

Triodos  Bank

Annual Report 2020

1.6 Environmental report

In keeping with its mission of being a sustainable bank, Triodos Bank both finances enterprises that make a positive environmental difference through their business and takes great care of its own environmental performance as a company. This is why Triodos Bank was one of the first banks to produce an environmental report. And it is why it continues to try to play a leading role, exemplifying how values-based banks and businesses in general can operate in an environmentally responsible way.

Triodos Bank limits its environmental footprint as much as it can, avoiding the emissions of greenhouse gases wherever possible. It offsets any unavoidable emissions. Triodos Bank measures the footprint of its operations, registers it in a CO₂ management system and compensates for it fully in Gold Standard¹ carbon-offset projects.

Besides disclosing annual financial results, Triodos Bank also wants to take responsibility for its environmental impact. It reports on all its direct emissions (gas consumption for heating and fossil fuels for company and lease cars) and its most relevant indirect emissions (electricity, commuting travel and business travel, paper use and working from home). It also discloses the amount of energy used through both electricity and gas in all its banking entities.

The year at a glance

The corona crisis had a major impact on the way of working, meeting and doing business. This is reflected

in the CO₂ emissions of Triodos Bank in 2020, being only 35% of the emissions in 2019. In our 2020 emissions reporting, the emissions resulting from working from home were out of scope.

In numbers: the CO₂ emissions per FTE in 2020 decreased to 0.67 tonnes, compared to 2.00 tonnes in 2019 and the total CO₂ emissions across the whole of Triodos Bank decreased from 2,901 tonnes CO₂ in 2019 to 1,011 tonnes CO₂ in 2020. There has been a decrease in electricity consumption of 12% per FTE and a reduction of 54% of gas consumption per FTE. Business travel by airplane has decreased by 79% per FTE. All these big declines are caused by COVID19-related measures, like travel restrictions and working from home by default.

The total amount of paper usage decreased in 2020 to 34 kg per FTE (2019: 67 kg per FTE). The amount of blank copy recycled paper decreased to 2.9 kg per FTE (2019: 10.8 kg per FTE). The amount of recycled printed paper was 0.06 kg per customer, a decrease of 43%. Also, the reduction of paper consumption is a consequence of the COVID-pandemic, with fewer co-workers in the offices and almost no external events.

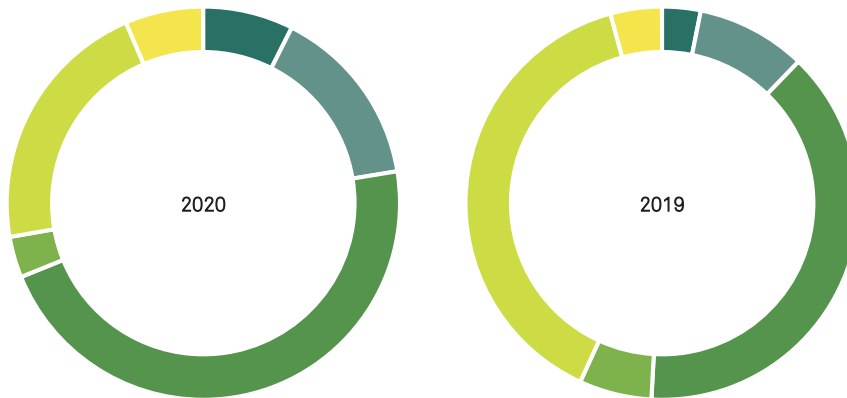
The effects of the pandemic on CO₂ emissions in 2020 makes comparison with 2019 in quantitative terms not very meaningful. In qualitative terms, it is interesting to see the enormous effects on the CO₂ emissions of, for example, meeting virtually. This significant difference is encouraging us to embrace aspects of this new way of working and meeting for 2021 and beyond.

¹ Gold Standard was established in 2003 by WWF and other international NGOs to ensure projects that reduced carbon emissions featured the highest levels of environmental integrity and also contributed to sustainable development. More info: <https://www.goldstandard.org/>

Absolute CO₂ emissions in 2020 (in thousands of kg)

2020 total : 1,011 tonnes CO₂

2019 total: 2,901 tonnes CO₂



■ Buildings (heating & electricity)	75
■ Car fleet (lease & company cars)	151
■ Private cars, taxis and rentals	469
■ Public transport	34
■ Flights	215
■ Paper	65

Details of the methodology Triodos Bank uses to calculate its CO₂ emissions are available on request.

Impact of working from home

The corona crisis made working from home and meeting virtually the standard operating mode this year. Offices had very low occupancy rates, resulting in lower energy consumption compared to 2019. The head office in Spain closed down half of its available office space. Mobility, for both business and commuting purposes, which contributed over 90% of Triodos Bank's footprint in previous years, came to an abrupt halt.

An employee survey in The Netherlands showed that most co-workers would like to continue to work from home for at least part of the working week. Triodos Bank has taken the decision in principle to structurally change its way of working in The Netherlands. All co-workers will continue to work partially from home in The Netherlands after the corona crisis.

