



Triodos @ Bank

Welcome to sustainable banking

Triodos Bank N.V. – Green Tier 2 Bond Offering 2021

Zeist, October 2021





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# Welcome by Triodos Bank's CEO

*"The COVID-19 pandemic has exposed structural weaknesses in the traditional global, social and economic system, with many countries experiencing deep divisions, social exclusion and inequalities of income and wealth."*

*"Whilst the pandemic provides all of us with unique challenges, it also provides a unique opportunity for a reset of the economy - supporting a just transition to a new economic paradigm - more sustainable and more fair."*

*"I am proud that Triodos Bank is a healthy organisation, boasting a resilient loan book, as demonstrated by our 2020 annual results and most recent half-year 2021 results."*

*"In my view, we have never been more relevant, and I believe we have an important role to play in funding values-led organisations as the global economy starts to rebuild and to provide mortgage loans to increase the energy efficiency of our client's homes."*



Jeroen Rijpkema, CEO & Chair of Executive Board



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# Frontrunner in values-based sustainable banking

Triodos Bank is a global pioneer in sustainable banking; a values-based organisation that promotes responsible and transparent banking. We provide a range of sustainable financial services, including current accounts, savings account and investment funds for individuals and a broad banking service for sustainable organisations. We have always advocated financing the right things in a responsible way. For us that means a financially stable and operationally resilient bank - that lends to and invests in sustainable, entrepreneurial and progressive enterprises that have a positive impact on people and the planet. We also provide mortgage loans with a green incentive to increase the energy efficiency of our client's homes.

Our mission is to help create a society that protects and promotes quality of life and human dignity for all. We believe that using money consciously can be a catalyst for sustainable and enduring change. Since Triodos Bank's founding in 1980, our savings and current account products have enabled our depositors and investors to consciously use their money in ways that add cultural value and benefit people and the environment – and, in doing so, seeking to change the world for the better.

We use the funds entrusted by our depositors and investors to lend to, or invest in, mission-aligned organisations and projects. Moreover, we actively encourage a connection between our depositors and those businesses we finance. A commitment to transparency is a key part of this. Since our establishment, Triodos has aimed to publish those organisations it lends money to, so our savers can see exactly how we are using their money. A dedicated website [Know where your money goes](#) maps our borrowers, so anyone can pin-point the organisations Triodos finances by sector, region or zip code.

# Core principles of values-based banking

Our main goal is to change the banking system so that it is more transparent, it supports economic, social and environmental sustainability and is composed of a diverse range of banking institutions serving the real economy.

The core principles of values-based sustainable banking are defined as follows:

1. Social and environmental impact and sustainability are at the heart of the business model.
2. Grounded in communities, serving the real economy, and enabling new business models to meet the needs of people.
3. Long-term relationships with clients and a direct understanding of their economic activities and the risks involved.
4. Long-term, self-sustaining, and resilient to outside disruptions.
5. Transparent and inclusive governance.

These principles are embedded in our leadership approach. We're encouraging a more systemic banking change, for the good of financial services and society at large.







# Financing Change. Changing Finance.

There are two ways in which Triodos Bank positively influences the world; financing change and changing finance. This is more than just a phrase. It is at the heart of our work and it is what our stakeholders ask of us.

At Triodos Bank's core, we finance change by lending to, and investing in, sustainable enterprises. In so doing, we help create a better, more sustainable world.

At the same time, we aim to change finance. We use our influence to change the financial system so that it puts people's interests first while allowing us to live within our planetary limits. Because too often, our current system does neither.

For example, we lend to agriculture projects directly whilst, simultaneously, highlighting the issue of stranded assets in land that is no longer able to produce food because of excessive intensive farming. We are part of the financial system. We do not sit outside, looking in. And that difference matters. It means that, as an integrated sustainable bank, we can speak credibly about what a more sustainable financial future, and the financial institutions in it, might look like.

But living this example, through the choices we make about who we finance, isn't enough. We also need to challenge assumptions about the financial system, particularly those that promote and entrench the status quo. Moreover, we want to support and partner with others who have a similar view.

# Measuring (non-financial) sustainable impact

At Triodos Bank, we're on a journey. A journey to a sustainable, low carbon and inclusive future.

As a sustainable bank, we measure our results in terms of both social impact and financial return. From our foundation over forty years ago to today, we start every lending or investment decision by answering the question: what positive contribution to the environment or to people does this initiative bring. We have been reporting our impact in qualitative and quantitative reports for many years, long before integrated reporting became industry practice. We were a co-founder in 2015 of the Partnership Carbon Accounting Financials (PCAF) and were the first bank to report on the carbon intensity of its entire portfolio using the PCAF methodology. We are one of the first banks in the world to commit to the net-zero banking alliance, committing to a portfolio of net-zero carbon emission by 2050. This year we will publish our Science Based Targets on how we intend to get there - possibly much earlier than 2050 - true to our frontrunner ambitions.







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# Our financial performance in H1 2021

- Overall loan business remains resilient, **benefitting from a geographically well-diversified loan portfolio** across Europe
- Triodos Bank's total Assets under Management increased by € 2.5 bln in H1 2021 to € 22.7 bln per end of June 2021 (FY 2020: € 20.3 bln)
- Triodos Bank reports a **net profit of € 27.7 mln after tax in H1 2021**, which is € 22.0 mln higher than same period last year
- The solid performance in H1 2021 was supported by higher revenues of € 22.3 mln (+16%) and lower impairments of € 13.8 mln (-109%) compared with the same period in 2020
- Triodos Bank **reports Cost-Income-Ratio of 79%** for the first six months of 2021 (H1 2020: 86% and FY 2020: 80%)
- In line with the shareholder's resolution at the Annual General Meeting in May 2021, Triodos Bank has paid out a **dividend amount of € 0.65** per depository receipt in H1 2021 (covering FY 2019 and 2020)
- Triodos Bank's capital ratios remained resilient, the **CET-1 ratio amounts to 18.6%** per end of June 2021 (FY 2020: 18.7%) and Total Capital Ratio amounts to 18.7% (FY 2020: 18.8%)





# Content

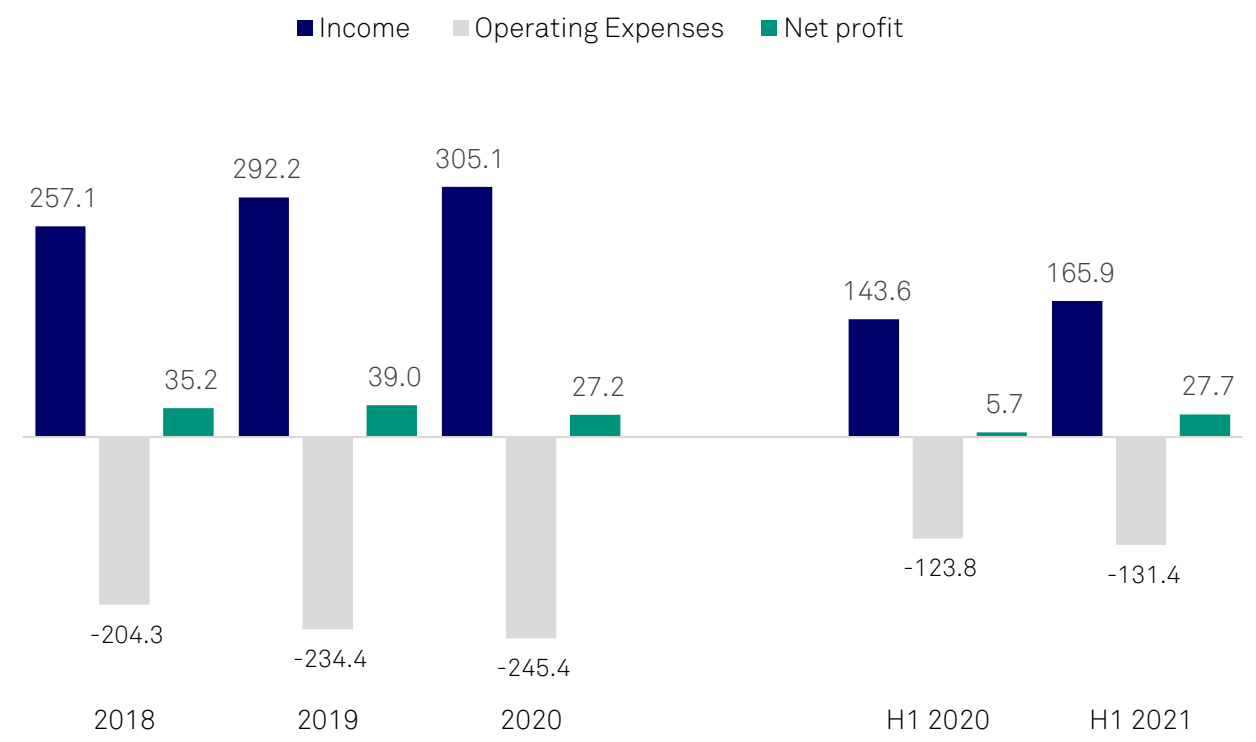
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# Profit and Loss Account

