

Annual Report 2022

Triodos  Bank

Appendix III – UN Sustainable Development Goals

In 2015, the 17 Sustainable Development Goals (SDG) were launched by the United Nations. The SDGs, successors to the Millennium Development Goals, are a universal set of targets and indicators designed to help countries end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda.



The goals are principally focused on wide-ranging action by states, business and civil society. They resonate strongly with Triodos Bank and our essence as a values-based bank that has been working on this agenda since our founding in 1980.

Triodos Bank is clear about the path we want to take to use money consciously as a catalyst for sustainable change. And while we have our own path to take on a journey to a sustainable, low-carbon and inclusive future, we welcome a framework that enables us to communicate better with our fellow travellers. The SDGs do just that. They provide powerful language to communicate integrated sustainability goals that are more urgent now than ever.

Triodos Bank and the SDGs

The goals clearly articulate objectives that must be addressed at a global level. They reflect the importance of a joined-up, integrated approach to the multiple challenges we face – an approach that closely reflects our own.

Triodos Bank is asked to describe its approach to the SDGs by various stakeholders and has been reporting its approach for many years now. We do this in three distinct ways:

- Via the mapping exercise that follows in this appendix, including updates where we have made specific progress
- By linking relevant content throughout the report to specific SDGs with a visual besides the chapter
- By identifying and reporting against several specific targets, which underpin each of the SDGs.

Where relevant we also highlight SDG targets (e.g. ‘1.5 resilience to external shocks’ below) that underpin each of the goals. We have selected targets that are closest to our activity and aspirations, for readers with a more detailed interest in the specifics of each goal. These targets have been identified, in part, through collaborative work among businesses across sectors, with the support of the Global Reporting Initiative and United Nations Global Compact.

The table below lists the SDGs and Triodos Bank’s contribution to them against three categories highlighting the depth of involvement in relation to each goal. Where our activity is less core to the SDG in question we describe the work we do in this area and our wider perspective on that goal in one column.

- Level 1 – Baseline activity to ensure we are not harming these goals
- Level 2 – Direct activity we take to positively influence them
- Level 3 – The catalysing role we can play to stimulate long-term, transformational change – where Triodos Bank is already, or can in the future, play a catalysing role helping to stimulate the lasting systemic change that the goals demand. This is important because Triodos Bank aims to work with the SDGs to genuinely ‘move the dial’ on the goals.



No poverty

Relevant UN target: 1.5 ...build the resilience of the poor and those in vulnerable situations ... to ... economic, social and environmental shocks ...

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Our policy is to avoid predatory lending and to undertake good due diligence when making decisions about which inclusive finance institutions to invest in.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We invest in institutions working for inclusive finance in emerging markets, so they can serve people to build their assets gradually, develop small and medium-sized enterprises, improve their income-earning capacity, create employment and provide a financial cushion for the future.</p> <p>Triodos Bank has an active role in eradicating urban poverty in Europe, financing organisations devoted to care and social inclusion. Co-workers are also involved directly in local initiatives.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>We have a holistic approach to today's societal challenges. We want to make the transition to a regenerative economy fairer and more inclusive, of which our loans and investments related to this SDG contribute. We also advise financial institutions who specialise in inclusive finance on how to incorporate environmental issues in their business.</p>



Zero hunger

Relevant target: 2.4 ... ensure sustainable food production ...

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>We do not finance intensive agriculture and, instead, only finance sustainable and agriculture based on organic principles.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We specialise in financing sustainable food production through our lending and investing activity in organic farming and sustainable trade.</p> <p>Our investment activity related to sustainable food production focuses around two investment funds (Triodos Food Transition Europe Fund and Triodos Green Fund), totalling up to EUR 149million.</p> <p>The climate, health and hunger in the world are all issues closely related to our eating habits. We finance entrepreneurs and initiatives that contribute to a cultural change by making plant-based food attractive and accessible to the general public.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>At a systemic level our finance aims to inspire the financial sector, by showing that sustainable organic and Fair Trade agriculture can be successfully financed in European and emerging markets.</p> <p>We also work with others (see SDG 17) to promote sustainable food production. Since 2019, we have continued to work with partners to develop 'true cost accounting' for finance, food and farming, for example.</p>



Good health and well-being

Relevant target: 3.5 Prevent and treat substance abuse

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>We only finance healthcare providers with a human-centred approach to care, ensuring health and well-being, particularly for the elderly, people with learning and physical disabilities and other disadvantaged groups such as those recovering from drugs and substance abuse.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We finance large numbers of healthcare organisations whose emphasis is on quality of care, including clinics specialising in addiction treatment. In 2022 we financed EUR 1,118 million in healthcare organisations via direct lending, mainly in elderly care facilities.</p> <p>Triodos Bank also finances many community health centres. The Triodos Pioneer Impact Fund (EUR 580million) and other Triodos investment funds that invest in equities issued by listed companies also invest in medical technology pioneers in the theme of ‘healthy people’.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>We can contribute more powerfully by financing scalable projects.</p>



Quality education

Relevant targets: 4.4 ... increase the number of youth and adults who have relevant skills ... for employment, decent jobs and entrepreneurship

4.7 .. ensure that all learners acquire the knowledge and skills needed to promote sustainable development ...

