

Green Bond Impact and Allocation Report 2022

Green Bond Allocation and Impact report 2022

Triodos Bank N.V.

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1. Overview and summary

1.1 Details Triodos Bank Green subordinated Tier 2 Bond

Instrument ISIN code	Status	Bond rating	Issue date	Maturity date	Amount issued	Rate of interest	Listed on
XS2401175927	Subordinated, unsecured	BB+	5 November 2021	5 February 2032	EUR 250,000,000.-	2.25%	Euronext Amsterdam

1.2 Green Bond’s objectives to mitigate climate change

The Green Bond contributes to climate change mitigation in three International Capital Markets Association (ICMA) Eligible Categories, which in turn contribute to six UN Sustainable Development Goals (SDGs):



1.3 Reporting scope

This Green Bond Allocation and Impact Report (‘Report’) has been prepared by Triodos Bank NV (‘Triodos Bank’ or ‘the Bank’) to report on the use of proceeds related to the Green subordinated Tier 2 Bond (‘Green Bond’) issued on 5 November 2021. This annual report informs investors on both the allocation of the Green Bond’s net proceeds and their environmental impact in 2022.

The Triodos Bank Green Bond Framework defines the basis for the identification, evaluation, selection, and environmental impact of green loans that can be directly or indirectly financed or refinanced by proceeds of the Green Bond issued by Triodos Bank.¹ The bond has a look-back period of maximum two years.

88 ktonnes

CO₂e emissions avoided as a result of sustainable projects financed by the proceeds of the Green Bond

¹ <https://www.triodos.com/press-releases/2021/triodos-bank-announces-plan-to-launch-first-green-bond>

1.4 Allocation and environmental impact summary

Eligible Project Category	Eligible portfolio (EURm)	Number of projects	Attributed avoided emissions (tonnes CO ₂ e)	Attributed generated emissions (tonnes CO ₂ e)	Attributed sequestered emissions (tonnes CO ₂ e)
Renewable Energy					
Generating and efficiency projects	122	37	46,310		
Projects under construction	45	7	41,380		
Green Buildings					
Commercial & Residential properties via Real Estate	67	14	510	100	
Environmentally sustainable management of living natural resources and land use					
Nature and land conservation projects	16	8			-260
Forestry projects	-	-			-
Green funding	250.0	66	88,200	100	-260
Use of proceeds	100%				

2. Our vision and approach towards sustainable finance

2.1 About Triodos Bank and its mission

On 5 November 2021 Triodos Bank issued its first bond under the Green Bond Framework.¹ With the issuance of this fixed rate green subordinated tier 2 bond in 2021, Triodos Bank increased and diversified the overall capital base of the Bank. As the bond is eligible as Tier 2 capital from a bank prudential perspective, it supports loan growth and helps to optimize the capital structure by considering the capital costs of different instruments.

Triodos Bank is a global pioneer in sustainable banking with a more than 40-year in impact creation. Since inception, Triodos Bank's mission has been to make money work for positive social, environmental, and cultural change. Triodos Bank wants to help create a society that protects and promotes the quality of life of all its members, and that has human dignity at its core.

Triodos Bank's business model is based on a genuinely responsible approach to business, a commitment to transparency and using money more consciously. Triodos Bank is a change-maker in the financial system, changing the system from within. This is well-summarized by its goal to "finance change, change finance." As at year-end 2022, Triodos Bank employs 1,679 FTEs and has four business lines operating from five jurisdictions. The Bank's business lines are Retail Banking, Business Banking, Triodos Investment Management and Triodos Regenerative Money Centre. Triodos Bank operates out of the Netherlands, Belgium, Germany, Spain, and the United Kingdom. As at year-end 2022, Triodos Bank serves approximately 744,000 customers. Retail Banking offers its clients savings and payment products, loans and mortgages, private banking services and investment services. Business Banking offers savings and payment products, loans and mortgages as well as investment products. Triodos Investment Management manages Triodos investment funds, and the Triodos Regenerative Money Centre offers impact-first lending, investments, and donations.

