

Annual Report 2022

Triodos  Bank

2. Supervisory Board report

The Supervisory Board supervises the activities and the decisions of the Executive Board and the general affairs of the company and its affiliated enterprise. The Supervisory Board fulfils its supervisory role while considering the impact, risk and return perspective that is fundamental to the mission of Triodos Bank.

Key challenges for the bank in 2022

At the beginning of the year 2022 the markets in which Triodos Bank operates were still gripped by the COVID-19 pandemic, but there was a budding sense of optimism that the magnitude of the disruption might soon abate. That optimism proved to be justified. National and international measures to combat the effects of the pandemic were relaxed much quicker than many had dared to expect. Sadly, this return to normality was soon overshadowed by the war in Ukraine and its reverberations across the world. The market conditions for Triodos Bank were affected in multiple, often divergent, ways, warranting close supervision on the development in the loan portfolio, the provisions for expected credit losses, how assets under management were being affected, and on the financial effects of rising interest rates and inflation. At the same time, focused attention was duly given to the important transformation drives within Triodos Bank, including the project to resolve the prolonged suspension of trading of Depository Receipts (DRs) with a structural solution. Last but not least, enduring encouragement by the bank's stakeholders to continue to provide positive impact

by financing change and changing finance, was seen as a further endorsement of the need to continue to deliver on Triodos Bank's mission.

The Supervisory Board took these key challenges as a call for heightened conscientiousness and resolve in fulfilling its role in the governance of the bank. In 2022, this call was heeded in the activities and focus areas of the Supervisory Board set out below.

Activities and focus areas of the Supervisory Board in 2022

In 2021 it became clear that the system of DR trading at net asset value was unsustainable. After an extensive preparation and a thorough and careful decision-making process the Executive Board, with support of the Supervisory Board, decided to take all necessary steps to list, in due course, the DRs at a Multilateral Trading Facility (MTF) as a structural solution to resume DR trading. During this process various alternative solutions were weighed and assessed – including intermediate solutions for the DR holders that were in most urgent need of liquidity to meet ongoing vital expenses. In 2022, the bank began with the implementation. This entailed a set of projects,

straddling a broad range of areas such as corporate governance, legal and regulatory affairs, investor relations, IT, communication and stakeholder engagement. The Supervisory Board constructively challenged and advised the Executive Board on key decisions and proposals, as well as risks, mitigants and contingency planning related to these intertwined projects. There was considerable press coverage on the suspension of trading, the intended listing on the MTF and the possible consequences for DR holders. Whilst the Executive Board took the lead in steering the projects and communications thereon, the Supervisory Board followed the situation attentively.

We highlight three areas related to the MTF which received specific attention on the Supervisory Board's agenda.

First, the enabling, upon listing at the MTF, of all DR holders to grant a proxy to SAAT to vote on shareholder matters. Given the importance of the subject to the existing community of DR holders, to potential new DR holders and in general to the future governance of the bank, proposals were discussed in detail between the Executive and Supervisory Boards and put to the Board of SAAT for consideration, aiming at setting out the changes in voting procedures well in advance of the launch of the MTF listing.

Second, the efforts the bank is undertaking to attract new investors in Triodos Bank DRs once DR trading is resumed. The equity story of the bank, the associated communications strategy, investor appetite and drivers thereof, and equity capital scenarios were tabled and thoroughly discussed.

Third, the dissatisfaction of a group of DR holders with the bank's decisions surrounding the suspension of DR trading and the chosen solution to resolve this suspension that had prompted some of them to bring their cases to court. In the Netherlands, a group of DR holders brought a case against the company to the Dutch Enterprise Chamber. The Supervisory Board reviewed and approved the company's statement of defence that was prepared under instruction by the Executive Board. In addition, the Supervisory Board submitted to the court its own extensive statement

of defence in support of the company. The court heard the case on 22 December 2022.

