

United Nations Principles for Responsible Banking Self-Assessment 2023

United Nations Principles for Responsible Banking (UNPRB)

On 19 September 2019 Triodos Bank signed the UN Principles of Responsible Banking. The Principles define the global banking industry's role and responsibilities in addressing current societal problems, including the climate emergency and inequality. Triodos Bank was part of the core group of banks that developed the Principles and shaped the framework. Over 345 banks globally have signed up to the Principles.

The participating banks promise to strategically align their business with the goals of the Paris Agreement on Climate Change and the Sustainable Development Goals and scale up their contribution to the achievement of both. By signing up, banks stated they believe that “only in an inclusive society founded on human dignity, equality and the sustainable use of natural resources” can help their clients, customers and businesses thrive.

To fulfil the commitment to the Principles for Responsible Banking, Triodos Bank is required to undertake the following three steps:

- Undertake a thorough **impact analysis**, and publicly report its findings. Through impact analysis, signatory banks come to understand the greatest positive and negative impacts as a result of their practices and policies.
- **Set milestones and define actions** to meet the targets, as well as put in place a governance framework to oversee and ensure progress.
- **Report regularly** in English on how Triodos Bank is implementing the Principles for Responsible Banking, the targets it has set, and the progress made, using the reporting and self-assessment template.

This is the fourth self-assessment report on Triodos Bank's implementation of the principles and reports over the year 2023. The UNPRB Self-Assessment 2022 can be found [here](#). Previous reporting on the principles can also be found in Triodos' Bank N.V. 2022, 2021 and 2020 Integrated Annual Reports available on our website [here](#).

Our work has been carried out in accordance with the requirements laid out in the Assurance Guidance to undertake limited assurance on Principles reporting, issued by UNEP FI. Limited assurance has been performed on the following sections: 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring and 5.1 Governance Structure for Implementation of the Principles. The assurance report can be found on the Triodos Bank website here: <https://www.annual-report-triodos.com/2023/>.

The reporting criteria used for the preparation of the self-assessment are the UNEP FI Principles for Responsible Banking, the Principles for Responsible Banking: Guidance document (updated in November 2021) and the Principles for Responsible Banking: Reporting and Self-Assessment Template (V2 from September 2022).

Contact:

Triodos Bank N.V.

Landgoed De Reehorst, Hoofdstraat 10a, Driebergen-Rijsenburg PO Box 553700 AB Zeist, The Netherlands

Telephone +31 (0)30 693 65 00

www.triodos.com

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

| Question | Response | Links and References |
|---|---|--|
| <p>1.1 Business model</p> <p>Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p> | <p>Triodos Bank believes in the transformative power of money. Through our activities as a financial institution, we make money work for positive change and promote the conscious use of money. By doing so, we aim to contribute to social renewal based on the principle that every human being can develop themselves in freedom, that they each have equal rights, and all bear responsibility for the consequences of their actions on other people and the Earth.</p> <p>Triodos Bank finances entrepreneurs and initiatives through its banking activities in five European countries and investment management in 65 countries worldwide. Triodos Bank has assets under management of more than EUR 23 billion and over 746 thousand customers. We have retail and business banking in The Netherlands, Belgium, Spain, Germany and United Kingdom. Residential mortgages are offered in the Netherlands, Belgium and Spain. Triodos Bank also has Private Banking activities in the Netherlands, Belgium and Germany. Triodos Investment Management funds have sustainable investment as their objective as set out in Article 9 of the Sustainable Finance Disclosure Regulation (SFDR). Triodos Investment Management funds are offered in The Netherlands, Belgium, Spain, Germany and United Kingdom.</p> | <p><u>Annual Report 2023:</u></p> <ul style="list-style-type: none">▪ Our purpose: the conscious use of money (p.11)▪ Key Figures (p.12) ▪ About Triodos Bank (p.14)▪ Triodos Bank's portfolio by transition theme (p.50)▪ Segment reporting (p.305)▪ Lending by sector (p.321) |

Principle 1: Alignment

| Question | Response | Links and References |
|---|--|---|
| <p>1.2 Strategy alignment</p> <p>Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?</p> <p>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Triodos Bank has been managing impact consciously since long before much of today’s terminology existed. Our structured approach to impact management is to focus on positive impact first and minimising negative impact second, directing money in a way that benefits people and the environment over the long term. We believe money should serve people and not the other way round. All the loans and investments we make are consider social and environmental sustainability and the quality of life for communities. We aim to deliver as much positive impact as possible by only lending to and investing in enterprises with strong sustainability criteria.</p> <p>We have always envisioned a world in which all people have the necessary tools and resources to live fulfilling lives, and in which the economy operates in harmony with nature. In March 2023, Triodos Bank published its vision on transformative impact. This vision charts the way forward to achieve deep, systemic transformation. The vision includes five transition themes to reach this societal transformation and the role of Triodos Bank in contributing to this transformation. These are the Energy, Food, Resource, Societal and Wellbeing transitions. Internally, we developed a comprehensive impact strategy so that our business units share the same vision for the future and maintain sustainability at the centre of their activities.</p> <p>Triodos Bank has embraced the UN Sustainable Development Goals (SDGs), 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. Our stakeholders want us to position the organisation’s impact in a global framework. The SDGs allow the bank to do just that.</p> <p>In 2023, we integrated the SDGs that our activities contribute to within our impact strategy and the five identified transition themes. We identified the SDG goals and where relevant the sub-goals we contribute to under each of the five transition themes. Please refer to the section on each transition theme in the 2023 Annual Report for an overview of the relevant SDG goals and sub-goals.</p> | <p>“We take targeted action based on radical choices” Triodos Bank</p> <p>Download centre (triodos.com):</p> <ul style="list-style-type: none"> ▪ Business Principles ▪ Lending Criteria ▪ Triodos Bank Minimum Standards December 2022 <p>Annual Report 2023</p> <ul style="list-style-type: none"> ▪ Our strategy and progress (p.18) ▪ Our approach to impact (p.46) ▪ How we contribute to the UN SDGs (p.47) ▪ Financing change (textboxes on contributing to the UN SDGs under each transition theme) (pages 53, 63, 69, 75, 81) |

Principle 1: Alignment

| Question | Response | Links and References |
|----------|--|--|
| | <p>Triodos Bank supports the sustainable and inclusive transition of our economies and society in line with the Paris Agreement target of limiting the temperature increase to – at most –1.5 degrees Celsius above pre-industrial levels. Our ambition is that the sum of all greenhouse gas emissions and emission removals of Triodos Bank’s operations, loans and investments will reach net-zero by 2035. The remaining gross emissions will be balanced by investing significantly in nature-based solutions that protect and strengthen natural carbon sinks and remove GHG from the atmosphere.</p> <p>In 2015, at the landmark Paris Climate Conference, Triodos Bank co-signed the Dutch Carbon Pledge to measure and disclose its greenhouse gas, or carbon emissions, and to ensure these emissions remained in line with the ambitions of the Paris Agreement. The initiative launched the Partnership for Carbon Accounting Financials (PCAF), a collaboration between Dutch financial institutions which has evolved into the Global GHG Accounting and Reporting Standard for the Financial Industry.</p> <p>Triodos Bank is a member of the UN Environment Programme Finance and Triodos Investment Management is a signatory of the UN Principles for Responsible Investing.</p> <p>Triodos Bank reports in accordance with:</p> <ul style="list-style-type: none">• Global Reporting Initiative (GRI)• EU Taxonomy• Global Alliance for Banking on Values (GABV) Scorecard <p>Triodos Bank has also signed the Finance for Biodiversity Pledge and is partner of the Partnership for Biodiversity Accounting Financials (PBAF).</p> <p>The Corporate Sustainability Reporting Directive (CSRD) is applicable to Triodos Bank for the Annual Report 2024 as an EU Public Interest Entity with more than 500 employees. The CSRD is a new set of rules for sustainability reporting, including sustainability impacts, risks and opportunities. It is an important part of the EU Sustainable Finance Regulation agenda. In 2023, Triodos Bank launched a project for CSRD implementation and took the first steps towards CSRD compliance.</p> | <p>Annual Report 2023</p> <ul style="list-style-type: none">• Our financed emissions (p.99)• Frameworks and standards (p.114)• GRI Content Index (p.133)• EU Taxonomy (p.120)• Appendix II – EU Taxonomy table (p.441)• Appendix I – Global Alliance for Banking on Values scorecard (p.438) <p>Triodos Investment Management Sustainability Initiatives p.2</p> <p>Triodos Bank and human rights</p> |