With a track record as a frontrunner in impact banking, Triodos Bank has been certified as a B Corporation (B Corp) since April 2015, representing a growing movement of sustainable companies using business as a force for good and positive change. B Corp Certification is a designation that a company is meeting high standards of verified performance, accountability, and transparency on factors extending from co-worker benefits and charitable giving to supply chain practices and input materials.

Triodos Bank's frontrunner role to finance change and to change finance is clearly and transparently defined by five key transition themes: Food Transition, Resource Transition, Energy Transition, Societal Transition, and Well-being Transition. Triodos Bank reports transparently about the impact it achieves in each of these five key transition themes in our [Integrated Annual Report](#).

¹ https://www.triodos.com/binaries/content/assets/tbho/green-bond/triodos_green_bond_framework.pdf

2.2 Impact, risk and return

We have a simple business model:

- We only lend the money entrusted to us by savers and investors to entrepreneurs we know well.
- We only work in the real economy, and we don't invest in complex financial instruments. All the loans and investments we make are designed to improve social and environmental sustainability and the quality of life for communities and are subject to our [Business Principles](#) and [Lending Criteria](#).
- We aim to deliver as much positive impact as possible by only lending to and investing in sustainable enterprises and enterprises transitioning to sustainable approaches.

As a values-based bank, Triodos Bank uses a three-tier approach to making lending and investment decisions, which starts with evaluating the content of an activity, and focuses on its sustainable impact.

The three parameters – impact, risk and return – help us to understand the overall development and place in the world and it promotes a long-term perspective.

Impact

We want to deliver sustainable impact, which means delivering positive outcomes, not only at a transactional level but also at a social and ecological system level.

Risk

Because our starting point is to deliver greater impact over the long term, it is essential that we are financially resilient. We therefore focus on maintaining a consistently high-quality loan portfolio. Triodos Bank's modest risk appetite is an important building block for this resilience.

Return

We have been able to deliver stable, fair returns over a sustained period. For us, financial performance is important because being a resilient financial institution is essential for the delivery of lasting, sustainable change.

Business Principles	Lending Criteria	Minimum Standards
<p>The Business Principles are a framework for the way Triodos Bank conducts business.</p> <p>They are aligned to our values and set the standard by which Triodos Bank can be evaluated.</p>	<p>The Lending Criteria govern Triodos Bank's lending process.</p> <p>They specify how Triodos Bank's vision and mission are translated into banking practice.</p>	<p>Set out the absolute minimum requirements for Triodos Bank's investment and lending activities.</p>

2.3 Climate change mitigation

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. At the COP26 in November 2021, we disclosed our own transition plan targeting net zero as early as possible and by 2035 at the latest (called As One to Zero).

Our ambition is to significantly reduce the greenhouse gas emissions of all Triodos Bank's loans and funds' investments, using a science-based targets approach, while also considering, for instance, biodiversity and social inclusion. Any remaining emissions will be balanced or 'inset' by investing considerably in nature projects that remove greenhouse gases from the air. Triodos Bank's As One to Zero target aligns its portfolio of loans and funds' investments with a maximum global temperature rise of 1.5 degrees Celsius.

In March 2023, the Science Based Targets initiative (SBTi) validated Triodos Bank's short-term emission reduction targets as scientifically based.¹ The emission reduction targets apply to a large part of Triodos Bank's credit and investment portfolio and its own activities. Science-based targets provide a clearly defined path for companies to reduce greenhouse gas (GHG) emissions, preventing the worst impacts of climate change and future-proofing business growth. Goals are considered scientifically based if they are consistent with what the latest climate science deems necessary to achieve the goals of the Paris Agreement: limiting global warming to well below 2°C above pre-industrial levels and making efforts to limit warming to 1.5°C.

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 (Greenhouse Gas) Accounting and Reporting Standard for the Financial Industry. Triodos Bank played a catalytic role in these developments. We reported on the PCAF methodology for the first time in 2018 and have disclosed the carbon accounting of 100% of our loans and funds' investments since 2019. Triodos Bank is also a member of the United Nations Environment Programme Finance Initiative (UNEPFi) and the Net Zero Banking Alliance, and is a signatory of the United National Principles on Responsible Banking.

