclusive world

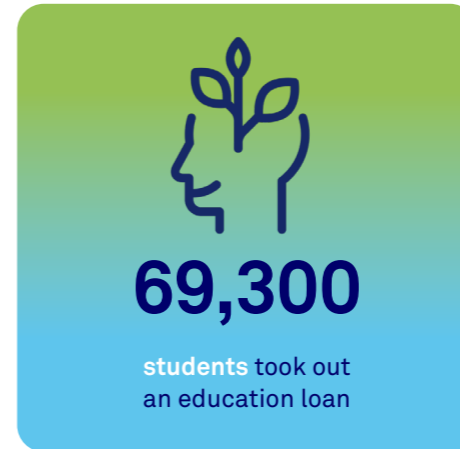
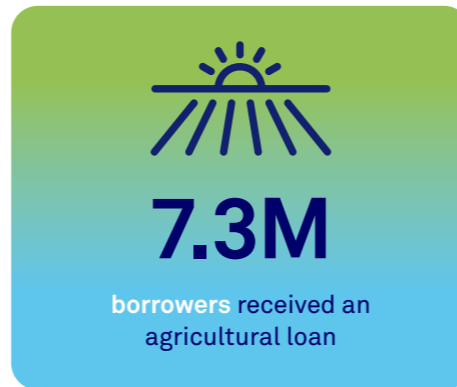
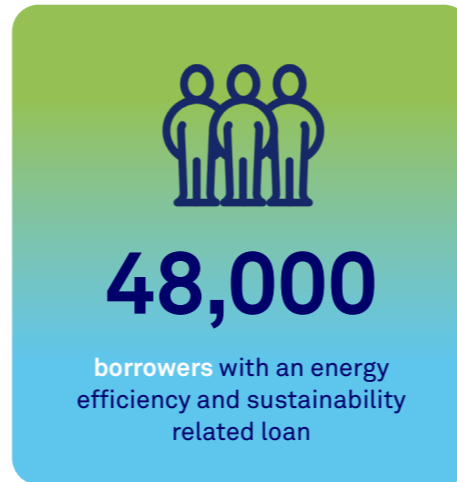
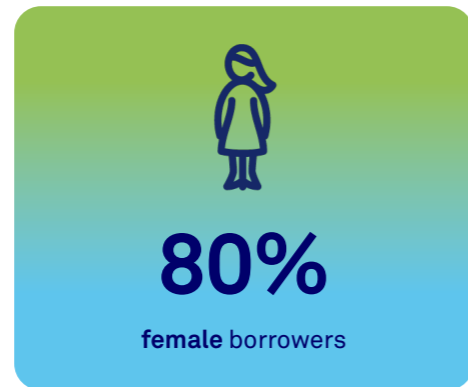
Triodos Microfinance Fund
Impact Report 2023

Triodos  Investment Management

This is a marketing communication. Please refer to the prospectus and the PRIIPs KID of Triodos Microfinance 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 Microfinance Fund 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 autoriteit Financiële Markten and De Nederlandsche Bank in the Netherlands. Triodos Investment Management may decide to stop the marketing of its collective investment schemes in your country.



Impact highlights 2023



Key Sustainable Development Goals contributed to:



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Thriving amidst complexity



The year 2023 stood out as the warmest on record, making poor regions even more vulnerable to natural disasters. A series of extreme weather events and natural disasters significantly impacted human lives worldwide, notably the earthquakes in Turkey, Syria and Morocco. Microloans have proven vital for smaller businesses to recover after environmental disasters and strongly contribute to global climate justice.

In addition to the environmental upheavals, the year's complexity was further compounded by geopolitical tensions and conflicts. Beyond humanitarian and environmental crises, 2023 was also marked by combating inflation by multiple central banks, which triggered recessions in several countries.

Despite these events, many local entrepreneurs in emerging markets held up rather well and rebuilt their economic activities. The resilience and adaptability of individuals and communities in the face of crisis reinforces the belief in their strength and potential of individuals and communities to recover and emerge stronger from challenging circumstances.



Once again, the positive impact of investing in financial inclusion was underlined in the 2023 60 Decibels Microfinance Index Report, based on a survey of 32,000 microfinance clients from 114 microfinance institutions across 32 countries. The study concludes that microfinance improves the quality of life for 91% of the end clients and increases financial resilience in times of crisis.

This impact report showcases how Triodos Microfinance Fund empowers people and businesses by including them in the financial system. It shows how the fund supports the transition to equitable and sustainable local economies, and how it enables households to access basic needs. An inspiring example is UsPlus, a fintech company based in South Africa new to the fund's portfolio, which provides working capital to small and medium enterprises (SMEs). Although SMEs are vital in keeping local economies vibrant and resilient, two-thirds of these businesses in developing countries have unmet financing needs.

In 2024, social inequality still persists. We look forward to continuing our role as an investor in financial services to deliver sustainable development for millions of households and businesses across the globe.