Dividend and dividend policy received substantial attention of the Supervisory Board, resulting in the proposals approved at the Annual General Meeting in May and the Extraordinary General Meeting in October 2022. The bank will structurally shift its dividend pay-out ratio to a market-conforming level of 50%, and in 2022 a combination of interim and extraordinary dividend payments was approved and distributed. The extraordinary dividend occurred in lieu of the restricted DR buyback programme (including solidarity arrangement) that the bank had advocated earlier to help alleviate the burden of DR holders most affected by the suspension of DR trading. The Supervisory Board lauded the aim of the envisaged solidarity arrangement but supported the Executive Board's decision to abort the arrangement when it became clear that it was unattainable in the set time frame. Instead, the Executive Board proposed to distribute the capital available for the restricted buyback programme via an extraordinary dividend to all current DR holders. The Supervisory Board reviewed the Executive Board's process in coming to this decision and endorsed the decision after concluding that the process was thorough and the outcome in the interest of the company and all its stakeholders.

The Triodos Operating Model was formally launched in May 2022. Its implementation is of crucial importance to the efficiency and agility of the bank. It comes with the first major restructuring of the bank in its history, including for the first time agreeing a social plan in the Netherlands with trade unions. The Supervisory Board has dedicated a considerable attention to scrutinising proposals and decisions in relation to the Triodos Operating Model, as well as monitoring the progress of implementation. The Supervisory Board remains keen to ensure that, in addition to efficiency, the broader strategic benefits to the bank of the new way of working are unlocked, including the improvement of the organisation's ability to learn and adapt, to develop internal talent across business lines of the bank and to apply business initiatives across countries. The programme and its implementation will continue in 2023.

As part of the role of the Supervisory Board to discuss the bank's strategy, the implementation thereof and principal risks associated with it, several discussions were held in relation to the scale, diversity and complementarity of the business segments that Triodos Bank serves. The resulting balance of impact, risks and return was considered, from a current and future potential point of view. The outcomes of these discussions were fed into the equity story of the bank and the 2023 Group Year Plan. They will be taken further in the ongoing strategic dialogues between the Executive Board and Supervisory Board in 2023 and beyond.

It was also an active year for the Supervisory Board in terms of recruitment and nomination of members of the Supervisory Board and Executive Board.

In 2022, the second four-year terms of Aart de Geus and Ernst Jan Boers came to an end, as well as the first four-year term of Dineke Oldenhof, who decided not to be available for a second term. At the Annual General Meeting on 20 May 2022, they stepped down. We thank Aart de Geus, Ernst Jan Boers and Dineke Oldenhof for their professional and personal contributions as Supervisory Board members.

Supervisory Board

On 20 May 2022, Mike Nawas was appointed by the Supervisory Board as Chair, succeeding Aart de Geus, and Willem Horstmann was appointed by the Annual General Meeting as Supervisory Board member.

Audit and Risk Committee

Per 20 May 2022, Willem Horstmann was appointed Chair of the Audit and Risk Committee to succeed Ernst Jan Boers as Chair of the Audit and Risk Committee. Soon after Willem Horstmann's appointment, there was an urgent need to fulfil, on an interim basis, the combined roles within the Executive Board of Chief Financial Officer and Chief Risk Officer, as will be explained in the section below. The Supervisory Board asked Willem Horstmann to take up this combined executive role, necessitating him to temporarily resign from the

Supervisory Board. During this period, Sébastien d'Hondt, holds the Chair of the Audit and Risk Committee on an ad interim basis.

Nomination and Remuneration Committees

Per 20 May 2022, Danielle Melis took over from Dineke Oldenhof as Chair of the Remuneration Committee on an ad interim basis. In the recruitment process of the replacement of Dineke Oldenhof, the Supervisory Board invited the Dutch Works Council to nominate a candidate and cooperated with the Works Council to set the profile and to recruit the candidate. This resulted in the appointment of Kristina Flügel at the Extraordinary General Meeting of 11 October 2022. Kristina Flügel joined the Remuneration Committee as well as the Nomination Committee.