- Triodos Bank reported a net profit of € 27.7 mln after tax in H1 2021, which was € 22.0 mln higher than the same period last year
- The strong performance in the first half of 2021 was supported by higher revenues of € 22.3 mln (+16%) and lower impairments of € 13.8 mln (-109%) compared with the same period in 2020
- In H1 2021, income remained strong following loan growth with increased returns, higher management fees as well as improved fee income for payments and transactions
- Operating expenses increased in H1 2021 due to additional employee expenses for Compliance and Anti-Money Laundering (AML) topics, and additional Deposit Guarantee Scheme (DGS) contribution
- Historical income growth was mainly driven by additional loan growth in sustainable sectors

# Components and development

P&L in € mln



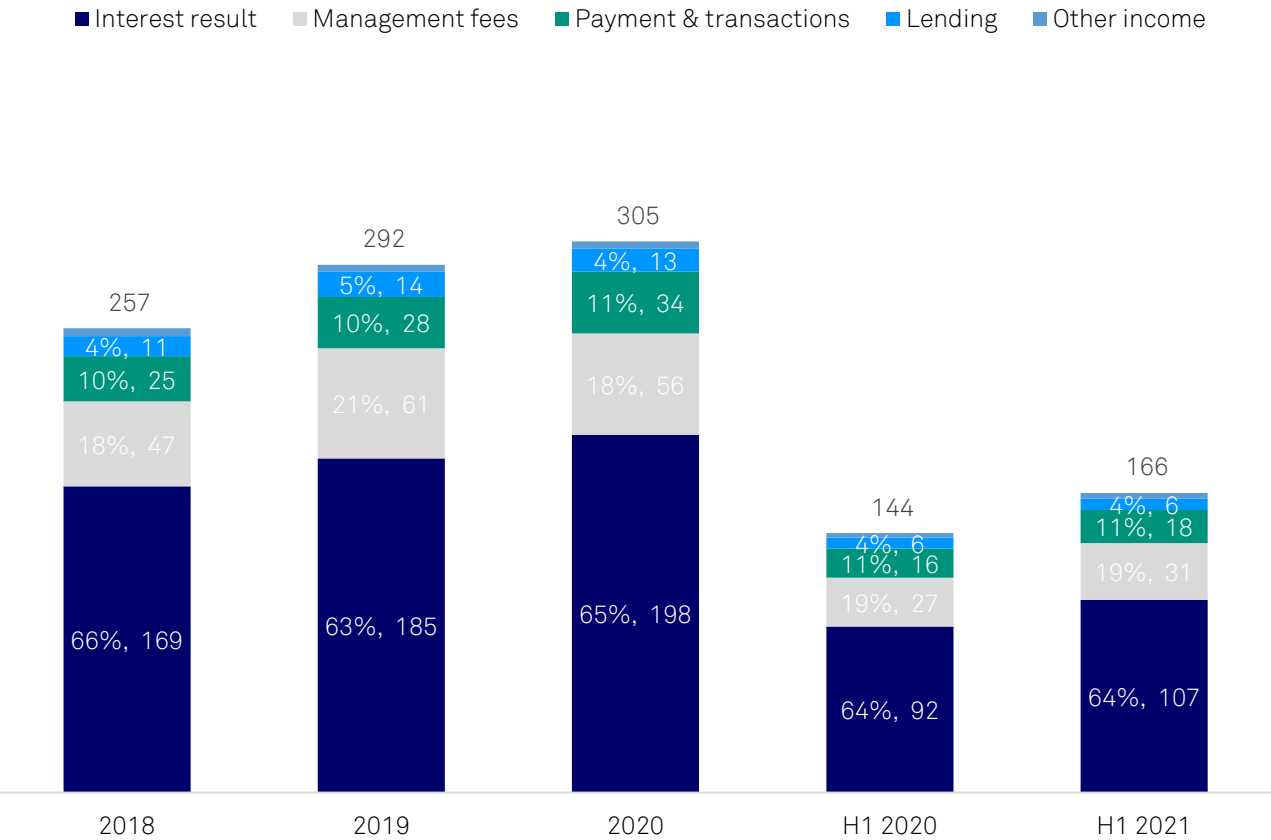


# Total Income

- In H1 2021, Triodos Bank achieved a total income of € 166 mln, which is € 22 mln above prior year's level
- Continued focus on diversifying income sources over the years resulted in increases in fee-based banking activities
- Interest result benefitted from TLTRO and carefully selecting higher yielding loans while maximising non-financial impact
- NIM (Net interest margin) <sup>1</sup> excluding TLTRO declined but was supported by further pricing measures (charging negative interest rates on Funds Entrusted). In H1 2021, NIM excluding TLTRO was 144bps (2020: 151 bps)
- Management fees increased in H1 2021 due to an inflow of net new assets and recovery of market valuation for our listed funds
- Payments and transaction fees increased, driven by number of accounts and additional pricing measures

