



Investing in resilient and inclusive food systems

How Triodos Food Transition Europe Fund made a difference in 2020

Triodos @Investment Management

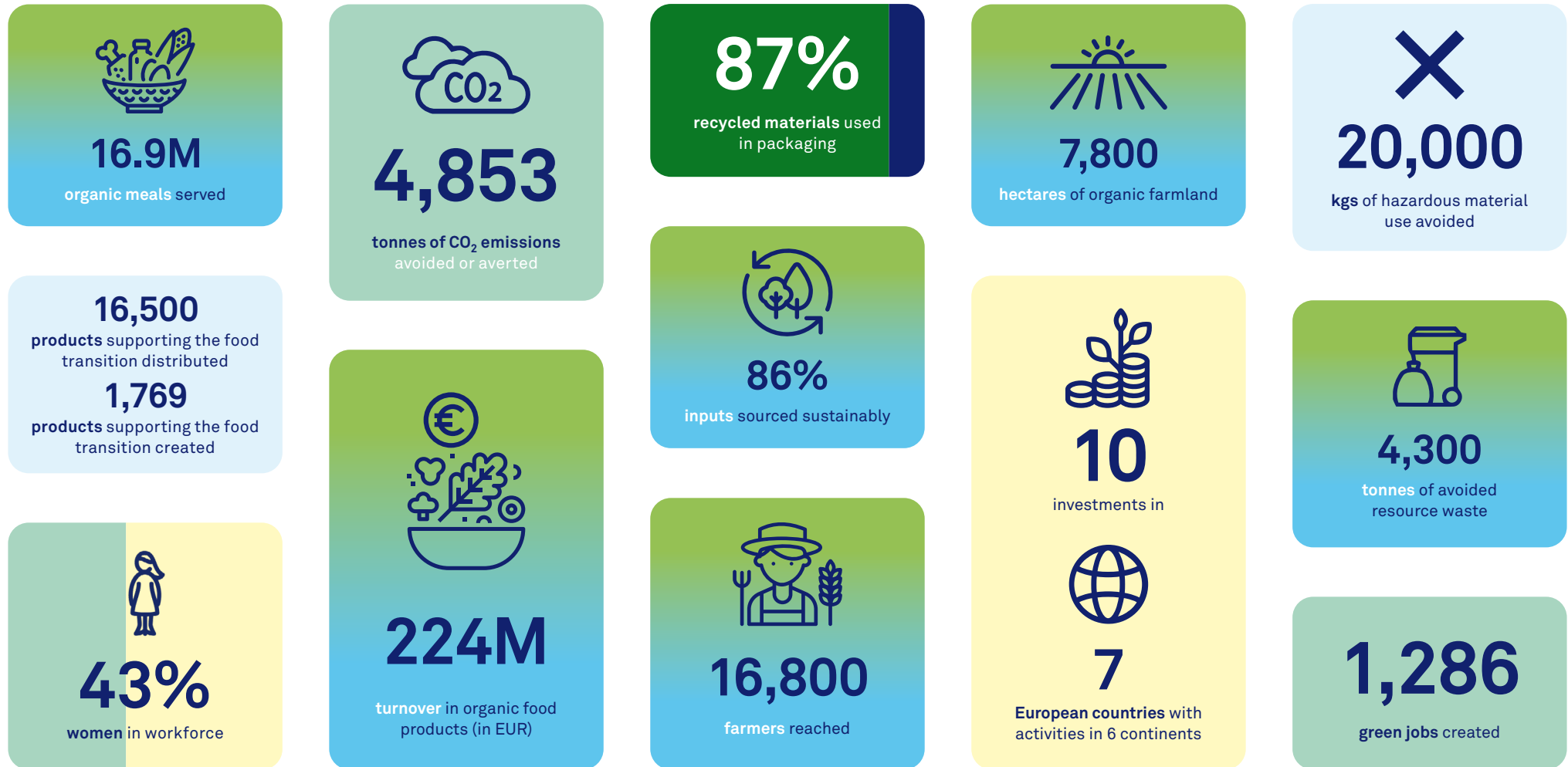
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Impact highlights 2020



Resilient and inclusive food systems

Foreword by Fund Manager Isabelle Laurencin



2020 was a challenging year for the entire world and has stressed our economies and food production systems in unprecedented ways. The pandemic, more than ever, has shown the urgent need to shift to resilient and inclusive food systems, which is why Triodos Food Transition Europe Fund continues to invest in companies that are driving in this much-needed transition.

Despite the profound challenges we have faced, it was a successful year for the fund in many ways. We have shown that investing for positive impact can be profitable for all stakeholders. We are proud of the strong resilience and performance demonstrated by our portfolio companies, our new investment in the Swiss e-grocer FARMY and the positive impact of our investments on the planet and society.

With this impact report, we focus on the ten inspiring frontrunners in our fund and their contribution to balanced ecosystems, a healthy society and inclusive prosperity. We want to give you a flavour of the importance and dynamics of the fast-growing sustainable food sector in the context of numbers, activities, and stories.

We are convinced the world is at the beginning of the essential food transition and look forward to further contributing to this in the coming years!

