Welcome to sustainable banking.

Investing in Sustainable Trade

Triodos Bank
Trade is sustainable when it is based on reliable and transparent value chains, fair prices and concern for environmental, social and cultural values.
From crop to shop

As one of the world’s leading sustainable banks Triodos Bank has been active in the organic and fair trade sector for many years, providing effective financial solutions for sustainable value chains. Since its inception Triodos Bank has mobilised millions of Euros to support the fair trade and organic industries from ‘crop to shop’.

Triodos Sustainable Trade Fund is one of the special purpose funds of Triodos Investment Management, a 100% subsidiary of Triodos Bank. Triodos Investment Management is a globally recognised leader in impact investing.

Triodos Sustainable Trade Fund has built up over 15 years of experience in providing innovative trade finance loans that assist organic and fair trade producers in Latin America, Africa and Asia in accessing international markets.

In doing this, the fund aims to improve the lives of small-scale farmers and stimulate sustainable agriculture as an alternative to conventional, chemical-intensive agriculture. We actively engage with sustainable value chains, where transparency, fairness and care for the earth are the guiding principles.

Recent and expected future double-digit growth rates for both the organic and fair trade market reflect a growing consumer awareness of global trade issues and a wish to consume sustainably, along ethical and environmental lines. This offers excellent market opportunities for small-scale farmers located in developing countries, in which our trade finance is a key instrument.

Michaël van den Berg
Fund Manager Triodos Sustainable Trade Fund

‘Agriculture is at a crossroads and with it, the lives of millions of smallholder farmers. Climate change and non-sustainable farming practices are degrading arable land, while more and more consumers wish to consume ethically sourced goods. This leads to an urgency to improve the sustainability of agriculture, in particular for smallholder farmers who run 85% of farms in developing economies. The organisations we finance bring about this much needed positive change on a daily basis.’
AFRICAN COCOA

ICAM Uganda was founded in 2010 and is a subsidiary of ICAM in Italy, one of the leading buyers in organic and fair trade cocoa throughout the world. As part of ICAM’s sustainability policy, all cocoa is ethically sourced from the approximately 1,500 hectares of sustainably cultivated land and the company pays the 6,289 farmers immediately and fairly thanks to the trade finance provided by Triodos Sustainable Trade Fund. As cocoa production is subject to less seasonality than other commodities, it offers a stable income for farmers.

Mr. Angelo Agostoni
President of ICAM Cioccolato Company

‘Finance has enabled us to provide healthier working conditions for farmers and ensure a stable and fair buyer.’
An efficient instrument for agricultural exporters

Organic and fair trade exporters in developing countries generally lack access to adequate finance. This is a major problem, particularly in harvest time. If farmers cannot receive timely payment for their produce they are often forced to sell at a discount to local middlemen. This represents a real bottleneck in the growth of organic and fair trade projects and prevents farmers from increasing their level of income.

The trade finance loan offered by Triodos Sustainable Trade Fund removes this hurdle. It is an accessible and efficient instrument for agricultural exporters to pay their farmers upon delivery of their produce. It enables them to bridge their cash-flow deficit from harvest time until final payment by the buyers.

The process is simple and straightforward. Based on an export contract with a reputable buyer in Europe or the United States, Triodos Sustainable Trade Fund can pre-finance up to 60% of the contract value. A central element of the loan is that the seller, the buyer and the fund agree that all payments on the contract are made through a Triodos Bank account. Each time a payment is received, Triodos Sustainable Trade Fund withholds part of it for the repayment of the loan and pays the remainder to the seller.

This continues throughout the harvest season, so that by the end of the harvest season the loan has been fully repaid.
The number of smallholder farmers worldwide who sold their harvest to organisations benefiting from trade finances from Triodos Sustainable Trade Fund in 2016.

104,842
Urmatt, Limited was founded in 1982 by Arvind Narula, a Thai entrepreneur with a deep connection to the community. Urmatt produces and processes fully certified organic rice, while also producing chia and coconut during the rice off-season and sells largely to the USA, Denmark, and Germany. Urmatt's commitment to adding value to the local communities by empowering its 2,400 farmers and its transition to 100% organic operations across 2,400 hectares has made it a leader in its environmental practice. Trade Finance from Triodos Sustainable Trade Fund enables Urmatt to increase its organic rice activities and expand its product line while paying farmers a fair and immediate price upon delivery.