In December 2022, the Supervisory Board decided to combine the Nomination and Remuneration Committees. Consequently, as per 1 January 2023 Mike Nawas will step down as Chair of the Nomination Committee, Danielle Melis will step down as Chair of the Remuneration Committee and Kristina Flügel will be Chair of the combined Nomination and Remuneration Committee. In addition, the Supervisory Board appointed Danielle Melis as per 1 January 2023 as its Vice-Chair to replace the Chair in his absence.

Executive Board

Carla van der Weerdt, Chief Risk Officer, was absent during 2022 as she needed to recover from the health impact of long COVID-19. Consequently, the role of Chief Risk Officer had to be fulfilled on an interim basis, at first by the Chief Financial Officer. Given the enduring absence, the Supervisory Board intended to appoint a temporary replacement of the Chief Risk Officer, at first in the person of Franca Vossen (as a non-statutory director). Due to a career opportunity in a statutory director role elsewhere this appointment could not be effectuated, resulting again in a combined Chief Financial and Risk Officer position being held by André Haag. In May 2022, André Haag decided to step down as Chief Financial Officer. The Supervisory Board asked Willem Horstmann to

temporarily take up the combined executive role of Chief Financial Officer and Chief Risk Officer. Simultaneously, as Carla van der Weerd's recovery was still underway, the Supervisory Board recruited Marjolein Landheer and appointed her as Chief Risk Officer ad interim after notification to the Extraordinary General Meeting on 25 January 2023. After a careful selection process the Supervisory Board appointed Kees van Kalveen as the new Chief Financial Officer after having notified the Extraordinary General Meeting of 25 January 2023. So, for the period between André Haag's departure and Kees van Kalveen's and Marjolein Landheer's appointments, Willem Horstmann acted as Chief Financial and Risk Officer ad interim and fulfilled an important role in maintaining stability at statutory level. The Supervisory Board is grateful to Willem Horstmann for taking up this role and combined responsibilities and looks forward to welcoming him back to the Supervisory Board after an appropriate cool-down period.

Governance

The Supervisory Board identified two specific areas that merit the temporary establishment of subcommittees of the Supervisory Board, in order to fulfil its consultative and advisory roles with sufficient depth and focus. First, the listing of the DRs on the MTF, and second, the business transformation as per the Triodos Operating Model. The MTF subcommittee consists of Mike Nawas, Ernst Jan Boers (until May 2022) and Sébastien d'Hondt. It convened in April and October 2022. Notable topics were the contracting of the MTF provider, how to best reach DR holders across the various Triodos Bank jurisdictions, potential DR investor appetite, facilitation of large DR purchase and sell orders, and the process towards determination of a reference price upon launch. The Business Transformation subcommittee consists of Sébastien d'Hondt and Susanne Hannestad. It convened in August, November and December 2022, where the Executive Board brought business transformation topics for advice, notably the Triodos Operating Model, the core banking ICT strategy, and the Triodos Bank impact vision.

The cascading of information between (sub)committees and the full Supervisory Board

differs. Given the advisory nature of the subcommittees, the Executive Board relays the discussion and takeaways from the subcommittee to the full Supervisory Board. In the case of the formal committees of the Supervisory Board, the information is presented by the Chair of the committee to the full Supervisory Board for consideration, confirmation or amendment. See the reports of the formal committees in the sections below for information about the content of the activities and proceedings. In addition to the (sub)committee and plenary meetings, throughout the year SB members actively engaged with EB members and senior managers within Triodos to keep abreast of developments.

In 2022, the full Supervisory Board had six formal meetings and sixteen additional joint meetings with the Executive Board, including working dinners during which the Supervisory Board and Executive Board typically reflect on and discuss a dedicated topic at length. In these meetings the Executive Board is always present. Furthermore, the Supervisory Board conducted eleven meetings without Executive Board presence, including one Supervisory Board offsite. The SB has regular monthly calls to stay up to date on important matters at hand.

