

Triodos Investment Management B.V.

Annual Report 2020

Table of Contents

Annual Report by the Management Board of Triodos Investment Management B.V.	3
Balance sheet as at 31 December 2020	12
Profit and loss account for the year ended 31 December 2020	13
Notes to the balance sheet and the profit and loss account	14
Other information	30
Independent auditor's report	31
Annex A	34

Annual Report by the Management Board of Triodos Investment Management B.V.

- 100% subsidiary of Triodos Bank N.V.
- Global leader in impact investing
- EUR 5.5 billion total assets under management
- Managing 16 funds
- Active in diverse sustainable sectors; from inclusive finance to energy & climate, and from sustainable food & agriculture to impact equities & bonds

Introduction

Triodos Investment Management B.V. (“Triodos Investment Management”) is a globally recognised leader in impact investing and is a wholly owned subsidiary of Triodos Bank N.V. (“Triodos Bank”).

Triodos Investment Management manages direct investments in a variety of sectors including energy and climate, inclusive finance, sustainable food and agriculture and listed companies that materially contribute to the transition towards a sustainable society.

Triodos Investment Management manages 16 funds, comprised of both impact private debt and equity funds and impact equities and bond funds. The impact private debt and equity funds invest in Europe and emerging markets with a range of risk-return profiles and financial instruments, while the impact equities and bond funds invest globally in listed equities and bonds, also with a range of risk-return profiles.

Private and professional investors can invest in these funds. The investment funds for private investors are distributed by a number of platforms and banks, including the majority of Triodos Bank’s country operations. Triodos Investment Management also maintains direct relationships with professional and institutional investors.

Impact – delivering more than just financial results

Triodos Investment Management’s mission is to make money work for positive change. More specifically its aim as an investor is to serve as a catalyst in the transition to an economy where people and planet come first, in line with the vision and mission of Triodos Bank.

Triodos Investment Management continues to see an increasing demand from investors for credible investments that deliver real impact and not just financial results, not least because of its own continuing growth. In 2020, Triodos Investment Management continued to focus on growing its investor base through third party distribution to retail investors, through other banks and

Triodos Bank, high-net-worth individuals, family offices and (semi) institutional investors. In addition, it has further developed its international distribution network by adding new European markets to its network.

Triodos Bank and Triodos Investment Management have more than 30 years of experience in investment products that deliver social and sustainable environmental and economic change. As a result of this work, Triodos Investment Management has become globally recognised as a front-runner in impact investing.

In 2020 this meant:

- attributing to the avoidance of over 288 ktonne of CO₂ emissions (2019: 400 ktonne) and, with an attributed generating capacity of 500 MW clean energy, producing the equivalent of the electricity needs of 267,000 households worldwide (2019: 250,000). The decline in avoided emissions compared to last year is primarily due to the application of new emission factors, which has had a negative effect on the avoided emissions in the Netherlands mainly. To become in line with the Science Based Targets initiative (SBTi), we have changed the applied emission factors based on a different source (IFI GHG methodology);
- over 35,000 smallholder farmers (2019: 98,000) in eight emerging market countries worldwide were paid directly and fairly upon delivery of their harvest through trade finance facilities, bringing 10 different agricultural products to international markets from 56,000 hectares of certified organic farmland (2019: 64,000) and an additional 8,000 hectares in conversion (2019: 6,000). The lower number of smallholder farmers in 2020 is related to one company that did not receive trade finance during 2020;
- that the organically managed land on the European farms which Triodos Investment Management financed could produce the equivalent of 7.3 million meals, or enough food to provide a sustainable diet for approximately 6,700 people (2019: 8,300). Together approximately 10,500 hectares of organic farmland was financed across Europe;
- increasing the quality and sustainability of the built environment through the management of a portfolio of sustainable buildings and renovation projects for 1,100 homes and apartments and more than 80,000m² for office and other commercial space (2019: 54,000m²), that emit almost 33% less CO₂ than the average for buildings;
- providing finance to 109 emerging and well-established financial institutions working for inclusive finance in Latin America, Asia, Eastern Europe and Africa. These institutions reached approximately 18.2 million customers borrowing for a better quality of life (2019: 19.1 million). Approximately 20.2 million people

living on low incomes use savings services offered by these institutions (2019: 19.2 million).

For more impact information on Triodos Group, refer to the Triodos Bank Integrated Annual Report 2020.

Funds' performance

Triodos Investment Management's total assets under management grew by EUR 550 million to EUR 5.5 billion, a 12% increase (2019: 18% increase) during the year. Amidst times of global uncertainty due to the COVID-19 pandemic, this marked growth of the overall assets under management was the result of effective mitigating measures as a response to the pandemic and continued confidence among Triodos Investment Management's investor base.

Triodos Energy Transition Europe Fund, the fund that invests in small and medium-sized renewable energy projects, increased its assets under management during the year by 26.9% to EUR 152.2 million. Triodos Food Transition Europe Fund, the fund that offers investors the opportunity to participate in the growth of the organic consumer and sustainable lifestyle sector in Europe, grew by 24.4% to EUR 52.4 million.

The Triodos Impact Equities and Bond Funds (Triodos SICAV I), which invest in listed companies, grew by 21.3% to EUR 2,450.4 million. The assets under management in the discretionary portfolios of Triodos Bank Private Banking Netherlands, which are managed by Triodos Investment Management, decreased by 1.2% to EUR 791.1 million.

Assets under management in Triodos Groenfond, the fund that invests in green projects that promote sustainable development, increased by 11.6% to EUR 1,082.0 million.

Triodos Fair Share Fund and Triodos Microfinance Fund, the funds that invest in financial institutions in emerging markets, saw the assets under management decrease by 11.8% and 2.0% to EUR 352.3 million and EUR 444.8 million respectively. The reason for this decrease is a combination of two developments. On the one hand both funds have experienced a value loss on investments due to economies in emerging markets being severely hit by the COVID-19 pandemic, which in turn resulted in lower valuations of some of the equity investments. In addition, for Triodos Fair Share Fund specifically, the pandemic resulted in lower than anticipated returns for the first time since inception, leading to above average outflow by retail investors.

Triodos Multi Impact Fund, the Triodos fund-of-funds, decreased its fund size by 10.4% to EUR 32.0 million by the year-end.

The net asset value of the SFRE Fund decreased by 2.2% to USD 39.2 million. The SFRE Fund was launched in March 2015 by the Global Alliance for Banking on Values (GABV). It is the first global open-ended investment fund created to deploy long-term and mission aligned capital to values-based banks and is managed by Triodos Investment Management.

Organisational and operational developments

The COVID-19 pandemic has taken an extraordinary toll on the global economy and society, affecting lives and livelihoods almost everywhere. The range of mitigating measures, from full lockdown to no lockdown, resulted in disruptions to commodity markets, global trade, supply chains and tourism, ultimately leading to economic downturn.

At the start of the pandemic, Triodos Investment Management took steps to ensure the well-being and safety of its co-workers and maintain operational resilience, swiftly followed by measures to preserve the financial health of the company. COVID-19 also affected the investments, both positively and negatively. On the positive side, the Triodos Investment funds were not impacted by the downward appreciation of those sectors impacted most by the pandemic, such as the oil and aviation industry, as they are excluded from investments due to Triodos' investment beliefs. As a result, especially at the beginning of the crisis, the funds showed a relative outperformance compared to the benchmark. On the other side, some investments were negatively impacted as the economic downturn increased counterparty risk. Uncertainties regarding recovery dominated financial markets, which put pressure on equity and bond prices. To mitigate the increased risk and volatility, Triodos Investment Management intensified the monitoring of all of its investments throughout the year.

As a result of the mitigating measures and continued confidence among its investor base, Triodos Investment Management was able to realise an overall growth in assets under management of 12% (2019: 18%) to EUR 5.5 billion. The net inflow of funds was 8%. The investment funds overall gained 3% of their value following stock exchange movements in 2020.

In challenging conditions, Triodos Investment Management continued to focus on strategy execution

and specifically on implementing its strategic goal of becoming the asset manager of choice for investors seeking solutions for building impact investment portfolios.

In addition, Triodos Investment Management expanded its activities in existing and new markets. It has increased its exposure and sales capacity in the Nordics. It also launched the Triodos Sterling Bond Impact Fund, to which Triodos Investment Management contributed GBP 2.5 million of seed capital, bolstering the Triodos impact investment portfolio in the UK market.

The process to end the activities of Triodos Vastgoedfonds N.V. was completed in January 2020 through a final payment to shareholders.