Isabelle Laurencin
Fund Manager Triodos Food Transition Europe Fund

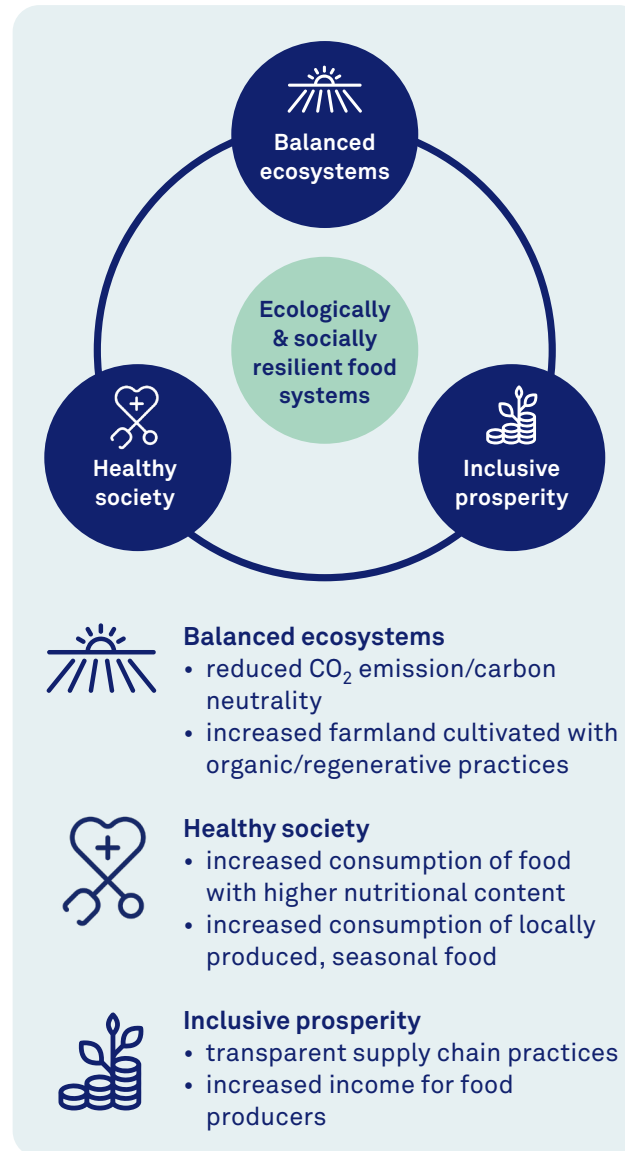
Driving the food transition

Triodos Food Transition Europe Fund provides patient, mission-aligned private equity and venture capital to leading European companies in the transition towards sustainable food and agricultural systems. The structure of our fund, our long-term perspective and the clarity of our vision provides competitive financial returns but also prioritises positive social and environmental impact on food systems over time.

Why do we invest in the food transition?

Our current food and agriculture system exceeds planetary boundaries. It depletes soil health, contributes to climate change through greenhouse gas emissions, causes a decrease in biodiversity and contributes to malnutrition. Agriculture must work with nature rather than against it. Additionally, balanced and resilient food systems should deliver food that is high quality, nutritious and affordable, so we can give the best access to healthy food and support better societal health systems. Sustainable systems should also have transparent supply chains where participants are fairly compensated for the goods they produce.

These perspectives are captured in Triodos Bank's vision document '[Towards ecologically and socially resilient food and agriculture systems](#)'. This document guides the fund's investment mandate and helps us understand the impact we want to have through our investments.



Sustainable Development Goals

Our vision and impact framework are fully aligned with the UN Sustainable Development Goals (SDGs), in particular SDG 12 (Responsible Consumption and Production) and SDG 2 (Zero Hunger) with a focus on promoting healthy soil, biodiversity and organic production and consumption.

In a broader context, food and agriculture also encourage good health and wellbeing (SDG 3), facilitate greater carbon sequestration and reduce greenhouse gas (GHG) emissions (SDG 13) while providing work opportunities that stimulate the economy (SDG 8).



2020: a turning point for the food system

COVID-19 has had a fundamental impact on our food system and thrown new light on how and what we eat. People are increasingly aware of their health and nutrition, and they spend more time preparing and thinking about their food. Many wish to connect with their food producers and understand the practices adopted in growing the crops they consume.

Early in the pandemic, shocks to the system disrupted the supply chain, forcing reflection on how reliant we are on globalised and industrialised food chains.

An understanding of climate change is influencing consumers, businesses and regulatory bodies to adopt a more responsible approach. The market is transitioning towards more sustainable consumption, and Triodos Food Transition Europe Fund plays a key role in this transition.

A new name and mandate

These radical changes meant that 2020 was a turning point for the food system. Recognising this, we revised our investment strategy to focus solely on the food transition. We changed the name of the fund from Triodos Organic Growth Fund to Triodos Food Transition Europe Fund. The mandate was also expanded from private equity to include late-stage venture capital investing. This shift allows us to support younger, higher growth businesses and thereby drive different and potentially greater impact disruptors.





2020 Impact at a glance: balanced ecosystems

Promoting healthy soils, biodiversity, animal welfare, lowering carbon emissions and food waste, and conscious use of earth's resources.



4,300

tonnes of avoided resource waste¹



4,853

tonnes of CO₂ emissions avoided/offset²



224M

turnover in organic food products (in EUR)



20,000

kgs of hazardous material use avoided³



7,800

hectares of organic farmland³



86%

inputs sourced sustainably

Weighted average of

87%

of recycled materials used in packaging⁴

- ¹ Figure reflects estimated amount of waste avoided by TIPA, Naty, Ecoffee Cup, Farmy and Aarstiderne
- ² Figure reflects CO₂ emissions offset and estimated tonnes of CO₂ avoided by Farmy and Aarstiderne
- ³ Calculation based on estimates
- ⁴ Excludes Aarstiderne, Farmy and Beendhi

Contributing portfolio companies



SDG contribution



For a more detailed explanation of the KPIs, we refer to the Annex on [page 30](#).



2020 Impact at a glance: healthy society

Improving food security and safety, eradicating all forms of malnutrition, while simultaneously promoting sustainable and diverse diets.



31.5 million

turnover in plant-based products (in EUR)



16.9 million

organic meals served

16,500

products supporting the food transition (distribution)

1,769

products supporting the food transition (created)

542,000

social media engagements

Contributing portfolio companies



HARi&CØ

ECO by
Naty

beendi



SDG contribution



For a more detailed explanation of the KPIs, we refer to the Annex on [page 30](#).



