

Include and empower

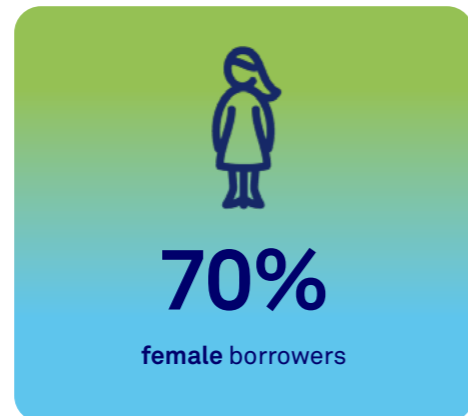
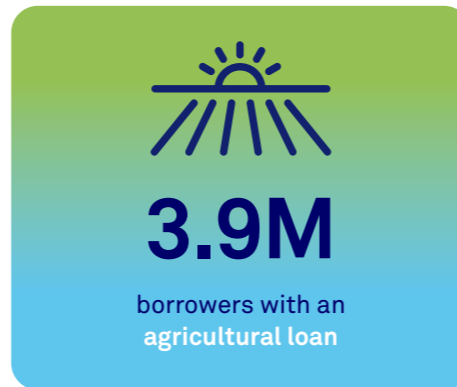
Triodos Microfinance Fund
Impact Report 2024

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 a UCITS/AIF manager 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 2024



Key Sustainable Development Goals contributed to:



In addition, the fund indirectly contributes to:



- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Thriving in difficult circumstances



The year 2024 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. 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, the effects of rising interest rates in recent years continued to be felt in some countries in 2024, mainly through refinancing risks. Microfinance institutions were quick in setting up schemes to relax payment schemes. On a positive note, interest rates have started to decline, which should normalise credit costs.

Despite these events, many local entrepreneurs in emerging markets held up rather well and rebuilt their economic activities.



Once again, the positive impact of investing in financial inclusion was underlined in the 2024 [60Decibels Microfinance Index](#) report, based on a survey of 36,000 microfinance clients from 126 financial service providers across 45 countries. The study concludes that microfinance improves the quality of life for 89% 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 OnePuhunan in the Philippines, providing loans and microinsurance products to more than 400,000 underbanked women entrepreneurs in predominantly rural areas.

In 2025, social inequality persists and may even increase due to the geopolitical polarisation. These developments all the more emphasise 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

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

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 2024
EUR 378m

Managed by
Triodos Investment Management

Custodian
CACEIS Bank, Luxembourg Branche



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.

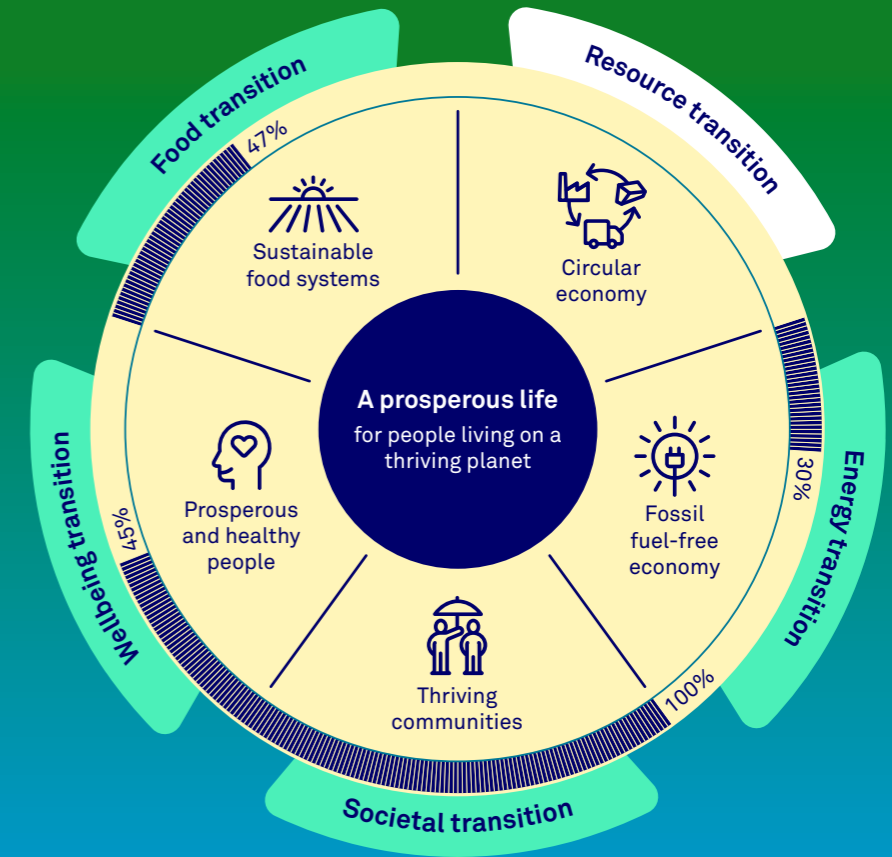
To facilitate this profound, systemic transformation, Triodos Investment Management has identified five interlinked transitions: Food, Resource, Energy, Societal and Wellbeing, all anchored in the UN Sustainable Development Goals. As a financial player, our mission is to enable and accelerate these vital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

