1. Introduction

This Green Bond Framework (‘Framework’) has been established by Triodos Bank NV (‘Triodos Bank’ or ‘the Bank’ thereafter), to allow for the issuance of Green Bond instruments (‘Green Bonds’) to finance and/or refinance green loans on Triodos Bank’s balance sheet. This Green Bond Framework sets 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 Bonds issued by Triodos Bank, and the management and reporting of such proceeds. The Framework also includes an overview of the Bank’s mission, which fits perfectly in the rationale for the development of this Framework.

Triodos Bank is a European bank with branches in four countries (The Netherlands, Belgium, Spain and Germany) with a subsidiary in the United Kingdom and with additional exposures amongst others in France and Ireland, with approximately 728,000 account holders worldwide. The Head Office and statutory seat is in Zeist, The Netherlands. Triodos Bank’s activity is split between two core divisions, Triodos Bank’s savings and lending business and investment services and Triodos Investment Management B.V., which is a globally active impact investor. Triodos Investment Management B.V. manages and invests through investments funds or investment institutions, bearing the Triodos name.

Since its foundation in 1980, Triodos Bank is in business 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 enables individuals, organisations and businesses to use their money in ways that benefit people and the environment. The bank promotes sustainable development by offering our customers sustainable financial products and high quality service.

In the last four decades Triodos Bank has moved from being a niche bank to a frontrunner. Our mission—to use money consciously to create positive development in society, with human dignity at its core—has been a guiding principle throughout our history and has found a lot of resonance in society and the financial sector.

The core values of Triodos Bank are:
• Sustainability: We only finance companies that focus on people, the environment or culture.
• Transparency: We believe that people who entrust us with money need to know what we are doing with their money. That’s why we show them that on Know where your money goes.
• Excellence: As a bank, we want the quality of our products and services to be among the best in the banking sector.
• Entrepreneurship: We are constantly working to develop innovative ways to finance sustainable entrepreneurs, companies and initiatives.

Market and core activities
Triodos Bank aims to achieve its mission as a sustainable bank in three ways:

As a values-driven service provider: Customers not only want sustainable products and services, but also fair prices and a reliable service. Triodos Bank offers products and services with a purpose to promote sustainable development. And it does so, in the context of meaningful, transparent relationships with its customers.

As a relationship bank: 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, including offices where customers meet co-workers face-to-face and at community events. Triodos Bank’s aim is to create a broad customer base that’s closely connected to it—a combination of private and corporate customers who have made a conscious decision to bank with Triodos Bank. Exactly how this happens differs in each country; its services have developed in different ways in each of the countries where it works, depending in part on the stage of development of the banking entities in question.
As a frontrunner in responsible banking: Triodos Bank wants to promote the conscious use of money, in its own organisation, but also in the financial sector as a whole. It stimulates public debate as a frontrunner of values based banking which can transform the economy. Stakeholders have encouraged Triodos Bank to focus on this role as a frontrunner. Triodos Bank, with 40 years of experience in values based banking was a founder of the Global Alliance for Banking on Values, a global movement of more than 60 like-minded banks committed to advancing positive change in the banking sector. Triodos Bank’s vision and approach has led to international recognition. Its participation in the public debate, often through high-impact events that it hosts and participates in, means people can see what Triodos Bank stands for and hear its opinions about important social trends. Triodos Bank’s identity is crucial for its brand and reputation.

2. Our Strategy

Finance change
Triodos Bank wants to finance change and make money work for positive social, environmental and cultural change. To make sure its influence in these areas is positive it only invests in sustainable enterprises and only uses the ‘real’ money entrusted to the bank by savers and investors.

In essence, Triodos Bank aims to maximise sustainability, embracing the need to be profitable but only as a means to a sustainable end. Profit can be seen as a yardstick. It shows an organisation is working efficiently, but says nothing about the content and the impact of what it is doing.

Triodos Bank connects savers and investors who want to change the world with sustainable entrepreneurs, organisations and companies in selected sectors. We have built a track record financing organisations that work in the nature and environment sectors, social business, culture and welfare.

- **Environment.** Triodos Bank believes profit doesn’t need to be at the expense of the environment. That is why we help our clients make a positive difference to the environment we share.
- **Culture.** Triodos Bank believes that culture is a powerful force for positive change, driving creativity and innovation in business, and providing lasting opportunities for personal development.
- **Social.** The social businesses we finance work to improve and enrich the lives of millions of people; tackling inequality and injustice. And developing strong communities in the process.