# Components and development

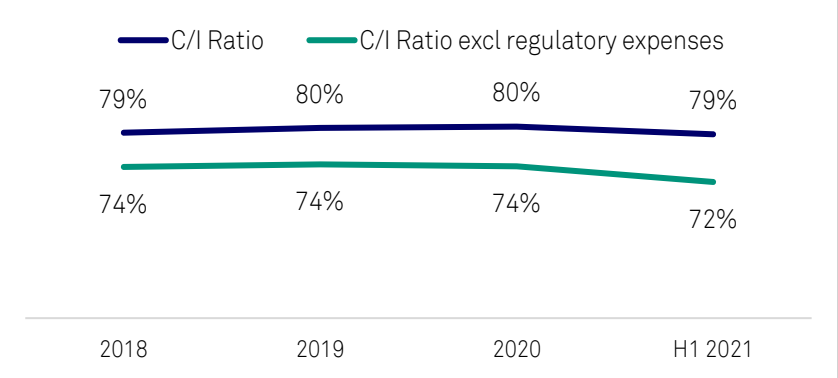
Total Income in € mln



1) NIM (Net interest Margin) represents yield over total balance sheet

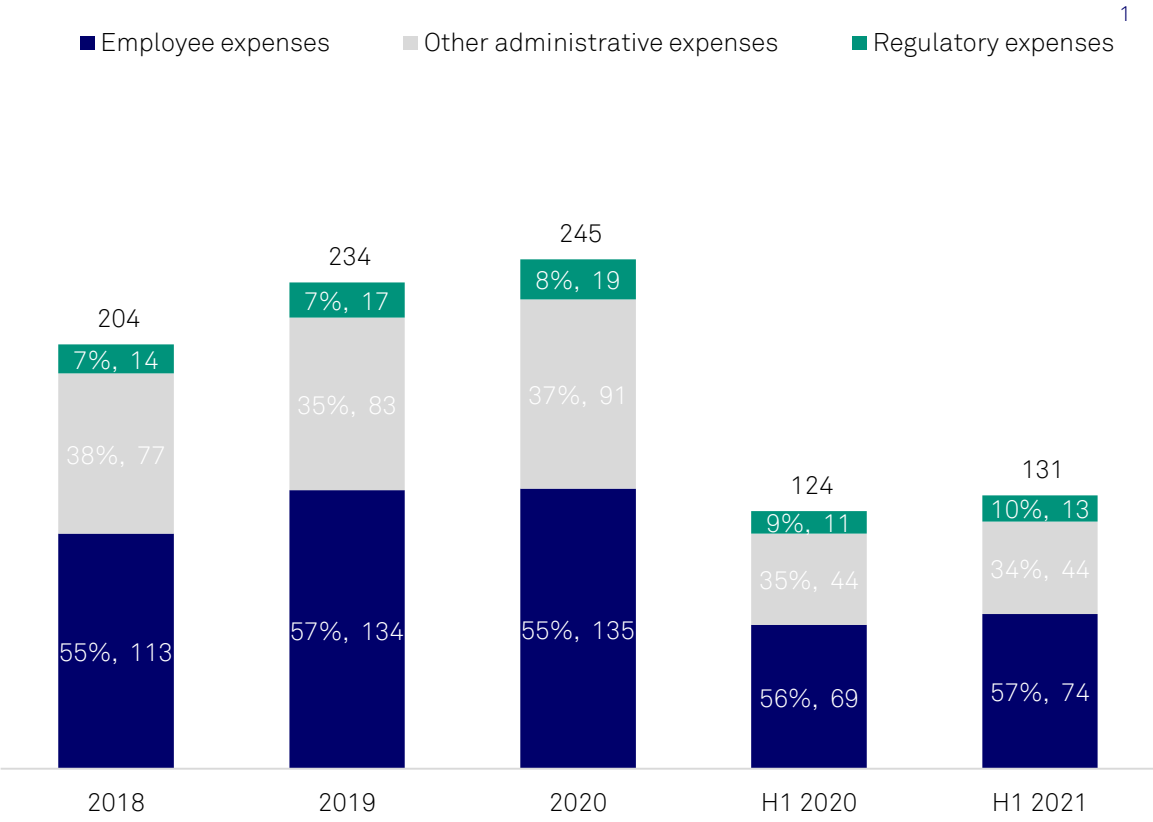
# Operating Expenses

- Total operating expenses (excluding loan impairments and valuation effects) increased to € 131 mln in H1 2021
- This development was driven by additional employee expenses for Compliance and Anti-Money Laundering (AML) topics, and additional Deposit Guarantee Scheme (DGS) contribution, which is related to the increased volume of funds entrusted
- In H1 2021 the bank reported a cost to income ratio of 79% supported by higher revenues including the one-off income from TLTRO this year



# Components and development

Operating expenses in € mln

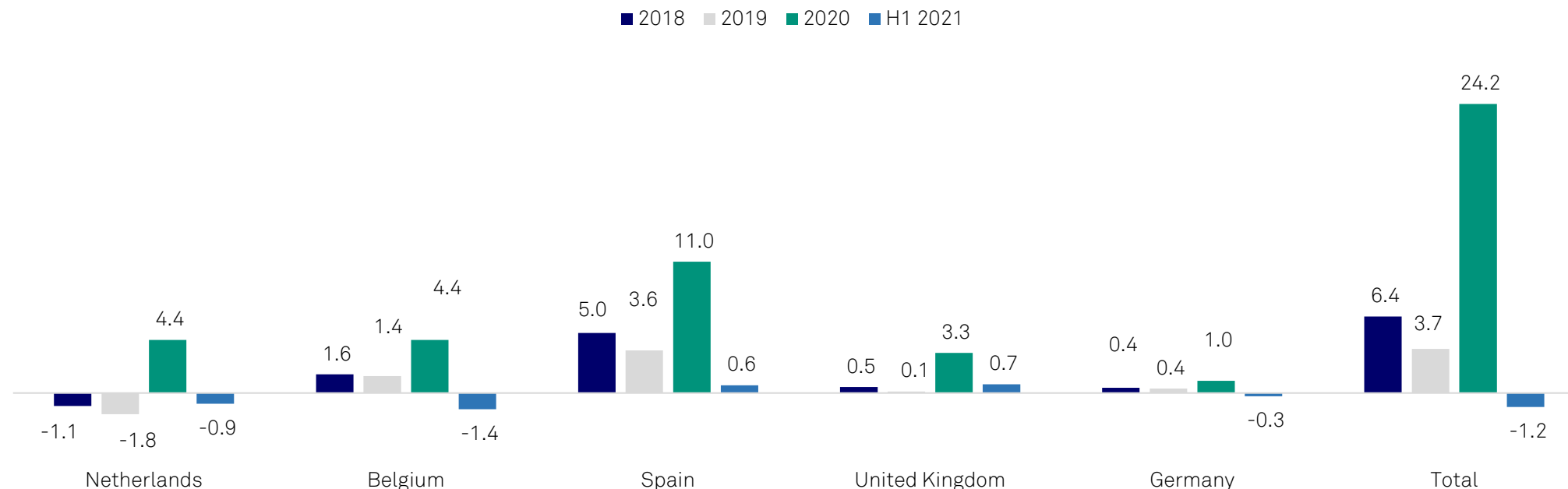


1) Regulatory expenses include DGS (Deposit Guarantee Scheme), SRF (Single Resolution Fund), Bank Tax and supervisory costs



# Impairment losses by geography

Impairment losses in € mln



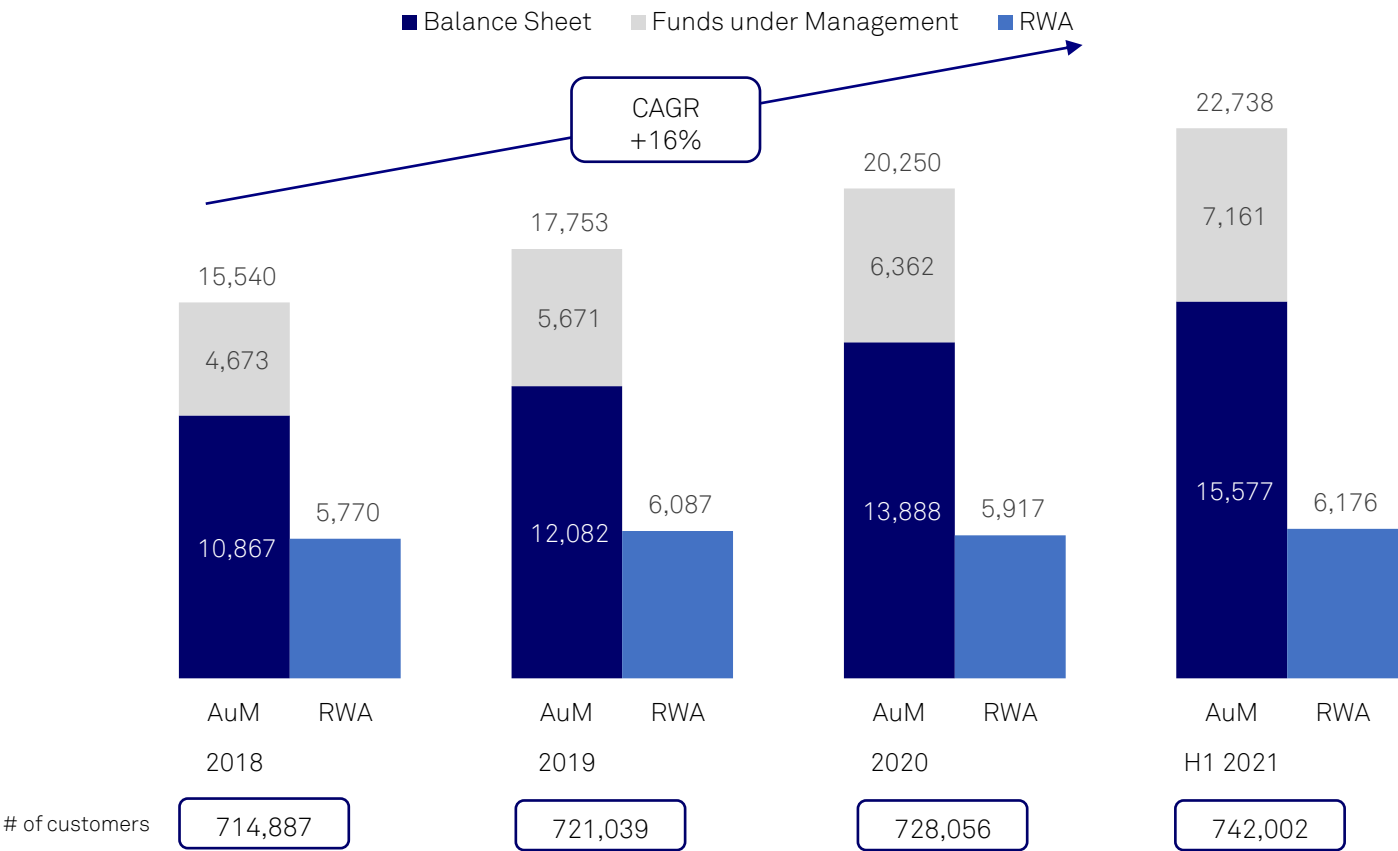
- In 2020 the impairment losses amounted to € 24.2 mln, as the impact of the Covid-19 pandemic was turning down macroeconomic forward-looking parameters (e.g. negative GDP growth in Europe and higher unemployment rates in Europe). In 2020 the Expected Credit Losses (ECL) expense included € 4.2 mln in stage 1, € 9.5 mln in stage 2 and € 10.2 mln in stage 3
- In H1 2021 the global economy was slowly recovering, leading to more favourable macroeconomic forward-looking parameters. The recalibration of the overall ECL provision resulted in a net release of € 1.2 mln in H1 2021