Principle 1: Alignment

| Question | Response | Links and References |
|----------|---|----------------------|
| | <p>Triodos Bank has had a fundamental commitment to respect human rights since inception. Our business principles clearly state our respect for people, society and different cultures and our support for the goals of the United Nations Universal Declaration of Human Rights. Triodos Bank has published a detailed statement on human rights.</p> <p>Our Complaints Handling Policy applies to all our activities, products and services. This policy, which addresses the rights and the mechanisms for complaint for customers, employees and third parties, is publicly accessible via www.triodos.com.</p> <p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights<input checked="" type="checkbox"/> ILO fundamental conventions<input type="checkbox"/> UN Global Compact<input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples<input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Climate and environmental risk<input type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:<input type="checkbox"/> None of the above <p>Triodos Bank applies the principles of many standards and codes and conventions when relevant and proportional or uses these standards and codes and conventions in our prospect, supplier, and portfolio assessments (due diligence process). A list of these standards, codes and conventions can be found on page 19 of the Triodos Bank Minimum Standards.</p> | |

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

| Question | Response | Links and References |
|--|--|--|
| <p>2.1 Impact Analysis (Key Step 1)</p> <p>Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):</p> <p><i>a) Scope:</i> What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p> | <p>In 2023, we revised our process to determine impact materiality, incorporating more internal information and analysis. This process was revised as part of preparations for future compliance with the Corporate Sustainability Reporting Directive (CSRD). More information on this process can be found on page 116 of the 2023 Annual Report.</p> <p>The materiality assessment is applicable to the Triodos Bank group, which includes all activities within the Business Banking Units, Triodos Investment Management, and Triodos Regenerative Money Centre. The scope of the assessment includes all Triodos Bank business banking, residential mortgages and investment activities. For lending and retail activities, the main countries are Belgium, Germany, the Netherlands, Spain and the United Kingdom. The main regions for Triodos Investment Management activities are Asia, Africa, Europe, Latin America and North America. Other consumer facilities such as current account debts are not in scope.</p> | <p>“We take targeted action based on radical choices” Triodos Bank</p> <p>Annual Report 2023</p> <ul style="list-style-type: none">• Process to identify material topics (p.116) |

Principle 2: Impact and Target Setting

Question

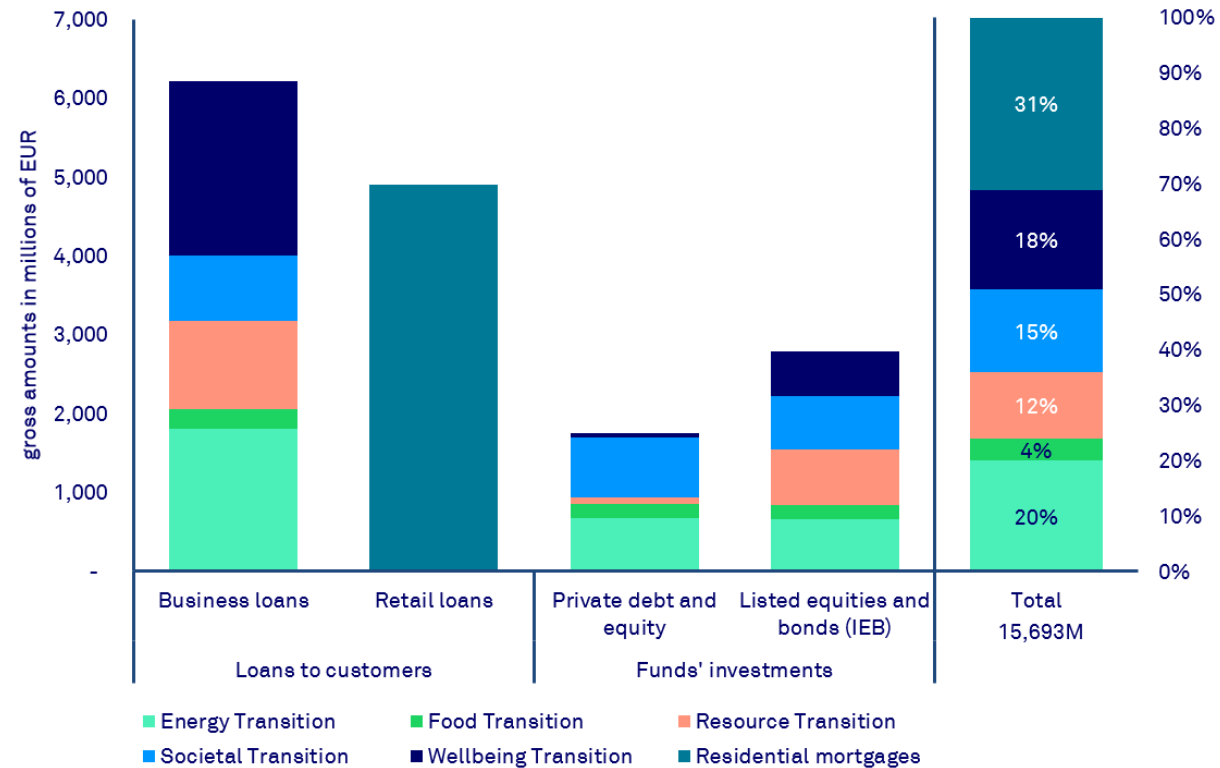
b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope:

- i. by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii. by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Response

The portfolio of Triodos Bank is allocated across the five transition themes: the Energy, Food, Resource, Societal and Wellbeing Transitions. This is also how we identify and analyse the impact of our business activities.



Please see the Annual Report for a detailed breakdown of the proportional composition of the banking portfolio globally and per country, by products and services, types of customers and impact themes. Refer to the individual fund reports for a breakdown per Triodos investment funds.