¹ <https://www.triodos.com/en/press-releases/2023/triodos-banks-2035-emission-reduction-targets-validated-as-science-based>

3. Our measurement and reporting methodology

3.1 The Green Bond Framework

The reporting criteria used for the preparation of this report are the Triodos Bank Green Bond Framework (hereafter the Green Bond Framework)¹ and the impact reporting and measurements principles that are used for our Annual Report (see section 3.2) following the Sustainability Reporting Standards of the Global Reporting Initiative (GRI).

The Green Bond Framework sets the basis for the identification, evaluation, selection and environmental impact of green loans that can directly or indirectly, in whole or in part, be financed or refinanced by proceeds of the Green Bonds issued by Triodos Bank, and sets the basis for the management and reporting of such proceeds.

At the discretion of Triodos Bank but in accordance with the Green Bond Principles published by the International Capital Markets Association (ICMA), we have allocated

an amount equal to the net proceeds from the issue of the Green Bonds to eligible new and existing green loans (EUR 250 million). The impact of these allocated loans was disclosed in our 2021 Green Bond report.

In the 2022, the allocated loans are reevaluated. If a loan ceases to fulfil the Eligibility Criteria or matured, we removed the loan from the Eligible Green Loan list and replaced it with a new Eligible Green Loan, on a best effort basis. The new loans have been evaluated and selected for inclusion in the eligible pool in accordance with the use of proceeds criteria for each eligible category ('Eligibility Criteria') and are allocated with a maximum look-back period of two years. Next to compliance with the Green Bond Eligibility Criteria, eligible loans are subject to the qualification process part of the responsible lending due-diligence assessment conducted by Triodos Bank.

3.2 Impact measurement and reporting principles

Triodos Bank reports on the environmental impact of the eligible green loans in the Impact report section below.

Impact information is mostly collected through the interaction of relationship managers and their clients and projects. The environmental impact of our loans is then estimated by using the PCAF's harmonised approach on measuring the carbon footprint per asset class.

The main guidelines for our impact measurement and reporting are:

- Our estimations only measure projects with a direct relationship to our finance or investment activities unless otherwise stated.
- For the impact indicators, we use the contribution approach. This means that we include 100% of the impact when we co-finance a project unless this represents the results unfairly.
- For the estimation of our financed emissions of the loans allocated to the Green Bond, we have applied the attribution approach. This means that we estimate the emissions as they relate to the proportion of our finance in a project or on a customer's balance sheet and as they relate to the proportion of the loan that is eligible to the green bond criteria. This attribution approach

is a more accurate reflection of the GHG emissions resulting from the proceeds and is consistent with the PCAF methodology.

- If it is not possible to record 100% of the data required, we use conservative estimates.
- GHG emissions are measured in tonnes CO₂ equivalent (CO₂e) and categorised as three main types:
 - *Generated emissions*: GHG emissions arising from various economic activities. This refers to carbon that is emitted into the atmosphere.
 - *Sequestered, or absorbed, emissions*: GHG emissions stored in carbon sinks, such as trees, plants and soil. This refers to the actual removal of carbon from the atmosphere.
 - *Avoided emissions*: In the Green Bond Report, two types of avoided emissions are reported: GHG emissions that are avoided from fossil-fuel power generation due to renewable energy and GHG emissions that are avoided by financing sustainable (less energy intensive) property instead of buildings with a higher energy consumption per m². These avoided emissions related to buildings are determined by comparing the generated emissions based on the actual Energy Performance Certificate (EPC) of a building, with the baseline EPC related to the type

¹ <https://www.triodos.com/investor-relations/triodos-green-bonds>

of property and country or region. While avoided emissions play a very positive role, they do not remove existing carbon from the atmosphere.

The impact data included in the Green Bond Impact Report is in scope of the review procedures performed by the independent external auditor. Subjecting our impact performance to the audit process (limited assurance) is a logical step for an integrated business with sustainability at the core of its financial activity.

For more detailed information on the environmental impact calculation, see our Green Bond Framework. For information on impact indicators per sector, see www.triodos.com/impact-themes. Our GHG reporting methodology following the PCAF standard can be found in the download section of our Annual Report, see www.annual-report-triodos.com.