Arvind Narula
CEO and Founder of Urmatt Group
‘All these years of discussion and talking about inclusive business, who’s to say farmers aren’t including us in their business? My business cannot continue without them.’
Our trade finance in brief

We lend to agricultural exporters located in Africa, Latin America and (Central) Asia who are dedicated to organic production and/or fair trade principles.

Organisations need to:
• be financially and commercially sustainable;
• have access to export markets for commodities or related products, and
• have a minimum annual turnover of USD 1,000,000 or the equivalent in Euros.

Loan period
The start of the loan period normally coincides with the start of the harvesting season and may continue until the last shipment of the exported products. Usually the loan period is between 6 and 12 months.

Amount
We lend between USD 300,000 and USD 3,000,000 (or the equivalent in Euros), and up to 60% of the value of the export contract(s).

Interest rate and costs
Interest is calculated on a declining balance. In addition, an administration fee is charged.

Currency
The loan is denominated in US Dollars or Euros.

Disbursement
The loan amount is disbursed in full or in tranches after all conditions stipulated in the loan agreement have been fulfilled.

Security
We usually do not require collateral beyond the receivables related to the export contracts.
EUR 28.8 million

Transacted loan volume in 2016.
Sustainability as our core value

As one of the world’s most sustainable banks, Triodos Bank is committed to an approach to money that values people, planet and profit. In line with that strategy we provide trade finance to agricultural exporters in developing countries that demonstrate an on-going dedication to social and environmental performance. This is visible in the high content of certified fair trade and organic farming in the fund’s portfolio. Our vision on sustainable agriculture and fair treatment of farmers and workers is inspired by principles as formulated by the International Federation of Organic Agricultural Movements (IFOAM). These principles present a philosophy of agriculture as a living ecological and social system and include:

Principle of health
Agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible.

Principle of ecology
Agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.

Principle of fairness
Agriculture should build on relationships that ensure fairness with regard to the common environment and life opportunities. It especially considers the social and economic wellbeing of smallholder farmers in the developing world.

Principle of care
Agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment.

Does the adoption of the IFOAM principles mean that we only finance certified organic agriculture? No, we rather use these principles as ethical principles to inspire action among our clients and other stakeholders.

We also aim to inspire the financial sector; by demonstrating that sustainable agriculture can be successfully financed in emerging markets, we want to catalyse financing for this sector, both locally and internationally.
Portfolio
Triodos Sustainable Trade Fund

Geographical specification
(as % of total EUR disbursed and outstanding in 2016)

LATIN AMERICA 60%
AFRICA 28%
MIDDLE EAST 6%
ASIA 6%

Product specification
(as % of total EUR disbursed and outstanding in 2016)

COFFEE 36%
COCOA 22%
OILS 13%
NUTS 6%
RICE 5%
QUINOA 5%
CHIA 4%
SESAME 4%
HONEY 2%
FRUITS 2%
COCONUT 1%
What can we do for you?

Are you a company exporting fair trade or organic agricultural products to international markets?

Are you an investor who wants to find out more about opportunities for investing in sustainable trade?

We'd be happy to discuss your needs and objectives and to answer any questions you may have. Please contact

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More information on our role as an investor in the sustainable trade sector worldwide can be found at www.triodos.com. Here you can read about our recent activities and latest publications, and register to receive our free Triodos Emerging Markets e-zine.

The number of hectares under sustainable cultivation by organisations in the fund’s portfolio.

98,344
About Triodos Investment Management

Triodos Investment Management connects a broad range of investors who want to make their money work for lasting, positive change with innovative entrepreneurs and sustainable businesses doing just that. In doing so, we serve as a catalyst in sectors that are key in the transition to a world that is fairer, more sustainable and humane.

With our highly professional investment teams, we have built up in-depth knowledge through our 25 years of impact investing in sectors such as energy & Climate, Inclusive Finance, Sustainable Food & Agriculture, Arts & Culture, and Sustainable Real Estate. We also invest in listed companies with an above-average environmental, social and governance (ESG) performance. Assets under management as per 30 June 2016: EUR 3.1 billion.

Triodos Investment Management is a globally active impact investor and consists of Triodos Investment Management BV and Triodos Investment & Advisory Services BV, both wholly-owned subsidiaries of Triodos Bank NV.
What can we do for you?

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All figures correct as of 31 December 2016.
Triodos Investment Management BV has an authorisation of the Dutch regulatory authority (Autoriteit Financiële Markten).