Links and References

[Triodos Bank's Impact Vision](#)

[Annual Report 2023](#)

- Loans and funds; investments by transition theme (p.50)
- Lending by sector (p.321)
- Process to identify material topics (p.116)
- Triodos Bank's role in these transitions (p.49)

triodos-im.com/impact-investing/resource-transition

[How we invest for impact in renewable energy \(triodos-im.com\)](https://triodos-im.com/how-we-invest-for-impact-in-renewable-energy)

[Wellbeing transition \(triodos-im.com\)](https://triodos-im.com/wellbeing-transition)

[Societal transition \(triodos-im.com\)](https://triodos-im.com/societal-transition)

[Food transition \(triodos-im.com\)](https://triodos-im.com/food-transition)

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|----------|---|---|
| | <p>Residential mortgages is the largest portion of Triodos Bank’s portfolio, which is relevant to both the resource and energy transition. Residential mortgages Belgium, Netherlands and Spain. Financing in the resource transition is mainly in sustainable property activities, mainly in Belgium, the Netherlands, Germany and Spain. Nature development and forestry activities are for a large part in the United Kingdom, but also to some extent in Belgium and the Netherlands.</p> <p>Followed by financing to organisations in the energy transition active in renewable energy production as well as the infrastructure surrounding it. All five European countries are active in financing the energy transition. Triodos Investment Management has 3 funds dedicated to the energy transition, two of which are active mainly in the Benelux, Germany and the UK and one focused on emerging markets active mainly in Asia and Latin America.</p> <p>Financing to organisations in the wellbeing transition is also a significant part of the portfolio. The main sectors in the wellbeing transition are healthcare, education and arts and culture. These sectors are all financed in Belgium, Germany, the Netherlands, Spain and the United Kingdom to varying degrees. Triodos Investment Management invests in listed companies contributing to the wellbeing transition mainly active in Western Europe and North America.</p> <p>The societal transition is the next largest portion of the portfolio and includes sectors such as social housing, social projects, development cooperation and fair trade. These sectors are all financed in Belgium, Germany, the Netherlands, Spain and the United Kingdom to varying degrees. Triodos Investment Management invests in the societal transition mainly through its financial inclusion funds, active mainly in Eastern Europe, Asia, Latin America and to some extent Africa.</p> <p>Financing to organisations in the food transition is the smallest part of the portfolio, lending is provided to organic farming activities mainly in the Netherlands, United Kingdom and Spain. While investing activities are focused on organic farming as well as production, in Europe and emerging markets.</p> | <ul style="list-style-type: none"><li data-bbox="2040 251 2313 382">▪ Loans and funds; investments by transition theme (p.50) |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|--|---|--|
| <p><i>c) Context:</i> What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> | <p>Main Challenges</p> <p>Over the past year, the flaws in the current global order became increasingly evident. We witnessed several climate related disasters worldwide, affecting millions of people. Wars being fought on multiple continents have displaced millions of people and disrupted the lives of millions more. The economic, social and geopolitical consequences will be felt for years to come. Advanced economies are feeling the effects of the strong interest rate hike cycle and are likely to experience economic setbacks in the coming year. Persistent inflation hit lower income groups hard and the impending economic stagnation suggests more difficulties ahead. Meanwhile urgent humanitarian crises often overshadow the necessary long-term transitions. To achieve genuine sustainable prosperity, we need a holistic transformation from the current extractive, economic growth-dependent system to an inclusive one centred on regeneration, resilience and sufficiency. This has been the core focus of Triodos Bank since 1980.</p> <p>Profound changes in human systems and institutions need to take place for people to live prosperous lives on a thriving planet. Triodos Bank wants to contribute to building this society and has developed a focused vision on how it intends to continue to create positive impact. In the impact vision we identified five interlinked transition themes: food, resource, energy, society and well-being. Triodos Bank wants to enable and accelerate these vital transitions, to address key societal and environmental issues - including biodiversity loss, social inequality and climate change - and improve life for all.</p> <p>In 2023, we identified focus areas within each transition theme, by understanding the challenges that block progress to ensure Triodos Bank’s diverse activities and products are most effective. Within this process, we also identified where the impact of Triodos Bank within these transitions. From this exercise came focus areas for each transition. The focus areas set the agenda within a transition on the strategic areas Triodos Bank wants to push forward for. They are related to either Triodos Bank's commercial or advocacy activities. These are strategic areas within a transition but not necessarily material for Triodos due to their limited scope. For more information, please refer to each transition theme section in the 2023 Annual Report or refer to the Triodos Bank or Triodos Investment Management websites.</p> | <p>“We take targeted action based on radical choices” Triodos Bank</p> <p>Triodos Bank’s Impact Vision</p> <p>Our vision on impact Triodos Bank</p> <p>Investing in impact: our vision (triodos-im.com)</p> <p>Annual Report 2023</p> <ul style="list-style-type: none">▪ The world around us (p.16)▪ Financing change (p.48) |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|----------|--|--|
| | <p>Priorities</p> <p>In 2023, we revised our process to determine impact materiality, incorporating more internal information and analysis. We identified impacts resulting from our activities. These impacts were identified and assessed per business activity, accounting for the largest sectors and geographies per business activity. To identify and prioritize the most significant sustainability topics that Triodos Bank has an impact on, we used a combination of quantitative and qualitative methods, including stakeholder engagement, considered industry-specific sustainability issues, internal data and expertise from our sustainability researchers.</p> <p>This process was revised as part of preparations for future compliance with the Corporate Sustainability Reporting Directive (CSRD). The CSRD is a European Union directive aimed at enhancing and standardizing corporate sustainability disclosure to improve transparency and comparability of environmental, social, and governance information. To determine an organisation’s material topics on which to report, a double materiality assessment is required to be performed. We have not completed a full double materiality for the Annual Report 2023 as we are still developing the financial materiality assessment. We only revised the process to determine the impact materiality and have done so in accordance with the GRI standards.</p> <p>Stakeholder engagement</p> <p>In addition to numerous interactions throughout the year at all levels of Triodos Bank, we follow a formal process to analyse which issues are most important both to our stakeholders and our organisation (a materiality analysis), to integrate these into our management goals. This was done through a stakeholder survey and two annual stakeholder meeting. Stakeholders fall into three categories: those that have economic relationships with the business, those without an economic relationship but with a close interest in Triodos Bank from a societal perspective and those that provide new insights and knowledge.</p> | <ul style="list-style-type: none">▪ Stakeholder dialogue (p.116)▪ Our material topics (p.116) <p>Stakeholders of Triodos Bank</p> |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|---|---|--|
| <p>2.1 Impact Analysis (Key Step 1)</p> <p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.</p> <p>To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.</p> | <p>As stated above, in 2023 we revised our process to determine impact materiality, incorporating more internal information and analysis. This process was revised as part of preparations for future compliance with the CSRD. Eight material topics were identified in this process (see page 116 of the 2023 Annual Report for the list of topics and their definitions).</p> <p>This process deepened our analysis of the impact area previously called ‘people, planet and prosperity’ in the bank’s 2022 UNPRB self-assessment. This topic included the positive social, environmental and economic benefits for people, planet and prosperity (the triple bottom line) created through our loans and investments. These impacts remain part of our strategy to contribute to societal renewal. However, Triodos Bank has chosen to prioritise the topics of Biodiversity and Climate Change for target setting under the UNPRB framework. Priority was given to the topics of Climate Change and Biodiversity as Triodos Bank has signed commitments in relation to both these topics.</p> <p>Climate change</p> <p>Our ambition is that the sum of all greenhouse gas emissions and emission removals of Triodos Bank’s operations, loans and investments will reach net-zero by 2035. The remaining gross emissions will be balanced by investing significantly in nature-based solutions that protect and strengthen natural carbon sinks and remove GHG from the atmosphere.</p> <p>The carbon footprint of all loans and investments are calculated and reported. We also measure the carbon footprint related to Triodos Bank’s own operations. This includes energy consumption, travel, paper use and waste. For our listed impact equities and bonds portfolios we also measure and benchmark the footprint of water use and landfill waste productions.</p> <p>We have prioritised this impact area for target setting.</p> | <p>Triodos Bank UN PRB Self-Assessment 2023</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> • The world around us (p.16) • Five transition themes (p.48) ▪ Our climate and environmental impact (p.89) ▪ Impact equities and bonds (p.86) ▪ Environmental impact of our own operations (p.108) |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|----------|--|--|
| | <p>Biodiversity</p> <p>Within Triodos Bank we believe that biodiversity is the foundation of life on Earth: people are part of nature, and we depend on it for our wellbeing and survival. Our approach is based on the belief that human and economic activity cannot be separated from the environment in which we live and operate.</p> <p>Biodiversity is defined by the UN Convention on Biological Diversity (CBD) as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems.”</p> <p>We are committed to reducing the negative impact of economic activity, while at the same time seeking opportunities to finance and invest in nature-positive solutions. Biodiversity is embedded in our decision-making processes. This relates to three main areas of our financing and investing processes: do no harm, positive impact and solutions, engagement and collaboration.</p> <p>We have prioritised this impact area for target setting.</p> | <p>Annual Report 2023</p> <ul style="list-style-type: none">▪ Biodiversity (p.115) <p>Beyond risk and return</p> <p>The role of finance in preserving and fostering biodiversity</p> |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|--|---|---|
| <p><i>d) For these (min. two prioritized impact areas): Performance measurement.</i> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> | <p>Climate change</p> <p>In our Annual Report we reported the climate impact of our loans and investments (page 101-102) as well as Triodos Bank's own generated emissions (page 108). The majority of our negative climate impact is caused by our loans and investments portfolio. By reporting these emissions per impact theme and by reporting the emission intensity, the hotspots in our portfolio can be determined. In addition, for most of our portfolio's emission calculations are available on a client level, which enables us to identify on which customers in our portfolio we should focus and help in their transition to decarbonise.</p> <p>Biodiversity</p> <p>Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will quantify the impact of Triodos' loans and investment. This will give insight into what sectors and countries have the largest impact. Based on this analysis, biodiversity targets will be set this year.</p> <p>Triodos Bank has included the set of indicators produced by the Principles of Responsible Banking for the topic of climate change mitigation. Please refer to the annex for the full list.</p> | <p>Annual Report 2023</p> <ul style="list-style-type: none">▪ Our climate and environmental impact (p.89)▪ Our approach to impact (p.46)▪ Financing nature based solutions (p.91) |