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Our approach is to only finance education initiatives – from kindergartens to adult education – that benefit individuals’ personal development and society in terms of social cohesion in general, and sustainable economic development in particular.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We support long-term finance to specialist educational providers and schools for children with special educational needs and disabilities. Adult learning is also supported. We also finance a number of music and dance schools.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>We can contribute to the overall education ‘mix’ by focusing our finance on diversity in the education system – through progressive educational establishments and initiatives that serve the excluded.</p> <p>We also provide long-term support and participate in initiatives beyond our role as a bank directly. Co-workers in all countries regularly accept invitations to explain to students how sustainable finance and economics work for a better society.</p>



Gender equality

Relevant target: 5.1 End all forms of discrimination against ... women ...

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>We treat all individuals equally, and particularly include people who are often excluded. In practice, this leads to an explicit focus on making access to finance available to women.</p> <p>We value a diverse community in Triodos Bank itself, including gender.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We finance financial institutions in developing countries and emerging economies that demonstrate a sustainable approach toward providing financial services to those traditionally excluded. Giving women the freedom to manage their income and to support their families empowers their position.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>The greatest contribution we can make is to both promote and extend healthy gender diversity as an important pre-condition for our work as an institution ourselves and in how we apply the money entrusted to us, both in Europe and in developing countries.</p>



Clean water and sanitation

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Clean water and sanitation are topics relevant around the world. While this is not a core loan or investment theme, much of our finance takes care of both, not least through entrepreneurs financed through inclusive finance and SME lending and in sectors such as organic agriculture which support water conservation and water health.</p>
<p>Level 2 What we do to make a meaningful difference</p>	
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	



Affordable and clean energy

Relevant target: 7.2 ... increase ... renewable energy in the global energy mix

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Our policy is to exclusively finance renewable energy initiatives in the energy sector.</p> <p>Whenever we can we generate or buy energy from renewable sources to power the buildings that we work from within our own network.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We finance sustainable energy via direct lending in all the countries where we operate (EUR 1,591 million) and via investments through several investment funds, totalling up to EUR 745 million</p> <p>Triodos Bank finances offshore wind energy projects through its international Energy and Climate desk.</p> <p>Triodos Bank's and Investment Management's renewable energy projects also extend to emerging markets.</p> <p>Triodos Bank has developed a detailed programme to reduce the environmental impact of its own activities; its operations meet the highest environmental standards and it uses 100% renewable energy in its buildings.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>As well as its direct impact as a financier, Triodos Bank acts as an opinion leader in the energy space, including engaging in debate about the urgent importance of a low-carbon economy and how to move towards it.</p> <p>Triodos Bank played a catalytic role in the development of PCAF, the Partnership for Carbon Accounting Financials to measure and disclose the carbon emissions of loans and investments, which has since 2018 evolved into The Global GHG Accounting and Reporting Standard for the Financial Industry.</p> <p>We can contribute further by extending our work into new areas such as energy storage, energy-efficiency finance and electric-vehicle infrastructure via Triodos Bank's European network of energy-finance experts.</p> <p>Triodos Bank is convinced it's time the energy transition becomes a matter for citizens themselves. In The Netherlands we are financing more and more energy initiatives from citizens as a result.</p>



Decent work and economic growth

Relevant targets: 8.3 ... encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services
8.4 Improve ... global resource efficiency in consumption and production ... decouple economic growth from environmental degradation ...
8.9 ... implement policies to promote sustainable tourism ...
8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking ... and financial services for all

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Triodos Bank has over 20 years' experience financing microfinance and inclusive finance initiatives in emerging markets. As well as only financing the sustainable economy in Europe, including developing lending in the sustainable tourism sector, all our banking products and services take the environment into consideration.</p> <p>Our finance often leads to job creation and frequently, due to the sustainable focus of all our finance, to work that benefits the excluded – from people with disabilities to ex-offenders.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>The inclusive finance activity we described in SDG 1 is delivered via Triodos Investment Management connecting thousands of investors with microfinance and SME institutions in developing countries.</p> <p>We are continuing to extend lending to certified green sustainable tourism projects, or those working towards it, across Europe.</p> <p>Triodos Bank integrates resource efficiency and environmental concerns in products with a purpose; including biobased mortgages and pensions linked to frontrunning sustainable companies.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>We intentionally look to finance companies that can act as a catalyst for deep-seated change within their industries, as inspirational examples of what's possible in the circular economy. We partner with others who share this agenda, such as the European Investment Fund (EIF). We have three guarantee schemes with the EIF for social entrepreneurs providing up to EUR 400 million in guaranteed loans.</p>