4. Allocation report

4.1 Eligible categories

The proceeds of the Green Bond are used to fund lending in environmental projects to mitigate climate change. This Green Bond has three International Capital Markets Association (ICMA) Eligible Categories serving the environmental objectives, see figure below. Financing these categories allows Triodos Bank to play a leading role in promoting and driving the transition to a low-carbon and climate-resilient economy. This chapter describes the allocation of the net proceeds to the Eligible Categories.

Renewable energy



Renewable energy generation and efficiency projects

- On- and offshore wind energy
- Solar photovoltaic and concentrated solar power
- Hydropower
- Energy saving projects such as Heat and Cold storage (ATES)

Environmentally sustainable management of living natural resources



Forest and Nature conservation projects

- Forestry projects that includes the cultivation, maintenance, and development of tree plantations in a sustainable way (certified FSC, PEFC or likewise) and includes certified organic agroforestry
- Nature development projects that includes the use, ownership or development of property for landscape or nature and wildlife preservation purposes

Green buildings



Green residential and commercial properties

- Buildings with an EPC label A and/or belonging to the top 10-15% (dependent on country and building type)
- Refurbished properties with energy efficiency improvement of at least 30%.
- Building certifications with LEED "Gold" and above, BREEAM "Excellent", HQE "Excellent", DGNB "Gold" and above, or equivalent or higher level of certification

In the Triodos Bank Green Bond Framework, each category has specific eligibility criteria on which the allocated projects are assessed. Specifically for the Renewable Energy category the framework contains a criterion that renewable energy projects are to operate at life cycle emissions lower than 100gCO₂e/kWh, declining to 0gCO₂e/kWh by 2050. We have assessed if the projects operate at life cycle emissions lower than 100gCO₂e/kWh based on a number of general studies and specifically based on research¹ performed by the CBI (Climate Bonds Initiative), where wind and solar projects in general are found to perform below the 100g CO₂e/kWh threshold².

With the same reasoning, the 100g CO₂e/kWh criterion for wind and solar power is not included in the final Technical Screening Criteria of the EU Taxonomy as both wind and solar power are currently derogated from performing a PCF (Product Carbon Footprint) or GHG lifecycle assessment³.

Based on both the CBI research and the exclusion of the 100g CO₂e/kWh criterion in the EU Taxonomy Technical Screening Criteria, we conclude that the lifecycle emissions of all wind and solar projects within our Green Bond allocation are below the criterion as set out in the framework and therefore eligible, rather than individually testing the 100g CO₂e/kWh threshold for each project on a case by case basis. As a consequence of this chosen method we were not able to assess whether the projects decline to 0g CO₂e/kWh in 2050.

¹ <https://www.climatebonds.net/files/files/standards/Solar/Solar%20Criteria%20Background%20Paper.pdf>

² https://ecostandard.org/wp-content/uploads/2021/12/EUTaxonomy_100g_7points.pdf

³ <https://www.oecd-ilibrary.org/sites/5e092588-en/index.html?itemId=/content/component/5e092588-en>

Green Bond allocation 2022



Renewable Energy - Generating and efficiency projects	49%	■
Renewable Energy - Projects under construction	18%	■
Green buildings - Commercial & Residential properties	27%	■
Living natural resources - Forest and nature conservation projects	6%	■

4.2 Use of proceeds for eligible green assets

In 2022, the allocated loans were reevaluated. If a loan no longer fulfils the Eligibility Criteria or matured, we removed the loan from the Eligible Green Loan list and replaced it with a new Eligible Green Loan, on a best effort basis. This has led to a decrease in the number of clients; from 54 in 2021 to 50 in 2022. Compared to last year, we allocated more proceeds to the Green Buildings

category. We used these proceeds to finance not only more, but also larger Green Buildings projects than we did last year. In this way, the proceeds of the Green Bond are allocated to a more diversified list of Eligible Green Loans and the impact made is better divided amongst the three environmental categories.