Principle 2: Impact and Target Setting

Self-assessment summary

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:

Yes In progress No

Portfolio composition:

Yes In progress No

Context:

Yes In progress No

Performance measurement:

Yes In progress No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation and biodiversity.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
 Up to 12 months prior to publication
 Up to 18 months prior to publication
 Longer than 18 months prior to publication

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|--|--|--|
| <p>2.2 Target Setting (Key Step 2)</p> <p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with have you identified as relevant?</p> <p>Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> | <p>Our ambition is that the sum of all greenhouse gas emissions and emission removals of Triodos Bank’s operations, loans and investments will reach net-zero by 2035. The remaining gross emissions will be balanced by investing significantly in nature-based solutions that protect and strengthen natural carbon sinks and remove GHG from the atmosphere.</p> <p>For Triodos Bank’s own operations, we have opted to bring all emissions in line with the scenario limiting global warming to 1.5°C by no later than 2030. For emissions related to our loans and investments the target year is 2035.</p> <p>The Science Based Targets initiative (SBTi) validated Triodos Bank’s near-term emission reduction targets in March 2023. The emission reduction targets apply to a large part of Triodos Bank’s portfolio of loans and investments and Triodos Bank’s own operations. Our commitment focuses on reducing emission intensity of our financed activities and investing in nature-based solutions. We want to reduce emissions, respecting the planetary boundaries and social inclusion of all people. Our emission are measured through PCAF and reported in the ‘Our climate and environmental impact’ section of our Annual Report.</p> <p>Alignment with Sustainable Development Goals (SDGs)</p> <ul style="list-style-type: none"> • Goal 7 - Affordable and clean energy • Goal 11 - Sustainable cities and communities • Goal 12 - Responsible consumption and production • Goal 13 - Climate action | <p>Triodos Bank sets target to reach net zero by 2035 Triodos Bank</p> <p>Triodos Bank discloses intermediate targets Triodos Bank</p> <p>Triodos Bank publishes climate action plan Triodos Bank</p> <p>Emission reduction targets science-based Triodos Bank</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> ▪ Our climate and environmental impact (p.89) |

Principle 2: Impact and Target Setting

| Question | Response | | | Links and References |
|----------|---|---------------------------------------|--|------------------------------|
| | Asset class | Method | Target language | |
| | Electricity generation project finance | Sector Decarbonisation Approach (SDA) | Triodos Bank commits to continue only financing renewable electricity projects through 2030. | Annual Report 2023 (page 89) |
| | Commercial real estate | SDA | Triodos Bank commits to reduce its scope 3 GHG emissions from commercial real estate within its private debt and equity portfolio 70% per square meter by 2035 from a 2020 base year. | Annual Report 2023 (page 90) |
| | Corporate loan | Portfolio Coverage | Triodos Bank commits to 27% of all other corporate lending by gross carrying amount, setting SBTi validated targets by 2025, and 82% by 2035. | Annual Report 2023 (page 90) |
| | Listed equity, private equity, corporate bonds | SDA, Portfolio Coverage | <p>Triodos Bank commits to reduce its scope 3 GHG emissions from the pulp & paper sector within its listed equity and corporate bond portfolio 45% per ton paper and board produced by 2035 from a 2020 base year.</p> <p>Triodos Bank commits to reduce its scope 3 GHG emissions from the transport - vehicle manufacturing (PLDV) sector within its listed equity and corporate bond portfolio 44% per vehicle km by 2035 from a 2020 base year.</p> <p>For all other sectors, Triodos Bank commits to 51% of its listed equity, private equity and corporate bond portfolio by net asset value, setting SBTi validated targets by 2025, and 82% by 2035.</p> | Annual Report 2023 (page 90) |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|----------|--|----------------------|
| | <p>Biodiversity</p> <p>In 2020, Triodos Bank signed the Finance for Biodiversity Pledge, promising to collaborate and share knowledge, engage with companies, assess the Bank's biodiversity impact, set targets and report on biodiversity matters by 2024. As a member of the Partnership Biodiversity Accounting Financials, we have been contributing to developing a common accounting methodology for the financial sector's impact on biodiversity.</p> <p>Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will quantify the impact of Triodos' loans and investment. This will give insight into what sectors and countries have the largest impact. Based on this analysis, biodiversity targets will be set this year.</p> | |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|---|---|--|
| <p>b) <i>Baseline:</i> Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p> <p>You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.</p> <p>A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.</p> <p>If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes.</p> | <p>Climate change - Net-zero by 2035 at the latest</p> <p>The baseline for our emission reduction targets is 2020.</p> <p>Official target language validated by SBTi:</p> <p>Scope 1 and 2: Triodos Bank commits to reduce absolute scope 1 and 2 GHG emissions 63% by 2035 from a 2020 base year.</p> <p>Triodos Bank commits to increase annual sourcing of renewable electricity from 98.6% in 2020 to 100% by 2030.</p> <p>Scope 3 category 1-14: Triodos Bank commits to reduce absolute scope 3 categories 1-14 GHG emissions 63% by 2035 from a 2020 base year.</p> <p>Scope 3 Portfolio Targets</p> <p>Headline target: Triodos Bank portfolio targets cover 43% of its total investment and lending by total assets under management as of 2020.¹ As of 2020, required activities made up 38% of Triodos Bank’s total investment and lending while optional activities made up 31% and out of scope activities made up 31%.</p> <p>¹ These targets and coverage % do not include third-party asset management activities. Third-party asset management activities made up 4% of total investment, lending, and asset management activities by total assets under management.</p> <p>Biodiversity</p> <p>Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will quantify the impact of Triodos’ loans and investment. This will give insight into what sectors and countries have the largest impact. Based on this analysis, biodiversity targets will be set this year, but not in time to be included in this self-assessment.</p> <p>Given the aforementioned, our external auditor has not been able to, nor engaged in to, provide limited assurance on targets and performance metrics for the topic of Biodiversity in accordance with the Guidance for Assurance Providers, Principles for Responsible Banking dated November 2022.</p> | <p>Emission reduction targets science-based Triodos Bank</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> Science based targets (p.89) <p>Companies taking action - Science Based Targets</p> |

