

Annual Report 2022

Triodos  Bank

1.4 Co-worker report

2022 was a year of change. Together with the co-workers involved, we began implementing a new organisational structure to optimise the bank's resources and create efficiencies, which, when completed, will help to support the delivery of impact for the bank's customers and investors.

For our more than 1,800 co-workers, it is generally not the job or the salary, but the values that Triodos Bank upholds that are most appealing. Having sustainable development as our first and foremost concern casts a different light on our relationship with customers, suppliers, other co-workers, and on their own development as well. For all the achievements in this section, creating a positive impact and further developing the bank, themselves, and each has been the underlying driver for our co-workers.

For the first time Triodos Bank has designed and started to implement the Triodos Operating Model (TOM) causing organisational changes. At the same time a social plan for Netherlands-based co-workers was negotiated with the trade unions for the first time. Arrangements are also underway for similar social plans arrangements in other countries. We provide support to our co-workers and managers through a Transformation Journey empowering all co-workers to be part of the change. The Transformation Journey supports co-workers in developing the change capabilities needed to successfully realise the envisioned transformation of Triodos Group. At the same time, we closely monitor and further stimulate our co-worker engagement by adding two pulse surveys to our regular engagement survey. To further improve our co-workers' mid- and long-term personal

development opportunities a talent management strategy was developed.

Leadership changes

During the year we saw a number of changes to our Executive Board. After we announced in January 2022 that our CRO, Carla van der Weerd, needed a recovery period from the health impact of long COVID-19, we set out to find a temporary statutory replacement for this role in the Executive Board. In May 2022, our CFO, André Haag, announced his decision to leave Triodos Bank to pursue other career opportunities. Willem Horstmann was willing to take on a combined, ad interim role of CFO and CRO until the Supervisory Board has had time to identify longer-term solutions for both roles.

We announced in November 2022 that the Supervisory Board intends to nominate Kees van Kalveen as Chief Financial Officer (CFO). Most recently, in December, we announced that Marjolein Landheer is the intended Chief Risk Officer (CRO) ad interim. The Supervisory Board then notified the General Meeting of both intended appointments at the Extraordinary General Meeting on 25 January 2023, after which Kees van Kalveen took over full CFO responsibilities and Marjolein Landheer full CRO responsibilities from Willem Horstmann, who

had held the role of Chief Financial and Risk Officer (CFRO) ad interim since June 2022.

The Supervisory Board and the Board of SAAT saw a number of changes in their composition; amongst others both welcomed new Chairs. Alexander Rinnooy Kan joined SAAT in October and became Chair per 1 January 2023; Mike Nawas became Chair of the Supervisory Board in May 2022. Kristina Flügel joined the Supervisory Board in October.

More senior leadership changes occurred.

On 1 February 2022, the Executive Board appointed Hadewych Kuiper as Managing Director of Triodos Investment Management and member of the Management Board of Triodos Investment Management B.V.. Furthermore, the implementation of the new Triodos Operating Model (TOM) started, resulting first in a new top structure (EB+1) with mostly internal appointments enhancing our commitment to supporting the talented co-workers we have in Triodos Bank. The new top structure was implemented during December 2022 and the last appointments took place on 1 January 2023. The implementation of this new top structure is an important step to moving forward with TOM and progressing with its implementation for the rest of the organisation in 2023.

Working efficiently and effectively

In May 2022, the Executive Board announced its intention to implement a new organisational structure, to maximise the bank's resources, create efficiencies and, when fully implemented, help to support the delivery of impact for the bank's customers and investors.

The overarching remit of the TOM is to ensure greater alignment of the whole banking group, avoiding duplication of tasks and responsibilities and to support the bank's mission by operating as 'One Bank'. The programme is being delivered in phases:

- Phase one (now completed) focused on the overarching approach to implementing the model, changes to the top structure of the bank (direct reports of the EB) and HR.

- Phase two (in progress) sees Triodos IM and all remaining functional areas go through the TOM process in 'waves'.
- Phase three focuses on implementing and embedding the changes and starting a cycle of continuous improvement.