Tim Crijns and Florian Bankeman
Fund Managers Triodos Microfinance Fund

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Fund characteristics

Asset class
Alternative - Private Debt and Equities

Domicile
Luxembourg

Legal structure
Sub-fund of Triodos SICAV II (AIF)

Inception date
27/02/2009

AUM per December 2023
EUR 458m

Managed by
Triodos Investment Management

Custodian
CACEIS Investor Services Bank



Advancing financial inclusion

Triodos Investment Management has classified Triodos Microfinance Fund as an SFDR Article 9 fund. The fund offers investors the opportunity to make a pro-active, measurable and sustainable contribution to the development of an accessible, well-functioning and inclusive financial sector across the globe.

Triodos Microfinance Fund's sustainable investment objectives are:

- to promote individual wellbeing through advancing financial inclusion
- to support the transition to equitable and sustainable local economies
- to transform the financial system for a sustainable future

To attain these objectives, Triodos Microfinance Fund invests in financial service providers in developing countries and emerging economies, and to a limited extent in developed countries.

These values-based institutions vary from microfinance institutions working in underdeveloped markets to digital lending platforms and fully fledged banks that offer access to a range of fair and transparent financial services for people and small businesses.

Why do we invest in financial inclusion?

Globally, 1.4 billion people have no or limited access to basic financial services. Furthermore, many micro, small and medium-sized enterprises in developing countries have unmet financing needs.



Financial inclusion offers these underserved groups access to basic financial services, thereby enabling them to build their assets gradually, develop their enterprises, improve their income earning capacity and save for future events.

Financial Inclusion also plays a crucial role in addressing other pressing issues, such as access to education and healthcare, renewable energy and affordable housing.

Aligning the fund's impact objectives with the UN Sustainable Development Goals (SDGs) allows us to communicate about the impact we contribute to with our investments. Triodos Microfinance Fund primarily contributes to the following SDGs:



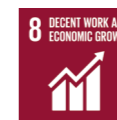
Improving access to finance helps people to meet their household and business needs, when following a client-first approach.



Finance is an important input for smallholder farmers to improve production and strengthen resilience to climate change.



Offering products and services that cater to women's needs helps to improve access to financial services for women's wants and needs.



Access to credit and financial services helps small to medium-sized enterprises grow, create jobs, and contribute to economic growth.



Digital finance and fintech help to improve access for SMEs to financial services and their integration into value chains and markets.



Financial inclusion helps to reduce economic and social disparities, fosters economic opportunities, and builds more inclusive markets.

Theory of Change

The Theory of Change underpins how Triodos Microfinance Fund acts, invests and evaluates its activities.

If we:

Provide direct private debt and equity financing and engage with financial service providers in underserved markets that fit within our vision and transitions needed in society and that:

And collaborate with investees and peers that:

Assuming:

- › Target women, youth, MSMEs, rural areas, affordable housing, health and education
- › Build their own capacity in good governance and environmental and social (E&S) performance management and disseminate knowledge among their clients
- › Operate in a responsible, inclusive and client-centered way

- › Offer financial products and services that meet the needs of local communities
- › Target real economy and green development
- › Operate in a sustainable way and contribute to transparency, fairness and environmental awareness of local financial system

- › Commit to improving governance, management and sustainability practices
- › Monitor and manage environmental and social performance
- › Build industry tools and best practices

Then we expect:

- › Access to finance enables clients to meet their needs and aspirations
- › Created opportunities benefit intended target groups, for example women

- › Financing enables financial services providers (FSPs) to grow and channel funding in designated areas
- › Investees have commitment and capacity to change policies and practices
- › Local context is not disruptive and allows for transition to take place

- › Sector participants are willing to collaborate
- › Impact investors are able to mobilise investment capital thanks to growing ESG demand

Which will contribute to:



Individual wellbeing



Equitable and sustainable local economies



Sustainable financial system

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Impact data overview








Individual wellbeing

Adequate living standards and wellbeing for end-users





SDGs contributed to:



Key impact indicators		2023	2022	Change	Explanation
	Number of borrowers reached (in millions)	17.5	22.1	-20%	The reduction is mainly due to a reduction of the fund size, which led to some repayments from investees with a large client base. The fund additionally invested more in new clients in earlier growth stages, i.e. smaller financial services providers serving fewer clients compared to more established financial institutions.
	Borrowers reached attributable to the fund	174,000	272,000	-36%	This figure corresponds with the decline in the total number of borrowers above.
	Number of savers reached (in millions)	20.3	20.5	-1%	In 2023, driven by sharp increase of global interest rates for international funding, many microfinance institutions and SME banks started to increase their deposit base by attracting more deposits. Hence, the number of savers reached by the fund remained the same even though the fund size reduced.
	Percentage female borrowers	80%	78%	+2%	The increase in the total number of female borrowers was driven by the significant growth of our investees in India, who traditionally focus on women.
	Percentage rural borrowers	68%	68%	0%	No change