At the end of 2020, Triodos Investment Management renamed two of its funds. Triodos Renewables Europe Fund was renamed Triodos Energy Transition Europe Fund and Triodos Organic Growth Fund became Triodos Food Transition Europe Fund. These name changes more effectively and accurately convey their impact investment approach and align the funds more closely with the accelerating transition in energy and food.

Co-worker report 2020

Triodos Investment Management is not just an organisation, it is part of a growing community with a shared sense of mission. Our co-workers are ambassadors for that mission and are the head, heart and hands to realise our ambition.

2020 brought major shifts in the way we work due to COVID-19. The challenges that the COVID-19 pandemic have presented have shown the strength and resilience of our co-worker community. Our co-workers adapted to the new way of working remotely, remained connected while meeting customer needs and achieving many of our strategic objectives. Overall, our digital experience last year has strengthened the case for flexible working in the future. We have adapted our policies to support remote working and initiatives have been set up to ensure home offices meet health and safety requirements.

In 2021, we will further embed the changes that have already started and will continue to adapt to the COVID-19 (post) pandemic reality.

Learning and development have always been important to Triodos Investment Management. We emphasise this is not just to increase our formal knowledge and skills, but to underpin our strategic ambitions. In 2020 we were forced to make a shift towards digital learning initiatives. To strengthen our learning capability, we have implemented a new learning management system

(Learning Hub). The Learning Hub will further reinforce our learning culture by offering an overview of all learning opportunities across our organisation enabling online, blended and in-person learning initiatives.

In 2020, we began to introduce an adapted review process. Human connection and dialogue between colleagues and between co-workers and their managers are reflected in FLOW dialogues (Feedback, Learning, Objectives and Well-being). FLOW empowers co-workers in the continuous feedback cycle and will be embedded within all teams across all levels of our organisation during 2021.

The total number of co-workers at Triodos Investment Management at the end of 2020 was 207 (compared to 186 co-workers at the end of 2019). The balance of men and women in total was 52% and 48% respectively and in management positions 41% was female. The average age of the co-worker group in 2020 was 42 years, unchanged compared to 2019. The average period of service was 4.8 years at the end of 2020 (compared to 5.1 years in 2019). Absenteeism through sickness was 2.7% and below our target. The attrition rate decreased to 7.2% in 2020 (2019: 11.7%).

Financial results

Assets under management increased by 12.2% to EUR 5.5 billion at the end of 2020 (2019: 18.3%). The net turnover (excluding extraordinary results) increased by 2.4% to EUR 46.9 million (2019: EUR 45.8 million). The increase is mainly due to the increase of the assets under management, the main fee driver of the turnover. In 2020 there were no extraordinary results.

Expenses in 2020 increased by 2.9% to EUR 37.9 million (2019: EUR 36.9 million), primarily because of higher co-worker related costs following an increase in FTE (increase of EUR 1.0 million), higher costs for housing (increase of EUR 1.3 million) and costs related to complying with increased regulation. At the same time, the cost increase was dampened due to lower than anticipated travel expenses (decrease of EUR -0.8 million) following COVID-19 restrictions and because planned change initiatives could not move forward as a result of the pandemic.

Taking corporate income tax, financial income and financial costs into account, the net result over 2020 amounted to EUR 6.7 million (2019: EUR 12.0 million). The decrease is mainly due to a one-off positive after tax effect of EUR 5.3 million in 2019, following the previously mentioned sale of a participation in Centenary Bank in Uganda which led to a higher net result in 2019.

Key financial figures Triodos Investment Management

Amounts in EUR	Relative change	31-12-2020	31-12-2019
Turnover*	2.4%	46,939,263	45,830,504
Operating expenses	2.9%	37,917,202	36,864,960
Profit after tax*	-0.3%	6,650,987	6,672,359
Shareholders' equity	-19.6%	17,795,794	22,144,807

* The 2019 figure excludes the extraordinary result of EUR 7,089,557 in carried interest which was received by Triodos Investment Management when Stichting Hivos-Triodos fonds sold the equity investment in Centenary Rural Development Bank Ltd.

Capital position from ICAAP requirements

Amounts in EUR x million	Year-end 2020 excluding result 2020	Forecasted: June 2021, including audited result 2020
Available equity, including mandatory corrections*	10.8	17.0
Required capital	8.9	9.2
Surplus capital	1.9	7.8

* The available capital differs from the equity position in the balance sheet due to mandatory corrections in, among others, intangible fixed assets.

Compared to other years, the net result over 2020 is in line with expectations and can even be considered as exceeding expectations when taking into account the increase in costs compared to the previous year and the challenging environment due to COVID-19.

Triodos Investment Management's balance sheet consists mainly of seed capital in the Triodos Sterling Bond Impact Fund, cash, short-term debtors on managed entities and short-term liabilities to Triodos Bank.

Shareholders' equity and capital requirements

The shareholders' equity decreased by EUR 4.3 million to EUR 17.8 million (2019: EUR 22.1 million). The decrease is the net effect of the positive result over 2020 of EUR 6.7 million and the dividend distribution of EUR 11 million to Triodos Bank.

Based on actual figures, the required minimum capital requirements are continuously monitored in accordance with laws and regulations. The calculations of the available capital are compared with the Internal Capital Adequacy Assessment Process (ICAAP). Based upon applicable laws and regulations, the highest amount of required capital determines the minimum capital maintained.

The impact on the available capital is calculated prior to dividend distributions and/or on an event driven basis based on projected cash outflows within Triodos Investment Management. The required capital for Triodos Investment Management amounts to EUR 8.5 million at the end of 2020, where the available capital, including the audited result over 2020, amounts to EUR 17 million. The available capital differs from the equity position in the balance sheet due to mandatory corrections in, among

others, intangible fixed assets. The surplus of available capital can significantly change with the adoption of the annual accounts or in case of dividend distributions. The table above shows the forecasted equity position after adopting the annual report of 2020.

With the surplus of EUR 1.9 million at year-end 2020, the equity position of Triodos Investment Management can be considered as solid. Due to a positive financial forecast for the year 2021, the forecasted capital position of Triodos Investment Management is expected to stay stable and higher than the required capital. From a conservative solvency approach, Triodos Investment Management proposes to the Annual General Meeting to add the total profit of EUR 6.7 million to the General Reserve (retained earnings) without a dividend distribution.

Outlook

2021 will likely continue to be centred around the challenges resulting from the COVID-19 pandemic. Although a vaccination programme may ultimately lead to a rebound in economic activities, we expect that the global challenges for our society and economy resulting from the pandemic will continue to dominate in 2021. COVID-19 has so far proved a major setback for the global sustainability agenda as articulated in the UN Sustainable Development Goals (SDGs) and private investors are needed more than ever to help realise those goals.

Within this context, Triodos Investment Management will continue to build on more than 25 years of experience of bringing together values, vision and financial returns in

investment. It is helping to meet the European demand for values-based investment solutions that are critical for the transition to a more sustainable society. Through its funds, Triodos Investment Management aims to extend its impact in the key areas related to its mission and the SDGs.

Triodos Investment Management's strategic focus in 2021 will continue to be on retail investors through distributors, high-net-worth individuals, family offices and (semi) institutional investors. Impact mandates that accommodate institutional investors seeking investment opportunities with positive impact will have a strong focus in 2021. In addition, Triodos Investment Management's international distribution strategy will be broadened by adding more European markets to its network, including France and Spain.

Triodos Investment Management will continue to pursue development and growth, both through expansion and development of existing funds and by creating new impact investment products. Triodos Investment Management will continue to invest seed capital in new funds, taking into account strategic ambitions and capital requirements.

Remuneration policy

Triodos Bank and Triodos Investment Management believe that good and appropriate remuneration for all of its co-workers is very important. The core elements of the international remuneration policy of Triodos Bank are set out in the Principles of Fund Governance, which can be accessed via www.triodos-im.com. The wage system used by Triodos Bank and, as per January 1, 2019 also used by Triodos Investment Management, does not include bonuses or share option schemes. Financial incentives are considered an inappropriate way to motivate and reward co-workers. The Management

Board of Triodos Investment Management annually assesses the remuneration policy. Identified staff include all co-workers who may influence the risk profile of the funds. Besides for the members of the Management Board of Triodos Investment Management, these include the fund managers and the managers of support departments.

In 2020, the total remuneration of the 207 co-workers working for Triodos Investment Management amounted to EUR 19,570,937 (2019: 186 co-workers, EUR 18,199,737). The increase in remuneration in 2020 versus 2019 can be entirely explained by a combination of a yearly increase in wages, a Collective Labour Agreement (CLA) impact and an increase of co-workers. In addition, the remuneration of one entity (Women's World Banking) is included in the remuneration of Triodos Investment Management since 2020 due to the liquidation of Triodos Investment Advisory Services (TIAS) in 2020. TIAS was a sister company of Triodos Investment Management.