For the first time, to design and implement TOM, a social plan for Netherlands based co-workers was negotiated with the trade unions. Arrangements are also underway for similar social plans in other countries. Based on the social plan agreements, the HR processes to support the design and implementation of the restructuring have been developed and are being executed per functional area.

The first phase of TOM was completed according to schedule with the new EB+1 structure finalised, and the HR TOM live per 1 December 2022. Other TOM waves, in 2023, have experienced some delay due to being larger and more complex functional areas and having an all-countries impact for the bank. Working with Requests for Advice across countries and applying the appropriate HR processes cross border is a complex matter that needs to be carried out with due care and process. The new HR structure is enabling the department to further strengthen the breadth of its expertise, harmonise processes across the Group and broaden the department's services for co-workers and managers.

Next to TOM:

- A programme in Spain, promoting structural changes focused on being more commercial, more digital and more in control was successfully concluded. It also leads to efficiencies from the digitalisation of workstreams (e.g. digital onboarding of new customers).
- A new Financial Crime and Payment Operations department was created (including a new card operations team) by moving Customer Operations to Retail Banking per 1 July.
- We introduced a LEAN way of working on objectives/KPIs. This will increase clarity, priority setting and efficiency.
- Our ongoing initiative to drive change and deliver value via the temporary Group-wide collaborations called domains entered its fourth year. These multidisciplinary teams are

working together in eight domains (community engagement and communication, onboarding and servicing, business lending, investments, payments and savings, KYC and financial crime, data and reporting, and mobile), impacting our customer experience, cost-income ratio and control framework.

was well above the financial services benchmark of 74.4%.

The results were presented in local Community Meetings with all co-workers and the results were discussed in team meetings followed up by action plans, which were reviewed in team meetings during the year.

Following the survey feedback, Triodos Bank improved internal communication about ongoing changes, such as the TOM restructuring and the intended listing of our Depository Receipts on the MTF. We organised several group wide townhall sessions about current developments, with the participation of the Executive Board.

Engagement and continuous listening

Using a new platform, we launched the first of a total of three Group-wide co-worker surveys in the first half of February. The 82.9% response rate



One Bank.
One Team.
One Mission.



The vision of the Triodos Operating Model programme

Members of the Board also regularly write a column published internally.

The two pulse surveys focused on various topics of both Group and local interest, such as work pressure, client focus, efficiency and internal communication. The high response rate and large number of open comments show our co-workers' great commitment and willingness to share feedback.

Hybrid working

With our teams increasingly made up of international colleagues based in the various Triodos business units, hybrid working becomes even more important.

Physical meetings remain essential for team cohesion. Following the end of the COVID-19 lockdown in January and February we actively invited co-workers to return to the office more often to strengthen the connection with each other and to provide space for innovation and learning.

Hybrid working is now fully implemented Group-wide and all business units have adopted their own local hybrid working policy. Rather than prescribing a minimum or maximum number of days in the office most business units adopted a principles-based approach balancing business needs with individual preferences and enabling all co-workers to be their best at work. In many cases teams have adopted their own weekly rhythm in planning their presence at the office.

To increase flexibility where possible, various business units have made arrangements to enable hybrid working from abroad for a limited number of days per year.

An extensive hybrid-working learning channel was made available Group-wide. In Belgium, a 'happy hybrid team charter' has been introduced to discuss and optimise our co-workers' hybrid working experience. In the UK, the co-worker pulse surveys asked for co-worker feedback on the principles of the Be Your Best At Work flexible working approach.

Talent management

A comprehensive talent management framework has been established. We started to implement diverse elements of this framework for specific target groups (Executive Board and EB+1, EB+2 and all co-workers).

We launched and rolled out the Triodos Competencies Wheel in the Executive Board and EB+1 leadership teams and performed individual leadership development assessments (outsourced to a respected executive firm) for the Executive Board and EB+1.

We performed the talent review for the EB+1 and EB+2, including one-on-one talent conversations with the manager and co-worker. For our EB+2 managers this is still ongoing.

A Talent Board was established. This discusses, monitors and challenges talent identification, talent development, succession planning and retention for leadership levels (including our EDI goals).

In the UK, we rolled out Triodos Competencies and Behaviours to all co-workers and the e-learning on this topic now forms part of the onboarding for new co-workers. To further embed these behaviours, Triodos UK built them into the FLOW dialogue forms and linked them to the UK recognition scheme, Celebrate Us.