Industry, innovation and infrastructure

Relevant targets: 9.3 Increase the access of small-scale ... enterprises ... to financial services ...
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	
<p>Level 2 What we do to make a meaningful difference</p>	<p>Triodos Bank already has a track record in clean energy infrastructure and aims to remain a frontrunner in financing new green energy infrastructure, both in generation and storage and in green jobs.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>While we typically do not finance large-scale infrastructure projects, Triodos Bank promotes an inclusive, sustainable economy and fosters innovation; indeed, Triodos Bank itself is an example of innovation in the banking sector. Triodos Regenerative Money Centre was established in 2019 with the aim to finance innovation and to innovate finance.</p> <p>Our work for the inclusive finance sector supports efforts to increase access of small-scale enterprises to financial services, including affordable credit.</p>



Reduced inequalities

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Our collective work is designed to contribute to a fairer and more equitable economy in Europe and around the world, as described in our vision paper on social inclusion, published in 2022. One way we do this is via investment funds that promote inclusive finance, targeting small and medium-sized businesses in emerging markets. We also aim to be a reference point for values-based banking, working alongside partners in networks like the Global Alliance for Banking on Values (GABV).</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>We have a comprehensive approach to inequality which includes financing groups at risk of social exclusion.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>Triodos Bank also strives to be a more diverse and inclusive organisation, which will remain high on our list of priorities in the coming years.</p> <p>This work also translates into loans to businesses and organisations that serve and employ people with disabilities or who are otherwise at risk of exclusion. We actively support refugees financially through several initiatives across Europe.</p>



Sustainable cities and communities

Relevant targets: 11.1 ... access for all to ... affordable housing ...

11.4 ... protect and safeguard the world's cultural ... heritage

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal	We have a proactive policy to finance social and (the transition to) sustainable housing as well as arts and culture projects.
Level 2 What we do to make a meaningful difference	<p>We have approximately EUR 532 million in loans and investments in the social housing sector, providing affordable homes for often excluded groups across Europe. We also finance EUR 194 million in community projects, for example in not-for-profit employment programmes, youth help centres, integration programmes and other community projects.</p> <p>We finance EUR 497 million in arts and culture projects, ranging from individual artists to large cultural institutions such as museums and theatres.</p> <p>The sustainable property sector we finance via Triodos Bank and Triodos Investment Management amounts to EUR 955 million.</p>
Level 3 The catalysing role we can play to stimulate long-term, transformational change	<p>We can contribute most powerfully by financing scalable, inspirational projects that change the perspective of the housing and arts and culture industries. These projects show that social, environmental and cultural objectives can and should be integrated in developing sustainable housing for the whole community.</p> <p>We can also respond to urgent challenges in society. For example, refugees with the legal status to stay in The Netherlands for five years can now access a mortgage via a special product developed with the Triodos Foundation and a partner (see also SDG 17).</p> <p>We can also work with partners to advise on how best to attract and apply finance for sustainable infrastructure projects in cities.</p>



Responsible consumption and production

Relevant targets: 12.2 ... sustainable management ... of natural resources

12.5 ... reduce waste generation ...

12.6 Encourage companies ... to adopt sustainable practices ...

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>Our products and services (see qualitative elements in the GABV scorecard) have responsible consumption built in.</p> <p>We positively look to finance companies focused on reducing waste generation and promoting reuse and recycling. We also encourage listed companies to act more sustainably and actively promote responsible consumption.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>The efficient use of natural resources is at the heart of much of our finance. We only finance organic agriculture projects for example, and proactively look to finance businesses operating in the circular economy.</p> <p>Triodos Investment Management engages with large companies, encouraging them to improve their sustainable practices, including by voting as an investor through the Impact Equities and Bonds funds (EUR 2,656 million).</p> <p>Sustainable practices have been an integral to our business from the outset. We integrate sustainability into our reporting cycle as a logical consequence of this focus.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	<p>Through events, articles and public affairs activity we aim to promote an integrated view that responsible consumption and production are closely connected to a better quality of life.</p>