In 2020, this resulted in the portfolio as shown in the graph below:
We won’t lend to any organisation that puts profit before people and planet. More specifically, we won’t lend to non-sustainable products and services, including all businesses involved in producing or trading in weapons, tobacco, pornography, fur or environmentally hazardous substances. It also covers the gambling industry. We also exclude non-sustainable working processes, covering everything from animal testing and inhumane farming methods, through corruption and support for dictatorial regimes, to breaches of fundamental labour rights.

In addition to our positive approach to lending, Triodos Bank maintains a list of exclusions to clarify which activities it will not finance nor invest in.

As well as financing progressive entrepreneurs, Triodos Bank also wants to change finance by influencing the banking sector at a national and global level, to help deliver its mission. Because the more sustainable, diverse and transparent the banking industry, the more people’s quality of life will improve.

We believe the financial sector needs to focus on sustainability in the broadest definition, impact, diversity of the banking landscape and transparency, supported by appropriate regulations and supervision. A financial sector that has truly integrated those elements in its business will be able to help improve people’s quality of life and achieve positive impact on the world around us. We cannot achieve this alone. We collaborate with many other European and global institutions and associations like the Global Alliance for Banking on Values (GABV), the Club of Rome, the Sustainable Finance Lab, governments and banking associations. Together we have been able to create momentum to change finance.

In 2020, we published a vision paper on managing the post-pandemic recovery that also addressed the important perspective of social inclusion. This argued that the coronavirus crisis had revealed substantial shortcomings in the current economic and social system and called for a reset of the global economy. Triodos Bank set out a concrete policy, business and finance agenda that could protect the world from future pandemics having similarly dire economic consequences. Our proposals included intensifying efforts to combat the climate emergency and other eco-crises, and working on a more socially inclusive society.

At a European level, we are involved in discussions about a sustainable finance action plan, specifically related to taxonomy, and the Non-Financial Reporting Directive. We also signed the Finance for Biodiversity Pledge. The signatories commit themselves to collaborating, engaging, assessing their own biodiversity impact, setting targets and reporting on biodiversity matters by 2024 at the latest. We are also a member of the Partnership Biodiversity Accounting Financials, which works to develop a common accounting methodology for the sector’s impact on biodiversity.

Triodos Bank supports the world’s transition to a low carbon and climate-friendly future, in line with the Paris climate goals, to limit the temperature increase to at most 1.5 degrees Celsius. To contribute to this future, financial institutions need to know the carbon footprint of their loans and investments. If financial institutions know what the emissions are, they can be transparent about their climate impact and it will help them set climate targets and steer decision-making.

This is why, Triodos Bank was among 16 financial institutions that created the global accounting standard for greenhouse gas (GHG) emissions of the Partnership for Carbon Accounting Financials (PCAF). Triodos Bank is one of only a handful of banks able to report fully on the carbon intensity of its portfolio.

Our climate impact report shows that we have a relatively low climate intensity from our loans and funds’ investments, however we are researching how quickly we may be able to take the lead in reaching a net-zero portfolio (and beyond). This requires us to critically reflect on our portfolio and we want to make sure we do this carefully rather than setting targets quickly. Reaching net-zero emissions is in line with the goals of the Net-Zero Banking Alliance (NZBA), which Triodos Bank was one of the first banks to join. The alliance members have committed to align operational and attributable emissions from their portfolios with pathways to net-zero by 2050 or sooner. In addition, Triodos has recently joined the Energy Efficient Mortgage Label (EEML), which is a clear and transparent quality label for consumers, lenders and investors, aimed at identifying energy efficient mortgages (EEM) in lending institutions’ portfolios, which are intended to finance the purchase/construction and/or renovation of both residential (single family & multi-family) and commercial buildings, with a focus on building energy performance.

3. Sustainable approach towards lending

Triple bottom line commitment
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 first thing to consider is ‘How can this contribute to positive social, environmental and cultural change?’ Next comes the important question ‘Is it viable?’ And thirdly: ‘Is the idea rooted in society—is it supported by those around the entrepreneur?’ If the professional judgement is correct, financial and social profit should follow almost automatically.
Unlike many other banks, we have always focused on impact, risk and return:

• **Impact:** We want to deliver sustainable impact. When we talk about ‘impact’, we are concerned with what our actions, in particular financing and investing, mean to people in concrete terms. Impact 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.