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Key impact indicators		2023	2022	Change	Explanation
	Numbers of borrowers with an energy efficiency and sustainability related loan	48,000	242,000	-95%	One investee in Kenya who financed solar panels to individuals and small businesses repaid its loan in 2023.
	Number of students with active educational loans	69,300	180,000	-61%	One investee in India that provided educational loans to many clients repaid its loan in 2023.
	Number of households with active affordable housing loans	229,900	511,000	-55%	The Indian investee mentioned above also contributed more than half of the total affordable housing loans. At the same time, clients in Cambodia, Uzbekistan and Peru increased their affordable housing loan portfolios.
	Number of households with active agricultural loans	7.2M	8.1M	-11%	The reduction is mainly due to a reduction of the fund size.

Average loan amount per region

	2023	2022	Change
Average loan amount (EUR)	2,240	1,875	+20%
Africa and Middle East	2,801	542	+417%
East Asia and Pacific	1,325	2,664	-50%
Eastern Europe and Central Asia	3,975	4,021	-1%
Latin America	7,493	6,404	17%
South Asia	422	516	-18%

Explanation of changes

In 2023, the average loan amount increased significantly, after a Kenyan investee who finances solar panels to individuals and small businesses repaid its loan. Its average loan size amounts to roughly USD 200.

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Equitable and green local economies

Inclusive and sustainable communities and societies

SDGs contributed to:



Key impact indicators		2023	2022	Change	Explanation
	Number of SME borrowers	1.8M	1.8M	0%	The total number of SME borrowers remained in close proximity to that of the previous year.
	Fund's carbon footprint* (scope 1, 2 and 3 emissions in tonnes of CO ₂)	12,800	16,000	–	The reduction in the fund's carbon footprint is due to a reduction of the fund size.

* Carbon footprint explained

This is the sum of all our estimated financed emissions (scope 1, 2, and 3) in the fund's portfolio, as part of Triodos Group's commitment to becoming net-zero by 2035. See page 14 for more details.

- Scope 1 emissions: Direct greenhouse gas emissions from sources that are owned or controlled by an organisation.
- Scope 2 emissions: Indirect greenhouse gas emissions from the consumption of purchased electricity, heat or steam.
- Scope 3 emissions: Indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from the production of purchased goods and services, transportation of products, employee commuting and waste disposal.

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Sustainable financial system

Transform the financial system for a sustainable future

SDGs contributed to:



Non-financial services

Financial literacy training and other non-financial services help improve end clients' abilities to better manage their finances to achieve their goals.

% of investees with non-financial services

	2023	2022
Financial literacy programme	55	59
Enterprise development training	44	44
Social awareness training	31	37

Care for the environment

Triodos Microfinance Fund stimulates efforts by financial institutions to make environmental protection a priority. For example, working with an exclusion list of sectors or specific activities that need to be avoided due to the potential negative impact they have on the environment and society.

% of investees with environmental practices

	2023	2022
Environmental criteria in credit assessment	53	65
Internal green office procedures	52	61
Technical assistance	27	31
Donations to environmental projects	21	25

Client Protection Pathway

Triodos Microfinance Fund takes action to drive implementation of client protection standards among investees.

The Client Protection Pathway (CP Pathway) is a globally recognised framework designed to help microfinance organisations implement good client protection practices.

% of investees with at least bronze level

	2023
% of investees with at least bronze level of CP Pathway certification	14

17 equity investments with active board membership

Triodos Microfinance Fund has equity positions in 29 institutions and funds and plays an active role on the board of directors or advisory committees. This way we bring our sustainable banking knowledge and expertise to the table and participate in the institutions' governance and strategic development. Examples include knowledge sharing sessions on topics like risk, audit, governance structure, ESG frameworks and values-driven banking.

Impact investments

Click [here](#) to access an interactive world map that shows the fund's investments in 2023.

Mikrofin in Bosnia and Herzegovina

Provides loans to small-scale businesses, farmers, entrepreneurs and households who have limited or no access to finance.

> Find out more [here](#)



Microfund for Women in Jordan

Encourages entrepreneurship and female empowerment through access to finance and training programmes.

> Find out more [here](#)



La Hipotecaria in Colombia

Is a specialised financial institution that provides affordable housing mortgages, targeting borrowers of low and lower-middle income.

> Find out more [here](#)



Lendingkart in India

Is a digital lending platform that provides easy to access working capital loans to micro, small and medium-sized enterprises (MSMEs) across India.