2020 Impact at a glance: inclusive prosperity

Fair and transparent business practices, and building resilient local food systems by providing access to assets, finance, markets and education.



16,800

farmers reached



43%

female workforce in our portfolio companies⁵

1,286

green economy jobs⁵

⁵ Excludes Beendhi

Contributing portfolio companies



SDG contribution



For a more detailed explanation of the KPIs, we refer to the Annex on [page 30](#).

Investment approach

Guided by the Theory of Change, the fund's investment approach can be summarised as follows:

1. Evergreen

As an evergreen fund, Triodos Food Transition Europe Fund provides long-term equity capital without the pressure of an exit required by some fixed-life funds. This flexibility enables us to support impactful companies to reach their long-term environmental, social and financial goals whilst achieving competitive returns. This approach can also help support companies' independence, entrepreneurship and mission.

2. Four investment themes

From our framework, we have defined four primary investment themes:

Organic and sustainable food companies

These companies contribute to an increasing portion of organic or beyond organic products on the market.

The transition to sustainable diets

Here the focus is on companies that contribute to high-quality and healthy diets with a positive impact on nature as well. Examples include producers and sellers of locally sourced and/or plant-based products, or meat alternatives.

Fair value chain solutions

These are companies that enhance transparency and fair wealth distribution across the food value chain.

Waste solutions and circular business models

Here the focus is on companies that fight food waste, have a circular business model or have innovative food packaging solutions.

3. Across the lifecycle

With our revised investment mandate, we aim to drive impact by investing across the various stages of business lifecycle. In addition to supporting mature companies delivering impact, Triodos Food Transition Europe Fund is now backing disruptive and fast

growth late-stage venture businesses. This flexibility provides opportunity for greater impact in the future through earlier interventions.

4. Across the value chain

Through its investments in product development, production, wholesaling and retailing, Triodos Food Transition Europe Fund has an impact throughout the value chain which is aligned with our holistic view on creating an ecologically and socially resilient food system.

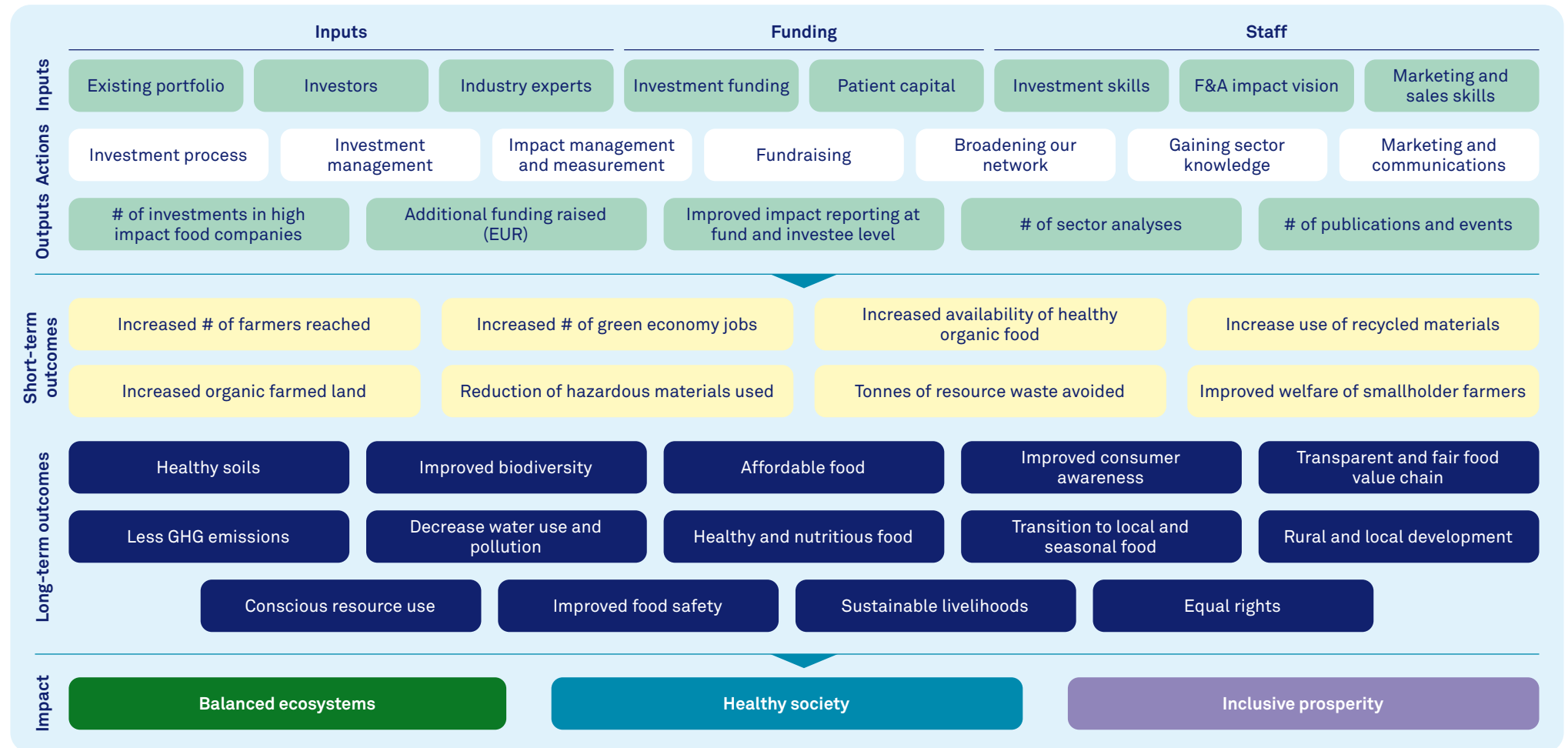
Impact throughout the value chain



Theory of Change

Triodos Food Transition Europe Fund is guided by Triodos Bank's vision document, which explores the need for food transition and the key areas where positive change needs to happen, as well as highlighting metrics to measure impact. This, in turn, has shaped our Theory of Change which underpins how we act, invest and evaluate our work.