We apply the Global Alliance for Banking on Values (GABV) scorecard using indicators like ‘assets committed to Triple Bottom Line’ and ‘assets committed to real economy’ to monitor and qualify impact. Triple bottom line assets refer to assets not only focused on economic benefits, but also on positive social and environmental benefits. Triodos Bank has 74% of its total assets committed to triple bottom line. This figure provides the best indication of a bank’s commitment to sustainability. Real economy assets in a values-based bank should be relatively high. In 2020, this was 75%. Triodos Bank targets a ratio of loans (in the real economy) to deposits of 75% to 85% to make sure it always has enough money available (i.e. liquidity) to support its clients in case of disruptions in the market. The total loan portfolio, as a percentage of the total amount of funds entrusted, was 78% in 2020.

**All lending is sustainable and subject to Business Principles and Lending Criteria**

To assess credit and investment proposals, our relationship managers and fund managers refer to our **Business Principles** in the first instance. Then, the **Lending Criteria** and **minimum standards** which specify how Triodos Bank’s vision and mission are translated into banking practice are applied.

**Our Business Principles** provide a framework for the way we conduct our business and support our day-to-day decision-making. They govern our conduct and set the standard by which internal and external stakeholders can evaluate us. The Triodos Bank Business Principles apply to all co-workers and all Triodos Bank businesses and are aligned to our values. We are committed to the following Business Principles:

- **Promote sustainable development:** We consider the social, environmental and financial impacts of all that we do
- **Respect human rights:** We respect people, society and different cultures and support the aims of the United Nation’s Universal Declaration of Human Rights
- **Respect the environment:** We will do all that we can to create and support positive environmental impacts
- **Be accountable:** We are accountable, responsible and committed to our stakeholders for all our actions
- **Continuous improvement:** We seek to continuously improve all facets of our business
- **Respect and obey the law:** We are committed to complying with all legal requirements in all countries in which we operate

The Business Principles apply to all entities within the Triodos Bank Group: Triodos Bank businesses, specifically all Triodos Bank branches, Triodos Investment Management, and Triodos Private Banking, and the Triodos Regenerative Money Center. All co-workers must be familiar and comply with the Triodos Bank Business Principles. Violations are, depending on their nature and seriousness, reported according to our Risk Event Management policy, our Financial Crime policy or our Whistleblower policy among others. It is the responsibility of the members of the Executive Board and Senior Management to ensure that all co-workers are made aware of the principles and to ensure that they are observed. New co-workers are informed of our principles during their induction or by Human Resources in the initial days with the company.

Triodos Bank takes a self-consciously positive approach to finance, and only lends to organisations that contribute to a more sustainable society. The **Lending Criteria** and **minimum standards** govern Triodos Bank’s lending process:

- Identifies sustainable sectors where the Bank can help projects to innovate and businesses to emerge and develop
- Selects projects which will bring real and meaningful benefits for the wider community - for which creating cultural, social and environmental added value is as important as meeting commercial and financial targets
- Closely considers the motivations of the people involved in a loan application
- Ensures each selected project meets absolute criteria which measure the potential negative impact of an organisation’s activity on people and the environment
- Finances clearly defined assets, activities or projects within each organisation.

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Within the Lending Criteria and minimum standards, Triodos Bank clearly defines the areas for potential lending as well as excluded sectors.

**Lending areas**

- **Nature and Environment**: Triodos Bank finances sustainable environmental businesses and initiatives. More specifically, the Bank explores opportunities to finance organisations that help safeguard the environment and avoid 'end of pipe' technologies whenever sustainable alternatives are available. Triodos Bank refers to certification from respected bodies, such as SKAL, Biogarantie and the Soil Association to guide decisions about organic food and farming loan applications. Areas considered for lending include:
  - Organic farming (e.g. arable, dairy, meat, poultry, forestry, horticulture)
  - Organic food (e.g. shops, butchers, food processing, restaurants)
  - Renewable energy (for example, wind, solar, hydro, greenhouse gas-neutral biomass)
  - Sustainable property (for example, shared workplaces, property development, nature development)
  - Residential property (homes)
  - Environmental technology (for example, recycling, transport)

- **Culture and society**: Triodos Bank finances businesses and initiatives that help people to develop and act as free and responsible citizens. It does not finance organisations which put financial and commercial objectives before people. Lending applications are considered in:
  - Education (schools, training and conferences centres)
  - Childcare (day care centres, kindergartens)
  - Arts and culture (for example, visual arts, performing arts, cultural centres, film & media)
  - Philosophy of life (for example, meditation centres, religious and spiritual groups)
  - Recreation (for example, parks, camping sites, eco-tourism)

- **Social business**: Businesses whose key objectives are to add value to society and, or the environment, are at the heart of Triodos Bank's lending decisions. These objectives are clearly reflected in the products, services or working processes of successful loan applicants. Triodos Bank refers to respected fair trade labels recognised by the Financial Labelling Organisation (FLO), an international fair trade organisation, much as it does with its work in the organics sector.