# Assets under Management

- AuM growth of 16% annually (2018-H1 2021) realized, despite (ongoing) Covid-19 pandemic impacting the global economy and society in large
- The underlying trend is positive and shows significant increase of our balance sheet and funds under management over the last years
- Our balance sheet has been growing annually by 15% (since 2018) supported by a strong growth of funds entrusted (liability side) and sustainable loans (asset side)
- During the Covid-19 pandemic, Triodos Bank's commitment to values-based banking is more relevant than ever for people and society
- Strong demand for banking products around making conscious choices on financing change. As a result, our loyal customer base has grown to 742,002 customers in H1 2021

# Components and development

Total AuM in € mln



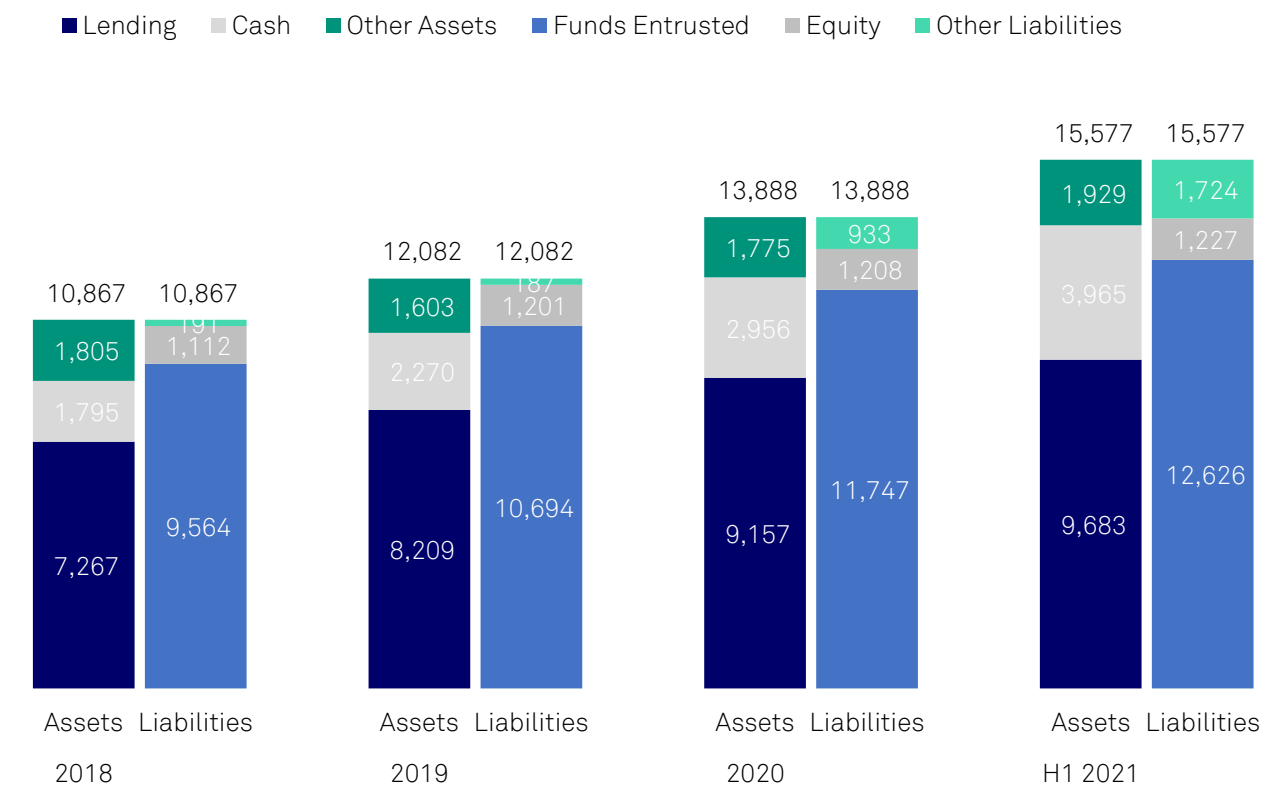


# Balance Sheet

- In H1 2021, Triodos Bank reported total assets and liabilities of € 15.6 bln, which is an increase of € 1.7 bln over the last six months
- Balance sheet growth was realised on the liability side by an inflow of funds entrusted by € 0.9 bln in H1 2021 to € 12.6 bln per end of June 2021. TLTRO was increased by € 0.8 bln to € 1.6 bln per end of June 2021
- The equity position remained stable at € 1.2 bln in the first six months
- On the asset side the additional funding from the liability side was partially used to increase loans by € 0.5 bln over the last six months to € 9.7 bln per end of June 2021. The remaining funding resulted in an increase of our cash position
- The historical trendline shows a solid growth of our loan portfolio supported by an inflow of funds entrusted from retail and business customers