In the UK, the senior management team (SMT) completed a comprehensive leadership development programme and a strategic forum of senior leaders from across the business was established, named Leadership Link. The objectives of this group include support and diversity of thought to the SMT in strategically steering the business and navigating challenges, as well as supporting members' development as leaders via experiential and group learning.

Using Leadership Link as a pilot group we launched a Leader-as-Coach programme, developing our senior leaders' coaching skills - encouraging ask-not-tell, adult-to-adult relationships and curiosity in order to support our people's development,

unlock their potential and, ultimately, drive organisational performance.

In Spain, the local transformational journey includes a leadership chapter to improve management skills and leader-coach approach for managers.

Learning organisation

Our mission states that people have the freedom to develop themselves. We reinforce learning by fostering a culture in which all co-workers feel challenged and equipped to develop themselves, both professionally and personally. We enable this by continuously improving our learning offer and providing what is needed in line with the current circumstances.

As an example, the success of the new Triodos Operating Model requires enhanced organisational capabilities in change management. That is why we created an integrated transformational change programme: The Transformation Journey focuses on empowering co-workers to make (and so 'be') this change, with support for both managers and co-workers. Leading Change sessions have been developed and are being delivered to all people managers by facilitators and change ambassadors.

These sessions are followed by Make Change Work Together workshops designed to support newly established teams in accelerating team development and cohesion. Additional interventions included the launch of the learning channel on Change and Transformation in Q3 2022, and training to enhance English language (Q3, Q4 2022 and 2023); change management and storytelling skills will follow in 2023 for all co-workers.

Considering all the ongoing changes, we continued to deepen our co-workers' personal connectivity to our identity through participation in our various mission, vision and essence initiatives. We also launched a Group-wide Impact Management e-learning to introduce the new vision on impact. Almost 1,000 co-workers undertook this e-learning in 2022.

Local learning initiatives included:

- A pilot of Insights Discovery® training for change agents attending the local transformation journey programme.
- An MS Teams ambassadors network supporting digital skills improvement.
- Communities of practice developed in Spain in the context of the local transformation journey.
- The first local Value seminars facilitated by our local Value ambassadors were held.
- Insights Discovery® was embedded to help teams understand how to apply and leverage insights within their team. We have also introduced an Insights-based 360 feedback tool which we hope to roll out more widely in 2023.
- We have continued to support individual co-workers through individual formal coaching and self-study qualifications which enhance technical/functional knowledge and skills.
- With our online mandatory training organised in-house there is greater focus on Triodos priorities. In the UK, we have supported technical development within functions such as credit risk training for Business Banking and retail and digital banking certificates for the Customer Contact team.

In the risk and compliance general awareness curriculum, we have Group-wide 97-99% e-learning completion rates.

In Q4 2022, a new Conflict of Interest e-learning went live for all co-workers. Besides general awareness, this e-learning includes topics such as ancillary positions and personal investments.

As from 2022 we no longer publish training days per co-worker in the co-worker statistics. The method of data gathering used did not do justice to all training our co-workers received, including internal training. Instead, we monitor co-workers receiving regular performance and development reviews. In 2021, we introduced a new performance management methodology called FLOW (feedback, learning, objectives and well-being), which encourages co-workers to take more ownership of their own development and employability. We monitor and publish the percentage of co-workers receiving performance and development reviews using the FLOW methodology.

During 2022, 76% of co-workers eligible for a performance review received a performance and development review. All internal co-workers in service for at least six months prior to the start of 2022 were eligible. All co-workers without demonstrable evidence of having a performance review are counted in the 24% that did not receive a review. This includes co-workers on leave or long-term absence (sick leave, maternity/paternity leave, vitality leave).

Equity, diversity and inclusion

In 2022, the EDI year plan From Green to Colourful was rolled out. Dialogue sessions were held in all countries. An EDI ambassadors network having been established, the ambassadors co-facilitated these workshops. The aim was to increase awareness on the topic of EDI.

Through the Talent Review process, performed for the EB+1 and EB+2 in 2022, we have established a gender view on talent and succession candidates. To strengthen our diversity on the Supervisory Board, Executive Board and for directors, the Executive Board and Supervisory Board have set the following gender targets as explained in the table below.