The fund's Theory of Change framework



Impact management process

Our impact management process covers our end-to-end approach to maximise impact. We incorporate key environmental, social and corporate governance (ESG) and sustainability risk identification/mitigation when identifying, measuring and

maximising impact. As shown in the picture, impact is incorporated throughout the initial investment process, during investment management and during a potential exit process, when applicable. Together with the companies we assess their contribution

to balanced ecosystems, a healthy society and inclusive prosperity, how we can report on this and how this can be improved over time. During an exit process, finding a responsible buyer is very important in the decision-making process.



Enhancing impact management and measurement

We seek to keep enhancing our impact measurement and management. The changes we made in 2020 are:

- To respond to the climate emergency, we have initiated the measurement of Scope 1 and Scope 2¹ CO₂ emissions for all our portfolio companies this year.
- We have enhanced impact KPI setting and monitoring. Together with our portfolio companies, we identify the highest impact parameters and decide how these areas could be improved. Then we set ambitious yet realistic targets.
- We have added new impact metrics under our framework. These include tonnes of CO₂ emissions avoided or averted, products supporting the food transition created and distributed, turnover in plant-based products, social media engagements and gender ratio in workforce.

¹ **Scope 1** covers direct emissions from owned or controlled sources. **Scope 2** covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

What is the fund's additionality?

As an impact investor, we aim to support responsible businesses. Our impact is two-fold:

- the impact on our ventures by supporting them
- the impact on environmental and social systems through our investment strategy

Investor Impact Matrix

The impact we have on our companies is difficult to quantify. It is hard to put a number on the support, advice and network we provide. In order to quantify the impact from our investment strategy, we use the Investor Impact Matrix developed by the Impact Management Project. This matrix allows us to map the impact of the companies we support as well as our additionality as impact investors. In 2020, Triodos Food Transition Europe Fund invested in Farmy. An example of how we assessed Farmy's impact creation potential by using the Investor Impact Matrix is shown on the next page.

The companies may choose to act to avoid harm to their stakeholders through measures like fair pay and decreased carbon footprint. Additionally, they could actively benefit stakeholders by selling products supporting good health and creating purpose-led jobs. Furthermore, the companies could use their skills to actively contribute to solutions to pressing social or environmental problems.

As an investor, we commit to factoring the impact a company has by signalling that impact matters throughout our investment and holding process. We also engage actively with the company to use our expertise and networks to improve their environmental and social performance. We also consciously invest in companies in historically undersupplied or new markets.

75% of our current portfolio actively contributes to solutions in new or underserved markets. We are constantly working towards our entire portfolio being in the bottom right of the table – contributing to solutions.

Adapted from IMP's Investor Impact Matrix

	Act to avoid harm	Act to avoid harm and benefit stakeholders	Act to avoid harm, benefit stakeholder and contribute to solutions
Signal that impact matters	–	–	–
Signal that impact matters and engage actively	–	4%	1%
Signal that impact matters, engage actively and grow new or undersupplied markets	–	20%	75%

Investor Impact Matrix for Farmy

What does the company do?



Farmy is Switzerland's first farm-to-home online grocery company delivering ultra-fresh, organic and local products to customers.

What are the impact risks?

With increased use of farm-to-home grocery model, prices of local produce may rise in the short run due to increased demand. This will stabilise over time, ensuring a supply of affordable, nutritious food for all.

Whom does it benefit?

- People benefit from healthy, fresh and organic food at an affordable price.
- The planet benefits from increased organic agriculture, balanced ecosystems and reduced GHG emissions through sustainable packaging and delivery.
- Food producers and farmers profit from an additional, higher margin, revenue stream and boost in local economy.

What is the company's additionality?

Farmy is the only online grocery company directly connecting farmers to consumers in Switzerland. By shortening the supply chain, Farmy reduces food waste and loss of critical micronutrients from food and delivers more nutritious and tasty produce to consumers.

How much change was affected?

(2020 indicators)



Saved

400

tonnes of CO₂ emissions through operations



Supported over

1,000

organic farmers and

1,400

small and medium producers from Switzerland.

Generated **0%** food waste



Impact of our portfolio companies



Companies in portfolio

The portfolio companies are located in seven different countries, giving the fund impact in various markets.

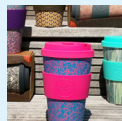
The Netherlands



DO-IT

A major European importer and distributor of 100% organic foods with a deep commitment to support organic agriculture.

United Kingdom



Ecoffee Cup

Develops and sells stylish, reusable cups for the on-the-go beverage market, providing an alternative to single-use items.

Switzerland



Farmy

Switzerland's first farm-to-home online grocery company delivering ultra-fresh, organic and local products to customers.

Sweden



Naty

Market-leader in environmentally friendly hygiene products for babies and mothers.

Israel



TIPA

Develops and produces a sustainable and viable alternative to conventional flexible packaging made from plastic.

Denmark



Aarstiderne

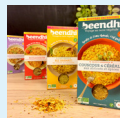
Offers a variety of organic meal box products to more than 80,000 households in Denmark and Sweden.



Naturfrisk

Produces high-quality organic bottled soft drinks, beers and distilled drinks and sells them throughout Europe.

France



Beendhi

Produces and sells organic and convenient food products for the increasing population of flexitarians.