Triodos Investment Management may provide variable payments to co-workers up to a maximum of one month's salary. These so-called tokens of appreciation are for extraordinary achievements and are at the discretion of management in consultation with Human Resources. Such a token is not based on pre-set targets and is always offered in retrospect. In both 2020 and 2019, there were no co-workers at Triodos Investment Management with a total remuneration of EUR 1 million or more.

Triodos Investment Management

(amounts in EUR)	Total staff of Triodos Investment Management		Identified staff in senior management positions		Identified staff not in senior management positions		Other staff	
	2020	2019	2020	2019	2020	2019	2020	2019
<i>Number of staff involved</i>	207	186	6	9	18	24	183	153
<i>Average FTEs</i>	180.1	158.3	6.7	8.8	16.3	20.2	157.1	129.4
Fixed remuneration	19,546,066	17,696,169	1,365,032	1,817,487	2,467,729	2,898,463	15,713,305	12,980,219
Variable remuneration	24,871	503,568	–	396,376	12,361	15,941	12,510	91,251
Total remuneration	19,570,937	18,199,737	1,365,032	2,213,863	2,480,090	2,914,404	15,725,815	13,071,470

Risk Management

Objective of risk management

The aim of Triodos Investment Management's risk management activities is to ensure the long-term resilience of the business. These activities create an environment in which Triodos Investment Management can pursue its mission to its fullest potential in a safe way. Risk management provides the structural means to identify, prioritise and manage the risks inherent in its business activities. The intention is to embed risk management in such a way that it fits the complexity and size of the organisation and is designed to also allow it to grow. In order to ensure that such an environment can exist and prosper, a Risk Governance Framework has been put into place which underpins the risk processes.

Three Lines of Defence

Triodos Investment Management manages its business using a Three Lines of Defence Model. This approach ensures that each co-worker is fully aware of their responsibilities in the management of risk, irrespective of whether their role is in a commercial, policy-making or control function. The model ensures that responsibilities are properly aligned and makes clear that all co-workers have a role to play in managing risk.

First line functions and departments are responsible for managing the risks of their operations. Second line functions and departments ensure that risks are appropriately identified and managed. The third line of defence is the Internal Audit function providing independent and objective assurance of Triodos Bank's corporate governance, internal controls, compliance and risk management systems. This includes the effectiveness and efficiency of the internal controls in the first and second lines of defence.

Risk organisation

In light of Triodos Investment Management's growth in recent years, the impact of new regulations and the increased attention of supervisory authorities, Triodos Investment Management has made an important step up in its risk management organisation. The Managing Director Risk & Finance is responsible for the second line risk management and compliance activities and has a direct escalation line to the Chief Risk Officer of Triodos Bank.

Risk management and compliance functions

The Management Board is responsible for the risk management and compliance function. The risk management function works together with business line management to develop and execute risk policies and procedures involving identification, measurement, assessment, mitigation and monitoring of the financial

and non-financial risks. The compliance function plays a key role in monitoring Triodos Investment Management's adherence to external rules and regulations and internal policies.

Triodos Investment Management has a Risk & Compliance application that enables integrated management of all risk related issues. This includes our integral risk management system, our internal 'control testing' and its outcomes, as well as our procedures relating to risk event management. In addition, the results of risk and control self-assessments are recorded, as are the translation of the results of these sessions into the integrated risk management system. The application provides a central capture ('audit trail') for all of the above. Knowledge sessions and awareness training sessions are organised for new employees.

Risk taxonomy

To categorize the various risks Triodos Investment Management is exposed to, a risk taxonomy has been set up. The risk taxonomy covers the following three risk categories: enterprise risks, non-financial risks and financial risks. Each risk type covers a number of risk categories:

- The enterprise risk discipline synthesises all the risks using input from all risk areas and performs analyses to determine at a strategic level which larger trends can potentially influence Triodos Investment Management's risk profile.
- Non-financial risk includes all of the risks related to operational and compliance risks. These are core risks that Triodos Investment Management is exposed to. Monitoring these risks is particularly important to ensure Triodos Investment Management can continue to offer quality investment services to its stakeholders.
- Financial risk is an umbrella term for multiple types of risks associated with the potential for financial losses. Taking financial risks is not core to Triodos Investment Management.

Risk appetite

Each year the Management Board of Triodos Investment Management identifies risks that the organisation is exposed to and defines its attitude towards these risks. This results in a session whereby an assessment is made per risk faced by Triodos Investment Management and it is decided whether the individual risks are acceptable or need (additional) mitigating measures.

In general, Triodos Investment Management has a low risk appetite for both financial and non-financial risks.

Solvency

Triodos Investment Management complies with the minimum solvency requirements imposed on managers of investment institutions in accordance with the Dutch Decree on prudential rules under the Financial Supervision Act (BPR), AIFMD and the Dutch Civil Code. This makes Triodos Investment Management a robust party that can absorb setbacks to a sufficient extent.

Each year the Management Board of Triodos Investment Management assesses whether the organisation has enough capital as a buffer for potential unexpected losses (solvency). The overall identified, expected and unexpected risks amounted to a maximum of EUR 9.0 million for 2020 (2019: 8.8 million).

Significant risks in 2020

The top 5 significant risks in 2020 were:

- business risk - resulting from, among other things, a low interest rate environment and increasing competitive pressure as sustainable investments are becoming more mainstream (pressure on AuM growth and cost/income ratio);
- strategic risk - resulting from not being able to execute the strategy;
- operational risk - resulting from failing (entity level) controls;
- compliance risk - resulting from failing to comply with laws and regulations; and
- reputational risk - resulting from other risks, e.g. the materialisation of operational or compliance risks.

During 2020 no significant incidents occurred and the occurrence of non-significant incidents did not result in substantial losses (mainly internal costs). In 2020 Triodos Investment Management further implemented a tool for the management of operational and compliance risks.

Enterprise risk

Business risk: Triodos Investment Management defines business risk as the risk caused by changes in external factors such as competitive relationships, stakeholders, reputation and business climate.

Triodos Investment Management anticipated a strong growth of assets under management with, potentially, a slight pressure on prices. Based on this base scenario, a risk that would lead to an operational loss is expected to be high on impact however with a very low chance of occurrence.

Mitigation is implemented by income and cost control and strategic initiatives to support further growth of assets

under management and ensuring our acknowledgement in the market of being an acknowledged Impact Investor.

Reputational risk: Triodos Investment Management defines reputational risk as the risk that its market position deteriorates due to a negative perception among customers, counterparties, shareholders and/or regulatory authorities. Triodos Investment Management safeguards reputational risk in other risk disciplines, such as compliance and operational risk, as in most cases it is a consequence of other risk events¹ occurring. It also works with a transparent and stable business model. Furthermore, the exposure of Triodos Investment Management to reputational risk depends on the ability of management and co-workers to act consciously in accordance with the mission and values. For this reason, Triodos Investment Management has a very proactive human resources approach aimed to ensure the connection of all co-workers with the mission and values. In addition, Triodos Investment Management actively manages its engagement with the public and its clients, for example, via an online social media policy and management of complaints. For this risk a similar analysis can be made as for business risk, which leads to the same outcome.

Strategic risk: Strategic risks are those that potentially have the most impact on an organisation's ability to execute its strategies and achieve its business objectives. Therefore, strategic risk assessments are performed at Management Board level for Triodos Investment Management as a whole every three years, with an annual update.

As Triodos Investment Management has defined its three-year strategy and closely monitors the execution of it, this risk is expected to be high on impact however with a very low chance of occurrence.

Non-financial risk

Operational risk: This risk relates to losses Triodos Investment Management could incur as a result of inadequate or failing internal processes, systems, human behaviour or external events. Various initiatives were deployed to limit the operational risks in the organisation.

Co-worker training and involvement support these improvements because, as a learning organisation, people are key to successfully managing operational risks.

¹ A situation whereby the organisation becomes exposed to a financial loss or reputational damage. Risk events are monitored by Triodos Investment Management and risk events are used to implement better procedures and controls in order to prevent the situation from occurring again.

Compliance risk: Triodos Investment Management defines compliance risk as the risk of not complying with laws, regulations, rules, related self-regulatory standards and codes of conduct applicable to its investment management activities. Non-compliance may result in sanctions, material losses and reputational damage. The risk appetite is low for this risk. Internal policies, procedures and awareness activities are in place to guarantee that co-workers in all functions comply with relevant laws and regulations. The compliance function independently monitors and challenges the extent to which Triodos Investment Management complies with laws, regulations and internal policies, with an emphasis on customer due diligence, anti-money laundering, treating customers fairly, preventing and managing conflicts of interest, data protection and the integrity of co-workers. Furthermore, a process has been implemented to identify new and upcoming regulations in an early stage and define the impact for the organisation. Based on the size of the expected change, projects are defined to implement new regulations in the operations of Triodos Investment Management. Potential losses related to compliance risks were assessed as having a high impact with low chance of occurrence.