Next to the activities and focus areas highlighted earlier in this report and the topics brought forward via the subcommittees and formal committees, this year the Supervisory Board deliberations included:

Business

Business propositions in lending and investments and the bank's frontrunner position in financial markets; marketing strategy and marketing communications; originate-to-distribute strategy for mortgage loans; a branch visit of the Supervisory Board to Triodos Bank Spain where a deep dive of the branch, project reviews and client visits took place.

Finance and Reporting

Monthly financial metrics at the level of the Group and of its main business units; the Management Letter and Board Report of the External Auditor; the 2021 annual report plus the Pillar 3 report and In Control Statement, and the half year 2022 results

and the respective press releases; the 2023 Group Year Plan.

Risk and Audit

Enterprise risk management; the effects of war in Ukraine; liquidity management including approving the expansion of the retained residential mortgage-backed securitisation, Sinopel 2; litigation risk; key person risk management; the interactions with DR holders, DR-holder groups and lobby groups; the SREP package including the recovery plan; the risk appetite statement; the effectiveness of the internal risk framework and control systems; internal audit findings.

Human Resources

Executive performance dialogues; executive and non-executive remuneration; function profiles of the Executive Board roles, in particular the newly recruited CFO and interim CRO; talent management; employee engagement, succession planning and key person risks.

Governance

The Triodos Bank materiality analysis; preparations for the Annual and Extraordinary General Meetings; a review of the governance of the Supervisory and Executive Boards.

Works Council

In accordance with the Works Council Act (WOR), a delegation of the Nomination Committee attended two consultative meetings of the Dutch Works Council with the CEO, during which the general affairs of the company were discussed (AGvZ-overleg). Since in 2021 and 2022 the Works Council was given the opportunity to advise on the nomination of two Supervisory Board members, these Supervisory Board members proposed to the Supervisory Board an update of Works Council proceedings, which was adopted.

De Nederlandsche Bank (DNB)

During the year, the Chair had regular calls with DNB; in November a delegation of the Supervisory Board and the Executive Board met with DNB; in December the full Supervisory Board met with DNB.

The Board of SAAT

The Chair joined the formal meetings between the Board of SAAT and the Executive Board as observer and to share the Supervisory Board's vision when asked by the Board of SAAT.

Attendance of the Supervisory Board members in 2022

Supervisory Board members in 2022	Formal Supervisory Board meetings	Formal Audit and Risk Committee meetings	Formal Nomination Committee meetings	Formal Remuneration Committee meetings
Aart de Geus ¹	3 (100%)	-	3 (100%)	-
Ernst Jan Boers ¹	3 (100%)	3 (100%)	-	-
Sébastien D'Hondt	6 (100%)	6 (100%)	-	-
Kristina Flügel ²	2 (100%)	-	2 (100%)	2 (100%)
Susanne Hannestad	6 (100%)	6 (100%)	-	-
Danielle Melis	6 (100%)	6 (100%)	3 (100%) ³	6 (100%)
Mike Nawas	6 (100%)	-	6 (100%)	6 (100%)
Dineke Oldenhof ¹	3 (100%)	-	3 (100%)	3 (100%)

¹ Until stepping down on 20 May 2022

² Since appointment on 11 October 2022

³ Since joining the Nomination Committee on 20 May 2022

Internal organisation

Composition of the Supervisory Board

The Supervisory Board aims to be diverse, with an adequate balance of nationalities, age, experience, background and gender. For gender diversity, the Supervisory Board had a quantified objective for no more than 70% of its seats to be held by either gender. In 2022, new objectives were set by the Supervisory Board for 2023 and beyond, following the "Gender Balance Act for a more balanced ratio between men and women on management and supervisory boards", that entered into force on 1 January 2022. More information on those gender targets can be found in the co-worker report under Equity, diversity and inclusion. As set out above, the composition of the Supervisory Board changed in 2022. Throughout these changes the Supervisory Board continued to comply with its gender diversity policy. At the close of the year, the Supervisory Board was composed of two male and three female members.