> Find out more [here](#)



LENDINGKART
INSTANT
BUSINESS LOANS
APP

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Investing in fintech for greater financial inclusion

Impact through fintech: UsPlus in South Africa

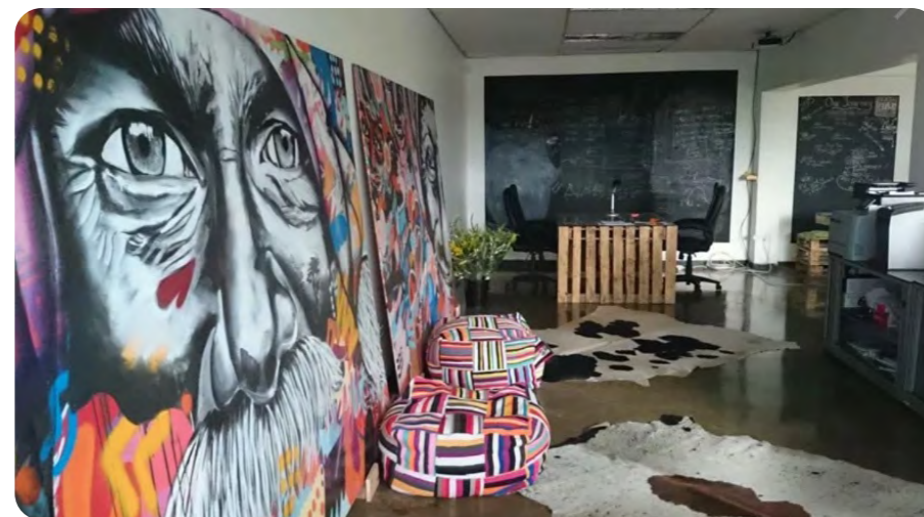
UsPlus is a high-impact tech company that provides flexible working capital solutions to small and medium-sized businesses (SME). Triodos Microfinance Fund provided a debt facility to the company.

The financial revolution

UsPlus taps into the advantages provided by technology to target financially excluded businesses and entrepreneurs in a profitable manner. Founded in 2015, the company provides alternative funding solutions, in the form of discounting products to the SME sector. Discounting is a method of financing that allows SMEs to sell their invoices to a third party at a discounted rate in exchange for immediate cash. The innovation presented by this product lies in the advantages it provides for SMEs including easy and fast access to working capital that would otherwise be tied up in unpaid invoices and improved cash flow for paying suppliers or investing in the growth of the company. To date, UsPlus has disbursed approximately USD 133 million in funding to SMEs through the debtor discounting product.

Onboarding clients

UsPlus acquires clients via word of mouth, industry meetings, accountancy companies and through their web portal. Each client is required to be legally registered, with a track record of at least three fiscal years and subject to an assessment of debtors/supply agreements. Also, UsPlus ensures that prospective clients are not involved in activities that have a negative impact on environmental and social issues. The exclusion criteria are based on the IFC Exclusion List. The maximum turnaround is one week for new clients and half a day for existing clients.



UsPlus office

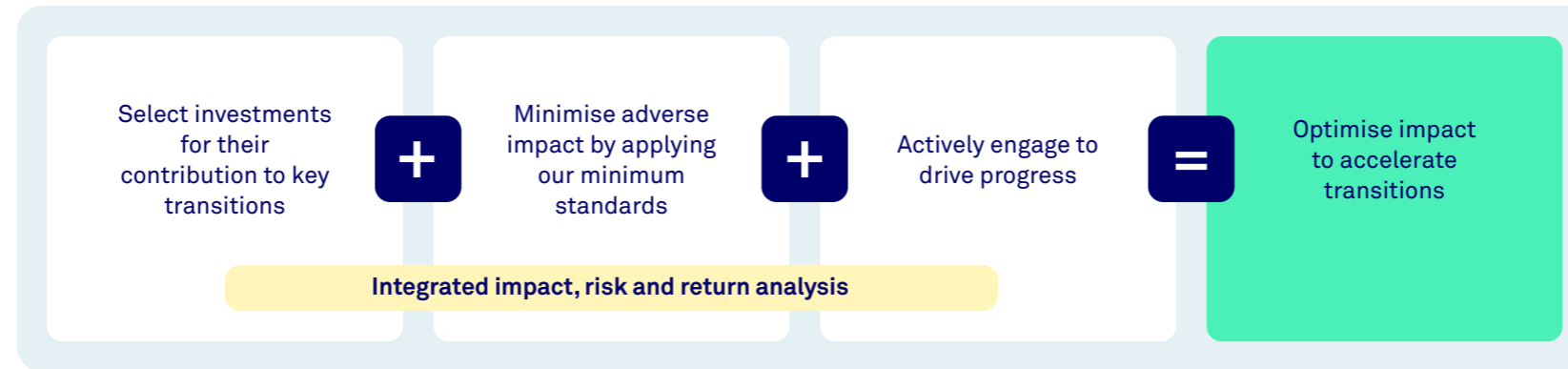


Plastics recycling

Optimising impact to accelerate transitions

As a financial institution, we use money consciously, as a driving force towards a society that is humane, ecologically balanced and works for the benefit of all. We have a robust process in place to optimise impact and accelerate key transitions. We continuously develop this process following new insights and latest developments and standards.