Financial risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its interest and/or payment obligations, therefore having a negative impact on Triodos Investment Management's profits and net assets. Triodos Investment Management is exposed to credit risk on cash held at banks, as well as on debtors and other receivables which primarily relate to the funds under management.

The risk regarding bank accounts is partly mitigated by using only banks with high creditworthiness. At year-end 2020, 93% of the cash was held at Triodos Bank (2019: 96%). Triodos Bank was assigned a Long-Term Issuer Default Rating (IDR) of 'BBB' with a Stable Outlook by Fitch Ratings on the 16th of February 2021. The bank's sound capitalisation was considered a rating strength. The credit risk related to bank accounts is thus considered to be very low.

The credit risk regarding outstanding amounts at debtors is also considered to be very low, since the company performs the management of these funds which amongst others entails management of its liquidity and solvency in accordance with the relevant prospectus' guidelines.

Liquidity risk is the risk that Triodos Investment Management will not be able to attract the financial means necessary to satisfy its payment obligations. This risk is very low, given that under normal circumstances a stable and positive financial result and cash flows

triggered by relatively predictable fee income are at hand. Triodos Investment Management monitors and analyses its financial position on a monthly basis. The resulting liquidity risk is considered to be very low.

At 31 December 2020, Triodos Investment Management held EUR 12.2 million (2019: EUR 20.2 million) of cash.

Market risk is the risk of losses in positions arising from movements in market prices (valuation) and foreign currencies. Triodos Investment Management holds limited cash in foreign currency, hence this risk is limited. In November 2020, Triodos Investment Management invested seed capital in a new fund, the Triodos Sterling Bond Impact fund (refer to note 3 of the financial statements). Through this fund, the company invests in listed bonds and as such is exposed to valuation and interest rate risk, as well as foreign exchange risk as the investment is made in British Pounds. Specific Management Board approval is given for this investment. The investment is monitored on a regular basis, with the intention ultimately to exit from the fund responsibly in the future.

As at the date of this report the company has no other 'seed capital' investments.

Development of losses during 2020

Consistent with last year, there were no significant risk events in 2020 resulting in losses outside of our risk appetite. Actual losses of EUR 12,861 (2019: EUR 314,478) were caused by 4 risk events, mainly concerning errors in the operational processes.

Triodos Investment Management was not involved in material legal proceedings or sanctions associated with non-compliance with legislation or regulations in terms of financial supervision, corruption, advertisements, competition, data protection or product liability during the year.

In Control Statement

The Management Board of Triodos Investment Management is responsible for designing, implementing and maintaining an adequate system of internal control over financial reporting. The main risk associated with financial reporting is that, whether due to fraud or error, financial reports contain a material misstatement with respect to law or Dutch Accounting Standards. Financial reporting is the product of a structured process carried out by various functions under the direction and

supervision of the Managing Director Risk & Finance of Triodos Investment Management.

ISAE 3402 Report

The objective of an ISAE 3402 report is to provide assurance to external parties on the quality of the internal control measures relating to the services provided by the Fund Manager. There are two types of ISAE 3402 reports. A type I ISAE 3402 report assesses the design and implementation of control measures. A type II ISAE 3402 report not only assesses the design and implementation of control measures, but also the operational effective functioning of these control measures during the period audited.

Triodos Investment Management obtained an unqualified opinion on 12 March 2021 on its ISAE 3402 type II report, covering the period from 1 January 2020 up to 31 December 2020.

Statement on business operations

Triodos Investment Management has assessed various aspects of its business operations during the past financial year. Based on this, Triodos Investment Management declares that it has a description of the set-up of the business as referred to in article 115y(5) of the Bgfo (Besluit Gedragstoezicht financiële ondernemingen - Decree on Conduct of Business Supervision of Financial Undertakings under the Wft), which meets the requirements stipulated in Sections 3:17(2)(c), and 4:14(1) of the Wft.

Triodos Investment Management has not found that the business operations are not effective and do not function in accordance with the description. Triodos Investment Management declares with a reasonable degree of certainty that the business operations functioned effectively and in accordance with the description during the reporting year 2020.

Zeist, the Netherlands, 24 June 2021

Management Board of Triodos Investment
Management B.V.
Jacco Minnaar (chair)
Kor Bosscher
Dick van Ommeren

Balance sheet as at 31 December 2020

Before appropriation of result (amounts in euros)	Note	31-12-2020	31-12-2019
Assets			
Non-current assets			
Intangible fixed assets	1	17,602	155,723
Equipment	2	15,697	26,809
Participating interests	3	2,769,263	–
Total non-current assets		2,802,562	182,532
Current assets			
Debtors	4	2,698,130	3,125,915
Other receivables, accruals and prepayments	5	12,640,339	11,600,894
Cash at banks	6	12,230,293	20,206,217
Total current assets		27,568,762	34,933,026
Totaal assets		30,371,324	35,115,558
Equity and liabilities			
Equity			
	7		
Issued and paid-up capital		18,500	18,500
Share premium reserve		327,550	327,550
Legal reserves		–	66,300
General reserve		10,798,757	9,742,931
Result for the financial year		6,650,987	11,989,526
		17,795,794	22,144,807
Non-current liabilities			
Provisions	8	407,306	487,623
Current liabilities			
Creditors		1,362,898	1,890,677
Payable company tax		6,218,910	3,996,509
Payable VAT		131,776	160,283
Other short-term liabilities, accruals and deferred income	9	4,454,640	6,435,659
Total liabilities		12,575,530	12,483,128
Total equity and liabilities		30,371,324	35,115,558

The accompanying notes form an integral part of these financial statements.

Profit and loss account for the year ended 31 December 2020

(amounts in euros)	Note	2020	2019
Net turnover	10	46,939,263	52,920,061
Operating expenses	11	-37,917,202	-36,864,960
Operating profit		9,022,061	16,055,101
Financial expenses	12	-148,477	-69,066
Result before tax		8,873,584	15,986,035
Corporate income taxes	13	-2,223,096	-3,996,509
Result from participating interests	3	499	–
Result for the financial year		6,650,987	11,989,526

The accompanying notes form an integral part of these financial statements.

Notes to the balance sheet and the profit and loss account

General

Triodos Investment Management B.V. ("Triodos Investment Management" or "the company") was founded on 12 December 2000 and is located in Driebergen-Rijsenburg, Hoofdstraat 10, the Netherlands. Triodos Investment Management is registered at the Chamber of Commerce with number 30170072. Triodos Investment Management has a license to operate as an Alternative Investment Fund Manager. The license is registered with the Autoriteit Financiële Markten with number 15.000.171. Triodos Investment Management is therefore also under supervision of the Autoriteit Financiële Markten.

The main activities of Triodos Investment Management are investment management and fund management activities. Triodos Investment Management is a 100% subsidiary of Triodos Bank N.V. ("Triodos Bank"), located in Zeist. These financial statements have been prepared for a reporting period of one year.

Group structure

Triodos Investment Management is part of the Triodos Group. The head of this group is Triodos Bank N.V. having its legal address in Zeist, the Netherlands. The financial statements of Triodos Investment Management are included in the consolidated financial statements of Triodos Bank N.V. The consolidated figures are available via www.triodos.nl.

Basis of preparation

The financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board. These financial statements have been prepared on the basis of the going concern assumption.

Judgements, estimates and uncertainties

In applying the accounting principles upon preparation of the financial statements, management of the company performs several judgements and estimates which can be essential for the amounts presented.

If deemed necessary to meet the requirements of article 2:362 paragraph 1 of the Dutch Civil Code, the nature of these judgements and estimates, including the underlying uncertainties, is included in the notes to the financial statements.

COVID-19

The year 2020 was dominated by the unprecedented influence of the COVID-19-pandemic. Triodos Investment Management took steps to ensure the well-being and safety of its co-workers as well as the operational resilience during this situation.

Triodos Investment Management has intensified the monitoring of all countries and investments in the portfolio in the past year. All available data is combined into a crisis-dashboard that allows daily monitoring of the impact of COVID-19 on the investments to enable the Fund Managers to act on developments if needed.

Although the worldwide vaccination program has started, the development of the COVID-19 pandemic will continue to require attention moving forward. Local COVID-19 outbreaks may occur, and restrictions may be intensified. Thorough risk assessments of companies and issuers, and closely monitoring portfolios will support Triodos Investment Management's investment decisions.