Contribution Triodos Microfinance Fund

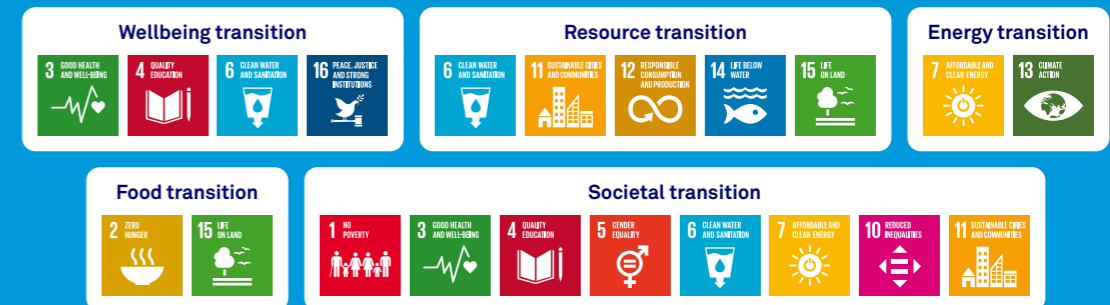
100% of the portfolio contributes to the **Societal transition** through providing loans, savings and other financial products to people and small businesses, helping them to build financial resilience.

The financial system is also an enabler for other transitions. 30% 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. We also consider offering financial literacy training, loans for education and healthcare to contribute to the **Wellbeing transition**, and 45% of the portfolio offers these products and services. Finally, 47% of the portfolio offers financing for agriculture to small-scale farmers, contributing to the **Food Transition**.

5 interlinked transitions



Anchored in the UN Sustainable Development Goals



- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Advancing financial inclusion

Triodos Investment Management classifies Triodos Microfinance Fund as an SFDR Article 9 fund. The fund offers investors the opportunity to make a proactive, 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. Our expected pathway to impact is captured in our Theory of Change on page 6.

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 relevant (*basic*) financial products and services, thereby enabling them to sustainably build their assets, develop their enterprises, improve their income earning capacity and save for future events.

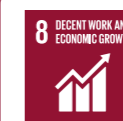
Financial Inclusion also plays a crucial role in addressing other pressing issues, such as access to education and healthcare, renewable energy and affordable housing.

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 basic household and business needs, when following a client-first approach.



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



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

In addition, expanding access to finance for underserved groups can also play a critical role in contributing to other SDGs, depending on the basic services enabled by the financial service providers:



For more information about how financial inclusion supports the SDGs, please see pages 12 and 13.

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

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 micro and SME borrowers, women, rural areas, affordable housing, access to good nutrition and 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
- > Collaborate in building and disseminating 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

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Investments in practice



Individual wellbeing

“Sidian Bank in Kenya is making a difference with its innovative WASH (water, sanitation and hygiene) loans, aimed at tackling critical issues like access to clean drinking water and sanitation facilities.

These loans empower WASH-focused small-scale businesses and water service providers to expand water distribution systems in low-income communities. Think infrastructure improvements and the installation of solar pumping systems.