A robust process to optimise impact



Contribution to transitions

We invest to realise our vision of a prosperous life for people on a thriving planet. Each fund has a Theory of Change, which describes how the fund can enable, contribute and accelerate sustainable transitions. This ambition is translated into a set of objectives, indicators and internal targets per fund.

Each potential investment must significantly contribute to at least one of fund's sustainability objectives to qualify for investment (see pages 4 and 5).

Minimise adverse impact

We select for positive impact but also determine the level of potential adverse impact. This includes screening based on the Triodos minimum standards, potential controversies, the EU SFDR Principal Adverse Impacts (PAIs) and relevant sector-specific standards to ensure our investments do not cause any significant harm.

We also mitigate and manage any material sustainability risk. Read more in [Our approach to impact](#).

Engage to drive progress

We aim to accelerate transitions and promote sustainable long-term value creation for all our stakeholders. To this end, we frequently engage on environmental and social topics that are relevant to each investee's business model, as well as on general corporate governance issues.

We engage to obtain information both in response to (potential) controversies and proactively on strategic topics. Furthermore, we believe that by active ownership - exercising voting rights for listed investments and board seats for private equity investments - we can exert a positive influence on a company's long-term strategy.

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Minimising adverse impact

One of the most material risks of causing harm for microfinance institutions is related to the necessity to uphold high standards of client protection, in particular prevention of over-indebtedness. To address these risks, we align with the [Universal Standards for Social and Environmental Performance Management](#), a set of best practices developed by Cerise and the Social Performance Task Force (SPTF). This includes the [Client Protection Pathway](#), a set of steps for financial service providers to advance their client protection practices. We also continued the project initiated in 2022 to transition our proprietary sustainability assessment to use [ALINUS](#), a shared investor due diligence tool based on the Universal Standards, further strengthening our collaboration with Cerise+SPTF (see page 14).

Engage to drive progress

In addition, we joined the group of investors supporting the 2022/23 60 Decibels Microfinance Index, an annual survey that provides insights into changes in client wellbeing as a result of accessing finance. Together with other impact investors, we financed the surveys of nine microfinance institutions in Cambodia, Indonesia, India, Tajikistan, Georgia and Bolivia. The study compared individual investees' performance to the benchmark of 114 microfinance institutions and 32,000 borrowers in 32 countries.

Sustainability regulation

SFDR

Triodos Investment Management has classified its funds as Article 9 funds under the EU Sustainable Finance Disclosure Regulation (SFDR). Article 9 refers to the most sustainable product category and has the strictest requirements on sustainability disclosures.

This includes information on the adherence to the sustainable objectives of the fund, how we mitigate adverse impact on people and planet, how sustainability risks are assessed and managed and how we ensure good business conduct of all investments.

EU Taxonomy

As from 1 January 2023 Triodos IM is obliged to report what percentage of a fund's portfolio is aligned with the EU Taxonomy Regulation. The EU taxonomy is a classification system that defines criteria based on which economic activities can be considered as environmentally sustainable.

Find out more: [EU SFDR and Taxonomy requirements](#) and the disclosures of [Triodos Microfinance Fund](#).

Engagement agenda

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

Climate change



Triodos Bank aims to be net zero by 2035 in its operations, loans and investments. In 2023, we started engaging with our investees to see where they can take concrete action to reduce their carbon footprint. We learned that some investees are just getting started, while for others this is already high on the board's agenda. In 2024, we will work towards a more formalised emission reduction strategy.

Client Protection Pathway



We take action to drive implementation of client protection standards among investees. For every new investment, we assess the client protection risks and raise awareness during due-diligence. We also encourage investees to sign up to the Client Protection Pathway, improve their practices, and we monitor their performance.

Environmental and Social Management Systems (ESMS)



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. This also includes compliance with our minimum standards and exclusion list as well as reporting of the impact of their financing activities on people and planet.

Collaboration with Cerise+SPTF



We work closely with [Cerise+SPTF](#) (Social Performance Task Force), a membership organisation that works with actors in inclusive finance to co-create standards and assessment tools for social and environmental performance management, to make sure that financial products and services help to improve lives.

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Impact reporting in 2024

Facing several interrelated social and environmental challenges, our most critical task today is to navigate a social and ecological transformation based on a new economic paradigm.

Rethinking the purpose and goals of economic activity and directing financial flows to finance those activities that have the largest impact on societal change is a key action to trigger deep changes. To this end, we have identified five interlinked areas of intervention – food, resource, energy, society and wellbeing.

Our mission as a financial player is to enable and accelerate these five vital transitions, by financing groundbreaking initiatives and providing funding to shift practices from less to more sustainable. We must invest in the deep, systemic transformation required to achieve our goal of a prosperous life for people on a thriving planet.