Climate action

<p>Level 1 Baseline policies and activity, to avoid doing any harm in relation to the goal</p>	<p>While most of the specific SDG 13 targets do not relate directly to Triodos Bank's activity, much of our direct loans and investments' finance aims to combat climate change, particularly through finance of the sustainable energy sector, which generated green electricity. Triodos Bank has set the ambitious target to net-zero by 2035 at the latest, including all loans and investments.</p>
<p>Level 2 What we do to make a meaningful difference</p>	<p>All our finance aims to integrate environmental concerns with social, cultural and economic considerations. We enable individuals and businesses to act to combat climate change through our products and services, including green mortgages that incentivise more sustainable homes, and personal loans for spending on sustainable products such as solar panels. We participate in public initiatives through advocacy activity and have built partnerships with others.</p>
<p>Level 3 The catalysing role we can play to stimulate long-term, transformational change</p>	



Life below water

Level 1

Baseline policies and activity, to avoid doing any harm in relation to the goal

Our finance in the organic sector aims to reduce marine pollution by focusing on soil quality, water conservation and health. We have signed a statement against deep-sea mining in 2022.

Level 2

What we do to make a meaningful difference

Level 3

The catalysing role we can play to stimulate long-term, transformational change



Life on land

Relevant target: 15.5 ... halt the loss of biodiversity ...

Level 1

Baseline policies and activity, to avoid doing any harm in relation to the goal

Our policy is not to finance any projects that degrade natural habitats or diminish biodiversity.

Level 2

What we do to make a meaningful difference

Next to financing organic agriculture, we finance conservation organisations, which see agriculture as part of a natural system which encourages greater biodiversity, rather than one of extraction. Around EUR 488 million of our loans and investments were in the organic food and farming and nature development sectors during 2022.

We actively engage on issues that relate to sustainable investing on the stock market via our research team, on topics such as palm oil, tin mining, commodity scarcity and conflict minerals. We partner with organisations such as WWF and Greenpeace in some of the countries where we are active and attract donations for their activities through the Triodos Foundation.

Level 3

The catalysing role we can play to stimulate long-term, transformational change

We can contribute to systemic change by demonstrating that enterprises that are focused on greater biodiversity offer a financially viable alternative to the dominant extractive system. We can also develop new, innovative approaches that punch above their weight, as powerful examples of what's possible.

Triodos Bank has signed the Finance for Biodiversity Pledge, committing itself to collaborating, engaging, assessing their own biodiversity impact, setting targets and reporting on biodiversity matters by 2024 at the latest. We are also a member of the Partnership Biodiversity Accounting Financials, which works to develop a common accounting methodology for the sector's impact on biodiversity.

In 2022 we published a whitepaper on the role of the financial sector in restoring biodiversity, and we announced we want ecocide introduced at the International Criminal Court.



Peace, justice and strong institutions

Level 1

Baseline policies and activity, to avoid doing any harm in relation to the goal

We believe peaceful and inclusive societies require fair and inclusive economies focused on improving quality of life for all. Our finance is firmly focused on this goal.

Level 2

What we do to make a meaningful difference

We finance faith organisations of all kinds that commit to non-coercive expressions of religious belief, from Buddhist centres to Presbyterian churches.

Level 3

The catalysing role we can play to stimulate long-term, transformational change



Partnerships for the goals

Relevant target: 17.3 Mobilise additional financial resources for developing countries ...

Level 1

Baseline policies and activity, to avoid doing any harm in relation to the goal

We encourage partnerships to help strengthen sustainable financial institutions and mobilise financial resources in developing countries.

Level 2

What we do to make a meaningful difference

Our aim is to enter sustainable markets early and demonstrate that they are financially viable.

Our work in developing countries is delivered principally through Triodos Investment Management, as described above.

Level 3

The catalysing role we can play to stimulate long-term, transformational change

We can help promote systemic change by partnering with others. Triodos Bank hopes to co-create new collaborations that better meet the needs of a sustainable economy. We are already aligned with many of the global frameworks through our local activities across our operations. They include the following global initiatives:

- The Global Alliance for Banking on Values (GABV)
- UN Principles for Responsible Banking
- Net-zero Banking Alliance
- Commitment to the Dutch Climate Agreement
- PCAF (the Partnership for Carbon Accounting Financials)
- We have signed the Finance for Biodiversity Pledge
- Triodos Bank is also part of the Partnership for Biodiversity Accounting Financials (PBAF)

Beyond these collaborations, we are also committed to the following global initiatives: the Global Impact Investing network (GIIN); UN Principles for Responsible Investment (UN PRI); the Diversity Charter; Club of Rome Finance Impact Hub; the Sustainable Finance Lab; OECD Guidelines for Multinational Enterprises.

We continue collaborating with networks of financial institutions, NGOs and civil society groups (including Finance Watch, Share Action and WWF) to accelerate the transition to a sustainable and inclusive economy.