The results are impressive: over 1.4 million individuals have benefitted from these initiatives, creating more than 3,000 jobs and supporting over 600 enterprises.

And let’s not forget the impact on gender inclusivity, as Sidian Bank particularly targets women-led WASH businesses.”



Jerry Kwo
Principal Investment Manager

[› See our 2024 results in data](#)



Equitable and green local economies

“Vietnam has set ambitious targets for increasing renewable energy capacity, but small businesses in this rapidly industrialising economy are facing some serious hurdles. These include regulatory and policy uncertainty, high technology costs and limited operational and maintenance capabilities, to name just a few.

One of the biggest challenges they encounter is securing financing for the adoption of clean energy technologies.

Fortunately, EVN Finance stands out as one of the few players in Vietnam dedicated to funding renewable energy installations, like rooftop solar. In navigating these challenges, the support from EVN Finance not only empowers small businesses to embrace clean energy solutions but also paves the way for a more sustainable future in Vietnam.”



Dylan D’Costa
Senior Investment Manager

[› See our 2024 results in data](#)



Sustainable financial system

“As one of the few financial institutions operating in Colombia, Uni2 is making strides in post-conflict areas.

By working closely with microentrepreneurs and farmers, Uni2 is not just fostering economic growth but also promoting social stability, playing a vital role in recovery efforts.

2024 was a significant milestone for the company, marking a decade of impactful work and the impressive total disbursement of over USD 100 million to 65,000 clients throughout Colombia.

Uni2 is set on expanding its reach, empowering even more microentrepreneurs and communities along the way. And we are looking forward to being part of that journey.”



Jaqueline Bonny Cariz
Investment Manager

[› See our 2024 results in data](#)

- › Impact highlights 2024
- › Foreword by the Fund Managers
- › Accelerating vital transitions
- › Advancing financial inclusion
- › Theory of Change
- › Investment in practice
- › Impact data overview
- › Impact investments
- › Engagement in the spotlight
- › Do no significant harm
- › Engagement agenda
- › Our masterclasses
- › Annex: Impact metrics explained

Impact data overview








Individual wellbeing

Adequate living standards and wellbeing for end-users

SDGs contributed to:



Key impact indicators





		2024	2023	Change	Explanation
	Number of borrowers reached (in millions)	12.6	17.5	-28%	The change is mainly driven by divestments of some established institutions with a large customer base, especially in Asia. The fund invested this in smaller, developing financial institutions that serve fewer clients. These smaller institutions have the potential to grow in the coming years.
	Borrowers reached attributable to the fund	140,000	174,000	-20%	This figure corresponds with the decline in the total number of borrowers above. This number reflects approximately 378 borrowers per million invested. ¹
	Number of savers reached (in millions)	19.3	20.3	-5%	In 2024, driven by sharp increase of global interest rates for international funding, many microfinance institutions and SME banks started to increase their local funding base by attracting more deposits from their clients. Hence, the number of savers reached by the fund remained the same even though the fund size reduced.
	Percentage borrowers reached who are women	70%	80%	-13%	The change is mainly driven by divestments of some large established institutions in Asia that had a large customer base of female entrepreneurs.
	Percentage rural borrowers reached	56%	68%	-18%	This change is mainly driven by divestments of some established institutions in Asia that had a large customer base of rural borrowers.

¹ 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.

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Key impact indicators

		2024	2023	Change	Explanation
	Number of borrowers with an energy efficiency and sustainability related loan	37,000	48,000	-23%	The change is driven by a mix of effects; some investments reported an increase in energy efficiency and sustainability related loans, whereas some investments reported a decline.
	Number of borrowers with educational loans	107,000	69,000	55%	In 2024, the fund added one investee in Mexico that only focuses on education loans.
	Number of borrowers with affordable housing loans	223,000	230,000	-3%	Insignificant change.
	Number of borrowers with agricultural loans	3.9M	7.3M	-47%	The change is mainly in line with the change in number of rural borrowers.