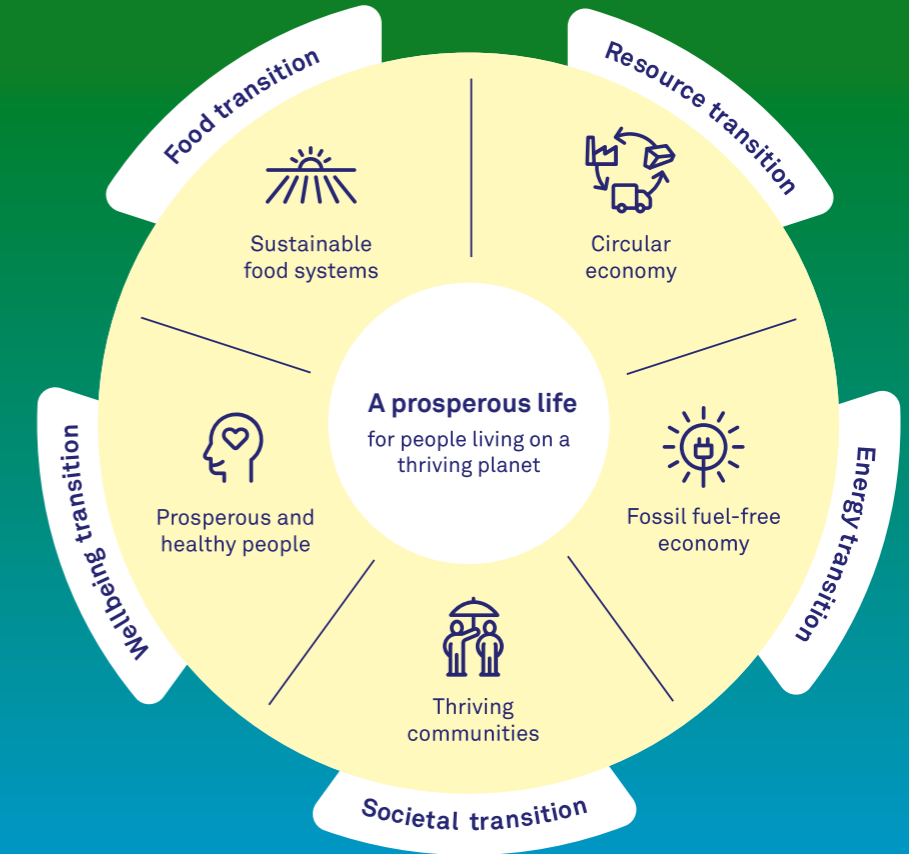
In 2023, we successfully implemented the **five transition themes** into our impact management and measurement process. On page 14 and 15 you can see how this fund contributes to the transition themes and the SDGs.

We will continue implementing external requirements driven by increasing EU regulation on sustainability, such as the EU Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD).

Furthermore, we will continue to strengthen and evolve our impact management and measurement practices and processes, and intensify our collaboration with other asset managers and institutions to increase harmonisation.

Our 2024 strategic engagement topics focus on climate change following our **AsOneToZero** ambition. Other prioritised engagement topics include, plastic and excessive remuneration for our Impact Equities and Bond funds and progress on impact and sustainability objectives and measurement for our Impact Private Debt and Equity funds.

Focus on five interlinked transitions



Anchored in the UN Sustainable Development Goals



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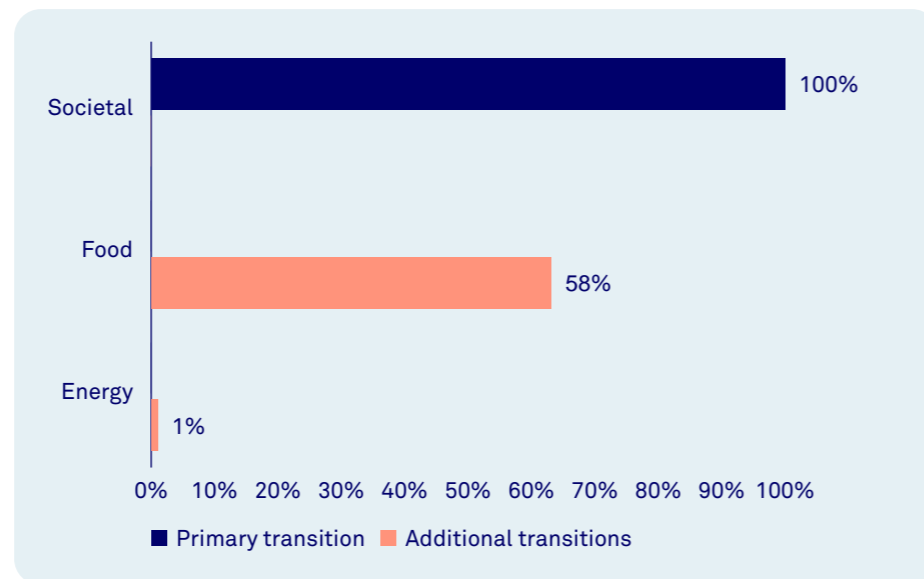
Contribution to the transitions

All investments of Triodos Microfinance Fund contribute to one or more of the five transitions. Their primary contribution is to the **Societal Transition**, because we believe that a financial sector where everyone has access to financial services provides a sustainable basis for balanced socio-economic development.