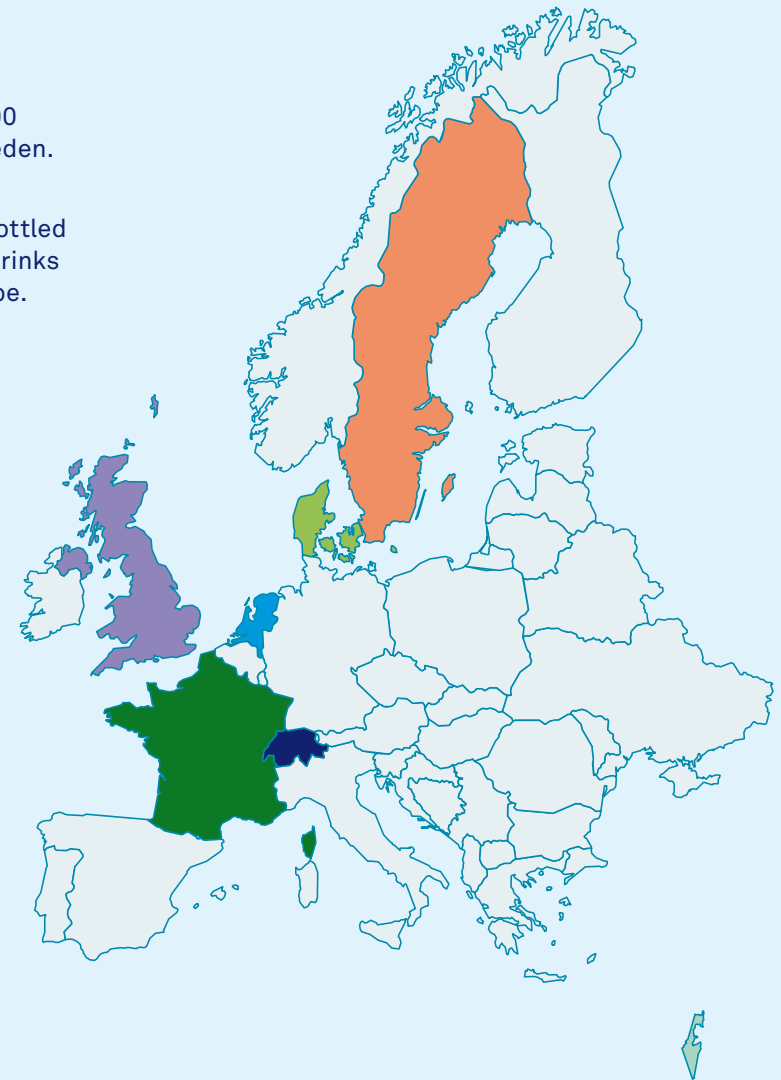
Groupe Natimpact

Brings together French small and medium-sized enterprises that produce a range of organic food.



HARi&CO

Produces organic plant-based meat alternatives, primarily using beans and pulses.



Aarstiderne

In portfolio since March 2014

Aarstiderne is a leading player in healthy, organic and convenient online food solutions. With a mission to reconnect the consumer to the organic farmer, it offers a variety of organic meal box products to more than 80,000 households in Denmark and Sweden.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> • Reduce GHG emissions • Conscious use of resources • Improve biodiversity • Healthy soils 	<ul style="list-style-type: none"> • Increase accessibility to organic food • Provide healthy and nutritious food • Create consumer awareness • Support sustainable food transition 	<ul style="list-style-type: none"> • Support initiatives improving the agricultural system • Transparent and fair business practices
Impact created	<p>92% organic offering</p> <p>-22% emissions per delivery</p> <p>16,000 tonnes of CO₂ credits bought</p> <p>0.76% of all food purchased was wasted (18% lower than 2019)</p>	<p>1.95 million deliveries of organic and healthy meal boxes</p> <p>27.6% plant-based meals</p> <p>80/20 principle is used: 80% of the calories are plant-based, 20% from animal sources</p>	<p>100 organic smallholder farmers supported</p> <p>35% locally sourced ingredients</p> <p>Fair pricing across the value chain</p>

Beendhi

In portfolio since November 2018

Based in France, Beendhi offers tasty, healthy, organic, affordable and convenient food products. It sells ready-to-cook and ready-to-eat organic cereals and pulses that are flavoured by fresh herbs and spices. A bulk ready-to-cook pioneer, Beendhi offers 100% organic meals.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Reduction of CO₂ emissions Improve biodiversity Healthy soils 	<ul style="list-style-type: none"> Provide healthy and nutritious food 	<ul style="list-style-type: none"> Support initiatives improving the agricultural system Transparent and fair business practices Contribute to farmer welfare
Impact created	<p>78 organic ingredients for 30 recipes</p> <p>100% recyclable packaging</p> <p>100% renewable energy used for the production facility</p> <p>By using dehydration technique at the country of origin, Beendhi significantly reduces GHG emissions during transit of goods.</p>	<p>4.3 million healthy and organic vegetarian meals sold</p>	<p>Beendhi works with 13,300 small-scale organic certified farmers in India, Sri Lanka, France and Italy providing fair and timely compensation</p> <p>34% of ingredients are sourced from emerging markets</p> <p>All spices are Fair Trade certified</p>

DO-IT

In portfolio since September 2016

DO-IT is a major European importer and distributor of 100% organic foods. The company's main objectives are to accelerate the transition to organic farming, improve accessibility to certified organic products and the quality of farmers' lives, and preserve the earth for future generations.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Improve biodiversity Healthy soils 	<ul style="list-style-type: none"> Provide healthy and nutritious food Support sustainable food transition Increase accessibility to organic food 	<ul style="list-style-type: none"> Support initiatives improving the agricultural system Transparent and fair business practices Contribute to farmer welfare
Impact created	<p>Compostable packaging for 95% of its solid products</p> <p>7,220 hectares of organic farmland supported</p> <p>DO-IT only partners with transporters with clean fleet to reduce GHG emissions during transport.</p>	<p>DO-IT line of food brands actively aim to make products with lower salt content.</p>	<p>By volume, 47% of DO-IT products are sourced from emerging economies where farmers are compensated fairly.</p>