In accordance with the Gender Balance Act for a more balanced ratio between men and women on management and supervisory boards, we will

report on our progress in meeting these targets to the Social and Economic Council (Sociaal-Economische Raad, SER).

Succession planning opportunities, including diversity balance, required skills and capabilities, are discussed in the new established Talent Board.

In Belgium, an internal platform of EDI ambassadors started focusing on the topic of ethnic diversity with an external consultant and worked out an action plan. The target of 15% of ethnically diverse recruitment was achieved this year.

In Spain, we held several co-worker dialogues around EDI and appointed a local equality agent.

In Germany, a group of seven co-workers focused on EDI and identified several topics to share with the local team in 2023.

In the UK, we continued to deepen our work on EDI, publishing the local gender pay gap and action plan, and continued our signatory status with the Women in Finance and Bristol Women in Business Charters. We achieved our UK targets for female representation at senior levels a year earlier than anticipated. With the support of the Triodos Inclusion Forum, we've been able to focus on key areas of inclusion, including Black History Month, mental health and stress awareness, menopause, and International Men's Day.

Targets Gender balance Triodos Bank

Targets Gender balance Triodos Bank (m/f)				
	2023	2024	2025	2026
Supervisory Board	At least 33% under represented gender	At least 33% under represented gender	At least 33% under represented gender	50/50
Executive Board	80/20	80/20	At least 33% under represented gender	At least 33% under represented gender
Senior Leadership	60/40	To be determined*	To be determined*	To be determined ¹

¹ In the course of 2023, the overarching part of the TOM implementation will be executed, including the restructuring of the top structure of Triodos. Consequently, with this change the definition of our senior leadership will change. Once the new definition based on the new top structure and governance is finalised, we will define the ambition gender targets as of 2024 and beyond.

In line with our core values, Triodos Bank supports the principles of equal pay for work of equal value. Our Group remuneration policy is set up to be neutral for all co-workers, regardless of aspects such as gender, ethnic background, age, sexual orientation or distance to the labour market. In 2022, we engaged with an external party, AnalitiQs, to carry out an in-depth gender pay gap analysis. The scope included all internal co-workers for the Netherlands, UK, Belgium, Spain and Germany.

This resulted in a nominal outcome for the UK, Belgium, Spain and Germany. For the Netherlands, the total number of co-workers allowed for a correction for pay gaps that are caused by differences in age, job level, job family, contract type, service years and FTE. Both the corrected outcomes and the nominal outcomes for other countries showed a gender pay gap below or close to the Statistics Netherlands (CBS) or Eurostat benchmark. The outcomes lead to the conclusion that an overall correction is not needed. Where we identify an unexplainable gap, we will adjust this if needed as part of our regular compensation process.

Triodos Bank will further intensify this EDI learning journey over the coming years to become more inclusive and diverse and to embed EDI into policies and processes.

Well-being

The well-being of our co-workers is a primary concern.

To alleviate the impact of the unprecedented inflation we offered a one-off payment to those co-workers most affected.

In the Dutch business units, we dedicated one of the pulse surveys to ask about work-related mental strain. Although we performed better than the financial services benchmark we have identified areas for improvement.

We have appointed an Absence and Employability Coordinator as well as a FLOW and Co-worker Experience Lead. Well-being is a priority for both.

Other local initiatives included:

- A psychosocial risk evaluation followed by a well-being plan in Spain.
- The training of guardian angels, able to support the organisation as first-line help on mental health issues, and the introduction of a well-being policy in Belgium.

The following table provides a summary of progress against our key co-worker objectives for 2022, published in the 2021 annual report.

Our key objectives for 2022

How we did

Talent management and learning organisation

A differentiated framework for talent identification, development and talent retention for various groups of co-workers will be developed. We will create the infrastructure for talent and succession management of our leadership roles. In doing this, we will further define the required leadership qualities and behaviours. This will allow us to articulate expectations, define future skill sets and adapt our leadership development programmes.