- Retail non-food (for example, toys, books, clothing)
- Production (for example, printers, publishing)
- Professional services (for example, consultancy, research, building contractors)
- Social housing (for example, housing associations)
- Healthcare (for example, medical centres, therapeutic farms, care for elderly people, hospices)
- Social projects (social services, migrant integration, community buildings)
- Fair trade (for example, fair trade shops, wholesale trading)
- Development cooperation (for example, microfinance, certified FLO products, certified organic products)

**Impact**

Our approach resulted in concrete positive impact in 2020. Some examples per lending area.

**Environment**

By the end of 2020, Triodos Bank and its climate and energy investment funds were financing 561 projects in the energy sector. The total capacity of the power-generating projects was 5,100MW, producing the equivalent of the electricity needs of 4.8 million households worldwide. The organically managed land on the farms which Triodos Bank and Triodos Investment Management financed in 2020 could produce the equivalent of 33 million meals in 2020, enough food to provide a sustainable diet for approximately 30,000 people.

**Culture**

Triodos Bank helped make it possible for 8.4 million visitors to enjoy cultural events including cinemas, theatres and museums. We also helped approximately 4,100 artists and creative companies remain active in the cultural sector. Approximately 823,000 individuals benefited from the work of 600 education initiatives financed by Triodos Bank.

**Social**

As a result of its finance across Europe around 45,000 individuals were residents at 570 elderly care homes financed by Triodos Bank and Triodos Investment Management in 2020, representing the equivalent of 22 days of care per Triodos Bank customer. We financed approximately 720 community projects (2019: 600), and 210 social housing projects, which directly and indirectly provide accommodation for approximately 59,000 people.
Excluded sectors
Triodos Bank has developed absolute criteria which include products, services or business processes that impede the development of a sustainable civil society in the long term. Triodos Bank does not lend to organisations, businesses and projects that are directly involved for more than 5% of its activities in non-sustainable products and services or non-sustainable working processes. Triodos Bank will however, to the best of its knowledge, exclude all organisations, businesses and activities that produce or distribute nuclear energy, weapons and environmentally hazardous substances, as described within the headings below.

All organizations, businesses and activities in the following sectors are excluded:

- **Non-sustainable products and services:**
  - Fur industry
  - Gambling
  - Environmentally hazardous substances
  - Pornography
  - Tobacco
  - Weapons industry

- **Non-sustainable working processes:**
  - Intensive agricultural production: all organisations, businesses and activities that handle, or process animals for consumption in an intensive, environmentally damaging way and which do not take due account of animal welfare. Businesses that sell animal products from intensive agricultural production are excluded when they do not offer the consumer a certified organic alternative.
  - Corruption: all organisations and businesses that have been condemned by a court for frequent and serious corruption, bribery and money laundering and enterprises that have violated structural codes of conduct or treaties in the last three years.
  - Dictatorial regimes: all organisations and businesses and activities that directly and significantly contribute to, or profit from, human rights violations by a government or other actors.
  - Animal experiment: all organisations, businesses and activities that use animal experiments for non-medical purposes or sell non-medical products that have been tested on animals.
  - Genetic engineering: all organisations, businesses and activities that generate products that have been created by means of genetic engineering. All organisations, businesses and activities that sell genetically engineered products are excluded when these products do not have a clear label.
  - Breach of legislation, codes of conduct or conventions: all organisations, businesses and activities that have frequently and seriously violated legislation, codes of conduct or conventions, unless there is proof that they have changed their behaviour. The following criteria are considered:
    - Breach of environmental legislation, labour legislation, international codes and conventions such as the guidelines of the World Commission on Dams, certificates for the origin of wood (for example, FSC), fish (MSC) and diamonds (according to the Kimberley process), the WHO (code for marketing of baby-milk substitutes) and, more in general, the guidelines of the World Bank, and breach of fundamental labor rights (violation of fundamental child labour rights, discrimination, forced labour, freedom of trade unions, collective bargaining, health and safety, salary and working hours, based on the fundamental conventions of the International Labour Organization and the OECD guidelines).