Eligible green asset pool	Allocation of green funding 2022		Allocation of green funding 2021	
	Number of clients	Amount (EURm)	Number of clients	Amount (EURm)
Renewable Energy	29	167.3	33	218.2
Generating and efficiency projects	22	122.1	25	180.2
Projects under construction	7	45.2	8	38.0
Green Buildings	13	66.6	10	19.3
Commercial & Residential properties via real estate	13	66.6	10	19.3
Environmentally sustainable management of living natural resources and land use	8	16.0	11	12.6
Nature and land conservation projects	8	16.0	10	12.4
Forestry projects	0	-	1	0.2
Green funding	50	250.0	54	250.1
Net proceeds		250.0		250.0
Remaining balance of unallocated proceeds		0		0

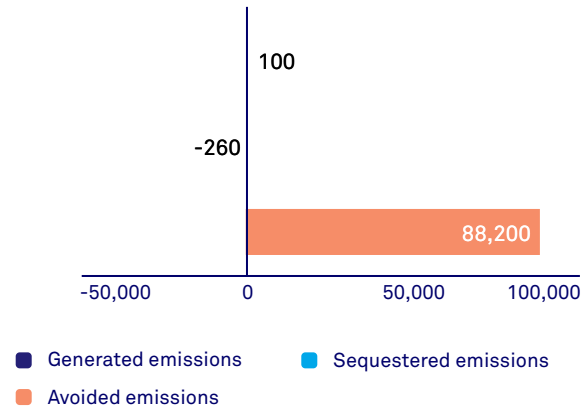
5. Impact report

The GHG emissions that can be attributed to the allocated eligible loans in 2022 are presented in the graph below.

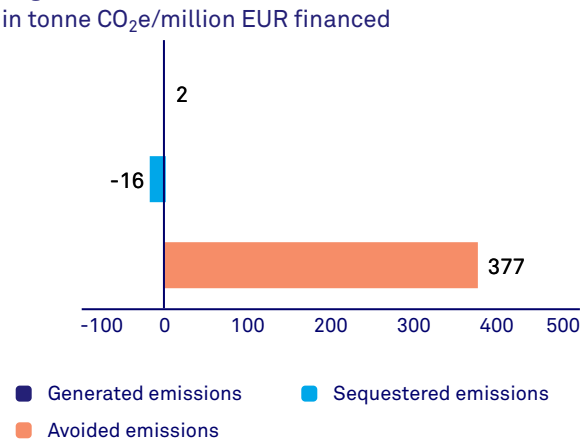
The generated emissions relate to the category Green buildings, sequestered (or removed) emissions are relating to Nature development and Forestry projects, and the avoided emissions relate to both Renewable energy projects and Green buildings.

The next paragraphs in this chapter describe the environmental impact of the loans allocated to the Green Bond per Eligibility category.

Climate impact of the allocated eligible loans 2022
in tonne CO₂e



Climate impact in emission intensity of the allocated eligible loans 2022
in tonne CO₂e/million EUR financed



5.1 Renewable energy (67% use of proceeds)

A fundamental transition is needed to decarbonise our economy. By lending and investing in solar, wind and hydro energy, Triodos Bank stimulates this transition. We also finance and co-finance projects that increase the use of renewable resources, reduce the demand for energy and promote energy efficiency.

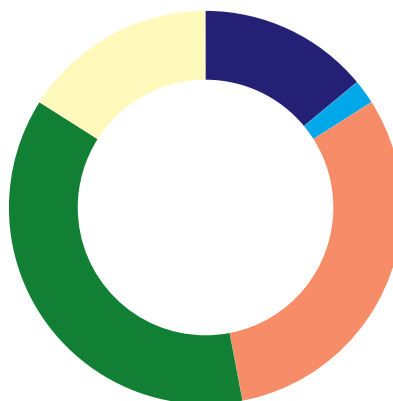
Using the proceeds of the Green Bond, 44 projects were funded in the energy sector in 2022. These included:

- 37 sustainable power-generating projects related to wind (14) and solar (23)
- 7 sustainable power projects in a construction phase

The total capacity of the power-generating projects was 420 MW and the (future) total capacity of the projects under construction is 111 MW, together good for producing the equivalent of annual electricity needs of approximately 103,900 European households based on an attribution approach.

The renewable energy projects that are funded by the Green Bond (can) avoid over 87 ktonne of CO₂e emissions on an annual basis, as compared to fossil-fuel power generation.