A comprehensive talent management framework has been established. We started to implement diverse elements of this framework for the specific target groups. The following target groups are identified:

- Executive Board
- The management level reporting to the Executive Board, (EB+1)
- The management level reporting to the EB+1 level, (EB+2)
- All co-workers.

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We launched and rolled out a new Triodos Competency framework in the Executive Board and EB+1 leadership teams.

We performed individual leadership development assessments (outsourced to a respected executive firm) for the Executive Board and EB+1.

We performed a talent review for the EB+1 and EB+2, including one-on-one talent conversations with the manager and co-worker (for EB+2 this is still ongoing).

We established the Talent Board, where talent identification, talent development, succession planning and retention for leadership levels (including our equity, diversity and inclusion goals) are discussed, monitored and challenged.

The Compliance and Risk and general Group awareness curriculum will continue to grow in 2022.

In the compliance and risk general awareness curriculum, we have Group-wide 97-99% e-learning completion rates.

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In Q4 2022 a new Conflict of Interest e-learning went live for all co-workers of Triodos Bank. Besides general awareness, this e-learning includes topics such as ancillary positions and personal investments.

A group-wide Impact Management e-learning was launched to introduce our new vision on impact. Almost 1,000 co-workers familiarised themselves with this e-learning in 2022.

● ● ● Met ● ● ○ Mostly met ● ○ ○ Partially met ○ ○ ○ Not met

Our key objectives for 2022	How we did	Progress at a glance
Equity, diversity and inclusion (EDI)		
Review our succession planning for the realisation of our mid-term EDI targets for the Supervisory Board, Executive Board, and the management level reporting to the Executive Board.	<p>In 2022 we started with our differentiated talent management approach. Through the talent review process, performed for the EB+1 and EB+2 in 2022, we have established a gender-view on talent and succession candidates.</p> <p>To strengthen our diversity in the Executive Board and EB+1 layer the Executive Board and Supervisory Board have set gender targets.</p> <p>Succession planning opportunities including the diversity balance, needed skills and capabilities are discussed in the newly established Talent Board. Although our key objective is met, given the current diversity in Triodos Bank's leadership team, this objective requires long-term attention and actions.</p>	● ● ○
The Group-wide EDI year plan, From Green to Colourful will be further rolled out with dialogue sessions and the activation of self driven initiatives.	The EDI year plan of 2022 has been rolled out. The From Green to Colourful dialogue sessions were held in all countries. An EDI ambassadors network has been established and these ambassadors co-facilitated the workshops.	● ● ○
We will perform an in-depth gender pay gap analysis in 2022, conforming to European Banking Association guidelines.	In 2022, we engaged an external party, AnalitiQs, to carry out an in-depth analysis to test the assumption that we adhere to the principles of equal pay.	● ● ●

● ● ● Met ● ● ○ Mostly met ● ○ ○ Partially met ○ ○ ○ Not met

Our key objectives for 2022	How we did	Progress at a glance
Engagement and continuous listening		
<p>We will train Value ambassadors to share our Triodos Bank mission and vision in their own words and to make their story our story. The Value ambassadors will engage in dialogues about the essence of Triodos Bank in our values-based programmes for co-workers and/or in conversations and meetings with other stakeholders.</p>	<p>We organised three Value ambassador trainings, which resulted in 45 active values ambassadors who will dedicate time and effort to bring the mission, essence, and values further in their networks, both within and beyond Triodos Bank.</p> <p>Three Value seminars took place, offering recent joiners a perfect opportunity to learn more about the history, clients, values and strategy of Triodos Bank.</p>	● ● ●
<p>Beginning in 2022, we will implement a Group-wide continuous listening platform. This will conduct an annual co-worker engagement survey along with two shorter pulse surveys to follow up on key areas. With this new digital platform, we aim to mobilise co-worker voices with a community-based approach.</p>	<p>Using a new platform, we launched the first of a total of three Group-wide co-worker surveys in the first half of February. The 82.9% response rate was well above the financial services benchmark of 74.4%. The subsequent smaller pulse surveys were held in June and November.</p> <p>The results were presented in local Triodos Community Meetings and the results were discussed in team meetings followed up by action plans, again discussed in team meetings during the year.</p> <p>Following the survey feedback, we improved the internal communication about ongoing changes, such as the Triodos Operating Model and the multilateral trading facility (MTF).</p>	● ● ●
<p>We will implement a hybrid way of working without government measures requiring us to work from home as much as possible.</p>	<p>Following the end of the COVID-19 lockdown in January and February we actively invited co-workers to return to the office more often to strengthen the connection with each other and to provide space for innovation and learning from each other.</p> <p>Hybrid working is now fully implemented. The various business units have adopted their own local working from home policies. Teams have organised their presence in the office.</p> <p>An extensive hybrid working learning channel was made available Group-wide.</p>	● ● ●