It is possible that products, services or business processes are not covered by the above criteria but do in any case contradict the philosophy of Triodos Bank non-sustainable fishery and types of agriculture and tourism that impact adversely on people and the environment are examples. These products and processes are examined regularly to enable Triodos Bank to stay abreast of new developments. These sectors are not exhaustive and Triodos Bank will reject loan applications that do not meet the spirit of the criteria. Triodos Bank analyses loan applications on an individual basis and has the right to exclude all other projects that in the opinion of the Bank are non-sustainable.

4. Establishment of the Green Bond Framework

As explained in the previous chapters, it is a cornerstone of Triodos Bank’s business to be a responsible member of the society. Triodos Bank believes that green bond financing offers a way to create transparency around funds targeted to climate change mitigation, which in turn create a positive benchmark to all investments.

The Eligible Categories Triodos Bank has chosen are presented in Chapter 5 of this Green Bond Framework. The Eligible Categories have been chosen based on Triodos Bank’s intention to give attention to the non-carbon emitting section of its lending book, while also including green buildings and sustainable properties in order to showcase Triodos Bank’s overall goal of enabling the transition to a sustainable society in general and combating climate change specifically.

The Triodos Bank Green Bond Framework is prepared with due care and attention and on a best effort basis by the Green Bond Working Group (the ‘GBWG’), a cross functional committee of relevant business areas including representatives of Treasury, Finance and Corporate Communication, which is mandated by the Triodos Group Impact Committee (TGIC). The Triodos TGIC is the Executive Board’s delegated body to
oversee the development of Triodos Bank’s Group impact assessment and communication approach and strategy. It is responsible for operational activity relating to this topic and creating the environment for the business in general, and the Executive Board in particular, to steer on impact at a Group level. It does this by defining how impact contributes to optimising Triodos Bank’s overall positive contribution to society. This Green Bond Framework has been established taking into account the following standards:

- The Green Bond Principles (‘GBP’) published by the International Capital Markets Association (‘ICMA’), 2021 edition. The GBP are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuing green bonds.
- Relevant market standards, such as the Climate Bond Initiative (‘CBI’) Standards, which provide guidance for issuers on establishing robust Green Bond Frameworks.
- The recommendation of the EU Taxonomy, a classification system, establishing a list of environmentally sustainable economic activities and the EU Green Bond Standard have been taken into account, on a best effort basis.
- Best market practices.

The Triodos Bank Green Bond Framework may be further updated and expanded as the GBP and market practices evolve and additional use of proceeds categories (‘Eligible Categories’) may be added in the future, subject to an external third party evaluation. Triodos Bank is committed to support the growth and integrity of the market for Green Financing.

The GBWG will manage any future updates to the Framework, including the expansion of its eligible Use of Proceeds categories, and prospective future amendments to reflect developments in Triodos Bank’s strategy, market and regulatory developments. The GBWG provides oversight on the integrity of this activity, and ensures it is aligned with the Bank’s strategy.

In accordance with the recommendation of the GBP, the Framework is presented via the following sections:

1. Use of Proceeds
2. Process for project evaluation and selection
3. Management of Proceeds
4. Reporting
5. External Review
The Framework

5. Use of Proceeds

Triodos Bank, at its discretion but in accordance with the Green Bond Principles, intends to allocate an amount equal to the net proceeds of the Green Bonds to eligible new and existing green loans (‘Eligible Green Loans’). The eligible loans are to be funded in whole or in part by an allocation of an amount equal to the bond proceeds. Eligible Green Loans will be selected based on the use of proceeds criteria (‘Eligibility Criteria’) defined below for each Eligible Category and according to the qualification process part of the responsible lending due-diligence assessment normally conducted by Triodos Bank.