Accounting principles

General

The principles of valuation and determination of the result remained unchanged compared with the previous year.

Unless stated otherwise, assets and liabilities are stated at cost. In the balance sheet and profit and loss account, references are made to the notes.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the company of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and/or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognised when the company has transferred the significant risks and rewards of ownership of the services to the buyer.

The financial statements are presented in euros, the company's functional currency.

Use of estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates.

The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be related parties. Entities which can control the company are also considered to be related parties. In addition, statutory directors, other key management of Triodos Investment Management or the ultimate parent company and close relatives are regarded as related parties. Further details on related parties are disclosed in the notes to the financial statements.

Principles for the translation of foreign currency

Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rate applying on the transaction date. Non-monetary assets and liabilities in foreign currency that are stated at fair value are translated into euros at the applicable exchange rate applying on the date that the fair value was measured. Conversion gains and losses are taken to the profit and loss account.

Leasing

The company has entered into an obligation for lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of, nor incurred by the company. The lease contracts are recognised as operating leases. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

Intangible fixed assets - development costs

The development of an intangible fixed asset is considered commercially profitable if the following conditions are met: the completion of the asset is technically feasible, the company has the intention of completing the asset and then of using or selling it (including the availability of adequate technical, financial and other resources to achieve this), the company has the ability to use or sell the asset, it is probable that the asset will generate future economic benefits and the costs during the development phase can be determined reliably. Development costs are stated at production cost, less accumulated amortisation and impairment losses. These costs mainly comprise out of pocket software license costs and direct internal costs. Upon termination of the development phase, the capitalised costs are amortised over their expected useful life, which is 5 years. Amortisation takes place on a straight-line basis. The book value approximates the fair value. A legal reserve is formed for the capitalised development costs that have not yet been amortised.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to 'Impairment of fixed assets'. No impairment was recognised in 2020 or in 2019.

Equipment

Equipment is stated at acquisition price less straight-line depreciation on the basis of estimated useful economic life. The depreciation period is 3 years.

With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to 'Impairment of fixed assets'. No impairment was recognised in 2020 or in 2019.

Impairment of fixed assets

On each balance sheet date, Triodos Investment Management assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

Participating interests (in associates)

Participations in which the company exercises significant influence over business and financial policy are valued at net asset value using the equity method. Under the equity method, the investment is recognised at cost on initial recognition. After initial recognition, the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee. The equity method is in this case equal to the fair value because the net asset value is determined based on the publicly available share price. The company's share of the investee's profit or loss is recognised in the profit and loss account. Distributions received from the investee reduce the carrying amount of the investment.

Receivables

Receivables are recognised initially at the fair value and are subsequently measured at amortised cost. Provisions for bad debts are deducted from the book value of the receivable. Receivables are captured in the administration when contractual rights arise. The book value approximates the fair value.

Cash at banks

Cash at banks consist of cash, bank balances and deposits with a maturity of less than one year. Overdrafts at banks are recognised as current liabilities. Cash at banks are stated at nominal value. The book value approximates the fair value.

Equity

Equity represents the capital that is attributable to the sole shareholder, Triodos Bank N.V.

Provisions

A provision is recognised if the following applies:

- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

Provisions are stated at the nominal value of the expenditures that are expected to be required to settle the liabilities and losses. The estimated settlement period for the provision is less than one year.

Pension schemes

Triodos Investment Management has a number of pension schemes. Premiums are paid based on a contractual and voluntary basis to insurance companies on a defined contribution basis. Premiums are recognised as employee cost when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities. There are no other obligations in addition to the premiums paid.

Defined benefit plans were present for Belgium employees during 2020. In Belgium, legislation prescribes a minimum yield 1.75% and requires the employer to compensate for this yield in case the insurer does not meet the minimum legal requirements. This minimum yield requirement results in an actuarial provision. The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, staff turnover rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Current liabilities: other short-term liabilities, accruals and deferred income

Current liabilities are initially recognised at fair value. After initial recognition current liabilities are recognised at amortised cost price, being the amount received, taking into account any discount or premium and transaction costs. This is usually the nominal value. Current liabilities are due within one year. (Current) liabilities are captured in the administration when contractual obligations arise. The book value approximates the fair value.

Principles for the determination of the result

General

The result is the difference between realisable income from services provided and the costs and other charges incurred during the year. The results on transactions are recognised in the period in which they are realised.

Net turnover

Income from operating activities is recognised in the profit and loss account when the revenue amount can be determined in a reliable manner, collection of the related compensation to be received is probable, the extent to which the service has been performed can be determined reliably and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

Other operating income

Other operating income results from activities which are not directly linked to the supply of services as part of the normal, non-incident operations. The other operating income comprises of a fee received from Triodos Fair Share Fund for the performance of the administration of Legal Owner Triodos Funds B.V. (previously Triodos Custody B.V.).

Employee costs (employee benefits)

Employee costs (wages, salaries, social security contributions, etc.) are not presented as a separate item in the profit and loss account. For a specification, reference is made to note 11.

Short-term employee costs

Salaries, wages and social security contributions are charged to the profit and loss account based on the terms of employment, where they are due to employees and the tax authorities respectively.

Pensions

Triodos Investment Management applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Changes in the pension provision are also charged to the result. Reference is also made to the relevant notes with respect to pension schemes. There are no other obligations in addition to the premiums paid.

The Belgian Branch has a minimum yield requirement to their pension scheme which results in an actuarial provision which is determined on each reporting date. Changes to the actuarial provision are charged to the profit or loss. The increase in the provision due to the passage of time is recognised as interest expense.

Operating expenses

Operating expenses comprise of costs chargeable to the year and are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Amortisation of intangible fixed assets

Upon termination of the development phase, capitalised costs are amortised over their expected useful life, which is 5 years. Amortisation takes place on a straight-line basis.

Depreciation of equipment

Equipment is depreciated on the basis of estimated useful economic life, which is 3 years. Depreciation takes place on a straight-line basis.

Financial income and expenses

Interest income and expenses are attributed to the period to which they relate, taking into account the effective interest rate of the assets and liabilities to which they relate.

Exchange rate differences arising upon the settlement or conversion of monetary items are attributed to the period in which they are realised.

Corporate income taxes (CIT)

Triodos Investment Management is part of the fiscal unity with its parent company Triodos Bank and its subsidiaries. All entities within the fiscal unity are jointly liable for each other's CIT claims.

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets). Exempted profit items, (non) deductible items, additions and differences between the balance sheet value and the fiscal value of particular assets and liabilities are taken into account. Deferred tax assets and liabilities are stated at nominal value.

Tax on the result is calculated based on the result before tax in the profit and loss account with a rate of 25% (2019: 25%). The set-off for applicable deferred taxes is recognised at the level of the fiscal unity.

Cash flow statement

According to Dutch Accounting Standards (RJ 360.104) a cash flow statement is not required if the capital of a company is fully provided by another entity which prepares an equivalent cash flow statement as part of its consolidated financial statements.

Triodos Investment Management applies this exemption and as such does not prepare its own cash flow statement. The cash flow statement of Triodos Investment Management is included in the consolidated financial statements of Triodos Bank which are available via www.triodos.nl.

Risks

Currency risk

Triodos Investment Management mainly operates in the European Union. The currency risk for Triodos Investment Management relates to the seed capital investment in the Triodos Sterling Bond Impact Fund (GBP), as well as to cash held in US dollars. Management has determined these currency risks do not need to be hedged.

Interest rate risk

Triodos Investment Management has, apart from cash at banks, no interest-bearing receivables or non-current and current liabilities (including borrowings) and therefore incurs very limited interest rate risk.

Liquidity risk

Liquidity risk is the risk that Triodos Investment Management will not be able to attract the financial means necessary to satisfy its payment obligations. This risk is very low, given that under normal circumstances stable and positive financial results and cash flows triggered by relatively predictable fee income are at hand. Triodos Investment Management monitors and analyses its financial position on a monthly basis. The resulting liquidity risk is considered to be very low.

Credit risk

This is the risk that any party owing Triodos Investment Management liquidity and/or a receivable is not able to (re)pay. For Triodos Investment Management this applies specifically to liquidity at bank accounts and debtors, being the funds under management.

The risk regarding bank accounts is partly mitigated by using only banks with high creditworthiness. At year-end 2020, 93% of cash was held at Triodos Bank (2019: 96%). Triodos Bank was assigned a Long-Term Issuer Default Rating (IDR) of 'BBB' with a Stable Outlook by Fitch Ratings on 16 February 2021. The bank's sound capitalisation was considered a rating strength. The credit risk related to bank accounts is thus considered to be very low.