Principle 2: Impact and Target Setting

Indicators recommended by UNEP FI PRB:

| Impact area | Type of indicator | Indicator code | Indicator | Response |
|---------------------------|-------------------|----------------|---|--|
| Climate change mitigation | Action | A1.1 | Climate strategy: Does your bank have a climate strategy in place? | Yes. In 2021, Triodos Bank has set the target to be net-zero as soon as possible, at the latest in 2035. Our ambition is that the greenhouse gas emissions of all Triodos Bank's loans and funds' investments will be greatly reduced, using a science-based targets approach. |
| | | A1.2 | Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when? | Yes. Triodos Bank has opted for the most ambitious target to bring all emissions related to its own operations in line with the scenario limiting global warming to 1.5°C by no later than 2030. For emissions related to Triodos Bank's loans and investments the target year is 2035. |
| | | A1.3 | Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model? | <p>Yes. Triodos Bank aims for a significant reduction in emissions from its business lending, primarily property-based emissions. Triodos Bank will do this via engagement with its customers, by providing tools, our network and in some cases incentives. In addition, it promotes the use of bio-based materials in new construction and renovation.</p> <p>The engagement activities related to listed equities, corporate bonds and business loans are tracked in our systems, are targeted and monitored. Related to residential mortgages the energy performance level is reported and linked to the interest rate incentivising customers to make environmental improvements to their homes.</p> |
| | | A1.4 | Portfolio analysis: Has your bank analysed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio? | Yes. Triodos Bank implemented and reported using the PCAF methodology for the first time in 2018 and has disclosed the carbon accounting of 100% of our customer loans and direct funds' investments since 2019. As of 2022 we are able to account for the greenhouse gas emissions of our full portfolio, since we also included the financed emissions of other loans and investments, for example those related to our Treasury activities. |
| | | A1.5 | Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)? | <p>Yes, some examples:</p> <ul style="list-style-type: none"> • In 2021, we successfully launched our Green Subordinated Tier 2 Bond. Our first Green Bond Allocation and Impact Report was published in October 2022. • Triodos Bank Netherlands, Spain and Belgium offer private mortgages which incentivise clients to improve energy efficiency by offering a discount on their mortgage rate as the environmental performance of their home improves. • In 2022, a bio-based mortgage was launched. This encourages more sustainable housing stock by linking the interest rate to the choice of (sustainable) materials used to build a house. Triodos Bank is the first Dutch lender to launch this type of mortgage. • In 2023, Triodos Bank Netherlands and Spain launched loan products for business clients to incentivise them to improve property energy performance. |

Principle 2: Impact and Target Setting

| Impact area | Type of indicator | Indicator code | Indicator | Response |
|---------------------------------|-------------------|----------------|---|--|
| Climate change mitigation cont. | Output | A2.1 | Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)? | Yes, the engagement activities related to listed equities, corporate bonds and business loans are tracked in our systems, are targeted and monitored. Related to residential mortgages the energy performance level is reported and linked to the interest rate incentivising customers to make environmental improvements to their homes. |
| | | A2.2 | Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio? | <p>Triodos Bank's absolute financed emissions in 2023:</p> <ul style="list-style-type: none"> 271 ktonnes of net CO₂e emissions. These are our generating emissions minus our sequestering emissions 996 ktonnes of avoided CO₂e emissions. <p>These emissions are calculated based on an attribution approach (see Annual Report page 101).</p> |
| | | A2.3 | Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector? | <ul style="list-style-type: none"> The emission intensity in billion EUR financed per impact sector can be found in our Annual Report (page 101). The overall net emissions intensity of our loans and investment portfolio is 17 ktonnes of CO₂e emissions per billion EUR. |
| | | A2.4 | Proportion of financed emissions covered by a decarbonisation target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place? | <p>100% of our portfolio is covered by our decarbonisation target 'As One To Zero', which is an internal strategic objective.</p> <p>Triodos Bank portfolio targets validated by SBTi cover 43% of its total investment and lending by total assets under management as of 2020. As of 2020, required activities made up 38% of Triodos' total investment and lending while optional activities made up 31% and out of scope activities made up 31%.</p> |

Principle 2: Impact and Target Setting

| Impact area | Type of indicator | Indicator code | Indicator | Response |
|---------------------------------|-------------------|----------------|--|--|
| Climate change mitigation cont. | Outcome | A3.1 | Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies? | <p>By the end of 2023, Triodos has lent /invested:</p> <ul style="list-style-type: none"> • EUR 2,248 million in the Renewable energy sector • EUR 57 million in Nature development and Forestry • EUR 1,127 million in Sustainable property • 58% of its EUR 4,905 million Mortgages portfolio, with an energy label A or higher <p>Based on the EU taxonomy, 39.9% of Triodos Bank’s covered assets can be considered Taxonomy-eligible in 2023 (according to mandatory disclosure). Moreover, 19.7% is aligned with the environmental objective of climate change mitigation.</p> <p>This percentages seem low when considering our mission. This mainly results from:</p> <ul style="list-style-type: none"> • Triodos Bank has significant exposures in sectors such as healthcare, education and arts and culture, which are currently out of scope for determining Taxonomy eligibility or alignment. • Triodos Bank has a high exposure to SMEs within its banking activities, but also in the alternative investment funds which mainly consist of unlisted SMEs. These are significant exposures not covered under the current Taxonomy mandatory reporting • UK exposures are out of scope of the EU Taxonomy. |
| | | A3.2 | Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities ? How much does your bank invest in transition finance? | <p>Triodos Bank does not invest in fossil fuels and refrains from financing and investing in heavily emitting sectors and activities.</p> |