Allocated renewable energy loans per country



Belgium	14%
France	2%
Spain	31%
Netherlands	37%
UK	16%

Eligible Project Category	Specifics: Energy sector	Allocated eligible portfolio (EURm)	Share of Total Financing	Number of projects	Total installed capacity in MW	Annual electricity generated / expected in MWh	Attributed avoided emissions (tonnes CO ₂ e)
Renewable Energy							
Generating and efficiency projects	Wind	34	20%	14	255	751,949	29,440
	Solar	88	52%	23	165	174,780	16,870
		122	73%	37	420	926,729	46,310
Projects under construction	Wind	15	9%	1	54	163,200	30,860
	Solar	31	18%	6	57	49,916	10,520
		45	27%	7	111	213,116	41,380
Green funding		167	100%	44	531	1,139,845	87,690
Estimated impact per €1 million invested							524

44

renewable energy projects financed

103,900

households (to be) reached with green electricity



Windfarm Olsterwind wind turbines being constructed.

Case study: Windfarm Olsterwind

The Windfarm Olsterwind sits on the reclaimed land (*'polder'*) of Flevoland near the city of Dronten. It is an initiative by local farmers, some of whom have already owned wind turbines on their own land for 20 years. With financing from Triodos Bank, eight old turbines are being repowered with an installed capacity of 54MW, delivering 163GWh (on a P90 basis) of green electricity to the grid. The turbines are all expected to be operational by the end of 2023. They form part of a larger project called Windplan Groen, which includes 86 wind turbines with a combined installed capacity of around 500 MW.

Olsterwind will be one of the first windfarms in the Netherlands to use the Nordex N163 6.8 MW turbines. The N163 advanced technology minimizes environmental impact, for example, the turbines will be equipped with a bat detection system to prevent collisions. There is also monitoring for the 'mute swan' (known as the *knobbelzwaan* in Dutch), to identify whether the swans choose a route to avoid the turbines. The noise levels and the shadow caused by the blades are automatically mitigated to stay within the norm.

The construction phase was preceded by the decommissioning and removal of the old, smaller turbines, which are destined for a new lease of life in foreign wind markets. Furthermore, all the concrete from the old foundations will be reused onsite for the new

turbine foundations as well as reinforcing the installation crane stands.

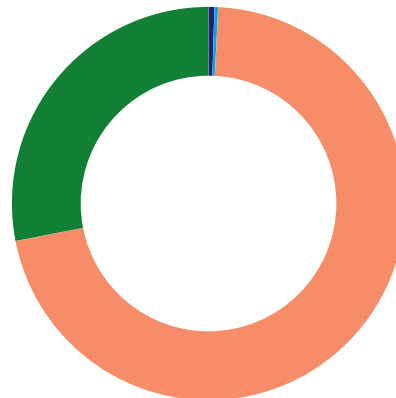
The local community is deeply involved in this farm-led initiative and part of the income generated is put into a community fund. The fund supports community projects chosen in cooperation with local residents. This includes, for example, laptops for children who otherwise could not afford them. To enable further civic participation, a bond will be issued with profit certificates (known as *winstbewijzen* in Dutch) in 2023. This will give potential participants the opportunity to share in the profits of the windpark. Residents in the neighbourhood will be offered the opportunity to buy the certificates first. Only after this offering to local residents, will other interested parties be able to purchase them.

5.2 Environmentally sustainable management of living natural resources (6% use of proceeds)

Our relationship with the soil and the earth requires a systemic perspective. A world view that sees agricultural land as the starting point for a limitless process of extraction is unsustainable. Instead, agriculture needs to be seen within the context of a natural system. This system includes nutrients, water, biodiversity, animal welfare and social conditions.

Approximately 1,134 hectares of nature and conservation land and forestry in Europe were funded by the proceeds of the Green Bond in 2021. This land is important for the sequestration or absorption of greenhouse gases from the atmosphere. This resulted in the sequestration of approximately 260 tonnes of CO₂e.