Ecoffee Cup

In portfolio since September 2018

Ecoffee Cup develops and sells stylish, reusable cups for the on-the-go beverage market. It provides an alternative to single-use items, helping consumers make more environmentally conscious decisions. Its main product is a reusable to-go cup made from 97.5% plant-based materials.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> • Conscious use of resources • Healthy soils 	<ul style="list-style-type: none"> • Transparent and fair business practices • Sustainable livelihoods • Equal rights
Impact created	<p>With sales of 1.1 million cups, Ecoffee Cup has prevented a weighted average of 57 million single-use to-go cups from going to landfills</p> <p>Offset 372 tonnes of carbon dioxide emissions equivalent</p> <p>Ecoffee Cup prevented over 1 million kgs of material from going to waste (in the form of single-use cups)</p>	<p>Production factory is SEDEX (SMETA Version 6) and BSCI certified, ensuring fair and transparent business practices</p>

Farmy

In portfolio since August 2020

Farmy is an online shop for regional and organic products in Switzerland. Sourcing over 15,000 products from more than 1,000 local producers, Farmy enables a farm-to-fork concept by telling their customers exactly who the producers are. Each product is labelled with information about the origin and the producer.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Reduction of CO₂ emissions Improve biodiversity Healthy soils 	<ul style="list-style-type: none"> Provide healthy and nutritious food Provide organic food and beverages Support sustainable food transition 	<ul style="list-style-type: none"> Support initiatives improving the agricultural system Transparent and fair business practices Contribute to farmer welfare
Impact created	<p>400 tonnes CO₂ emissions averted verified by MyClimate and ZHAW</p> <p>Zero food wasted</p> <p>Zero use of plastic</p> <p>100% green energy</p> <p>90% delivery by electrical vehicles</p> <p>70% of the food listed on Farmy's website is organic</p>	<p>Goods delivered are more nutritive as they are</p> <p>5 days fresher compared to supermarkets</p> <p>Products sold by Farmy hold 30 different certifications, such as Demeter, Max Havelaar, Fairtrade and Pro Specie Rara</p> <p>70% of the food is organic</p>	<p>1,000 organic farmers supported</p> <p>1,400 small/medium producers supported</p> <p>90% locally sourced products</p> <p>Farmy supports ProSpecieRara, Schweizer Berghilfe and Schweizer Tafel who work on preserving biodiversity and improving living conditions of vulnerable populations.</p>

Groupe Natimpact

In portfolio since February 2019

With a mission to accelerate the transition to organic consumption, Groupe Natimpact brings together French small and medium-sized enterprises that produce a range of organic food. At year-end, it has two companies in portfolio: Naturgie, the French leader in organic jam, and organic chocolate producer Bovetti.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Healthy soils Improve biodiversity Conscious use of water 	<ul style="list-style-type: none"> Support sustainable food transition Consumer awareness 	<ul style="list-style-type: none"> Support initiatives improving the agricultural system Transparent and fair business practices Contribute to farmer welfare
Impact created	<p>Over 50% of offerings by Groupe Natimpact are certified organic</p> <p>Over 96% recyclable packaging</p> <p>Naturgie installed a closed-loop system to treat and reuse water for operations resulting in annual water savings of approximately 26 million litres</p>	<p>Sold 1,430 tonnes of organic offerings</p> <p>Naturgie products contain less sugar than conventional jams, opting for fruit-based sugar</p> <p>70% of cocoa used by Bovetti is organic</p>	<p>Supports over 60 farmers</p> <p>By value, 100% of Bovetti inputs are Fairtrade certified</p>

HARi&CO

In portfolio since September 2019

HARi&CO provides healthy, highly nutritive and good-for-the-earth products from locally grown vegetables. It produces organic plant-based meat alternatives, primarily using beans and pulses, which are sold to the food service and retail sectors. Their product range consists of burgers, balls and nuggets.

SDG contribution



Core impact 2020

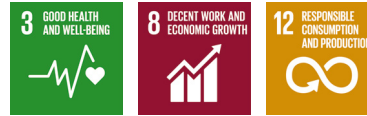
Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Reduction of CO₂ emissions Improve biodiversity Conscious use of water 	<ul style="list-style-type: none"> Provide healthy and nutritious food Create consumer awareness Support sustainable food transition 	<ul style="list-style-type: none"> Support initiatives improving the agricultural system Transparent and fair business practices Contribute to farmer welfare
Impact created	<p>100% certified organic products</p> <p>10 times less water usage compared to meat</p> <p>800 hectares of organic farmland</p> <p>85% sourced locally, minimising CO₂ emissions</p>	<p>Nutriscore A for</p> <p>100% of the products</p> <p>100% use of natural ingredients</p> <p>>50% sold in school canteens, educating children on a healthy plant-based diet</p>	<p>Long-term relationship with</p> <p>542 farmers (85% in France)</p> <p>Farmer's income increased by</p> <p>4% compared to 2019</p>

Naturfrisk

In portfolio since April 2016

Naturfrisk Group (Naturfrisk) produces high-quality organic bottled soft drinks, beers and distilled drinks and sells them throughout Denmark and Europe. The father-son duo behind the company believe in retaining nature's balance for the sake of future generations. Their drinks contain no chemicals, pesticides, fertilisers or GMO. The brands under the group are Naturfrisk, Macarn, Ørbæk and Nyborg Destilleri.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> • Provide organic beverages • Conscious use of resources • Improve biodiversity • Healthy soils 	<ul style="list-style-type: none"> • Increase accessibility to organic beverage • Provide healthy alternatives 	<ul style="list-style-type: none"> • Support initiatives improving the agricultural system • Transparent and fair business practices
Impact created	<p>2.7 mln litres of organic beverages</p> <p>90% of the packaging is recyclable</p> <p>50 tonnes of CO₂ recovered annually</p> <p>Renewable energy is used for their operations</p>	<p>178% increase in sales of alcohol-free beer</p>	<p>55% locally sourced ingredients</p>