Average loan amount per region

	2024	2023	Change
Average loan amount (EUR)	2,297	2,240	3%
Africa and Middle East	2,867	2,801	2%
East Asia and Pacific	2,403	1,325	81%
Eastern Europe and Central Asia	4,448	3,975	12%
Latin America	3,406	7,493	-55%
South Asia	675	422	60%

SDGs contributed to:



- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained





Equitable and green local economies

Inclusive and sustainable communities and societies

SDGs contributed to:



Key impact indicators		2024	2023	Change	Explanation
	Number of SME borrowers	1.9M	1.8M	4%	The total number of SME borrowers remained largely unchanged from the previous year.
	Fund's carbon footprint* (scope 1, 2 and 3 emissions in tonnes of CO ₂)	12,000	13,000	-6%	The fund's carbon footprint remained largely unchanged from the previous year.

* 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 as part of Triodos Group's emissions reduction ambitions.

- 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.

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained



Sustainable financial system

Transform the financial system for a sustainable future

SDGs contributed to:



Non-financial services

Financial literacy, enterprise development, social awareness 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

	2024	2023
Financial literacy training	60	55
Enterprise development training	46	44
Social awareness training	36	31

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

	2024	2023
Environmental criteria in credit assessment	60	53
Internal green office procedures	61	52
Technical assistance	31	27
Donations to environmental projects	21	21

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 on CPP

	2024
% of investees are active on CPP	18

16 equity investments with active board membership

Triodos Microfinance Fund has equity positions in 16 institutions and funds in which it has a board seat. 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 highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Triodos Microfinance Fund contributes to the following UN Sustainable Development Goals

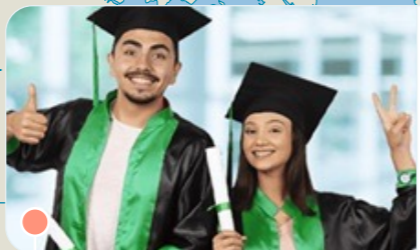
SDG	Rationale	Key impact indicators	Example investees
 <p>1 NO POVERTY</p>	All men and women, in particular poor and the vulnerable people, have equal rights to economic resources, as well as access to basic services [...] and financial services, including microfinance (Target 1.4)	<ul style="list-style-type: none"> • Total number of borrowers: 12.6M • Number of borrowers attributable to the fund: 140,000 • Average loan size: EUR 2,297 • Total number of savers: 19.3M 	Centenary Bank, Uganda
 <p>2 ZERO HUNGER</p>	Double the agricultural productivity and incomes of small-scale food producers, including through secure and equal access to [...] financial services [...](2.3)	<ul style="list-style-type: none"> • Borrowers with an agricultural loan: 3.9M • Percentage of rural borrowers: 56% 	Samunnati, India
 <p>4 QUALITY EDUCATION</p>	Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes (4.1)	<ul style="list-style-type: none"> • Number of borrowers with educational loans: 107,000 	Laudex, Mexico
 <p>5 GENDER EQUALITY</p>	Ending all forms of discrimination against women (Target 5.1) Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making [...](5.5)	<ul style="list-style-type: none"> • Percentage borrowers reached who are women: 70% 	Microfund for Women, Jordan
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure universal access to affordable, reliable and modern energy services (7.1)	<ul style="list-style-type: none"> • Number of borrowers with an energy efficiency and sustainability related loan: 37,000 	EVN Finance, Vietnam

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

SDG	Rationale	Key impact indicators	Example investees
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Support productive activities, [...] and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services (Target 8.3)</p> <p>Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all (8.10)</p>	<p>Access to credit and financial services helps small to medium-sized enterprises grow, create jobs, and contribute to economic growth.</p>	<ul style="list-style-type: none"> • Total number of SME borrowers: 1.9M <p>Lulalend, South Africa</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Increase the access of small- scale enterprises, in particular in developing countries, to financial services, including affordable credit, and support their integration into value chains and markets (9.3)</p>	<p>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.</p>	<ul style="list-style-type: none"> • Percentage of portfolio in fintech or embedded finance: 9% <p>UsPlus, South Africa</p>
 <p>10 REDUCED INEQUALITIES</p>	<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)</p>	<p>Financial inclusion helps to reduce economic and social disparities, fosters economic opportunities, and builds more inclusive markets.</p>	<ul style="list-style-type: none"> • Number of investment companies: 87 • Number of countries invested in: 39 • Percent of investees that provide non-financial services: 60% • Percentage of investees with active Client Protection Pathway status: 18% <p>Annapurna, India</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Access for all to (affordable) housing (11.1)</p>	<p>Financial inclusion can support the development of affordable housing, infrastructure, and services.</p>	<ul style="list-style-type: none"> • Total number of borrowers with an affordable housing loan: 223,000 <p>La Hipotecaria, Colombia</p>
 <p>13 CLIMATE ACTION</p>	<p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (13.1)</p>	<p>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.</p>	<ul style="list-style-type: none"> • Percentage of investees with environmental criteria in their credit assessment 60% <p>Bailyk Finance, Kyrgyzstan</p>