The financial system also is an enabler for other transitions. One of the fund's goals is to contribute to improved individual well-being (see Theory of Change on page 5), however our vision on the Wellbeing Transition relates primarily to activities that foster individuals' physical and mental health, as well as self-development, self-expression and healthy relations with others. While financial inclusion can indirectly contribute to these goals, it directly contributes to an inclusive society. The financial institutions we invest in contribute to additional transitions through their products, services and initiatives.

A breakdown of the fund's contribution to the transition themes by percent of the portfolio value is provided below:

Contribution to transitions



100% of the portfolio contributes to the **Societal Transition**.

Of this, **76%** of the portfolio provide loans, savings and other financial products to individual clients who are often in hard-to-reach areas, helping them to build financial resilience.





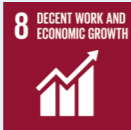
24% primarily serve small and medium-sized enterprises (SMEs), which enables them to grow, create jobs, and contribute to economic development.

58% of the portfolio offers financing for agriculture to small-scale farmers, contributing to the **Food Transition**.





1% of the portfolio contributes to the **Energy Transition** by offering green loans for environmentally friendly projects, such as solar panels or clean cookstoves, contributing to sustainable energy access.

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Triodos Microfinance Fund contributes to the following UN Sustainable Development Goals

SDG	Rationale	Key Impact Indicators	Example Investees	
 <p>1 NO POVERTY</p>	Build the resilience of the poor and those in vulnerable situations to economic, social and environmental shocks (Target 1.5)	Access to financial services such as savings, credit, and payment systems helps people to meet their household and business needs, when following a client-first approach.	<ul style="list-style-type: none"> • Average loan size: 2,240 EUR • Number of borrowers: 17.6M • Number of savers reached: 20.3M • % of investees with at least bronze level of CP Pathway certification: 14% 	Centenary Bank
 <p>2 ZERO HUNGER</p>	Double the agricultural productivity and incomes of small-scale food producers (Target 2.3)	Finance is an important input for smallholder farmers to improve production and strengthen resilience to climate change.	<ul style="list-style-type: none"> • Number of households with active agricultural loans: 7.2M • Percentage rural borrowers: 68% 	Samunnati
 <p>5 GENDER EQUALITY</p>	Ending all forms of discrimination against women (Target 5.1) Undertake reforms to give women equal rights to economic resources (5.a.)	Offering products and services that cater to women's needs helps to improve access to financial services for women's wants and needs.	<ul style="list-style-type: none"> • Percentage women borrowers: 80% 	Microfund for Women Jordan
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure universal access to affordable, reliable and modern energy services (Target 7.1)	Financial inclusion can help individuals and small businesses access financing for renewable energy projects, such as solar panels or clean cooking technologies, contributing to sustainable energy access.	<ul style="list-style-type: none"> • Numbers of borrowers with an energy efficiency and sustainability related loan: 48,000 	EVN Finance
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services (8.3) Expand access to banking, insurance and financial services for all (8.10)	Access to credit and financial services helps small to medium-sized enterprises grow, create jobs, and contribute to economic growth.	<ul style="list-style-type: none"> • Number of SME borrowers: 1.8M 	Lulalend

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SDG	Rationale	Key Impact Indicators	Example Investees
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Increase the access of small-scale enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets (9.3)	Fintech companies and embedded finance helps to enhance digital infrastructure to improve access for SMEs to financial services and their integration into value chains and markets	<ul style="list-style-type: none"> • Percent of portfolio in fintech or embedded finance: 8% <p>Koinworks</p>
 <p>10 REDUCED INEQUALITIES</p>	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 (10.2)	Financial inclusion helps to reduce economic and social disparities, fosters economic opportunities, and builds more inclusive markets	<ul style="list-style-type: none"> • Number of investment companies: 104 • Number of countries invested in: 40 <p>MBK</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Access for all to (affordable) housing (Target 11.1)	Financial inclusion can support the development of affordable housing, infrastructure, and services.	<ul style="list-style-type: none"> • Number of households with active affordable housing loans: 229,900 <p>La Hipotecaria</p>
 <p>13 CLIMATE ACTION</p>	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (Target 13.1)	Access to finance can help to strengthen resilience to the impacts of climate change. By making environmental protection a priority in our engagement with investees, we are raising awareness of the need for climate action.	<ul style="list-style-type: none"> • Percent of investees with environmental criteria in their credit assessment: 53% <p>Safco Support Foundation</p>

Annex: Impact metrics explained

Number of borrowers reached

The total number of borrowers currently holding an active loan with the investee companies.