Overview of Eligible Categories and Eligibility Criteria:

<table>
<thead>
<tr>
<th>ICMA Eligible Category</th>
<th>Renewable Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Projects</td>
<td>Renewable energy generation and efficiency projects</td>
</tr>
<tr>
<td>Eligibility Criteria</td>
<td>Acquisition, conception, construction, operation, development and installation of renewable energy generation facilities. Renewable energy sources include:</td>
</tr>
<tr>
<td></td>
<td>• On- and offshore wind energy: facilities operating at life cycle emissions lower than 100gCO₂e/kWh, declining to 0gCO₂e/kWh by 2050</td>
</tr>
<tr>
<td></td>
<td>• Solar photovoltaic and Concentrated Solar Power: facilities operating at life cycle emissions lower than 100gCO₂e/kWh, declining to 0gCO₂e/kWh by 2050</td>
</tr>
<tr>
<td></td>
<td>• Hydropower: facilities operating at life cycle emissions lower than 100gCO₂e/kWh, declining to 0gCO₂e/kWh by 2050 and with maximum size of 20–25MW</td>
</tr>
<tr>
<td></td>
<td>• Energy saving projects such as Heat and Cold storage (ATES): facilities operating at life cycle emissions lower than 100gCO₂e/kWh, declining to 0gCO₂e/kWh by 2050</td>
</tr>
<tr>
<td>Additional Triodos Eligibility Criteria</td>
<td>Subject to Triodos Business Principles and Lending Criteria which do take into account strict environmental and social standards</td>
</tr>
<tr>
<td>Environmental benefits</td>
<td>GHG emissions avoidance</td>
</tr>
<tr>
<td>Contribution to EU Environmental Objective</td>
<td>Climate Change Mitigation</td>
</tr>
<tr>
<td>Contribution to UN SDGs</td>
<td>SDG 7: Affordable and Clean Energy</td>
</tr>
<tr>
<td></td>
<td>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</td>
</tr>
<tr>
<td></td>
<td>SDG 13: Climate Action</td>
</tr>
<tr>
<td></td>
<td>SDG 13 consists in taking urgent action to combat climate change and its impacts. Financing renewable energy projects, can contribute to this goal, as it contributes to the reduction of GHG emissions compared to energy production based on fossil fuels</td>
</tr>
<tr>
<td>Environmental impact calculation</td>
<td>GHG avoided emissions in tonnes of CO₂. Triodos follows the PCAF GHG methodology. Under this methodology, electricity generation (MWh) is based on actual production reported by project promoters or, when not available, the estimated annual production based on P50/P90 assessments. Avoided emissions attributable to Triodos Bank are estimated using the IFI Operating Margin (OM) emission factors. The OM is based on emission factors from the power plants with the highest variable operating costs. These are the power plants that will be replaced first when utilising new renewable power sources. Triodos Bank will be using the latest available IFI emission factor (tCO₂/MWh) for each country in which the eligible assets are located.</td>
</tr>
<tr>
<td>Location</td>
<td>All assets are located in Europe, including the UK.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>ICMA Eligible Category</th>
<th>Environmentally Sustainable Management of Living Natural Resources and Land Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Projects</strong></td>
<td>Forestry projects, which include the cultivation, maintenance, and development of tree plantations in a sustainable way (certified FSC or PEFC). Nature conservation projects, which include the use, ownership, or development of property for landscape or nature and wildlife preservation purposes.</td>
</tr>
</tbody>
</table>
| **Eligibility Criteria** | - 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 |
| **Additional Triodos Eligibility Criteria** | Subject to Triodos Business Principles and Lending Criteria which do take into account strict environmental and social standards |
| **Environmental benefits** | GHG emissions sequestration |
| **Contribution to EU Environmental Objective** | Climate Change Mitigation |
| **Contribution to UN SDGs** | **SDG 15: Life on Land**  
  15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements  
  By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally  
  15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems  
  **SDG 13: Climate Action**  
  SDG 13 consists in taking urgent action to combat climate change and its impacts. Financing renewable energy projects, can contribute to this goal, as it contributes to the reduction of GHG emissions compared to energy production based on fossil fuels |
| **Environmental impact calculation** | CO₂ emissions sequestered⁵  
  Sequestered emissions of Forestry projects are calculated by using data in the AFOLU USAID Carbon Calculator on emissions per hectares of different species and stages of forestry development including harvesting, thinning, and fertilizer usage.  
  For Nature Development projects the sequestered emissions are calculated by taking a sample mix of species found in cooler temperate climates. All rotational period emissions per hectare are averaged per species over a period of 30 years. Then, an average of these emission factors is calculated to approximate the mixed varieties of species found in nature development |
| **Location** | All assets are located in Europe, including the UK. |

ICMA Eligible Category | Green Buildings
--- | ---
**Type of Projects** | Green residential and commercial properties