Committees of the Supervisory Board

The composition of the committees in 2022 was as follows:

Audit and Risk Committee

- Ernst Jan Boers (Chair - until 20 May 2022)
- Sébastien D'Hondt (Chair ad interim - since June 2022)
- Susanne Hannestad
- Danielle Melis

Nomination Committee

- Mike Nawas (Chair)
- Aart de Geus (until 20 May 2022)
- Dineke Oldenhof (until 20 May 2022)
- Danielle Melis (since 20 May 2022)
- Kristina Flügel (since 11 October 2022)

Terms of office of Supervisory Board members (as per 31 December 2022)

Supervisory Board	Year of first appointment	Year of first reappointment	End of current term	Envisaged retirement ¹	A&RC	NomCo ²	RemCo ²
Mike Nawas (Chair)	2019	-	2023	2027	-	Chair	Member
Danielle Melis (Vice-Chair) ³	2021	-	2025 ⁴	2029	Member	Member	Chair a.i.
Sébastien D'Hondt	2019	-	2024 ⁵	2028	Chair a.i.	-	-
Susanne Hannestad	2021	-	2025 ⁶	2029	Member	-	-
Kristina Flügel	2022	-	2026 ⁷	2030	-	Member	Member

¹ Based on internal Supervisory Board policy, a 2 x 4-year term is considered standard practice. In exceptional circumstances this term can be extended to 12 years or beyond, after approval of the general meeting (article 9 (6) Articles of Association).

² Nomination Committee and Remuneration Committee merged per 1 January 2023 into Nomination and Remuneration Committee.

³ Since 1 January 2023

⁴ Danielle Melis has been appointed at the EGM on 28 September 2021. End of her first term is after the AGM in 2025.

⁵ Sébastien D'Hondt has been appointed at the EGM on 13 December 2019. End of his first term is after the AGM in 2024, being the first general meeting after 4 years since his appointment.

⁶ Susanne Hannestad has been appointed at the EGM on 28 September 2021. End of her first term is after the AGM in 2025.

⁷ Kristina Flügel has been appointed at the EGM on 11 October 2022. End of her first term is after the AGM in 2026.

Remuneration Committee

- Dineke Oldenhof (Chair - until 20 May 2022)
- Danielle Melis (Chair ad interim - since 20 May 2022)
- Kristina Flügel (since 11 October 2022)
- Mike Nawas

For more information on the Supervisory Board members, Appendix II – Executive Board and Supervisory Board biographies on page 394.

Activities of the Audit and Risk Committee

The Audit and Risk Committee (ARC) formally met, in accordance with the corporate calendar, six times. As required, internal experts on areas like finance, control, tax, risk, compliance, capital management, retail banking, business banking and ICT were invited to the meetings. When Triodos Investment Management topics were discussed, the management of Triodos Investment Management was invited. Two extra ARC meetings were held in March and December, in which the yearly internal reports on capital and liquidity adequacy were discussed, and the SREP and the recovery plan were prepared for Supervisory Board approval, in order to ensure a timely submission of these documents to De Nederlandsche Bank (DNB).

In addition, informal meetings were held with the external auditor as well as with the internal auditor, without the Executive Board being present. Also, the ARC Chair conducted separate sessions with, among others, the Group Director Internal Audit, the Group Director Finance and the Group Director Compliance.

The ARC discussed and prepared for Supervisory Board approval, amongst other things, the half-year and annual results, the 2023 budget, the In Control Statement, the dividend proposal, including proposals for an interim and extraordinary dividend, the engagement of the external auditor, the risk management framework, risk appetite statement, and the Group internal audit plan. Two key audit matters, the expected credit loss provision on loans and fair-value measurements of financial instruments, were discussed in the ARC meeting as preparation for Supervisory Board discussion.