The credit risk regarding outstanding amounts of debtors is also considered to be very low since the company performs the management of these funds which, amongst others, also entails the management of their liquidity and solvency in accordance with prospectus' guidelines. Invoices are issued with payment deadlines ranging from 14 to 20 days.

Market risk

This is the risk of losses in positions arising from movements in market prices (valuation) and foreign currencies. Triodos Investment Management holds limited cash in foreign currency, hence this risk is limited. In November 2020, Triodos Investment Management invested seed capital in a new fund, the Triodos Sterling Bond Impact fund (refer to note 3 of the financial statements). Through this fund, the company invests in listed bonds and as such is exposed to valuation and interest rate risk, as well as foreign exchange risk as the investment is made in British Pounds. Specific Management Board approval is given for this investment. The investment is monitored on a regular basis, with the intention ultimately to exit from the fund responsibly in the future.

As at the date of this report the company has no other 'seed capital' investments.

Notes to the balance sheet as at 31 December 2020

1. Intangible fixed assets

Software development

This relates to the costs for the development of software for the administration of investments. Development costs will be amortised, starting at the moment of use, based on the valued economic life span. The software was introduced in 2014 and the original estimated life span was 5 years. There was no need for an impairment on intangible fixed assets in 2020 (nor in 2019) because Triodos Investment Management intends to use the software up until at least 2021, which is longer than the amortisation period. The cumulative financial position of the materialised software is as follows:

	31-12-2020	31-12-2019
Purchase/cost value	2,681,884	2,681,884
Cumulative amortisation	-2,664,282	-2,526,161
Balance as at 31 December	17,602	155,723

The movement in the software development costs is as follows:

	31-12-2020	31-12-2019
Balance as at 1 January	155,723	570,002
Capitalised expenses	–	–
Amortisation	-138,121	-414,279
Balance as at 31 December	17,602	155,723

2. Equipment

Equipment consists of telephones, monitors and computers.

The cumulative financial position of the equipment is as follows:

	31-12-2020	31-12-2019
Purchase/cost value	33,334	33,334
Cumulative depreciation	-17,637	-6,525
Balance as at 31 December	15,697	26,809

The movement in the equipment balance is as follows:

	2020	2019
Balance as at 1 January	26,809	–
Capitalised expenses	–	33,334
Depreciation	-11,112	-6,525
Balance as at 31 December	15,697	26,809

3. Participating interests

	31-12-2020	31-12-2019
Balance as at 1 January	–	–
Seed capital - cost	2,768,764	–
Unrealised share of result from investments accounted for using the equity method	2,709	–
Unrealised foreign exchange loss	-2,210	–
Balance as at 31 December	2,769,263	–

Triodos Investment Management provided seed capital to a new investment fund in November 2020 in order to improve the product offering and with the intention to exit within a year. The seed capital consists of 40% of the total share capital in Triodos Sterling Bond Impact Fund. This is a sub-fund of Triodos SICAV I, registered and domiciled in Luxembourg. The sub-fund is denominated in the British Pound. The shares were purchased at the inception value of GBP 20 per share for a total amount of GBP 2,500,000. The investment was revalued at a spot rate of 0.90367 on 31 December 2020.

4. Debtors

	31-12-2020	31-12-2019
Management contracts	1,683,551	1,544,285
Board fees	37,739	81,468
Other debtors	83,262	–
Recharged formation expenses: newly established funds	471,816	1,358,184
Recharged expenses: funds under management	421,762	141,978
Balance as at 31 December	2,698,130	3,125,915

Debtors are due in less than one year. There were no provisions for debtors in 2020 or in 2019.

5. Other receivables, accruals and prepayments

	31-12-2020	31-12-2019
Accrued management fees	10,693,206	9,539,096
Current account Triodos Groenfonds	106,621	81,657
Current account Triodos Fair Share Fund	46,698	53,555
Current account Triodos Sterling Bond Impact Fund	40,544	–
Current account EMpower	38,037	–
Current account Triodos Impact Strategies II	18,083	394,121
Current account Triodos Multi Impact Fund	4,508	5,363
Current account Sustainability - Finance - Real Economics	3,267	5,266
Current account Stg. Hivos-Triodos Fonds	2,439	–
Current account Stg. Triodos Sustainable Finance Foundation	500	589
Current account Triodos Vastgoedfonds	–	30,064
Prepaid company profile information	317,241	276,250
Cash in transit	259,621	232,154
Prepaid maintenance, portfolio monitoring and compliance fee FIA	258,696	258,383
Prepaid ICT license and maintenance	203,921	53,887
Pension premiums	234,240	243,450
Insurance premiums	88,908	43,339
Prepaid education costs	67,083	–
Other receivables	256,726	383,720
Balance as at 31 December	12,640,339	11,600,894

Other receivables, accruals and prepayments are expected to be received in less than one year. No interest is charged on the current accounts.

6. Cash at banks

	31-12-2020	31-12-2019
Triodos Bank current bank accounts	10,827,837	18,887,279
Triodos Bank savings bank account	501,264	501,581
Rabobank current bank accounts	878,189	816,314
BNP Paribas current bank account	22,132	–
ING Bank current bank account	871	1,043
Balance as at 31 December	12,230,293	20,206,217

The cash in bank accounts is at free disposal of the company. The interest rate on the current and savings accounts at Triodos Bank is 0.00% (2019: 0.00%) for the total bank balance up to EUR 100,000 (2019: EUR 500,000) and -0.70% (2019: -0.70%) for a bank balance above EUR 100,000 (2019: EUR 500,000).

The interest rate on the bank accounts at Rabobank is -0.67% (2019: -0.65%).

The interest rate on the bank account at ING Bank is -0.72% (2019: -0.40%).

The interest rate on the bank account at BNP Paribas is -0.00% (2019: not applicable).

One of the Rabobank current accounts is a US dollar account with a balance at year-end of USD 216,008 (2019: two current accounts USD 130,249). For the conversion to Euros an exchange rate of 1.2289 (2019: 1.1199) was used. The BNP Paribas current account is a GBP account with a balance at year-end of GBP 20,000 (2019: GBP 0). For the conversion to Euros an exchange rate of 0.90367 was used.

7. Equity

The movement in the equity for 2020 is as follows:

	Issued and paid-up capital	Share premium reserve	Legal reserves	General reserve	Result for the financial year	Total
Balance as at 1 January 2020	18,500	327,550	66,300	9,742,931	11,989,526	22,144,807
Transfer to general reserve	–	–	–	989,526	-989,526	–
Transfer to statutory reserve for development cost	–	–	-66,300	66,300	–	–
Dividend payout to shareholders	–	–	–	–	-11,000,000	-11,000,000
Result for the financial year	–	–	–	–	6,650,987	6,650,987
Balance as at 31 December 2020	18,500	327,550	–	10,798,757	6,650,987	17,795,794

The movement in the equity for 2019 is as follows:

	Issued and paid-up capital	Share premium reserve	Legal reserves	General reserve	Result for the financial year	Total
Balance as at 1 January 2019	18,500	327,550	259,780	8,824,883	5,724,568	15,155,281
Transfer to general reserve	–	–	–	724,568	-724,568	–
Transfer to statutory reserve for development cost	–	–	-193,480	193,480	–	–
Dividend payout to shareholders	–	–	–	–	-5,000,000	-5,000,000
Result for the financial year	–	–	–	–	11,989,526	11,989,526
Balance as at 31 December 2019	18,500	327,550	66,300	9,742,931	11,989,526	22,144,807

The issued and paid-up capital consists of 185 ordinary shares (2019: 185) of EUR 100 each (2019: EUR 100). All shares are held by Triodos Bank. The share premium reserve relates to the excess amount received by Triodos Investment

Management over the par value of its shares. The share premium reserve is recognised in full for fiscal purposes. The legal reserve relates to capitalised internal costs triggered by development of new software for internal use.

8. Provisions

	31-12-2020	31-12-2019
Provision for vitality leave and other personnel costs	174,331	150,449
Other provisions	232,975	337,174
Balance as at 31 December	407,306	487,623

Provision for vitality leave relates to leave arrangements for personnel based on collective labour agreements.

The other provisions relate to the best estimate calculation provision for an expense incurred in 2020 and paid in 2021. A provision has been made for the amount of EUR 95,801 (2019: EUR 200,000) with regard to the exceeding of project costs for the account of Triodos Investment Management and therefore not chargeable as establishment costs to new established funds. Due to a possible tax obligation, a provision for the amount of EUR 137,174 has been made for part of the carried interest amount received in 2019 in relation to the sale by Stichting Hivos-Triodos fonds of the equity investment in Centenary Rural Development Bank Limited.

An amount of EUR 100,266 (2019: EUR 87,359) of the provision for vitality leave is classified as non-current.