Impact investments

Click [here](#) to access an interactive world map that shows the fund's investments in 2024.



Laudex in Mexico

Is specialised in education loans. By backing talented students from low- and middle-income backgrounds, Laudex enables them to pursue the best education possible.

> 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](#)



USPlus in South Africa

Provides alternative funding solutions, in the form of discounting products to the SME sector, allowing for easy and fast access to working capital.

> Find out more [here](#)



Banco Internacional in Ecuador

Is the fifth largest bank in Ecuador and stands out in the country's financial landscape with its strong focus on financing SMEs and green projects.

> Find out more [here](#)

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Empowering women entrepreneurs in the Philippines

Serving underbanked women: OnePuhunan

OnePuhunan is a key player in the microfinance landscape in the Philippines. They provide loans and microinsurance products to more than 400,000 underbanked women entrepreneurs in predominantly rural areas. Triodos Microfinance Fund provided a senior debt facility to the company.

OnePuhunan is built on the idea that everyone deserves the opportunity to build better lives for themselves and their families. The institution was founded in 2014 by Credit Access Asia to provide financial services to underbanked self-employed women. It has gradually grown to employ more than 2,500 staff with a nationwide network of more than 200 offices.

Fair lending

Looking at the client base of OnePuhunan, most women entrepreneurs are active in the trading sector, such as sari-sari stores and small grocery stores. OnePuhunan is adamant about transparency and client respect. Loan officers, branch managers and collection officers are trained on fair lending and collection practices and provide an in-depth review of all the concepts involving the loan process to all borrowers.

Rural outreach

OnePuhunan is poised for further growth. It aims to further increase its network of branches, especially in rural areas. Investing in technology, increasing digitisation and strengthening policies and procedures are key in realising this growth. Steps are already being taken, for example the introduction of an in-house developed client app which is used by more than 350,000 clients.

The senior debt facility provided by Triodos Microfinance Fund supports OnePuhunan in realising their growth ambition. This transaction rekindled the fund's partnership with OnePuhunan, which started with a first transaction in 2017. Also, it provides geographic diversification by adding the Philippines to the fund's portfolio and a return to one of the fast-growing countries in the region.



Empowering women entrepreneurs



OnePuhunan staff

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Do no significant harm

Minimising adverse impact

To make sure that its investments do not cause any significant harm, Triodos Microfinance Fund continuously monitors alignment with the strict Triodos Minimum Standards.

One of the most material sustainability 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). The seven Standards ensure that financial services are delivered to clients in a safe, responsible, and fair manner.

This includes the [Client Protection Pathway](#), which describes the steps that a financial service provider can take to implement the client protection practices necessary to avoid harming clients and communicate this progress to investors (see next page).

We also make use of [ALINUS](#), a shared investor due diligence tool based on the Universal Standards, further strengthening our collaboration with Cerise+SPTF.

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).

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Engagement agenda

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

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.

Collaboration with Cerise+SPTF



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

Climate change



Our near-term emission reduction targets have been validated by the Science Based Targets initiative.

Since 2023, we have engaged with our investees to measure and reduce their carbon footprint. Currently this happens on a case by case and ad hoc basis, but we are developing a more structured approach as we learn.

[Read more on our Climate Strategy](#)

Environmental and Social Management Systems (ESMS)



We require that our investees integrate plans and standards into their core processes to reduce the 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.

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

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.