Borrowers reached attributable to the fund

The total number of borrowers currently holding an active loan with the investee companies, multiplied by the portfolio's stake in the investee (exposure divided by the total loan portfolio of the client).

Number of savers reached

The total number of people currently holding an interest-bearing deposit account with the investees.

Percentage of women borrowers

The total number of women borrowers currently holding an active loan with the investee companies, divided by the total number of borrowers currently holding an active loan with the investee companies.

Percentage of rural borrowers

The total number of rural borrowers (borrowers in settled places outside towns or cities) currently holding an active loan with the investee companies, divided by the total number of borrowers currently holding an active loan with the investee companies.

Number of households with active affordable housing loans

The total number of borrowers currently holding an active loan that is dedicated to the purchase, construction, or improvement of individual homes for the low-income segment.

Number of households with active agricultural loans

The total number of borrowers currently holding an active loan that is dedicated to funding agricultural activities or adapted to the needs of farmers/agricultural institutions.

Number of students with active educational loans

The total number of borrowers currently holding an active loan that is dedicated to funding children or student education or funding education providers.

Total number of clients that made use of an energy efficiency and sustainability-related loan

The total number of borrowers currently holding an active loan that is dedicated to funding environmentally friendly products and services, such as renewable energy, solar panels, energy-efficient devices, heat insulation and sustainable consumer goods.

Note: The number of loans for affordable housing, agriculture, education, or energy efficiency and sustainability-related loans are reported as total number of loans outstanding, not the proportion of loans attributable to the fund.

Average loan amount (EUR)

The total sum of all loan portfolios in euros divided by the total number of active borrowers.

Sub-fund's carbon footprint (scope 1, 2, and 3 emissions in tonnes of CO₂)

The total sum of the CO₂ emissions of the investees (or a proxy if not available), multiplied by the investment's share in the investee's enterprise value.

Number of (SME) borrowers

The total number of borrowers currently holding an active loan that is geared towards small or medium-sized enterprises (SME).

Percentage of borrowers that are small and medium-sized enterprises (SME)

The total number of borrowers currently holding an active loan that is geared towards small or medium-sized enterprises (SME), divided by the total number of borrowers currently holding an active loan with the investee companies.

Percentage of investees offering financial literacy training

Proportion of investees offering financial education divided by the total number of investees that provided data.

Percentage of investees that have an exclusion list

Proportion of investees maintaining a list of sectors or activities that could have a negative impact on society or the environment divided by the total number of investees that provided data.

Number of equity investments with active board membership

Number of investees where the fund has a delegated board position.

Enterprise development training

Proportion of investees offering training to enhance their business development skills divided by the total number of investees that provided data.

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Social awareness training

Proportion of investees providing training on topics such as health and environmental awareness divided by the total number of investees that provided data.

Environmental criteria in credit assessment

Proportion of investees that consider environmental criteria in their credit assessments divided by the total number of investees that provided data.

Internal green office procedures

Proportion of investees implementing internal procedures aimed at reducing the financial institution's environmental impact, such as waste separation and reduced paper use divided by the total number of investees that provided data.

Technical assistance

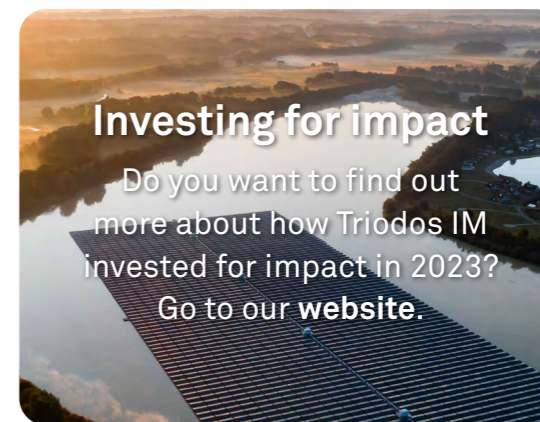
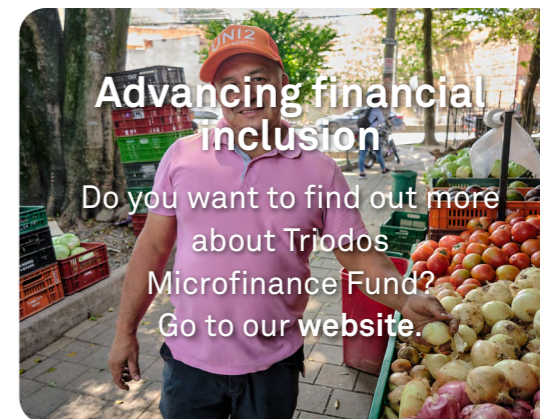
Proportion of investees providing non-financial services related to the environment, such as awareness campaigns, technical assistance, and training sessions divided by the total number of investees that provided data.

Donations to environmental projects

Proportion of investees making donations to environmental projects divided by the total number of investees that provided data.

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 As One To Zero progress reports.



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 2023: EUR5.7bn. 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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