The movement in the provisions is as follows:

	2020	2019
Balance as at 1 January	487,623	560,870
Addition	100,587	454,516
Withdrawal or release	-180,904	-527,763
Balance as at 31 December	407,306	487,623

9. Other short-term liabilities, accruals and deferred income

	31-12-2020	31-12-2019
Current accounts Triodos Group	1,850,523	3,662,457
Payable costs	338,895	148,631
Payroll tax	1,023,327	991,573
Payable vacation hours	547,607	385,267
Payable company profile information	256,703	189,840
Payable costs advisors	169,289	46,588
Payable costs on behalf of related parties	68,563	50,732
Payable rent office building	43,801	–
Payable external audit costs	27,204	35,051
Payable interest bank accounts	9,890	19,958
Payable marketing costs	–	30,000
Payable management fees	–	8,500
Pension premiums	–	–
Payable termination fees	744	718,091
Other liabilities	118,094	148,971
	4,454,640	6,435,659

The amounts payable are expected to be paid within one year. There is no interest payable on the current accounts.

Payable termination fees relate to payable compensation for termination of employment of co-workers.

Off-balance sheet items

Triodos Investment Management has entered into obligations for lease contracts for cars and contracts for office housing. The charges for leased cars for the upcoming years are as follows:

Obligations to pay	EUR
Within one year	0.1 million
Between one and five years	0.2 million
After five years	–

The rental contract regarding the office building at “Landgoed De Reehorst” in Driebergen-Rijsenburg is concluded for an indefinite period, with a rental cost of EUR 2.2 million a year.

During the year under review, total minimum lease payments of EUR 2,157,721 (2019: EUR 1,000,886) were recognised in the profit and loss account.

Contingent liabilities

Together with its parent company, Triodos Bank, and its subsidiaries, Triodos Investment Management is part of the tax unity for corporate income tax purposes. All entities within the fiscal unity are jointly liable for each other’s CIT claims.

In the financial statements of Triodos Bank, the corporate tax charge is calculated on the basis of the commercial result realised by Triodos Bank. Triodos Investment Management and Triodos Bank settle these expenses through their intercompany accounts.

Notes to the profit and loss account for 2020

10. Net turnover

The breakdown of revenue by category is as follows:

	2020	2019
Management contracts	45,044,283	50,935,923
Asset management services	1,413,416	1,456,480
Research services	374,322	349,399
Commercial services	101,722	172,739
Other income	5,520	5,520
	46,939,263	52,920,061

10.1 Management contracts

Triodos Investment Management carries out management activities for the below mentioned entities and receives management fees for these services at market rates.

	2020	2019
Triodos SICAV I	14,604,328	12,577,170
Triodos Groenfonds	8,290,467	8,103,547
Triodos SICAV II – Triodos Microfinance Fund	7,916,969	6,837,693
Triodos Fair Share Fund	7,911,421	8,487,597
TIS II – Triodos Energy Transition Europe Fund	2,753,952	2,052,213
Stichting Hivos- Triodos fonds*	1,573,362	8,615,100
TIS II – Triodos Food Transition Europe Fund	861,867	1,063,942
Sustainability – Finance- Real Economies SICAV- SIF	633,538	688,972
WWB Capital Partners**	411,452	–
Triodos Multi Impact Fund	101,273	109,358
Stichting Renewable Energy for Development Fund***	-743	28,295
Triodos Vastgoedfonds***	-13,603	1,969,072
Stichting Triodos Sustainable Finance Foundation***	–	352,964
Triodos Sustainable Trade Fund	–	50,000
	45,044,283	50,935,923

* In 2019 the amount included carried interest of EUR 7,089,557. In 2019, Stichting Hivos-Triodos fonds sold the equity investment in Centenary Rural Development Bank Ltd for which Triodos Investment Management received carried interest.

** As of 1 January 2020 Triodos Investment Management has taken over the management activities for WWB Capital Partners from Triodos Investment Advisory & Services B.V.

*** The management activities for Stichting Renewable Energy for Development Fund, Triodos Vastgoedfonds and Stichting Triodos Sustainable Finance Foundation have ended during 2019 as these funds have terminated their activities or the management of the funds have been taken over by a related party. The amounts in 2020 are final settlements of 2019.

Triodos Investment Management also conducts management activities for SICAV I – Triodos Sterling Bond Impact Fund. Triodos Investment Management has waived its management fee as of the day of launching this sub-fund (30 October 2020), until 31 January 2021.

Triodos SICAV II – Triodos Microfinance Fund, Sustainability-Finance-Real Economies SICAV-SIF and Triodos SICAV I are located in Luxembourg; WWB Capital Partners is located in the United States of America; the remaining entities under management contracts are located in the Netherlands. In 2020, the proportion of turnover generated from Luxembourg was 51% (2019: 39%), the United States of America was 1% (2019: 0%) and the Netherlands was 48% (2019: 61%).

10.2 Asset management services

Triodos Investment Management carries out the asset management for Triodos Private Banking NL and receives a fee for these services at market rates.

10.3 Research services

This relates to screening and research services for entities within the Triodos group and third-party suppliers.

	2020	2019
Within Triodos Group	26,001	234,330
Third-party suppliers	348,321	115,069
	374,322	349,399

10.4 Commercial services

	2020	2019
Consulting fee and board fee staff working for Triodos Investment Management	101,722	172,739
	101,722	172,739

The consulting fee and board fee relates to investment management activities in relation to the management of assets of managed funds.

11. Operating expenses

	2020	2019
Wages and salaries	14,505,895	13,750,705
Social security charges	1,709,014	2,098,050
Pension contributions	2,350,420	2,193,425
Other personnel costs	3,115,964	2,609,981
ICT costs	3,906,919	3,418,024
Outsourced activities Triodos Bank NL	2,892,193	3,000,879
Charge of general overhead costs Triodos Bank	1,898,280	2,462,080
Housing costs	3,450,420	2,104,966
Obtaining company profile information	936,946	771,891
Publicity	528,965	506,428
Advisory fees	551,629	936,738
Hired co-workers Triodos Group	503,695	603,477
Other charge of costs Triodos Bank	482,736	495,984
Travelling and accommodation expenses	394,655	1,174,205
External audit	138,621	54,182
Amortisation of intangible fixed assets	138,121	414,279
Contributions	109,755	141,676
Liability insurance	78,031	65,224
Banking costs	36,794	15,792
Depreciation of equipment	11,112	6,525
Other operating expenses	177,037	40,449
	37,917,202	36,864,960

The total number of co-workers at Triodos Investment Management is 207 at year-end 2020 (2019: 186). The number of employees working outside of the Netherlands is 4 (2019: 1).

The average number of employees over 2020 was 180.1 (2019: 158.3). Over 2020 the average number of employees were allocated to Impact Private Debt & Equity 125.9 (2019: 113.9), Impact Equity & Bonds 53.0 (2019: 43.2) and other 1.2 (2019: 1.2).

The main drivers behind the increase in personnel costs are periodic wage increases, collective labour agreement increases and an increase of co-workers.

The remuneration paid to the managing directors of the company, including salary expenses, pension, use of company car and social expenses, was EUR 672,307 (2019: EUR 714,920). The main reason for the decrease in remuneration paid to the managing directors is that the number of board members decreased from four to three persons as Marilou van Golstein Brouwers accepted a different position within the Triodos Group from 1 April 2019 until 31 March 2020. As per 1 April 2020 she no longer holds a position within Triodos Group.

Pension scheme

Triodos Investment Management's pension scheme in the Netherlands is a defined contribution scheme and is administered by an independent third party. The commitment to the participating co-workers consists of paying the outstanding contribution to a maximum of EUR 110,111 (2019: EUR 107,593). The pension expenses for the defined contribution scheme is based on the contributions owed for the financial year.

In Belgium the pension scheme is considered a defined benefit scheme for which co-workers' contribution is 2% of salary and the employer's contribution is 6%.

Audit fees

The following audit fees were expensed in the reporting period:

	2020	2019
Audit of the financial statements	87,382	53,159
Other assurance services: ISAE	48,389	1,023
Other assurance services	2,850	–
Tax services	–	–
Other non-assurance services	–	–
	138,621	54,182

The audit fees concerning the audit of the financial statements amount to EUR 87,382 (2019: EUR 53,159). Of these fees, EUR 68,011 relates to the audit of the financial statements for the financial year 2020 (2019: EUR 53,528) and EUR 10,810 for 2019 (2018: -368), irrespective of whether the activities have already been carried out during the financial year. Other assurance services: ISAE concerns procedures performed by the independent auditor for the ISAE 3402 type II report. Other assurance services performed by the independent auditor concern further work done on the asset management report of HIVOS for 2018.