Allocated nature and forestry loans per country



Belgium	0.5%
Spain	0.3%
Netherlands	71.8%
UK	28.3%

Eligible Project Category	Allocated eligible portfolio (EURm)	Share of Total Financing	Number of projects	Total hectares of financed land	Attributed sequestered emissions (tonnes CO ₂ e)
Environmentally sustainable management of living natural resources and land use					
Nature development	16.0	100%	8	1,134	-260
Forestry	-	0%	-	-	-
Green funding	16.0	100%	8	1,134	-260
Estimated impact per €1 million invested					-16

260 tonnes

of removed CO₂e emissions

1,134 hectares

of nature and conservation land financed



Credit: Tom Francome

Case study: Heal Rewilding

Heal, a rewilding charity, has acquired its first landholding with the help of a EUR 4.23 million loan from Triodos Bank UK. It will create a new nature reserve with 460 acres near Bruton in Somerset. Through the nature reserve, Heal Somerset will contribute to tackling the nature and climate crises while creating new jobs and work for local tradespeople and businesses. The project will be co-designed and delivered with input from the local community, with initial ideas including areas for food growing and nature learning for children, wildflower meadow creation and a community orchard.

The ultimate goal of Heal is to establish a major nature recovery site in all 48 English counties by 2050, covering almost 25,000 acres in total. Natural regeneration of trees, improved soil health and other plant growth will help fight climate change by capturing carbon. A mosaic of habitats – trees, scrub, grassland, bare earth and water – will ensure the greatest diversity of plant and animal species. Heal expects early benefits of rewilding to include an increase in insect numbers, growth of plants including tree saplings, and a greater abundance and diversity of species. There

will be public access across much of the land so people can see rewilding in action.

It's Triodos Bank's first direct loan to a nature restoration project and hopes to be able to support similar initiatives nationwide that address climate change, adapt to its effects and promote biodiversity. This will be essential for meeting our net zero goals and reversing nature's decline, both of which are central to Triodos Bank's mission to create positive impact.

5.3 Green buildings (27% use of proceeds)

As well as offering green mortgages that incentivise households to reduce their carbon footprint, Triodos Bank finances new building developments and renovation projects for properties to reach high sustainability standards.

By using the proceeds of the Green Bond, Triodos Bank financed in 2022 four sustainable commercial properties comprising approximately 32,500 m² for office and other commercial space and 561 residential buildings financed via Real estate.

Approximately 86 tonnes CO₂e emissions were generated by these loans and 510 tonnes CO₂e emissions were avoided as compared to baseline emissions per type of property and country or region.

Allocated green building loans per country



Spain	76%
Netherlands	2%
France	22%

Eligible Project Category	Energy label based on the Dutch EPC standards	Allocated eligible portfolio (EURm)	Share of Total Financing	Number of projects	Number of residential buildings	m ² of residential buildings	m ² of commercial properties	Attributed avoided emissions (tonnes CO ₂ e)	Attributed generated emissions (tonnes CO ₂ e)
Green buildings Commercial & Residential properties	A++++	3	4%	3	27	2,371	638	50	-
	A+++	49	74%	10	534	41,040	9,727	440	70
	A++	-	0%	-	-	-	-	-	-
	A+	-	0%	-	-	-	-	-	-
	A	15	22%	1	-	-	22,171	20	30
Green funding		67	100%	14	561	43,411	32,536	510	100
Estimated impact per €1 million invested								8	2

80%
energy savings per m²

510 tonnes
of CO₂e avoided by investing in sustainable buildings



Artist's rendition of Arroyo Bodonal 2

Case study: Arroyo Bodonal 2

Arroyo Bodonal is a housing cooperative in the Tres Cantos municipality of Madrid, Spain, that provides its members with housing at cost price, meaning the sale prices of homes are below market values. With financing from Triodos Bank, the cooperative is building Arroyo Bodonal 2, a sustainable housing development consisting of 132 homes.

The project aims to facilitate access to affordable housing while minimising environmental impact in construction and use. The homes are expected to achieve the highest energy rating (A in both emissions and consumption) and the LEED sustainability seal in its Platinum modality, the highest score possible. The project also includes a geothermal system to produce energy for the homes. This will save energy, saving residents money and contributing towards net zero greenhouse gas emission goals.