Principle 2: Impact and Target Setting

| Impact area | Type of indicator | Indicator code | Indicator | Response |
|---------------------------------|-------------------|----------------|--|--|
| Climate change mitigation cont. | Impact | A4.1 | Reduction of GHG emissions: how much have the GHG emissions financed been reduced? | <p>Changes in our reported emissions of 2020, 2021, 2022 and 2023 can still be explained by more than just changes in actual emission reductions of our clients. We have phased in our emission accounting methodology along with the PCAF standard. This means that over 2022 we were for the first time able to cover all the financed emissions of our portfolio and therefore one can only compare the changes between 2022 and 2023. We will rebalance our baseline (2020) the latest in 2025 to more accurately assess the changes in financed emissions since our base year.</p> <p>Therefore, we demonstrate here both figures on changes in reported actual financed emissions and changes in emission intensity since 2020.</p> <p>The actual financed emissions reported is:</p> <ul style="list-style-type: none"> Year 2022: 309 ktonnes CO2e Year 2023: 271 ktonnes CO2e <p>The emission intensity reported is:</p> <ul style="list-style-type: none"> Year 2022: 21 ktonnes CO2e / billion EUR Year 2023: 17 ktonnes CO2e / billion EUR |
| | | A4.2 | Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 | <p>Triodos Bank portfolio targets cover 43% of its total investment and lending by total assets under management as of 2020. As of 2020, required activities made up 38% of Triodos' total investment and lending while optional activities made up 31% and out of scope activities made up 31%. For a specification per asset class, see the link in our press release: Emission reduction targets science-based Triodos Bank</p> |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|---|---|--|
| <p><i>c) SMART targets</i> (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p> | <p>Triodos Bank’s validated science-based targets</p> <p>Triodos Bank’s own emissions:</p> <ul style="list-style-type: none"> • Triodos Bank commits to reduce absolute scope 1 and 2 GHG emissions 63% by 2035 from a 2020 base year. • Triodos Bank commits to increase annual sourcing of renewable electricity from 98.6% in 2020 to 100% by 2030. • Triodos Bank commits to reduce absolute scope 3 categories 1-14 GHG emissions 63% by 2035 from a 2020 base year. <p>Financed emissions: (see table on page 28)</p> <p>These targets and coverage % do not include third-party asset management activities. Third-party asset management activities made up 4% of total investment, lending, and asset management activities by total assets under management.</p> <p>For more detail regarding our indirect scope 3 targets, see our press release on the subject.</p> <p>Biodiversity</p> <p>Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will quantify the impact of Triodos’ loans and investment. This will give insight into what sectors and countries have the largest impact. Based on this analysis, biodiversity targets will be set this year.</p> | <p>Emission reduction targets science-based Triodos Bank</p> <p>Companies taking action - Science Based Targets</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> ▪ Science based targets (p.89) |

Principle 2: Impact and Target Setting

| Question | Response | | | Links and References |
|----------|---|---------------------------------------|--|----------------------|
| | Asset class | Method | Target language | |
| | Electricity generation project finance | Sector Decarbonisation Approach (SDA) | Triodos Bank commits to continue only financing renewable electricity projects through 2030. | |
| | Commercial real estate | SDA | Triodos Bank commits to reduce its scope 3 GHG emissions from commercial real estate within its private debt and equity portfolio 70% per square meter by 2035 from a 2020 base year. | |
| | Corporate loan | Portfolio Coverage | Triodos Bank commits to 27% of all other corporate lending by gross carrying amount, setting SBTi validated targets by 2025, and 82% by 2035. | |
| | Listed equity, private equity, corporate bonds | SDA, Portfolio Coverage | <p>Triodos Bank commits to reduce its scope 3 GHG emissions from the pulp & paper sector within its listed equity and corporate bond portfolio 45% per ton paper and board produced by 2035 from a 2020 base year.</p> <p>Triodos Bank commits to reduce its scope 3 GHG emissions from the transport - vehicle manufacturing (PLDV) sector within its listed equity and corporate bond portfolio 44% per vehicle km by 2035 from a 2020 base year.</p> <p>For all other sectors, Triodos Bank commits to 51% of its listed equity, private equity and corporate bond portfolio by net asset value, setting SBTi validated targets by 2025, and 82% by 2035.</p> | |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|---|---|--|
| <p><i>d) Action plan:</i> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p> | <p>Climate change</p> <p>In 2022, we developed an action plan to progress our net-zero ambition thereby reducing our negative climate impact. We have set an intermediate target to reduce net emissions by 32% to 232 ktonnes CO2e in 2030 across our entire loans and funds' investments portfolios. In the context of portfolio growth, Triodos Bank expects net absolute emissions to be relatively stable until 2025 and to start declining from then onwards, as result of reduction efforts diminishing the carbon intensity of portfolios and sequestration investments to neutralise remaining emissions. Our progress towards our reduction targets is monitored via a monthly report with our financed emissions. This enables us to focus on the hotspots in our portfolio and determine which portfolios need additional guiding or measures.</p> <p>It is vital to significantly reduce our emissions as fast as possible. But we can only get there if we act as one. We must look at the whole picture and apply a holistic approach that works for all living things. While wind and solar power-generation projects avoid the high negative environmental impacts associated with conventional energy production, there are also potential negative social impacts in their value chains. When aware of these topics, Triodos Bank engages openly with its customers to reduce any potential indirect impacts in other impact areas where possible.</p> <p>Biodiversity</p> <p>In 2020, Triodos Bank signed the Finance for Biodiversity Pledge, promising to collaborate and share knowledge, engage with companies, assess the Bank's positive and negative biodiversity impact, set targets and report on biodiversity matters by 2024. As a member of the Partnership Biodiversity Accounting Financials, we have been contributing to developing a common accounting methodology for the financial sector's impact on biodiversity.</p> <p>Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will quantify the impact of Triodos' loans and investment. This will give insight into what sectors and countries have the largest impact. Based on this analysis, biodiversity targets will be set this year.</p> | <p>Triodos Bank publishes climate action plan Triodos Bank</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> ▪ Deep dive on renewable energy impact (58) ▪ Our climate ambition: AsOneToZero (p.89) ▪ Our strategy to reduce our climate impact (p.90) |

Principle 2: Impact and Target Setting

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your impact area..

| | Biodiversity | Climate change |
|----------------------|--|--|
| Alignment | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Baseline | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| SMART targets | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Action plan | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |

Principle 2: Impact and Target Setting

| Question | Response | Links and References |
|---|---|--|
| <p>2.3 Target Setting (Key Step 2)</p> <p>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</p> <p>Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p> | <p>Climate change</p> <p>Triodos Bank has set out an action plan on how it aims to achieve the net-zero in 2035 goal, please refer there for more specific details. In our annual report we report on our progress on our action plan. Our absolute financed emissions declined by 12%, and despite our growing portfolio, the emission intensity decreased too. Our action plan has three pillars: 1. real emission reduction, 2. investing in clean energy, 3. investing in nature. Below the progress on these pillars.</p> <p>1. Real emission reduction</p> <p>During 2023, we engaged with 172 top-emitting business banking customers and agreed on follow-up plans with 86 of them. The insights will be used in 2024 to improve our engagement on emission reduction with our customers.</p> <p>2. Investing in clean energy</p> <p>Our share in the renewable energy and energy saving projects that we finance avoided over 996 ktonne of CO2e emissions as compared to fossil fuel power generation (2022: 1,048 ktonne CO2e).</p> <p>3. Investing in nature</p> <p>In 2023, Triodos Bank successfully financed a series of nature-based solutions projects, mainly in the UK, positively impacting climate, communities and biodiversity. Highlights included a significant EUR 24 million financing package for Oxygen Conservation and a collaborative project with Heal Rewilding.</p> <p>Biodiversity</p> <p>Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will quantify the impact of Triodos’ loans and investment. This will give insight into what sectors and countries have the largest impact. Based on this analysis, biodiversity targets will be set this year, but not in time to be included in this self-assessment.</p> <p>Given the aforementioned, our external auditor has not been able to, nor engaged in to, provide limited assurance on targets and performance metrics for the topic of Biodiversity in accordance with the Guidance for Assurance Providers, Principles for Responsible Banking dated November 2022.</p> | <p>Triodos Bank publishes climate action plan Triodos Bank</p> <p>Annual Report 2023</p> <ul style="list-style-type: none">• P. 89 - 100 |