As part of the regular agenda, the ARC discussed the overall and business unit financial results and outlook, as well as the capital planning, Triodos Bank's risk profile and the progress on (ICT) risk control, Pillar 3 report, adherence to and update on laws and regulations governing financial and regulatory reporting, and tax-related issues. The main recurring reports providing input for these discussions are the enterprise risk management (ERM) report, including all risk areas, as well as the reports from Finance and Control, Internal Audit and from the Regulatory Desk departments.

Also, the results of the yearly evaluation of the external audit process were discussed. The external auditor presented their board report, management letter with interim observations, their long-form report on regulatory reporting, their audit plan and the audit fees, as well as their independent audit and assurance reports. Moreover, the ARC discussed the outcomes of the strategic risk considerations of the Group year plan 2022, the outcomes of the systematic integrity risk analysis, the insights on (the inventory of) conflicts of interest, the expected credit loss, the effectiveness of the insights on strengthening Triodos' overall product governance and the stress-test scenarios, as well as the maturity level of the data governance, with a focus on the assurance and monitoring of data quality. Triodos Investment Management governance, product governance and Triodos Investment Management business performance were discussed in ARC during the year. Finally, in 2022 the strategic projects preparing for the listing of the DRs on the MTF and the implementation of Triodos Operating Model were monitored and discussed, from a risk perspective, numerous times in the ARC.

One of the topics requiring foremost attention in 2022 was the budget realisation, including measures related to profitability enhancement and cost containment. Also, organisational changes, amongst others relating to modelling and valuations, and the outcomes and progress made on several remediation projects were discussed, e.g. on compliance risk, and supervision and governance of Triodos Bank UK. Important projects presented to ARC relate to the ongoing follow-up to the formal instruction Triodos Bank Netherlands received from DNB in March 2019 regarding the

anti-money laundering and countering terrorism financing procedures. Implementation of these AML/CTF procedures for all the branches outside of the Netherlands was presented in the ARC, as well as the progress of the regulatory watchtower project.

The ARC advised positively to the Supervisory Board on the extension of the current contract of PwC as external auditor until and including, as maximum legally permitted, audit year 2025, which proposal will be submitted to the Annual General Meeting in May 2023.

Activities of the Nomination Committee

The Nomination Committee had six formal meetings in accordance with the corporate calendar and three additional meetings, of which two were a combined session with the Remuneration Committee.

A significant part of the Nomination Committee's agenda was dedicated to the leadership transition within Triodos Bank, as in 2022 various changes in the composition of the Executive Board and Supervisory Board were successfully completed. Recruitment processes for further changes to the Executive Board were initiated in 2022, leading to the appointment by the Supervisory Board of Kees van Kalveen (Chief Financial Officer) and Marjolein Landheer (Chief Risk Officer ad interim) after the Extraordinary General meeting of 25 January 2023. In addition, a new member of the Supervisory Board was nominated and appointed in 2022: Kristina Flügel. The Nomination Committee worked collaboratively with the Dutch Works Council of Triodos Bank for this Supervisory Board member to take on the role of a second Supervisory Director by Nomination (*Voordrachtscommissaris*). Also, the Nomination Committee was involved in a consultative capacity in the recruitment and appointment of a number of key senior managers throughout the organisation.

In 2022, the Nomination Committee worked on the supervision of a number of themes important for the future of Triodos: talent management and development within the organisation, both in-country and across the countries in which Triodos

is active; the objective setting and performance review process of the Executive Board members; maintaining the connection between Triodos Bank's roots, its mission and actions; working on the equity, diversity and inclusion goals of the bank and impact of the new Triodos Operating Model for co-workers in the various countries. Progress on these themes is and will continue to be monitored.

The annual self-evaluation of the committee resulted in, among others, the following points of attention: diversity and inclusion at executive and other leadership levels, succession planning and talent development and retention. There is a requirement for HR data enhancement to go hand in hand with supervision on these topics, and the Nomination Committee specified its wishes in this regard.

