

Sustainability-related disclosure

Triodos Energy Transition Europe Fund

March 2021

Sustainable investment objective

Triodos Impact Strategies II N.V. - Triodos Energy Transition Europe Fund ('TETEF' or 'Fund') has sustainable investment as its objective as set out in article 9 of the SFDR. The objective of the Fund is to offer investors an environmentally sound investment in companies that accelerate the energy transition with the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable and lasting contribution to reduction of CO2 emissions.

Methodologies, screening criteria and relevant sustainability indicators

The investment philosophy of the Fund Manager is to pursue sustainable investments that achieve the right balance between their social, environmental and economic performance. The Fund Manager applies two sustainability selection approaches in assessing potential investees:

Step 1: Positive screening

The Fund actively looks for projects and companies in Europe that provide significant contributions to the energy transition, with the aim to reduce CO2 emissions, by:

- Generating renewable energy;
- Improving energy efficiency; and/or
- Offering flexibility to the energy system.

Sustainability indicators which are prominently considered in this screening are, amongst others, GWH produced, CO2 emissions avoided, household equivalents according to the PCAF (Partnership for Carbon Accounting Financials) methodology. The indicator related to CO2 emissions avoided is used in view of achieving the long-term global warming objectives of the Paris Agreement.

Step 2: Negative screening

To ensure that the Fund does not finance projects and companies that are engaged in harmful activities, in addition to the positive screening, investees also have to pass the negative screening. The negative screening entails applying exclusion criteria which are based on the [minimum standards](#).

Potential investments that do not comply with the investment criteria as stated above are excluded.

Investees report on impact indicators on a regular basis, together with their financials. The impact indicators mainly relate to the amount of CO2 emissions avoided, but also to

the mitigation of any operational issues affecting the envisaged sustainability, and to the criteria from the negative screening as formulated above.

For further information on the investment process of the Fund, please refer to the Fund's 'Sustainability policy', in the Funds' prospectus under the documents section of this page.

How the objective is to be attained

All investments are monitored for compliance to the positive selection and the negative screening criteria to make sure they do not significantly harm the sustainable investment objective of the Fund. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship may be discontinued.

For the attainment of its sustainable investment objective, the Fund reports on impact indicators such as GWH produced, CO2 avoided, household equivalents according to the PCAF (Partnership for Carbon Accounting Financials) methodology. The performance of such indicators is a consequence of the investment strategy and not a result of targeting specific indicator results.

The Fund contributes to climate change mitigation as environmental objective set out in article 9 of the Taxonomy Regulation. In order to meet to this objective, the Fund invests in EU Taxonomy-eligible economic activities.

For Triodos Investment Management SFDR disclosures, please visit our [sustainability-related disclosures page](#).