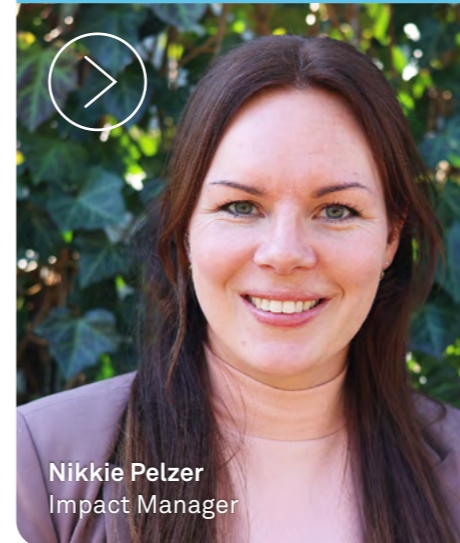
Impact management

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.



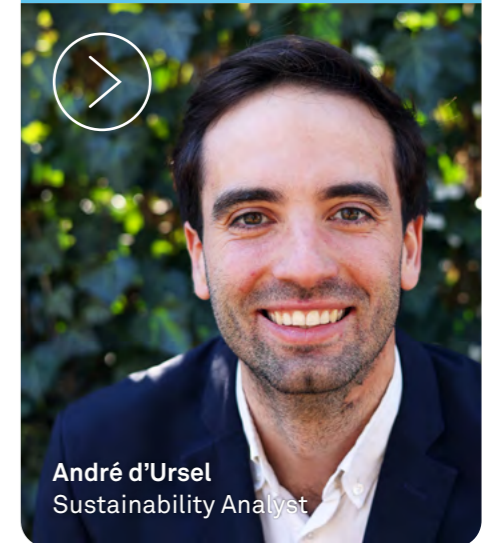
Impact measurement

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.



- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

Annex: Impact metrics explained

Number of borrowers reached

Number of unique individuals who received a loan product from the organisation in the reporting period.

Borrowers reached attributable to the fund

Value of gross loan portfolio of the organisation divided by the total number of borrowers reached and multiplied by the value of fund's investment into the organisation in the reported period (rounded number).

Number of savers reached

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

Number of rural borrowers

Number of unique rural borrowers (borrowers in settled places outside towns or cities) currently holding an active loan at the end of the reporting period.

Percentage of rural borrowers

Number of rural borrowers divided by the number of borrowers reached.

Number of borrowers who are women

Number of unique women clients who received a loan product from the organisation in the reporting period.

Percentage of borrowers who are women

Number of women borrowers divided by the number of borrowers reached.

Number of borrowers with affordable housing loan

Number of unique clients who received a loan from the organisation dedicated to fund purchase, construction, renovation or improvement of individual home in the low-income segment.

Affordable housing

Housing for which the associated financial costs are at a level that does not threaten or compromise the occupants' enjoyment of other human rights and basic needs and that represent a reasonable proportion of individuals' overall income.

Number of borrowers with agricultural loan

Number of unique clients who received a loan from the organisation dedicated to funding agricultural activities or adapted to the needs of a small-hold farmer.

Number of borrowers with educational loan

Number of unique clients who received a loan from the organisation dedicated to funding education, including professional training.

Number of borrowers with energy efficiency and sustainability-related loan

Number of borrowers who received a loan from the organisation to fund environmentally impactful 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.

Number of SME borrowers

Number of unique clients who are small to medium-sized enterprises and received a loan product from the organisation in the reported period. Small- and medium-sized enterprises are a legal entity with

between 5 and 300 full time employees. Additional criteria of asset size and annual sales each being below the equivalent of USD 15 million per annum might apply depending on local context.

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.

Average loan amount (EUR)

Total gross loan portfolio divided by the total number of borrowers of the organisation in the reporting period and expressed in EUR.

Number of investees offering non-financial services

Number of investee organisations that offer one or more of non-financial services, such as financial literacy training, enterprise development training, social or environmental awareness and technical assistance to their clients or broader stakeholder groups.

Percentage of investees offering non-financial services

Proportion of investee organizations that offer one or more non-financial services to their clients divided by the total number of investee organisations that provided this 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.

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

- > Impact highlights 2024
- > Foreword by the Fund Managers
- > Accelerating vital transitions
- > Advancing financial inclusion
- > Theory of Change
- > Investment in practice
- > Impact data overview
- > Impact investments
- > Engagement in the spotlight
- > Do no significant harm
- > Engagement agenda
- > Our masterclasses
- > Annex: Impact metrics explained

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.