The Nomination Committee agenda also included recurring topics such as the preparation of the Permanent Education programme, assessment of the Induction programme, and the Supervisory Board self-evaluation process. The committee prepared the assessment of the profiles and the composition of the Supervisory Board and the Executive Board and the two consultative meetings with the Dutch Works Council.

Activities of the Remuneration Committee

The Remuneration Committee had six formal meetings in accordance with the corporate calendar and two additional meetings combined with the Nomination Committee.

The Remuneration Committee reviewed the International Remuneration and Nomination policy, as well as the List of Identified Staff, and submitted these with a positive advice to the Supervisory Board for approval. The Remuneration Committee requested that a further analysis be made to assess whether updates to the International Remuneration and Nomination policy and the Remuneration policy for Executive Board members were called for in view of an intended listing of DRs at the MTF and in the context of the retention of key persons within the organisation.

The Remuneration Committee took note of the Eumedion report 2022, in particular of remuneration-related themes. In its work and discussions, the Remuneration Committee takes the mission to heart. The approach should be proportionate to remuneration market practices in the banking sector. The Remuneration Committee reviewed and approved the Guidelines on Senior Leadership Remuneration, amongst others to include a framework for Executive Board Remuneration and submitted these to the Supervisory Board for approval.

The Remuneration Committee reviewed and discussed the grading of the Executive Board positions, which was externally analysed by a global consulting firm, as preparation for Supervisory Board approval.

The Remuneration Committee advised the Supervisory Board on the remuneration of the members of the Executive Board. In 2022 guidelines were developed by the Supervisory Board under the Remuneration Policy of the Executive Board. The guidelines provide for a transparent framework for determining the Executive salary scales and remuneration of Executive Board members. The individual salary proposals for 2023 contain an individual salary increase depending on the position in the salary scale, as well as a collective increase set at 3%. The Remuneration Committee took note of the individual Executive Board members' views, as it submitted salary proposals for 2023 to the Supervisory Board for decision-making. The proposals included the amounts of fixed remuneration components (Triodos Bank does not grant any variable remuneration components), taking into account the performance criteria set, pay ratios within the company, and the long-term interests of all relevant stakeholders of the company.

In the course of 2022, the Remuneration Committee advised the Supervisory Board on the remuneration and terms of employment of the interim CFRO position, the interim CRO position, and the newly hired CFO. Furthermore, the Remuneration Committee advised on the amended terms of employment in relation to the extension of the employment contract of the Chief Executive Officer.

In 2022, the Remuneration Committee requested a review of local pension schemes. This review, overseen by HR, comprised a benchmark analysis of the overall benefit value of local pension schemes against the standards in the local financial services market and the identification of any exceptional arrangements. Based on the outcome, the Remuneration Committee concluded no further investigation was necessary.

Finally, the Remuneration Committee considered the remuneration of Supervisory Board members. According to the Supervisory Board Charter, the Supervisory Board is required from time to time to submit proposals to the general meeting in respect of the remuneration to be paid to the Chair and the other members of the Supervisory Board and its committees. In 2019, the Annual General Meeting had approved the adjustment of the remuneration of Supervisory Board members, including the possibility to evaluate and adjust the remuneration. The fixed remuneration of the Supervisory Board members was not adjusted for inflation in 2020, 2021 and 2022. In 2022, the Remuneration Committee commissioned an evaluation of the current remuneration practice for the Supervisory Board for consideration of the Supervisory Board with the support of an external specialist advisor and next steps are considered.

Supervisory Board competence matrix

The matrix on the next page lists the key competences of the individual members of the Supervisory Board, which are relevant to their supervisory position. For an individual to qualify as a member of the Supervisory Board, the following three attributes are required:

- Affinity with the mission and values of Triodos Bank
- Senior management experience
- International experience

All Supervisory Board members meet these criteria. The table below lists further competences in the key areas described in the Supervisory Board's profile. It highlights areas in which Supervisory Board members have substantial expertise and helps to assess whether the Supervisory Board has the appropriate skills to perform its duties. The

matrix is based on requirements outlined in the collective profile of the Supervisory Board, which is regularly reviewed.