# Components and development

Balance Sheet in € mln

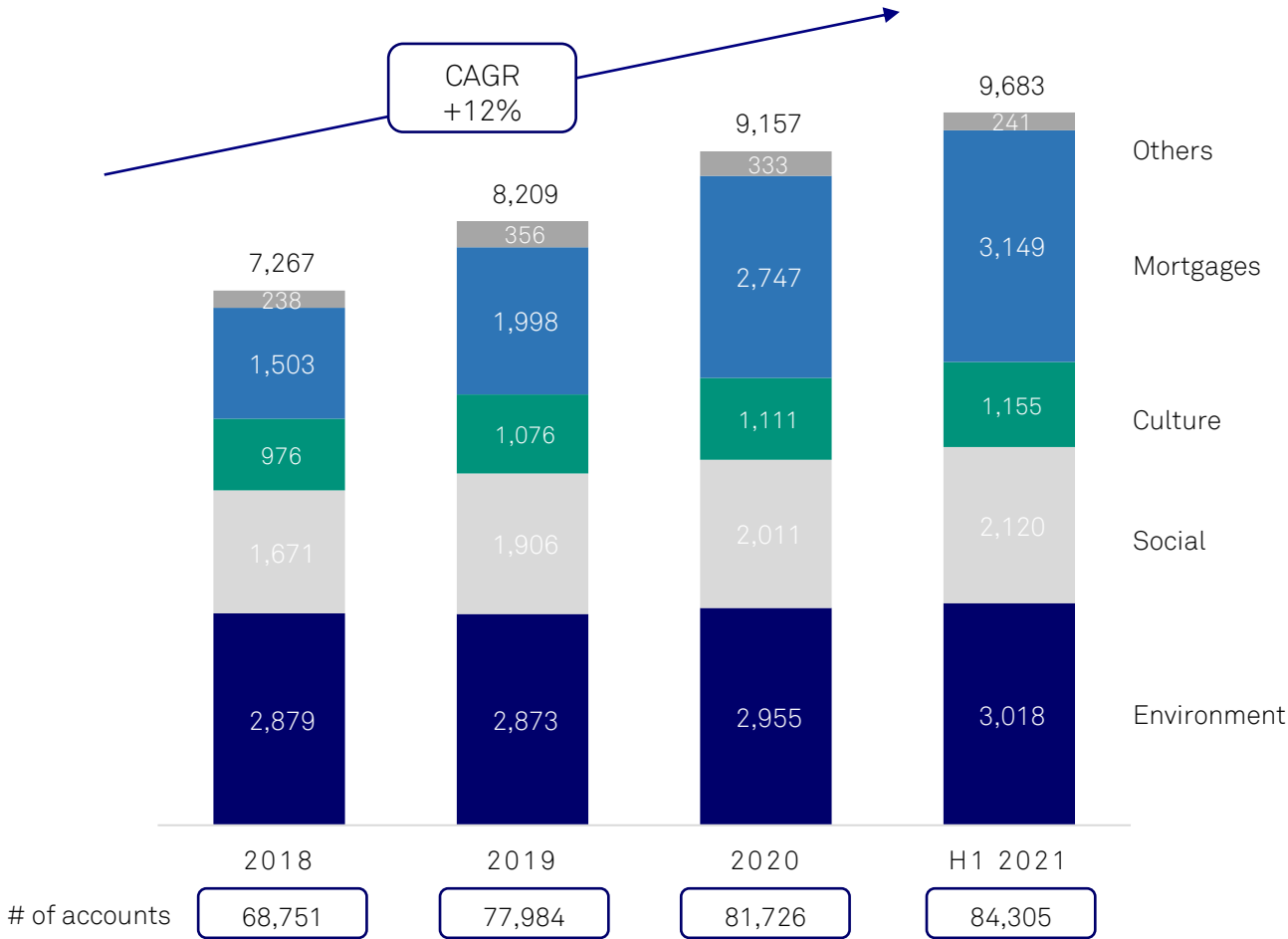


# Sustainable Loan Portfolio

- In H1 2021, Triodos Bank’s loan business remained resilient, benefitting from a well-diversified lending portfolio across sustainable sectors in Europe
- This was further supported by the guarantee agreement with the European Investment Fund (signed in 2021), allowing Triodos Bank to lend up to € 200 mln in loans to creative and cultural sectors
- Despite the ongoing impact of Covid-19, Triodos Bank was able to further develop the loan portfolio by focusing on high impact engagements with higher yielding lending volumes
- Besides the solid growth in green mortgages, additional loan growth was realised in social and cultural lending in H1 2021
- The underlying trendline of the loan portfolio shows an annual increase of 12% since 2018, supported by a constantly increasing customer base and number (#) of loan accounts

# Components and development

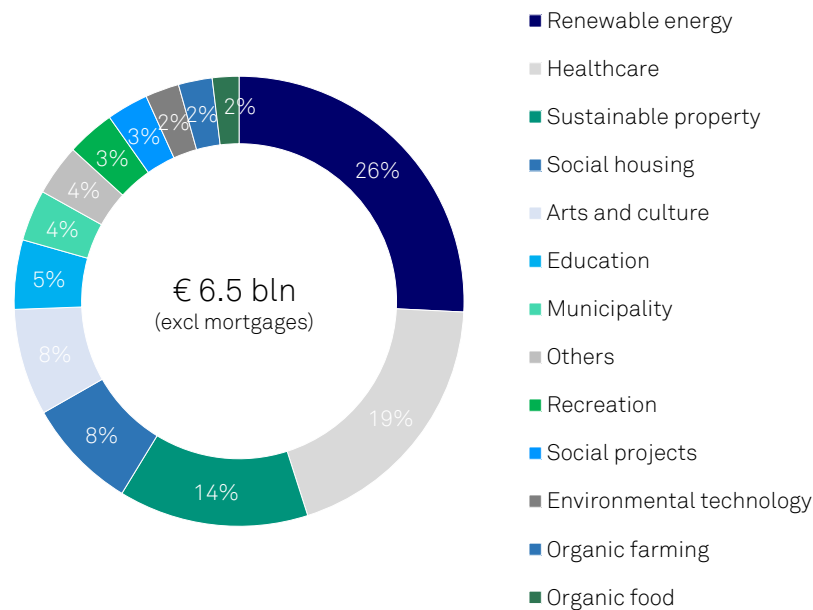
Loan portfolio in € mln





# Loans by sectors

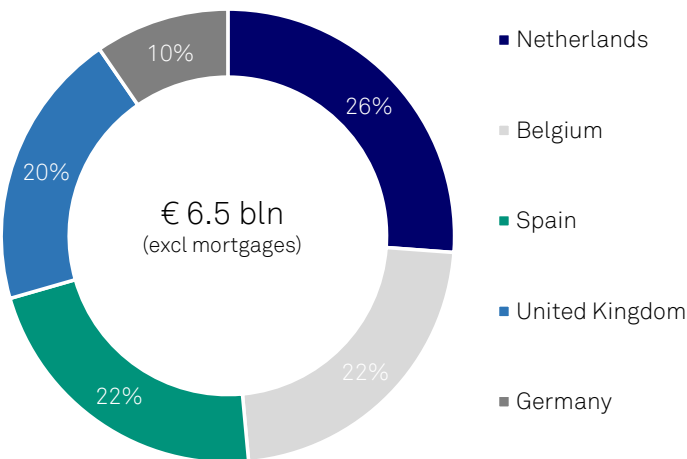
Loan volume (excl. mortgages) in % – H1 2021



- Top 3 sectors are Renewable Energy (26%), Healthcare (19%) and Sustainable Property (14%)
- Social Housing and Arts & Culture both contribute 8% to total loan exposure

# Loans by geography

Loan volume (excl. mortgages) in % – H1 2021



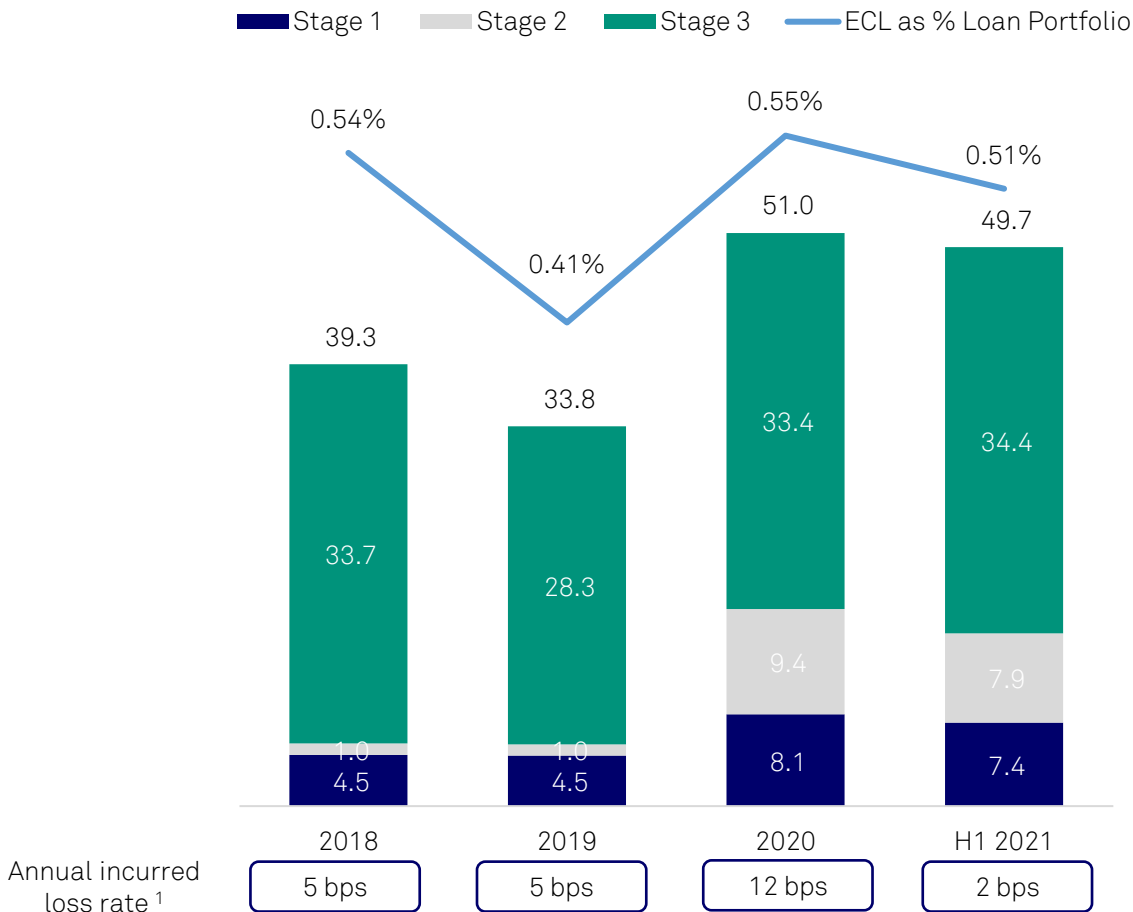
- Well diversified loan portfolio across continental Europe and UK
- Netherlands has the largest loan book with a share of 26%
- Belgium, Spain and UK are nearly contributing the same volume at around 20%