### Eligibility Criteria for Green Residential Buildings
- For residential properties built prior to 31 December 2020:
  - Existing residential buildings with an Energy Performance Certificate (EPC) label ‘A’ in The Netherlands, and belonging to the top 15% low-carbon residential buildings in The Netherlands. In the Netherlands, A-labelled residential buildings have exceeded the top 15% low-carbon residential buildings. Therefore, Triodos would only select A-labelled buildings belonging to the top 15%.
  - Existing residential buildings with an Energy Performance Certificate (EPC) label ‘A’ in Spain and Belgium, and/or belonging to the top 15% low-carbon residential buildings in the respective national context.
- For residential properties built as of 1 January 2021: New or existing residential buildings that meet the categorization of ‘Nearly Zero Emissions Building’ (NZEB) - 10%.
  - For refurbished residential properties: Refurbishment of residential buildings to an improved energy efficiency of at least 30%. In terms of EPC labels, this is equivalent to two EPC label steps improvement.

### Eligibility Criteria for Green Commercial Buildings
- For commercial properties built prior to 31 December 2020:
  - Existing commercial properties with an Energy Performance Certificate (EPC) label ‘A’ in the Netherlands, Belgium, France and Spain and any other European Country, and/or belonging to the top 15% low-carbon commercial buildings in the respective national context.
- For commercial properties built as of 1 January 2021: New or existing commercial buildings that meet the categorization of ‘Nearly Zero Emissions Building’ (NZEB) - 10%.
  - For refurbished commercial properties: Refurbishment of commercial buildings to an improved energy efficiency of at least 30%. In terms of EPC labels, this is equivalent to two EPC label steps improvement.
  - New, existing or refurbished commercial buildings which received at least one or more of the following classifications: LEED ‘Gold’ and above, BREEAM ‘Excellent’ HQE ‘Excellent’, DGNB ‘Gold’ and above, or equivalent or higher level of certification.

### Additional Triodos Eligibility Criteria
Subject to Triodos Business Principles and Lending Criteria which do take into account strict environmental and social standards.

### Environmental benefits
- Climate Change Mitigation

### Contribution to UN SDGs
- **SDG 11: Sustainable cities and societies**
  11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

- **SDG 13: Climate Action**
  SDG 13 consists in taking urgent action to combat climate change and its impacts. Financing green buildings, sustainable properties and energy efficiency projects at properties, can contribute to this goal, as it contributes to the achievement of energy savings and to the reduction of GHG emissions.

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6 In the Netherlands, A-labelled residential buildings have exceeded the top 15% low-carbon residential buildings. Therefore, Triodos would only select A-labelled buildings belonging to the top 15%.

7 The Dutch version of NZEB is called BENG. In accordance with the EU Taxonomy recommendation, the net primary energy demand of new constructions (built as of the 1st of January 2021) must be at least 10% lower than the primary energy demand resulting from the relevant BENG requirements.

8 NZEB definition depends from National Regulation.

9 Under its Sustainable Properties proposition, Triodos Bank finances organizations that develop or restore structures, buildings or properties that take into account the efficient use of natural resources, and the impact on the individual and on the environment during the building’s entire lifecycle, including investment, development and management.
Environmental impact calculation

CO₂ emissions avoided\textsuperscript{10} The sustainable property sector can be accounted for using Triodos Bank’s collected data on building type and floor area and supporting literature regarding types of buildings and their associated emissions. Gas and electricity consumption of the buildings are estimated based on emission factors provided by literature multiplied by the total floor space (m²) of a property loan or investment. Using emission factors (EF) for gas and electricity derived from sources such as CO₂emissiefactoren.nl, Central Bureau of Statistics (CBS) and the European Commission building database gives us the Scope 1 and 2 emissions of the property. To attribute these emissions to Triodos Bank, an attribution factor is applied that divides the outstanding loan by the property value, or balance sheet total, of the customer.

Location
All assets are located in Europe, including the UK.

6. Process for project evaluation and selection

The loans financed and/or refinanced through the Green Bond proceeds are evaluated and selected for inclusion in the eligible pool by the GBWG, based on compliance with the Eligibility Criteria described in Use of Proceeds section of this Framework. Next to compliance with the Green Bond Eligibility Criteria, Eligible Loans clearly also comply with Triodos Bank Business Principles and Lending Criteria, explained in Section 3.

A confirmation process is thereafter undertaken by the GBWG in respect of the assessment made by Triodos Bank’s staff in relation to the Eligible Loans.

The GBWG is ultimately responsible for evaluating and selecting loans to be included in the Green Loan list. There must be consensus in the Working Group, in relation to the selection of loans.