Naty

In portfolio since July 2016

Naty is a global market leader in environmentally friendly hygiene products for babies and women. It radically changes the rules of the market by focusing on using renewable and compostable materials that are good for the environment as well as our health with no hazardous chemicals.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Improve biodiversity Healthy soils 	<ul style="list-style-type: none"> Consumer awareness
Impact created	<p>Naty contributed to averting 2,618 tonnes of waste</p> <p>Naty's diapers consist of 53% renewable materials</p> <p>30% of the diapers are made of FSC certified wood pulp which can biodegrade within 3-6 months in industrial composting plants</p> <p>The wet wipes are 100% biodegradable and suitable for home composting</p>	<p>0% nasty chemicals in Naty products</p> <p>100% of Naty products are free from parabens, mineral oils, PABA and DEA which helps to avoid allergies and toxins</p> <p>Naty is currently sold in 32 countries</p>

TIPA

In portfolio since September 2019

TIPA develops and produces a sustainable and viable alternative to conventional flexible packaging made from plastic. The Israel-based company offers a substitute to widely used non-biodegradable plastics with the same properties such as moisture barrier, water barrier or oxygen barrier but with compostable properties.

SDG contribution



Core impact 2020

Impact objective	Balanced ecosystems	Healthy society	Inclusive prosperity
Subgoals	<ul style="list-style-type: none"> Conscious use of resources Healthy soils 	<ul style="list-style-type: none"> Consumer awareness 	<ul style="list-style-type: none"> Sustainable livelihoods Equal rights
Impact created	<p>Over 80% of products sold were home compostable</p> <p>100% of TIPA products are industrially compostable</p>	<p>TIPA employees participated in 42 events including shows, webinars and conferences to promote the transition to compostable packaging.</p>	<p>TIPA has 48% women in the workforce and 45% in management positions</p>

The food revolution that's already here

An interview with the founders of HARi&CO

Benoît Plisson and Emmanuel Brehier had the vision to revolutionise what's on our plates by creating HARi&CO, a French start-up that specialises in 100% plant-based products.



“Five years ago, when dining at a company restaurant or a school cafeteria, the warm food options presented were usually one type of meat versus another. Occasionally, a vegetarian option – usually pizza – would be offered. Rarely was anything local. In grocery stores, it was a similar story.”

“That was five years ago. And in non-pandemic times when we're in school and office restaurants, we're now presented with warm meals that include the same ratio of plant-based options versus meat. In grocery stores, there are shelves upon shelves of plant-based products and locally sourced meats interspersed throughout the aisles.”

Speaking are Benoît Plisson and Emmanuel Brehier, two agricultural engineers from Lyon in France, who founded HARi&CO, an innovative start-up that aims to offer a 100% plant-based alternative that benefits health through its entirely bean and pulse (legumes) recipe.

When they first started in 2016, they were faced with the consumer climate that saw locally sourced, 100% plant-based options as a Utopian alternative.

“We first started selling our product to universities and offices because we had the original idea to start our company while we worked at the university restaurant and the only food options were fish, chicken, or beef. But at first, the chefs and cooks at these universities and offices distrusted the taste of our product. It was unfamiliar to the dining plate. We had to explain and convince that our food – made entirely of beans and pulses and soy-free – was a wholesome, tasteful meal.” describes Benoît Plisson.

A holistic vision on sustainable agriculture and conscious consumption

Yet Benoît and Emmanuel's vision didn't stop at their plant-based products, they wanted a product that was entirely sourced from France. Since inception, they've worked with local French farmers and cooperatives to source organic chickpeas, green lentils, flageolets, and kidney beans, all of which make up their variety of 15 products from veggie balls to burgers to nuggets. Additionally, they've continuously engaged cooperatives to work with farmers by incentivising through quantities and prices in order to convert them from traditional

> The food revolution that's already here

farming practices to organic, thus ensuring the quality and sustainability of the HARI&CO product.

Today, their products are available for retail consumption next to the big brand vegetarian options on grocery shelves, in addition to distributing to school and office restaurants and they can be found in 1,000 points of sales across France. Despite the pandemic year, they've sold 3.6 million meals in food service alone.

HARI&CO's perseverance for a food revolution

From day one, it was clear to both Benoît and Emmanuel that the intention of their product was to create real food for our plates.

They continue: "Our first priority was to not try and imitate a meat taste, but to create food that is entirely wholesome, non-processed, and that people can easily understand what's in the ingredient list. Luckily everyone we spoke with ended up not only understanding what we wanted to achieve but also got on board with it because they too wanted nutritional, locally sourced food. So we persevered, and this idea turned into two big missions: to promote more sustainable agriculture and to reduce carbon footprint."

In addition to the nutritional benefits, legumes enrich the soil and are water-efficient, making agriculture more sustainable. And while HARI&CO continues to buy all over France, the company is actively working with local farm networks of a hundred farmers to source near its factories to reduce transportation emissions.



When looking ahead to the next five years, Benoît says this: "We grow every day with our company. Not just in number of co-workers we hire or in the distribution channels we sell to, but also in how we see the food system. What started out as an idea of 'hey, what they serve in the school restaurant doesn't match to what we're learning about food' has grown

into a revolution of how we look at everything on our plate across the value chain. We want to be a leader in the category for France, and hopefully in other markets in the years to come."