The purpose of a housing cooperative is to provide its members with housing at cost price. This is made possible by the fact that the members assume the developer risk, and the management company charges only a 3% management fee (compared to the usual 8-10% in the sector). The members of the cooperative are the homebuyers themselves; individuals who purchase their home, which is intended to be their primary residence. Often, they are first homebuyers.

The project demonstrates that building in a sustainable way, in this case with the highest standards of sustainability, is not only possible, but can also be done at below market price. In addition, the real value of the building is likely higher than the current valuation because there were no similar buildings on which the valuation companies could base their valuation.

6. Other information

6.1 Assurance report of the independent auditor

Limited assurance report on the Green Bond Allocation and Impact report related to the Green Tier 2 Bond Instrument

Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Green Bond Allocation and Impact report related to the Green Tier 2 Bond Instrument of Triodos Bank N.V. over 2022 is not prepared in all material respects, in accordance with the Triodos Bank Green Bond Framework.

What we have examined

The object of our assurance engagement contains the Green Bond Allocation and Impact report related to the Green Tier 2 Bond Instrument. We have examined the accompanying the Green Bond Allocation and Impact report related to the Green Tier 2 Bond Instrument, stamped for identification purposes, of Triodos Bank N.V., Driebergen-Rijsenburg over 2022.

The basis for our conclusion

We conducted our examination in accordance with Dutch law, including the Dutch Standard 3000A Assurance engagements, other than audits or reviews of historical financial information (attestation engagements). This engagement is aimed to provide limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the examination' of our report.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We are independent of Triodos Bank N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

PwC applies the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for quality systems) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

Emphasize of matter

We draw attention to section 4.1 in the Green Bond Allocation and Impact report, which provides further disclosure on the eligibility criteria regarding the lifecycle emissions of renewable energy projects and the assessment made by management to conclude that the allocated projects within Green Bond are eligible and meet this eligibility criteria in total, rather than on a case-by-case basis.

In addition, as a consequence of the aforementioned method to evaluate the eligibility of the projects as a whole, Triodos Bank N.V. management was not able to assess whether the projects decline to 0g CO₂e/kWh by 2050, which is a requirement according to the Triodos Bank Green Bond Framework.

Our conclusion is not modified in respect of this matter.

Restriction on use and distribution

This assurance report is addressed to and intended for the exclusive use by the management board of Triodos Bank N.V. in connection with the limited assurance engagement over the Green Bond Allocation and Impact report and may not be used for any other purpose. This assurance report is not to be relied on by third parties as such parties are not aware of the purpose of the services and they could interpret the results incorrectly. Consequently, the assurance report, may not be made available in any form to third parties, without our explicit prior written consent. We do not accept or assume and deny any liability, duty of care or responsibility to any parties other than Triodos Bank N.V.

Responsibilities for the Green Bond Allocation and Impact report and the examination thereof

Responsibilities of the management board

The management board of Triodos Bank N.V. is responsible for the preparation of the Green Bond Allocation and Impact report in accordance with the Triodos Bank Green Bond Framework, including the identification of the intended users and the criteria being applicable for the purpose of these users.

Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the Green Bond Allocation and Impact report that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the examination

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

Our conclusion aims to provide limited assurance. The procedures performed in this context consisted primarily of making inquiries with officers of the entity and determining the plausibility of the information included in the Green Bond Allocation and Impact report. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the examination in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our examination consisted, among other things of the following:

- Identifying areas of the Green Bond Allocation and Impact report with a higher risk of a material misstatement, whether due to fraud or error, designing and performing assurance procedures responsive to those risks, and obtaining evidence that is sufficient and appropriate to provide a basis for our conclusion.
- Obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the company's internal control.
- Evaluating the eligible project allocation against the criteria as per the Green Bond Framework of Triodos Bank N.V., by performing limited substantive testing (on a sample basis) of the allocation of the proceeds to the eligible projects meeting the criteria, including verifying that they have been appropriately measured, recorded and reported.
- Evaluating the impact reporting section of the Green Bond Allocation and Impact report by performing substantive testing (on a sample basis) of the environmental impact of the eligible green loans.

Amsterdam, 6 October 2023

PricewaterhouseCoopers Accountants N.V.

D.J.P. van Veen RA