The GBWG meets at least on an annual basis and is responsible to monitor the evolution of the Eligible Loans and to oversee the implementation of the process for evaluation and selection. The GBWG is also ultimately responsible for publishing the Green Bond Report(s).

7. Management of Proceeds

Triodos intends to allocate an amount equal to the net proceeds from the issue of Green Bonds to Eligible Green Loans, selected in accordance with the Eligibility Criteria set out in Use of Proceeds and the Process for project evaluation and selection above. Triodos Group Treasury is responsible for the issuance of bonds under the Framework.

Triodos will strive to achieve a level of allocation for the Eligible Green Loans which matches the balance of net proceeds from each of its outstanding Green Bonds within twenty-four months after issuance of the green bond.

During the life of each of the Green Bonds, if a loan ceases to fulfil the Eligibility Criteria or matures, Triodos Bank will remove the loan from the Eligible Green Loan list and replace it with a new Eligible Green Loan, on a best effort basis. Therefore, in case required, additional Eligible Green Loans will be added to the Eligible Green Loan list relative to each Green Bond, to ensure that an amount equal to the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Loans.

Pending allocation of an amount equal to the net proceeds of any tranche of Green Bonds to Eligible Green Loans, Triodos will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments, the balance of net proceeds not yet allocated to Eligible Green Loans. Unallocated proceeds will, on a best effort basis, be invested in eligible green, social or sustainable bonds.

8. Reporting

The Green Bond Principles require Green Bond issuers to provide information on the allocation of proceeds. In addition to information relating to the assets to which an amount equal to the net proceeds from the issue of Green Bonds have been allocated, the Green Bond Principles recommend communicating on the expected impact of the Eligible Green Loans.

Triodos Bank intends to report on both the Allocation of the Green Bond’s net proceeds and their environmental impact on an annual basis via a Green Bond Report, until maturity of each of the Green Bonds issued under this Framework (information could still be provided in one annual aggregated report). The Green Bond Report(s) will be made available to investors and the general public at Triodos Bank’s website.

Allocation Report
The Allocation Report section of the Green Bond Report will contain at least the following details:

- The total amount of net proceeds allocated to Eligible Green Loans
- The number of Eligible Green Loans
- The remaining balance of unallocated proceeds, if any
- The amount and percentage of new financing and refinancing
- An indication of the age of the loans that have been refinanced. This information around percentages and amounts of assets financed/refinanced via green bond issuances will also be presented pre-issuance to investors via marketing materials
- The geographical distribution of the Eligible Green Loans at country level
Impact Report
Via the Impact Report section of the Green Bond Report(s), Triodos Bank intends to report on the environmental impact of the Eligible Green Loans. This section of the report, may include the following information:
• A brief description of relevant Eligible Green Loans
• The breakdown of the Eligible Green Loan Portfolio by nature of what is being financed (only financial assets)
• Metrics regarding Eligible Green Loans’ environmental impacts as described below:
  For Eligible Green Loans in the Renewable Energy Category, impact metrics may include:
  – Renewable energy capacity installed in GW or MW
  – Electricity Storage Capacity in MW
  – Annual renewable energy generated or expected in MWh
  – Estimated annual GHG emissions avoided in tonnes of CO$_2$ eq.
  For Eligible Green Loans in the Forestry and Nature Development Category, impact metrics may include:
  – Sustainable Forestry land area (hectares), if available
  – Nature Development land area (hectares)
  – Estimated GHG emissions sequestrated in tonnes of CO$_2$ eq.
  For Eligible Green Loans in the Green Buildings Category, impact metrics may include:
  – Overview of EPC labels and environmental certification level
  – Estimated annual energy consumption and energy saving in KWh/m$^2$
  – Estimated annual financed emissions and avoided emissions in tons of CO$_2$ equivalents

9. External Review
Pre-issuance verification: Second Party Opinion
Triodos Bank has obtained an independent verification assessment by an expert ESG party (V-E) to confirm the alignment of the Framework with the ICMA’s Green Bond Principles. The Second Party Opinion document has been made available on Triodos Bank’s website, together with this Framework.
Post-issuance verification: Limited assurance on the allocation report
Triodos Bank will make public a limited assurance report provided by its external auditors or any other appointed independent third party. For each reporting, the auditors will verify:
• The allocated and unallocated net proceeds
• The compliance of the Eligible Activities with the defined eligibility criteria of the relevant categories
• If feasible, the review of the impact reporting

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