# Expected Credit Losses (ECL)

- ECL provision for loans recorded amounts to € 49.7 mln per end of H1 2021 (of which: € 7.4 mln in stage 1, € 7.9 mln in stage 2 and € 34.4 mln in stage 3). The expected recovery of the economy over the last six months led to a decrease in ECL provision
- The annual incurred loss rate is way below market average in Europe
- Per end of H1 2021, € 456 mln of loans were reported under ‘moratorium’ which is 4.7% of our total loan book (= 960 customers)

# Components and development

ECL provision for loans in € mln



1) Annual incurred loss rate is a ratio of stage 3 impairment expenses over average loan book

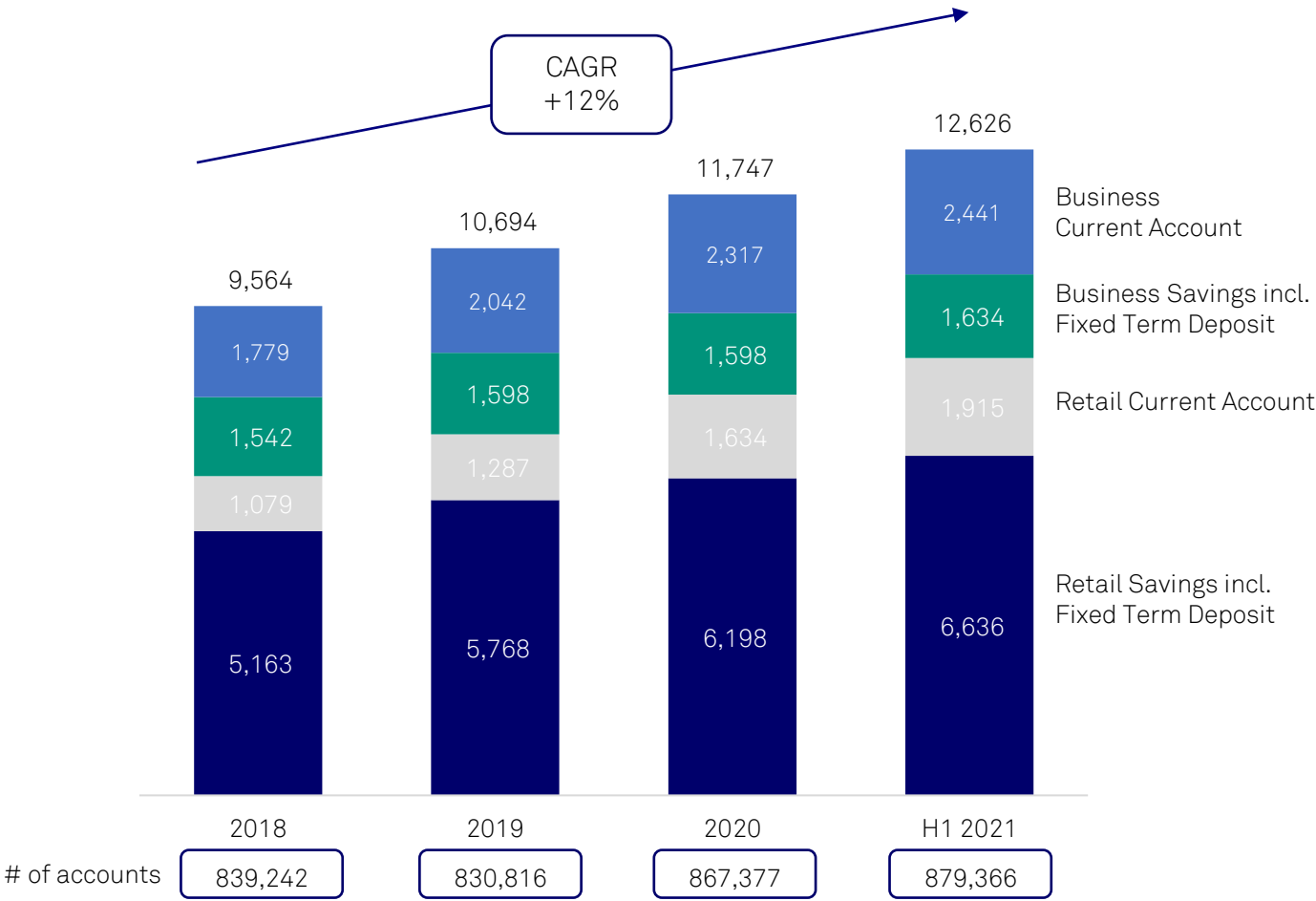


# Funds Entrusted

- Asset growth was supported by a strong inflow of funds entrusted (annual growth rate of 12% since 2018). The funding was primarily used to develop our sustainable loan portfolio
- Number (#) of accounts and volume inflows benefitted from further spreading of customer balances across different banks
- Excess funds entrusted continue to put pressure on the bank's net interest margin due to additional bank levies and taxes (e.g. DGS)
- Additional price measures (negative interest rates) for funds entrusted were introduced in 2020. The development of the overall position is closely monitored going forward

# Components and development

Funds Entrusted in € mln

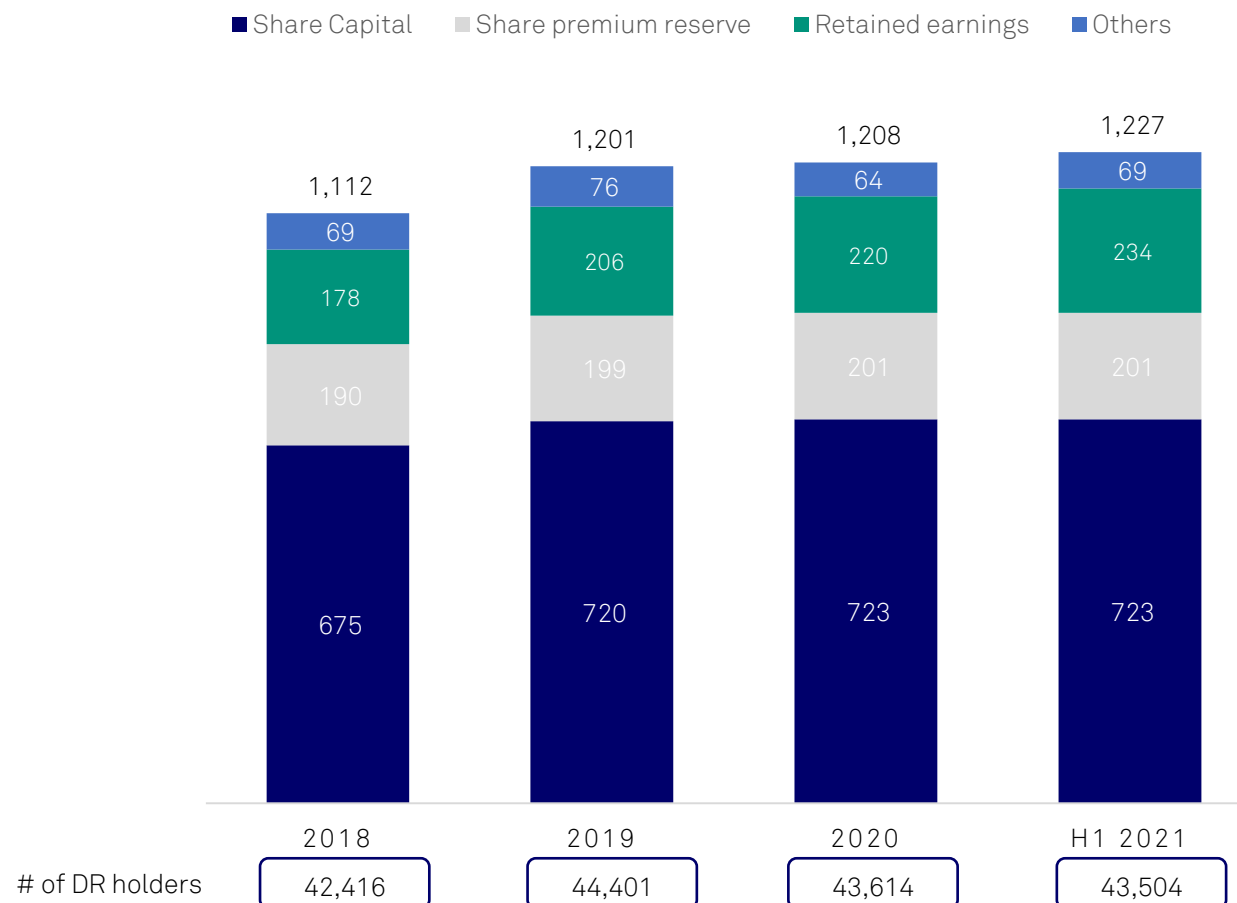


## Equity / DR's

- Equity position slightly increased by € 19 mln to € 1.2 bln per end of June 2021, but was overall quite stable compared with the development of the entire liability side
- The uncertainty created by the Covid-19 pandemic for the economy at large, including the financial sector, impacted investor behaviour globally and also affected trade in Depository Receipts ('DRs') of shares in Triodos Bank in the first wave of the pandemic. Triodos Bank had to take an exceptional decision on 18<sup>th</sup> of March 2020, to temporarily suspend the possibility to buy and sell DRs
- Triodos Bank DR trade was resumed on 13<sup>rd</sup> of October 2020 and again suspended on 5<sup>th</sup> of January 2021. This decision was prompted by an insufficient prospect of a stable balance between inflow and outflow of DR capital
- Triodos Bank is currently reviewing ways to optimise its business model and is analysing alternatives to improve access to CET1 capital and tradability of the instrument