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

| Question | Response | Links and References |
|--|--|--|
| <p>3.1 Client engagement</p> <p>Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?</p> <p>Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?</p> <p>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Triodos Bank's service is built on deepening and developing long-term relationships with its customers. Relationships are nurtured through various on- and offline channels, to encourage our clients to pursue sustainable practices and enable economic activities that create shared prosperity for our current and future generations. It is implemented through our business as this is key for reaching positive impact.</p> <p>Implementation</p> <p>Triodos Bank has always engaged with clients to encourage sustainable practices and shared prosperity. Below and on the next page are some examples from 2023:</p> <ul style="list-style-type: none"> • Triodos Bank engaged with our 172 top-emitting business banking customers about reducing their GHG emissions and agreed follow-up plans to with 86 of them. | <p>Download centre (triodos.com):</p> <ul style="list-style-type: none"> • Business Principles, • Lending Criteria • Minimum Standards <p>Annual Report 2023</p> <ul style="list-style-type: none"> • Stakeholder dialogue (p.116) • Our customers (p.38) • Working with customers to reduce our emissions (p.91) • Financing nature-based solutions (p.91) <p>Our approach to impact management (triodos-im.com)</p> |

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

| Question | Response | Links and References |
|----------|---|----------------------|
| | <ul style="list-style-type: none"><li data-bbox="759 328 1964 671">• We launched a new online tool called the Impact Prism for our existing business customers. This allows our customers to better analyse their positive and negative impact on people and planet. The Impact Prism consists of 34 questions about their business activities to assess the extent to which they affect society. When a customer has completed the questionnaire, they receive a report with information and scores related to the 17 Sustainable Development Goals. Customers can then implement improvements. Triodos Bank's relationship managers can help to put customers in contact with each other and connect them with the wider Triodos Bank network. The tool is currently used in the Netherlands and Spain and will be available in Belgium and the United Kingdom at a later date<li data-bbox="759 706 1900 913">• Triodos Bank developed an integrated nature-based solutions strategy, focused financing high-quality projects that not only aid in carbon sequestration but also deliver substantial biodiversity and social benefits. The bank also successfully financed a series of nature-based solutions projects. Highlights included a significant EUR 24 million financing package for Oxygen Conservation and a collaborative project with Heal Rewilding.<li data-bbox="759 949 1956 1085">• In Spain, we organised an award to highlight companies and organisations that make positive change towards a sustainable, inclusive and prosperous society. This year's winner was the Association of Naturalists of the Southeast who are working to safeguard biodiversity in south-east Spain. | |

Principle 3: Clients and Customers

| Question | Response | Links and References |
|---|---|--|
| <p>3.2 Business opportunities</p> <p>Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period.</p> <p>Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).</p> | <p>Triodos Bank wants to promote human dignity, environmental conservation and a focus on people’s quality of life. Key to this is a genuinely responsible approach to business, transparency and using money more consciously. Triodos Bank puts values-based banking into practice. Three examples of strategic business opportunities in relation to the increase of positive and reduction of negative impacts:</p> <ul style="list-style-type: none"> • To push for the phase-out of fossil fuels, we were the first bank to join the global campaign calling for a fossil fuel non-proliferation treaty. We asked climate ministers across Europe in an open letter, backed by other organisations and individuals, to advocate for it at the yearly gathering of the Conference of the Parties (COP) 28 in Dubai. Linked to this topic was a marketing campaign in the Netherlands called “fossiel vrij sparen” [Save fossil free], enabling customers to participate in the transition to sustainable finance. • Triodos Bank strives to create a healthy, resilient, committed, diverse and inclusive co-worker community, to deliver sustainable high performance and impact. In 2023, we finalised our Equity, Diversity and Inclusion (EDI) policy. This is essential to ensuring that Triodos Bank provides a safe place for all co-workers and an environment in which we all thrive. An ongoing focus on EDI is crucial to realising our mission. • In 2023, we extended the Cultural and Creative Sectors (CCS) Guarantee Facility of 140 million from the European Investment Fund. With this guarantee we can better serve customers in the arts and culture sector. | <p>Fossil Fuel Non-Proliferation Treaty (triodos.com)</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> • Climate and biodiversity advocacy (p.87) • Our customers (p.38) • Equity, Diversity and Inclusion Initiatives (EDI) (p.25) |

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

| Question | Response | Links and References |
|--|---|--|
| <p>4.1 Stakeholder identification and consultation</p> <p>Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?</p> <p>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Triodos Bank continuously seeks to connect with the world around us, and over many years we have engaged with different stakeholder groups. We invite NGOs, citizens and business clients to participate in debates, we conduct surveys and organise meetings for Depository Receipt holders and other stakeholders. Our co-workers regularly engage in these and other activities as well.</p> <p>In addition to numerous interactions throughout the year at all levels of our organisation, we follow a formal process to analyse which issues are most important both to our stakeholders and our organisation (a materiality analysis). This includes an annual stakeholder survey and an annual stakeholder meeting where members of our Executive Board meet with stakeholders. We integrate these issues into our management objectives.</p> <p>Triodos Bank identifies three general stakeholder categories:</p> <ul style="list-style-type: none"> • Those that have economic relationships with the business. • Those without an economic relationship but with a close interest in Triodos Bank from a societal perspective. • Those that provide new insights and knowledge. <p>For each category we have identified specific stakeholder groups, including the influence they exert on Triodos Bank and the expectations they have of us.</p> | <p>Annual Report 2023</p> <ul style="list-style-type: none"> ▪ Stakeholder dialogue (p.116) ▪ Our customers (p.38) <p>Stakeholders of Triodos Bank</p> |

Principle 5: Governance and Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

| Question | Response | Links and References |
|---|--|--|
| <p>5.1 Governance Structure for Implementation of the Principles</p> <p>Does your bank have a governance system in place that incorporates the PRB?</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.</p> <p>This includes information about</p> <ul style="list-style-type: none"> • which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), • details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as • remuneration practices linked to sustainability targets. | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>The Chief Commercial Officer is responsible for managing the impacts of Triodos Bank’s loans and investments. The responsibilities are delegated to the Group Impact Board, which informs and advises the Executive Board on strategic impact related topics. These strategic issues are among others the minimum standards, impact strategy, vision, targets and implementation of the UN Principles on Responsible Banking. The primary goal of the Impact Board is to develop strategic ambitions from a Group wide perspective in line with our mission. As well as to understand, align, monitor and equip the business to steer on our impact activities which include remedial actions in the event of targets or milestones not being achieved. The Group Impact Board meets every two weeks, and the outcomes of these meetings are shared with the Chief Commercial Officer. Strategic decisions or changes are brought to the Executive Board, accompanied with the advice of the Group Impact Board.</p> <p>Triodos Bank does not offer bonuses, including in relation to sustainability and ESG related topics.</p> <p>With the internal changes resulting from the new Triodos Operating Model (TOM) and the increasing regulatory requirements related to sustainability matters, we expect a change in the governance surrounding impact in 2024.</p> | <p>Governance (triodos.com)</p> <p>Annual Report 2023</p> <ul style="list-style-type: none"> ▪ Governance of impact management (p.115) ▪ Remuneration report (p.191) |

Principle 5: Governance and Culture

| Question | Response | Links and References |
|---|---|--|
| <p>5.2 Promoting a culture of responsible banking:</p> <p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p> | <p>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. The redesign of Triodos Bank’s operating model was one of three internal transitions to ensure we remain a frontrunner in sustainable banking. The redesign began in May 2022 and the new Triodos Operating Model (TOM) will be fully implemented in 2024. The model was intentionally chosen to create a more effective and efficient organisation operating across five countries.</p> <p>Additionally, with the increasing international frameworks and regulatory requirements surrounding sustainability related topics, our co-workers took part in various trainings. In 2023, these were mainly related to the Corporate Sustainability Reporting Directive (CSRD).</p> <p>Triodos Bank takes its responsibility to our regulators seriously and we continuously ensure all co-workers meet the required expectations. A new compliance awareness package called ‘Speak Up!’ was introduced this year, to ensure that co-workers maintain their understanding and awareness. Completion rates of the learning module of this package were 89.3%, demonstrating a commitment of all co-workers to this regulatory requirement.</p> <p>The bank’s mission and purpose are a source of pride at Triodos Bank. Five Values Ambassador training programmes were completed in 2023, bringing the total number of Values Ambassadors to a community of approximately 120 co-workers. Ambassador Alumni events were held in the Netherlands and Spain in 2023, building on previous years and updating values alignment for all ambassadors. Values seminars are scheduled throughout the year to ensure newer co-workers have the opportunity to engage fully with the mission and impact of Triodos Bank.</p> | <p>Annual Report 2022</p> <ul style="list-style-type: none"> ▪ Our co-workers (p.22) ▪ Learning Organisation (p.27) ▪ Remuneration report (p.191) |