The independent auditor has not rendered any consultancy services.

12. Financial expenses

	2020	2019
Paid interest on bank accounts	123,319	48,521
Exchange rate differences	24,210	15,539
Other interest expenditure	948	5,006
	148,477	69,066

13. Corporate income taxes

	2020	2019
Corporate income tax expense for the year	-2,223,096	-3,996,509
	-2,223,096	-3,996,509

Together with its parent company, Triodos Bank, and its subsidiaries, Triodos Investment Management is part of the tax unity for corporate income tax purposes. All entities within the fiscal unity are jointly liable for each other's CIT claims. Taxes payable or receivable by Triodos Investment Management are settled directly with Triodos Bank.

Tax on the result is calculated based on the result before tax in the profit and loss account taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets). Exempted profit items, (non)deductible items, additions and differences between the balance sheet value and the fiscal value of particular assets and liabilities are taken into account. Deferred tax assets and liabilities are stated at nominal value.

Tax on the result is calculated based on the result before tax in the profit and loss account with a rate of 25% (2019: 25%) and with an effective tax rate equal to 25% (2019: 25%). The set-off for deferred taxes, if applicable, is recognised at the level of the fiscal unity at Triodos Bank.

Related parties

Pursuant to the definition of affiliates of Article 381(3) of Part 9 of Book 2 of the Dutch Civil Code and Dutch GAAP guideline RJ 330, Triodos Investment Management has the following relevant relationships and transactions with related parties. All transactions are performed fulfilling the at-arms-length-principles.

1. Triodos Bank
 - Triodos Bank is the sole shareholder of Triodos Investment Management.
 - Triodos Bank charged costs to Triodos Investment Management for an amount of EUR 9.8 million (2019: EUR 8.8 million). These charges relate to staff, office and overheads and are charged through transfer pricing, where among others, managed assets and number of co-workers are taken into account.
 - Triodos Investment Management has current and savings accounts with Triodos Bank at market standard rates.
 - Triodos Investment Management conducts asset management activities for Triodos Bank Private Banking for which it receives a fee of EUR 1,403,416 (2019: EUR 1,456,480).
2. Triodos Fair Share Fund

Triodos Investment Management performs the administration of Legal Owner Triodos Funds B.V. (previously Triodos Custody B.V.) for which it receives a fee from Triodos Fair Share Fund of EUR 5,520 (2019: EUR 5,520).
3. Triodos Investment Management currently conducts management activities for Triodos Groenfonds, Triodos SICAV II – Triodos Microfinance Fund, Triodos SICAV I, Stichting Hivos- Triodos fonds, Triodos Fair Share Fund, TIS II – Triodos Energy Transition Europe Fund, TIS II – Triodos Food Transition Europe Fund, Triodos Multi Impact Fund and WWB Capital Partners.

The fees paid by the funds, including carried interest payments, took place according to market rates. A specification of the fees is listed on page 25.
4. Triodos Investment Management receives board fees for supervisory roles related to the management of assets of managed funds. Co-workers of Triodos Investment Management are fulfilling board positions with remuneration of board fees and/or reimbursement of travel expenses in the following companies: ACLEDA Bank Plc., Accion Frontier Inclusion Fund, LLC Microcredit Deposit-Taking Organization, Arvand, Aavishkaar Venture Management Company, Caspian SME Impact Fund, Centenary Bank, MFO Credo LLC, Dawn Myanmar Microfinance Pte. Ltd., Enda Tamweel SA, Financiers FAMA SA, Farmy Ltd., Ashv Finance Ltd., Kompanion Bank CJSC, Groupe Natimpact SAS, Sonata Finance Pvt Ltd. and Tipa Corp Ltd. Board fees received in 2020 amount to EUR 101,722 (2019: EUR 172,739).

5. Global Alliance for Banking on Values

- The Global Alliance for Banking on Values is an independent network of banks using finance to deliver sustainable economic, social and environmental development.
- Triodos Bank is a member of the Global Alliance. Triodos Bank is the sole shareholder of Triodos Investment Management and therefore Triodos Investment Management also aims to contribute to the goals of the Global Alliance.
- Triodos Investment Management is the Fund Manager (AIFM) of Sustainability – Finance- Real Economies SICAV-SIF (Sapphire) and received a management fee amounting to EUR 633,538 (2019: EUR 688,972).

6. SICAV I - Triodos Sterling Bond Impact Fund

Triodos Investment Management provided seed capital to SICAV I - Triodos Sterling Bond Impact Fund. 125,000 KI-Cap shares were purchased at the inception value of GBP 20. At 31 December the value of the investment is EUR 2,769,263. This consists of 40% of the total share capital in the fund. Triodos Investment Management also receives a management fee from SICAV I – Triodos Sterling Bond Impact Fund- see item 3 related parties.

Subsequent events

There are no subsequent events after Balance Sheet date.

The proposed appropriation of the profit is as follows:

The Management Board of Triodos Investment Management proposes to add the profit of EUR 6,650,987 to the General Reserve (Retained Earnings).

Zeist, the Netherlands, 24 June 2021

Management Board of Triodos Investment Management B.V.

Jacco Minnaar (chair)

Kor Bosscher

Dick van Ommeren

Other information

Appropriation of the profit

As set out in the Articles of Association, the appropriation of the profit is as follows (Article 16):

Paragraph 1: The profits shown in the adopted annual accounts shall be at the disposal of the general meeting.

Paragraph 2: The company may only make distributions of profit to shareholders and other entitled persons to the extent that shareholders' equity exceeds the paid and called up portion of the capital increased by the reserves to be maintained by law. No distribution of profits may be made to the company in respect of shares held by it.

Paragraph 3: Subject to the provisions of the second paragraph, the general meeting may make one or more interim dividends payable.

Paragraph 4: Distribution of profits shall take place after the adoption of the annual accounts which show that the distribution is permitted.

Independent auditor's report

The independent auditor's report is included on the next page.

Independent auditor's report



To: the general meeting of Triodos Investment Management B.V.

Report on the financial statements 2020

Our opinion

In our opinion, the financial statements of Triodos Investment Management B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2020, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2020 of Triodos Investment Management B.V., Zeist.

The financial statements comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended; and
- the notes, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Triodos Investment Management B.V. in accordance with the 'Wet toezicht accountants-organisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the annual report by the management board of Triodos Investment Management;
- the other information; and
- Annex A.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the annual report by the management board of Triodos Investment Management and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the management board

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 24 June 2021

PricewaterhouseCoopers Accountants N.V.
J. IJspeert RA

Appendix to our auditor's report on the financial statements 2020 of Triodos Investment Management B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Annex A

Responsible Investing

Triodos Investment Management is a member of the Stichting Klachteninstituut Financiële Dienstverlening (KiFiD).

Triodos Investment Management bases its fund governance code on the Principles of Fund Governance which are drafted and published by the Dutch Fund and Asset Management Association (DUFAS). Triodos Investment Management is a member of DUFAS. Triodos Investment Management is a member of the United Nations Principles on Responsible Investment and fulfils the transparency code as set by EUROSIF.

It is possible that companies and projects which are financed by our funds also invest in a Triodos fund. Triodos co-workers are not allowed to take part on such investment decisions in order to prevent a conflict of interest. In relation to financed companies, Triodos Investment Management has provisions in place which prevent Triodos co-workers to use confidential information for any other purpose than for which it has been acquired.

Conflicts of Interest Policy

Triodos Investment Management takes measures to mitigate conflicts of interest which may occur from the different roles and responsibilities it has towards the managed funds, the funds investors and the companies in which we invest. We have clear procedures in place containing rules covering situations where (potential) conflict of interests could occur. The mentioned procedures are described in our 'Triodos Policy on Confidential Information, Chinese walls, and Conflicts of Interest'.

Furthermore Triodos Investment Management commits itself to the DUFAS Principles of Fund Governance, which principles include several provisions on Conflicts of Interest. In line with these provisions and as far as appropriate, a segmentation between investment decisions, settlement of transactions, administration of transactions and control is in place to prevent (potential) conflicts of interests. Triodos Investment Management has installed "Chinese walls" in order to manage the flow of price-sensitive information and other confidential market information. There is an organizational, physical and personnel segregation between the business units to the extent that this is reasonably necessary, relative to their activities. Appropriate information-sharing barriers are in place to prevent dissemination of sensitive market information. No price-sensitive or confidential market information is exchanged between business units other than is required to effectively carry out their work.

Triodos co-workers can be appointed to a management or supervisory position of a company which is financed by one of our funds, except in case of Triodos SICAV I. In case of an appointment, the appointed co-workers is not allowed to deliberate or participate on any decision where there is a conflict of interest.