● ● ● Met ● ● ○ Mostly met ● ○ ○ Partially met ○ ○ ○ Not met

Our key objectives for 2022	How we did	Progress at a glance
Maintain wide-ranging dialogue with our Works Council and benefit from insights shared by co-workers.	<p>On many topics the Works Council has an important role as a sounding board for organisational change and co-worker affairs such as working conditions and the first ever Triodos Bank social plan. They actively contributed to the Triodos Operating Model (TOM) through their involvement in the Requests for Advice process.</p> <p>Insights shared at the OR-Cafés¹ such as on flexible working hours and the Triodos Operating Model were much appreciated.</p>	●●●
One Bank Strategy		
Review our Triodos Operating Model (TOM) to achieve further efficiencies and cost savings.	<p>In May 2022, the Executive Board announced its intention to implement a new organisational structure. The Triodos Operating Model (TOM) aims to maximise resources and deliver increased impact for the bank's customers and investors.</p> <p>A first-ever social plan was negotiated, and related HR processes were developed.</p> <p>The first phase of TOM was completed according to schedule with the new EB+1² structure finalised, and the new HR structure live per 1 December 2022. Other TOM phases, scheduled for 2023, are experiencing some delays, as these waves are the first that have an all-countries impact for Triodos Bank. Working with Requests for Advice across countries, and applying the appropriate HR processes cross-border is a complex matter that we want to do with due care and process.</p>	●●○
Prepare the organisation to be technically and organisationally ready for the implications on ways of working for our MTF listing.	Triodos Bank is largely on track with undertaking preparations to restore the trade in Depository Receipts in Q2 2023. Triodos commenced the roll-out of the solution by inviting DR holders to register on the Captin trading platform in December 2022.	●●○

●●● Met ●●○ Mostly met ●○● Partially met ○○○ Not met

¹ Walk-in sessions for co-workers organised by the Works Council to discuss relevant topics.

² Definition at the top of this table.

Prospects for 2023

2023 will again be a challenging year. It will be a year where the new HR organisation will lead to a more integrated way of working to create a more uniform co-worker experience across the Group.

We will continue to work on our first-ever major change initiative, the TOM project. The Group-wide technical HR process and implementation aspects and facilitating change via our Transformation Journey are priorities for HR.

We aim to complete the implementation of new designs for the functional domains KYC, Risk and IT, and commence design and implementation in all other functional areas.

Based on our initial learnings, we will optimise collaboration between design, implementation and continuous improvement and enhance communication with all co-workers involved.

In addition, we will further implement our differentiated talent management framework. The Triodos competencies will be integrated into the FLOW-dialogues for all co-workers. Talent management will be further embedded in our processes. Succession planning is a priority for the Talent Board in its conversation with the Executive Board. Talent review will be incorporated in the annual HR cycle and rolled out for all co-workers. The outcomes of the leadership development assessments will form part of team development and retrospective feedback to learn and develop individually and as a team.

We will continue our EDI journey. Based on our core objectives and the set gender targets we will roll out the roadmap for 2023 including an EDI governance structure. A new Group ED&I policy will be drafted, and a transformational EDI change programme will be defined and implemented.

We will make the necessary preparations to improve our HR information system and develop a more data-driven and fact-based approach by improving the reliability, usability and accessibility of HR data.

We will add to the dialogue about well-being by focusing on the ongoing development of the FLOW dialogue methodology. Incorporating the new Triodos competency framework into FLOW will allow these competencies to be rolled out to all co-workers.

Our talent acquisition capabilities will be strengthened through further development of our employer brand and recruitment process.

We will extend the roll-out of the LEAN way of working to other parts of Triodos Bank in 2023.