Principle 5: Governance and Culture

| Question | Response | Links and References |
|----------|--|----------------------|
| | <p>In our view, remuneration enables co-workers to earn a decent living enabling them to contribute to the organisation and society at large. Triodos Bank believes in the intrinsic motivation of its co-workers to contribute to our mission and to work according to our corporate values. The richness of the contribution of each co-worker cannot be translated into a linear, financial incentive.</p> <p>Triodos Bank operates in the financial sector. Therefore, its remuneration practice needs to be within the bandwidth of what is expected in the financial sector to allow for a healthy inflow and outflow of co-workers. At the same time, Triodos Bank maintains a relatively low ratio between the lower and higher level of salaries paid. Variable components are exceptional, modest and discretionary and are not an incentive to favour co-workers' or the bank's own interest to the detriment of Triodos Bank's customers. This all contributes to a strong sense of being jointly responsible for realising the mission of Triodos Bank.</p> | |

Principle 5: Governance and Culture

| Question | Response | Links and References |
|---|---|---|
| <p>5.3 Policies and due diligence processes</p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio.</p> <p>This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p> | <p>Triodos Bank employs strict criteria to ensure the sustainability of products and services. It employs both positive criteria to ensure it is actively making a positive contribution to society, and negative criteria for the exclusion of potentially harmful activities. The negative criteria exclude loans and investments in sectors or activities that are damaging to society and the environment. The positive criteria identify businesses that operate in line with the bank’s mission and encourage their contributions to a sustainable society.</p> <p>Triodos Bank’s strategy, credit granting process and product approval process are aligned with its sustainable and values-based mission. Triodos Bank assesses the impact, risk and return of its business decisions in line with its mission and Risk Appetite Statement.</p> <p>Triodos Bank’s minimum standards set out the absolute minimum requirements that Triodos Bank applies to its banking and investment activities. In its day-to-day decision making, Triodos Bank is guided by its business principles. All sustainability criteria referred to in this section can be found on the bank's website. Lending criteria and minimum standards are available at www.triodos.com/governance.</p> <p>Because the sustainable and values-based mission is the starting point of its lending process, Triodos Bank’s exposure to transition risks is considered limited. Business banking lending is focused on financing enterprises that contribute to a low-carbon future. As a strategic target, Triodos Bank has set itself the objective of reaching a net-zero emission level by 2035, underlining its commitment to contribute to a sustainable future.’</p> <p>As a result of climate change, Triodos Bank’s portfolio is exposed to physical climate risks. On an annual basis, Triodos Bank carries out climate-risk stress tests, to assess the potential impact of extreme weather events such as storms, floods and droughts on its asset portfolio. Within the financial planning period, a material impact of physical climate risk is considered to be unlikely.</p> | <p><u>Annual Report 2023</u></p> <ul style="list-style-type: none"> ▪ Environmental, social and governance risks (p.148) |

Principle 5: Governance and Culture

| Question | Response | Links and References |
|----------|---|----------------------|
| | <p>The Executive Board, under the supervision of the Supervisory Board, is accountable for the management of environmental and climate-related risks as well as for setting and overseeing Triodos Bank's strategy in this respect. The approach to managing ESG risk factors is delegated to the Enterprise Risk Committee. At Executive Board level the CRO is primarily responsible for the second line oversight of environmental and climate related risks. The Enterprise Risk Management department is responsible for the development of an established ESG risk management framework that is designed in line with Triodos Bank's strategy and in compliance with regulatory requirements.</p> | |

Principle 5: Governance and Culture

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes

No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes

No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes

In progress

No

Principle 6: Transparency and Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

| Question | Response | Links and References |
|--|--|--|
| <p>6.1 Assurance Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p> <p>If applicable, please include the link or description of the assurance statement.</p> | <p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Partially <input type="checkbox"/> No </p> <p>The Assurance report of the independent auditor is available on the Triodos Bank website here: https://www.annual-report-triodos.com/2023/</p> | |
| <p>6.2 Reporting on other frameworks Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p> | <p> <input checked="" type="checkbox"/> GRI <input type="checkbox"/> SASB <input type="checkbox"/> CDP <input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published) <input type="checkbox"/> TCFD <input checked="" type="checkbox"/> Other: </p> <ul style="list-style-type: none"> • EU Taxonomy Regulation • EU Sustainable Finance Disclosure Regulation (SFDR) • PCAF Global GHG Accounting and Reporting Standard | <p><u>Annual Report 2023</u></p> <ul style="list-style-type: none"> • GRI content index (p133) • Our financed emissions (p.99) ▪ EU Taxonomy (p.120) ▪ Appendix II – EU Taxonomy table (p.441) |

Principle 6: Transparency and Accountability

| Question | Response | Links and References |
|--|--|----------------------|
| <p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis , target setting and governance structure for implementing the PRB)? Please describe briefly.</p> | <p>Over the next 12 months, Triodos Bank will continue to work in relation to the principles on multiple fronts. Throughout the year, Triodos Bank will aim to be more explicit in our strategy as a financial institution to serve individuals' needs and society's goals. This to provide ourselves with a clear vision/ route on which we hope to measure progress but also to empower our wider community of clients and like-minded groups. We will develop a group-wide approach in the next step in the impact management cycle (impact activities and monitoring and evaluation).</p> <p>Related to our 'As One to Zero' strategy, Triodos Bank will update the internal 2035 outlook, define more detailed targets per subsector or client groups, improve data collection and quality. Additionally, we are aligning the action plan, policies and reporting with CSRD requirements resulting in a more concrete transition plan.</p> <p>Regarding biodiversity, Triodos Bank is conducting a baseline biodiversity assessment in 2024 that will identify which sectors and industries, as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts. Based on this analysis biodiversity targets will be set and an action plan will be developed.</p> | |

Principle 6: Transparency and Accountability

| Question | Response | Links and References |
|---|---|----------------------|
| <p>6.4 Challenges</p> <p>Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.</p> <p>What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).</p> <p>If desired, you can elaborate on challenges and how you are tackling these.</p> | <ul style="list-style-type: none"><input type="checkbox"/> Embedding PRB oversight into governance<input type="checkbox"/> Customer engagement<input type="checkbox"/> Gaining or maintaining momentum in the bank<input type="checkbox"/> Stakeholder engagement<input type="checkbox"/> Getting started: where to start and what to focus on in the beginning<input checked="" type="checkbox"/> Data availability<input checked="" type="checkbox"/> Data quality<input type="checkbox"/> Conducting an impact analysis<input checked="" type="checkbox"/> Access to resources<input type="checkbox"/> Assessing negative environmental and social impacts<input type="checkbox"/> Reporting<input type="checkbox"/> Choosing the right performance measurement methodology/ies<input type="checkbox"/> Assurance<input checked="" type="checkbox"/> Setting targets<input type="checkbox"/> Prioritizing actions internally<input type="checkbox"/> Other: ... | |