Outlook for 2021

By Senior Investment Manager Adam Kybird



2021 has started with more of the same in Europe as lockdowns continue and our food system remains in flux. However, this will change with vaccines and the promise of loosening restrictions. Just as the crisis has had a deep

impact on our portfolio, the return to normality will drive different pressures on our business, and so 2021 promises to be another year of change.

For our portfolio's impact, 2021 is likely to be guided by three key factors:

The nature of the recovery

The shifts in the food sector have been seismic. Years' worth of change occurred in a few months and many of us have seen this in our everyday lives. What is not yet known is how consumer behaviour will respond once the crisis and lockdowns are over. Will consumers revert to their pre-pandemic behaviours or will these new trends remain?

The truth is likely to be somewhere in between. Exactly where is still unclear, but this will be profoundly important both for our portfolio performance and for the impact we make. Three key areas that shifted during COVID-19 that we will closely monitor are:

1. Shift to online

Growth in online food shopping was huge, but whether this growth will continue or rebalance

with brick and mortar retail is unclear. Other questions remain too. For example, will consumers become more sophisticated with their online shopping behaviour and demand greater transparency and/or sustainability of products?

2. Shift to sustainable diets

We have seen consumers show more interest in organic, health foods, meat alternatives and develop a greater awareness of our food's impact on the planet. These are positive changes, and as we emerge from lockdowns, we need to be at the forefront of new products and services to support evolving consumer behaviours.

3. Shift from out of home to retail

As bars and restaurants shut down, retail picked up demand. This was positive for some companies in our portfolio, but not for all, and the nature of the out of home recovery will be critical to many businesses in our portfolio and the impact they make. Will consumers continue to demand more sustainable and organic products when they go back to cafes and restaurants? Will they back this with their spending power? This will be key for impact and performance.

Innovation in food

Although accelerated by COVID-19, there was plenty of innovation in our sector which promises to improve and scale impact. We will be closely monitoring this and in particular the developments in the protein alternative space and diversification

of online grocery. In the protein alternative space, we have seen product proliferation, along with attempts to base milk, meat and cheese on new, more environmentally sustainable and organic inputs. These are exciting developments because we believe there is a significant opportunity for protein alternatives that are also clean label and more sustainable. A second area of interest is the growth of niche players in the online grocery space. These players are challenging the incumbents with focused offers around health, sustainability and lifestyle.

Measuring our impact

We are continuously aiming to improve how we measure and manage our impact. In 2021 we will trial the development of KPI targets with some of our portfolio businesses. We believe this can help our businesses focus on and maximise their impact.

In conclusion

2021 has started with many of the same challenges and difficulties seen in 2020. However, we are positive about the prospects for our portfolio to continue to drive growth and impact as the year progresses. We know the food transition remains urgent and believe that 2021 will be a critical year in making it a reality.

Annex: impact metrics explained

Hectares of organic farmland

Estimated hectares of land farmed organically to provide raw material to portfolio companies directly or indirectly. Promotion of organic and regenerative farming practices contribute towards improving soil health, increasing biodiversity and higher carbon sequestration.

Turnover in organic products

Aggregate revenue earned through sale of organic products by portfolio companies. This indicates the flow of wealth towards the organic farming sector which in turn reflects increasing demand and popularity of organic products.

Hazardous material use avoided

Estimation of hazardous chemical use avoided by forbidding the use of synthetic fertilisers, pesticides and herbicides which leach into the soil and pollute bodies of water.

Inputs sourced sustainably

Weighted average of inputs procured by portfolio companies which come from sources that maintain eco-health. Conscious use of finite natural capital and the creation of circular chains that recycle nutrients and minimise losses help in maintaining balanced ecosystems.

Resource waste avoided

Estimated tonnes of waste averted from going to landfills through the provision of innovative and eco-friendly products and services.

Recycled materials in packaging

Estimated weighted average of recycled materials used in packaging by portfolio companies to consciously use finite resources and minimise waste created wherever possible

CO₂ emissions avoided or offset

Aggregated amount of CO₂ emissions avoided or offset by portfolio companies to decrease the speed of global warming and reduce the impact of climate change.

Organic meals served

Total number of organic meals or equivalents served by portfolio companies.

Distribution of products supporting the food transition

The total number of products distributed by our portfolio companies which show the increased accessibility to organic choices.

Creation of products supporting the food transition

The total number of products created and manufactured by portfolio companies which increase the assortment of organic, healthy and nutritious choices available to consumers.

Turnover in plant-based products

The total turnover from sale of plant-based assortments which support the transition towards a meatless or low-meat diet which reduce the risk of lifestyle diseases.

Social media engagements

The total number of people who engaged with our portfolio companies via social media channels. The customers were supplied with relevant information about nutritional value and product background to enable conscious decision-making which has a positive impact on health, environment and fair value chain.

Farmers reached

The total number of farmers supported by portfolio companies. The farmers are paid fair value for their produce to improve their social and economic position in society.

Green economy jobs

Total number of direct jobs created by our portfolio companies. Workers are guaranteed equal socio-economic rights, fair financial compensation and safe working conditions.

Female workforce

The percentage of women in the workforce in the portfolio companies with the mission to reach 50:50 ratio. Our portfolio companies also welcome other marginalised groups in their workforce without any bias.

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Triodos Investment Management (Triodos IM) is a globally active impact investor. We see impact investing as a driving force in the transition to a green, inclusive and resilient economy. We have built up in-depth knowledge throughout our 25+ years of impact investing in sectors such as Energy and Climate, Financial Inclusion and Sustainable Food and Agriculture. Triodos IM also invests in listed companies that support sustainable solutions for the future. Assets under management as per end of December 2020: EUR 5.4 billion. Triodos IM is a wholly owned subsidiary of Triodos Bank, a leading expert in sustainable banking.

Investing in positive change

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