This change in the way of working in 2020 and beyond means that the impact of Triodos Bank's operations significantly shifts from offices towards homes. Thus, working from home is deemed significantly material for 2020 and the years to come. As a mature methodology for calculating the CO₂ emissions resulting from working from home is not yet available, Triodos Bank started with inventorising the number of days worked from home. Over all business units, this is estimated to be about 130 days per FTE, which is slightly more than 50%, taking the whole year into account, including the pre-COVID-19 period.

Triodos Bank acknowledges the impact of working from home, but influencing this impact is more difficult. Choices about energy systems and devices at home are private issues and not for the employer to decide. This is a new issue for Triodos Bank and as a first step we have collected sample data to gain more insight into this dilemma. This gives us a basis for

further discussion about the desirability and feasibility of managing this impact.

Sustainable property

Triodos Bank wants its buildings to be as sustainable as possible. It therefore makes continuous improvements to enhance their sustainability. This year, Triodos Bank Spain carried out an energy-efficiency audit for all its offices, resulting in energy-efficiency measures in various buildings. Also, many measures were taken to improve sustainability in the United Kingdom office, impacting energy consumption and waste management.

As a consequence of the structural shift towards working more from home, Triodos Bank is reviewing the projected needs and uses of office space for all business units. In The Netherlands, this resulted in the decision to base all co-workers at the Reehorst. The Reehorst is designed to be energy-neutral and is the first office in the world to have 100% circularity potential. In Spain, available space was halved in one of the Madrid offices in mid-2020.

Sustainable mobility

In 2020, Triodos Bank introduced an updated mobility policy in The Netherlands to create a more flexible and sustainable approach to business travel (air travel not in scope) and commuting. Moving about 60% of the Dutch co-workers to the new Reehorst building at end-2019, was expected to have a positive impact, not least because the building is located alongside a railway station, with direct connections to major urban centres. In the United Kingdom, Triodos Bank worked with local groups to improve cycle networks, as part of efforts to stimulate sustainable travel among co-workers.

There was a big reduction in mobility as a result of the corona crisis as the vast majority of co-workers worked from home. For the little (commuting and business)

travel that still took place, private transportation modes like the car seemed to be preferred over public transport, in line with recommended safe travel behaviour in COVID-19 times. Because of these special circumstances, it wasn't possible to quantify the impact in 2020 of our latest mobility measures, including the new mobility policy.




In 2020, Triodos Bank conducted an air travel scan to get detailed insight into the impact of its air travel and the reduction potential of specific measures. The suggested measures focus on reducing air travel, switching to more sustainable alternatives and prioritising lower impact air travel. The results of the scan will be included in an updated International Travel Policy, which Triodos Bank intends to introduce in 2021.

Working with sustainable suppliers

Triodos Bank tries to extend its positive impact on society through the sustainable choices it makes about its suppliers. Hence, the process through which it buys goods and services is considered a material topic for the organisation.

The procurement policy used across all the countries aims to make sure that we engage sustainable suppliers. The policy determines how Triodos Bank assesses how suppliers are aligned with its business principles and minimum standards.

In addition, and importantly, Triodos Bank's policy is proactively to strive to improve the social, environmental and cultural impact of both its procured goods and services and the organisations that deliver them. Steps will be taken in the coming years to further strengthen the monitoring of the application of the policy, learn from best practice across the Triodos Bank network and engage in dialogue with suppliers to stimulate improvement in their sustainability performance. This should further deepen the impact of Triodos Bank's mission.

Our key objectives for 2020	How we did	Progress at a glance
Sustainable mobility: air travel scan to identify possible reduction measurements that can reduce the climate impact of Triodos Bank's air travel. Introduce a new mobility policy in The Netherlands	<p>The air travel scan identified possible measures to reduce the CO₂ impact of Triodos Bank's air travel and reduction potential of these measures.</p> <p>New mobility policy for commuting and business travel (excluding air travel) was introduced in The Netherlands.</p>	
Working with sustainable suppliers: design an approach to assess the sustainability impact of our vendors	<p>A first draft of the approach was tested, resulting in recommendations for improvements. Work on the approach is ongoing and will continue in 2021.</p>	
Waste management: implement waste reduction programme, focusing on measuring quantity of waste, in The Netherlands	<p>Focus in 2020 was on organic waste. In the kitchen, food waste was weighed and logged by type, using a smart tool integrating camera and scale capabilities. This generated insights that resulted in very low organic waste production. A pilot scheme converted raw, vegetable waste into compost which was then used on the Reehorst kitchen garden, which produces ingredients for the company restaurant.</p> <p>Low occupancy rates in the offices as a consequence of COVID-19-measures resulted in very low, non-representative waste levels in 2020.</p>	

 Met
  Mostly met
  Partially met
  Not met

Prospects for 2021

- **Sustainable mobility:** formulate and introduce an updated International Travel Policy, with sustainability as an important starting point
- **Working with sustainable suppliers:** further develop our approach to assessing the sustainability impact of our vendors, focusing on enhancing internal awareness on the interconnectedness of procurement and sustainability
- **Waste management:** introduce more mono-waste fractions, enabling higher value recycling