Members of the Supervisory Board are appointed for a term of four years. It is standard practice

that members of the Supervisory Board resign after their second term. However, reappointment after the second term is possible in exceptional circumstances, as stipulated by the Dutch Corporate Governance Code.

Key areas of expertise

Name (nationality)	Year of birth	Gender	Sustainability and other expertise particularly relevant to Triodos	Banking and Finance	Audit and Risk	HR and Organisational Development Corporate governance	Digitalisation and Innovation
Mike Nawas (Dutch- American)	1964	M	•	•	•		
Danielle Melis (Dutch)	1972	F		•	•	•	
Sébastien D’Hondt (Belgian)	1964	M		•	•		•
Kristina Flügel (German)	1969	F	•	•		•	
Susanne Hannestad (Norwegian)	1961	F		•		•	•

Independence and self-evaluation

Independence

The composition of the Board was such that members could act critically and independently of one another, the Executive Board and any other interest. The Supervisory Board complies with the independence criteria of the Dutch Corporate Governance Code.

Conflicts of interest

In accordance with the requirements of the Dutch Corporate Governance Code, the Supervisory Board has internal rules in place that govern any actual or potential conflict of interest of Board members. No conflict of interest occurred during 2022.

Education

As part of the Supervisory Board’s permanent education programme, the Supervisory Board

organises meetings with both internal and external experts. In 2022, education sessions were organised on governance in general, the governance of remuneration practices in the Netherlands and Europe, an introduction to the Triodos Bank FLOW performance dialogue, transfer pricing, the detailed workings of the MTF and an in-depth dialogue session on equity, diversity and inclusion.

Self-evaluation

Towards the end of the year the Supervisory Board conducted an externally facilitated self-evaluation, using a board effectiveness questionnaire augmented with individual interviews by the external consultant with each member of the Supervisory Board, of the Executive Board, the Corporate Secretary, the Chair of the Board of SAAT and the external auditor. After the outcomes of the self-evaluation were presented to the Supervisory

Board and the Executive Board, the two Chairs worked with the consultant to articulate areas of further improvement as well as areas where no change is required given the high standards achieved. The Supervisory Board considered the input and feedback, and agreed on a package of measures designed to improve the efficiency and effectiveness of its supervision and advisory tasks, such as merging the Nomination Committee and Remuneration Committee. It agreed to ensure that more time is allocated to reflecting on decisions and evaluating decision-making processes. It was also noted that the competence diversity of the Supervisory Board is an asset, provided accompanied by careful communication and a concerted effort to align. The team dynamics within the Supervisory Board and between the Supervisory Board and Executive Board are considered open and constructive.

Conclusion

The Supervisory Board reviewed and approved the Annual Accounts and the Executive Board report.

These documents were evaluated by and discussed with the Executive Board, Internal Audit and the independent auditor. The Supervisory Board proposes that the Annual General Meeting adopts the Annual Accounts of 2022 and discharges the members of the Executive Board for their management of Triodos Bank during 2022 and the members of the Supervisory Board for their supervision. The Supervisory Board endorses the Executive Board's final dividend proposal at the Annual General Meeting in May 2023 of EUR 1.76 per Depository Receipt.

The Supervisory Board would like to thank all Triodos Bank's stakeholders for their trust in Triodos Bank. Special thanks go to all co-workers of the bank for their efforts to keep running the bank during challenging times as well as to the customers and DR holders for their long-term commitment to the bank and continuous belief in its mission to finance change and change finance.

The Supervisory Board is confident that Triodos Bank will be able to meet the challenges in the

coming years and will continue to be a frontrunner in responsible banking.

Driebergen-Rijsenburg,

15 March 2023

Supervisory Board,

Mike Nawas, Chair
Danielle Melis, Vice-Chair
Sébastien D'Hondt
Kristina Flügel
Susanne Hannestad