## Components and development

Equity in € mln



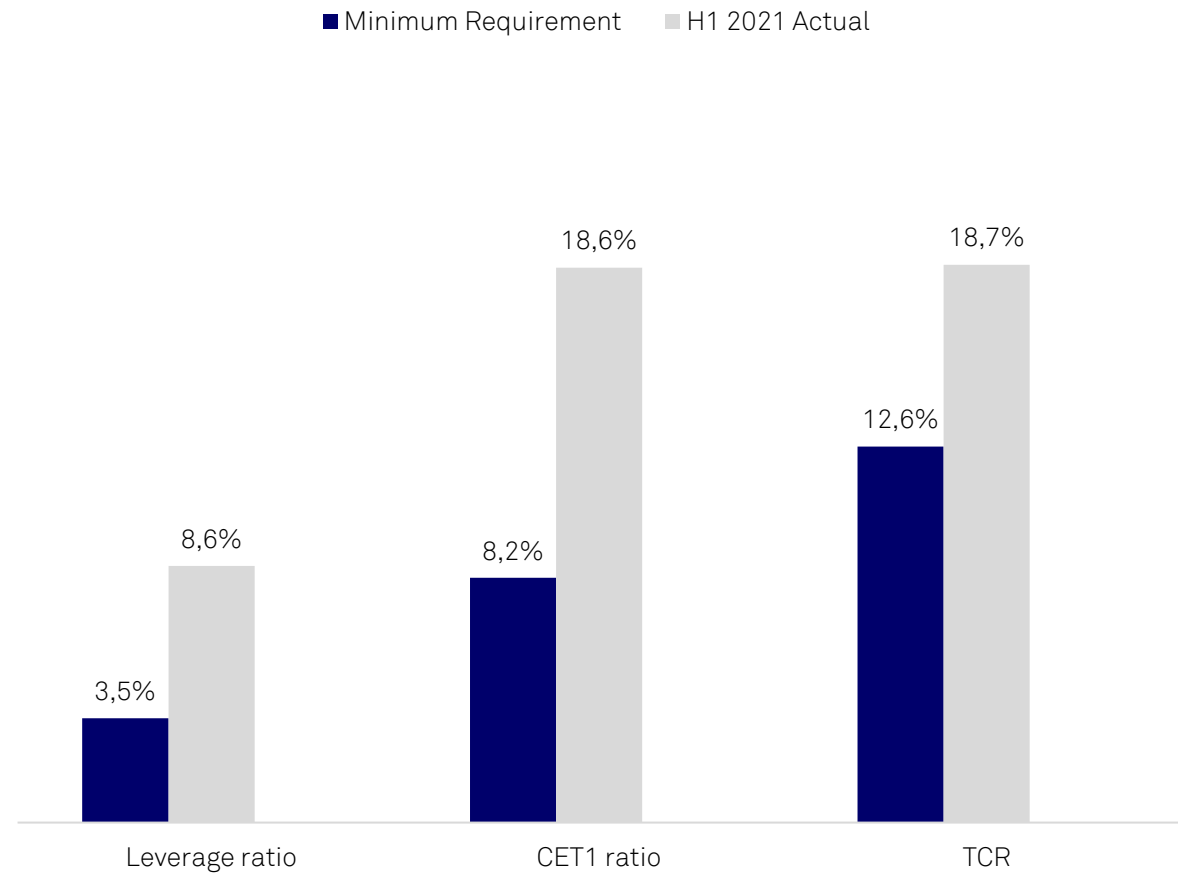


# Prudential ratios (CET-1, TCR, LR)

- Triodos Bank’s prudential ratios are in line with the bank’s risk appetite and comfortably above regulatory requirements
- Minimum CET1 requirement is 8.2% and minimum TCR requirement is 12.6%. The Own Funds Pillar 2 Requirement is 2.1% and a Combined Buffer requirement of 2.5%
- In H1 2021, CET1 ratio of 18.6% reflects a 10.4% headroom above the minimum requirement. Triodos Bank remains committed to maintaining a significant buffer in excess of its regulatory requirement at all times
- Currently, the capital position consists mainly of common equity tier 1

# Minimum Capital Requirements and Actuals

Ratios in %

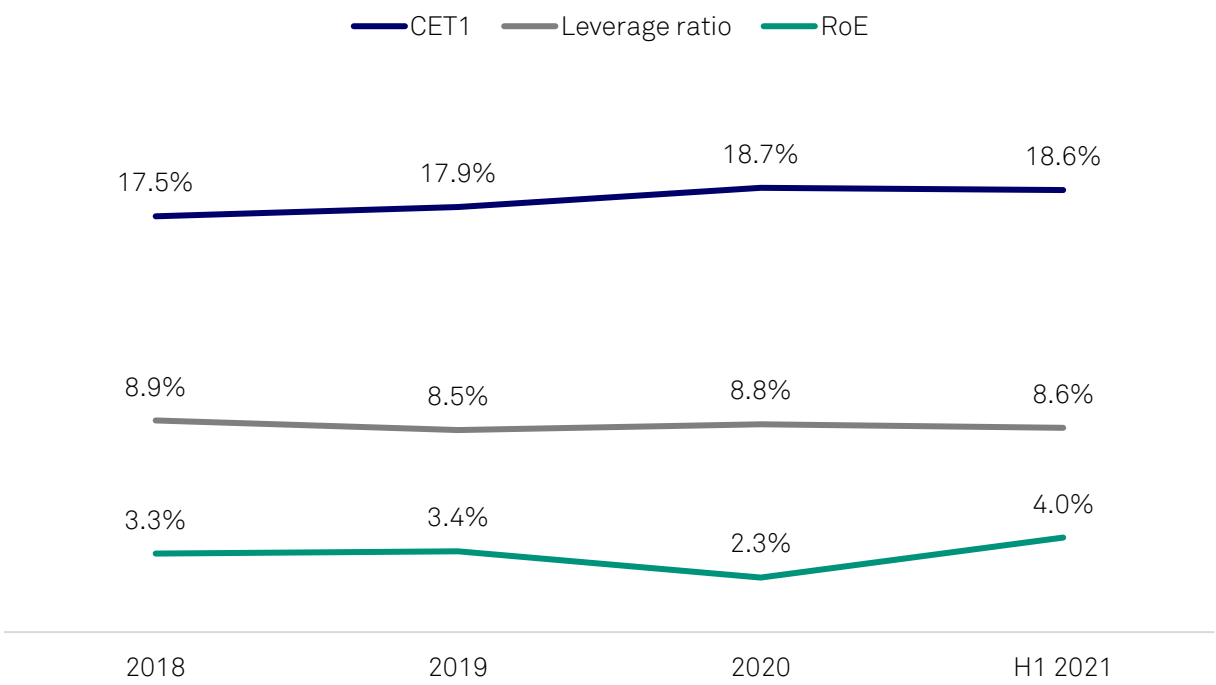


# Prudential ratios (CET-1, LR)

- Triodos Bank's CET-1 ratio ended up at 18.6% per end of June 2021, which was supported by retained profits after having distributed dividend in line with AGM resolution
- The Leverage Ratio decreased to 8.6% due to additional asset growth in H1 whilst core capital was stable
- The annualised Return on Equity improved to 4% in H1 2021, which was mainly driven by significant lower impairment expenses (a net release of € 1.2 mln was recorded) and additional one-off income from TLTRO in H1 this year
- Fulfilling the bank's mission while maintaining a sound level of risk and return remains a key priority