Percentage of investees on Client Protection Pathway

Number of investee companies that have "active" status on the list of CPP secretariat, which includes the committed and certified organisations.

Number of equity investments with active board membership

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

Percentage of investees with 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.

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.

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 our [emissions reduction ambitions](#).

Implementation of sustainability regulation

SFDR

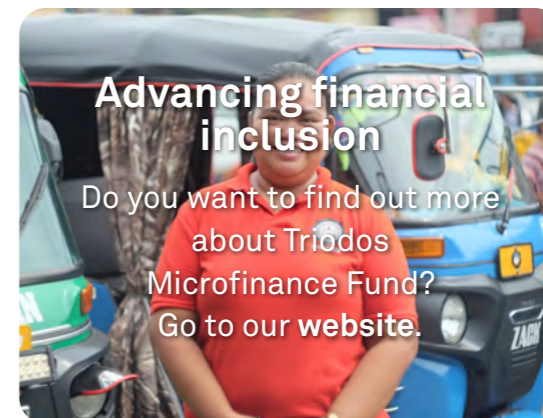
We classify all our funds as Article 9 Funds under the EU Sustainable Finance Disclosure Regulation (SFDR). Article 9 classification refers to the most sustainable product category and has the strictest requirements on sustainability disclosures.

This includes information on 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

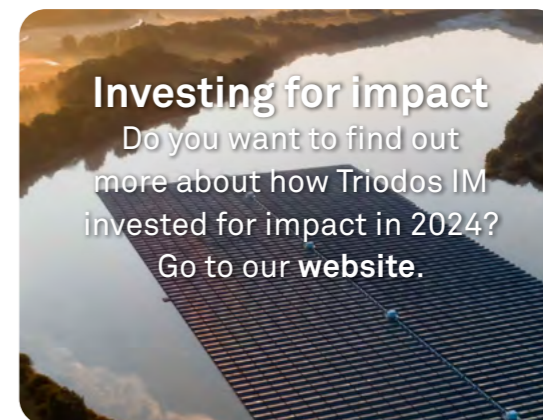
As from 1 January 2023 Triodos IM is obliged to report what percentage of a fund's portfolio is aligned with the EU Taxonomy Regulation. The EU taxonomy is a classification system that defines criteria based on which economic activities can be considered as environmentally sustainable.

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



Advancing financial inclusion

Do you want to find out more about Triodos Microfinance Fund? Go to our [website](#).



Investing for impact

Do you want to find out more about how Triodos IM invested for impact in 2024? Go to our [website](#).

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:

+31 (0)30 694 2400
TriodosIM@triodos.com
www.triodos-im.com

Published
April 2025

Text
Triodos Investment Management

Cover photo
OnePuhunan, Philippines

Design and layout
Via Bertha, Utrecht

Disclaimer

- > This document has been carefully prepared and is presented by Triodos Investment Management.
- > It does not carry any right of publication or disclosure, in whole or in part, to any other party.
- > This document is for discussion purposes only.
- > The information and opinions in this document constitute the judgement of Triodos Investment Management at the time specified and may be subject to change without notice, they are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient. Under no circumstances is it to be used or considered as an offer to sell, or solicitation of any offer to buy, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or be taken as investment advice.
- > Triodos Microfinance Fund is managed by Triodos Investment Management BV. Triodos Investment Management is a licensed AIFM and UCITS management company under the Financial Supervision Act by the Dutch Financial Markets Authority (Autoriteit Financiële Markten, AFM).
- > The content of this document is based upon sources of information believed to be reliable, but no warranty or declaration, either explicit or implicit, is given as to their accuracy or completeness.
- > This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.
- > All copyrights patents and other property in the information contained in this document is held by Triodos Investment Management and shall continue to belong to Triodos Investment Management. No rights whatsoever are licensed or assigned or shall otherwise pass.
- > When investing in the fund, please take into account all the characteristics and/or objectives of the promoted fund as described in its prospectus. Further, please take notice of the sustainability aspects of the fund as found [here](#).