# Components and development

Ratios in %



1) The annualised Return on Equity (RoE) for H12021 is calculated based on last twelve months financials

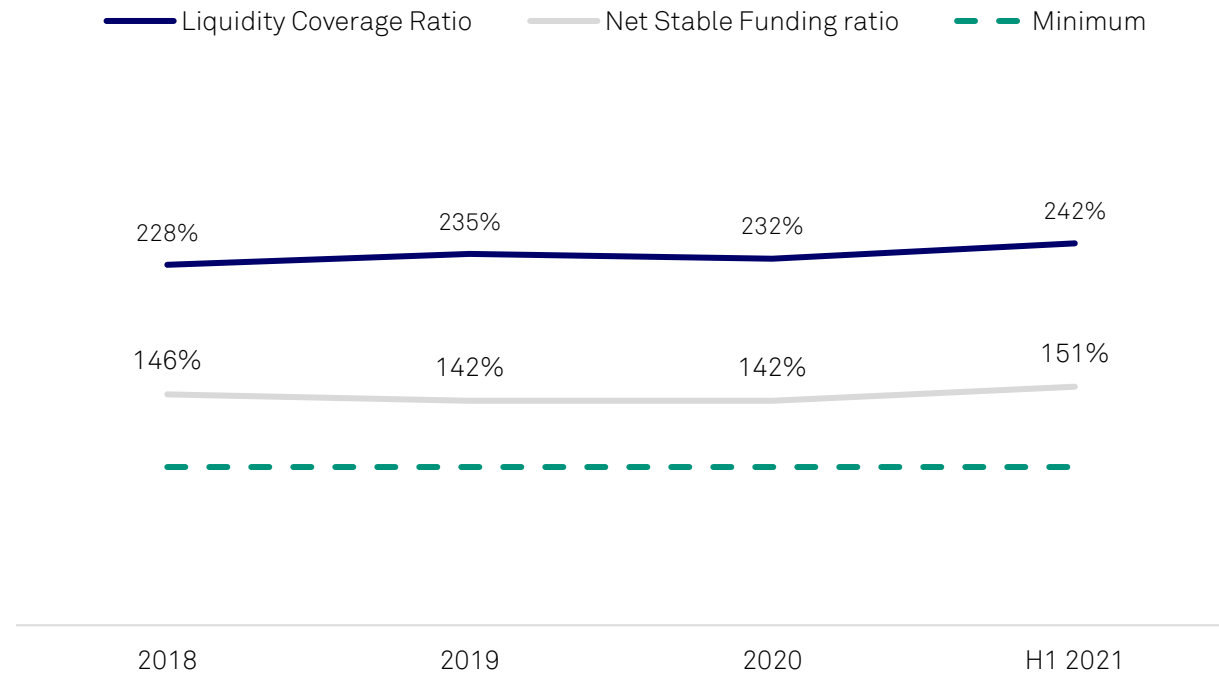


## Prudential ratios (LCR, NSFR)

- Triodos Bank's Liquidity Coverage Ratio of 242% per end of June 2021 was further strengthened by TLTRO participation (in tender III.7 in H1 2021)
- The Net Stable Funding Ratio ended up with 151% per end of June 2021. The temporary increase in Q1 2021 was driven by the onboarded TLTRO III.7 of € 0.8 bln which positively impacted the amount of stable funding in Q1.
- Both ratios are well above the regulatory minimum requirement

## Components and development

Ratios in %



## Public Rating from Fitch

Fitch assigned Triodos Bank, BBB' rating and stable outlook, which was published on 16<sup>th</sup> Feb 21

*„...Triodos demonstrated a stable performance during the Covid-19 pandemic.“*

*„...Triodos Bank established a niche franchise in the growing sustainable banking segment and a sound record of execution on its strategy.“*

*„...Profitability has been historically modest but stable, reflecting the absence of profit maximisation ambitions.“*

*„...Triodos has a comfortable CET-1 buffer above the minimum capital requirement. This provides sufficient headroom to absorb potentially larger credit losses.“*

### RATING ACTION COMMENTARY

## Fitch Assigns Triodos Bank 'BBB' Long-Term IDR; Outlook Stable

Tue 16 Feb, 2021 - 12:28 ET

Fitch Ratings - Paris - 16 Feb 2021: Fitch Ratings has assigned Triodos Bank N.V. a Long-Term Issuer Default Rating (IDR) of 'BBB' with Stable Outlook and Viability Rating (VR) of 'bbb'.

The Stable Outlook reflects Fitch's view that Triodos's ratings have sufficient headroom to absorb significant shocks under various downside scenarios to our baseline economic forecast.



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## Snapshot bond characteristics

### Summary

- ✓ Inaugural Tier 2
- ✓ Green use of proceeds
- ✓ € denominated
- ✓ Target issue size € 250m-300m
- ✓ 10.25NC5.25
- ✓ Expected instrument rating BB+ by Fitch
- ✓ Alignment with Green Bond Principles
- ✓ SPO confirmed best practices in all components

### Transaction rationale

- ✓ Increase and diversification of the overall capital base of the bank (equity / debt capital)
- ✓ Eligible as Tier 2 capital from a bank prudential perspective supporting RWA growth in the future
- ✓ Optimisation of capital structure by considering capital cost of different instruments
- ✓ Anticipate a potential MREL requirement

## Investment Opportunity and Impact

### Triodos purpose: the conscious use of money

- ✓ Social, cultural and environmental impact driving sustainability is the core principle of Triodos and embedded in the underlying business model
- ✓ Grounded in communities, serving the real economy, and enabling new business models to meet the needs of people and improving quality of life
- ✓ Triodos uses impact, risk and return to understand its overall development and to be aware of its place in the world

### Creating positive impact with sustainable loans

- ✓ Resilient and well diversified loan portfolio across Europe supported by a steady increase of funds entrusted from customers
- ✓ Providing loans only to finance sustainable projects (H1 2021: 31% Environment, 22% Social, 12% Culture, 33% Green mortgages, 2% others)
- ✓ Sustainable loan portfolio was growing by 7% in H1 2021 compared with end of 2020, despite the ongoing Covid-19 pandemic and attached uncertainties

### Sound prudential bank ratios

- ✓ Solid CET1 ratio of 18.6%, TCR of 18.7% and LR of 8.6% in H1 2021
- ✓ Resilient LCR of 242% which is well above the regulatory minimum

# Bond Instrument Summary of Terms

Issuer	Triodos Bank N.V.
Instrument	Subordinated Tier 2 Notes
Instrument Ratings	BB+ by Fitch (Expected)
Status	The Notes and the Coupons constitute subordinated, unsecured obligations of the Issuer and rank pari passu and without preference among themselves
Tenor	10.25NC5.25, callable on any calendar day during the three months period commencing on (and including) [·] 2026 to (and including) [·] 2026 (each such date an Optional Redemption Date) at par plus accrued interest, subject to permission of the competent authority and/or resolution authority as appropriate
Issuer Call	Regulatory call, Tax call in accordance with the Terms and Conditions of the Notes
Conditions to Redemption	Redemption conditions are subject to permission of the competent authority and/or resolution authority
Interest	The Notes will bear Interest at (i) an initial interest rate of [●] per cent. per annum from (and including) the Issue Date to (but excluding) [●] (the “Reset Date”) and (ii) in respect of the period from (and including) the Reset Date to (but excluding) the Maturity Date, the sum of the Reset Reference Rate (5 year Mid-swap) and the Margin
Statutory Loss Absorption	Notes may become subject to the determination by the resolution authority or the Issuer (following instructions from the resolution authority) that all or part of the nominal amount the Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, cancelled or converted (in whole or in part) into shares or other instruments of ownership or that the terms of the Notes must be varied or that the Notes must otherwise be applied to absorb losses or give effect to resolution tools or powers, all as prescribed by the Applicable Resolution Framework
Governing Law	The Notes are governed by Dutch law
Denominations / Listing	€100,000 / Listed on Euronext Amsterdam
Target market	Professional investors
Sole Global Coordinator	ING
Joint Bookrunners	BNP Paribas, ING, Rabobank



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# Green Bond Framework

## Green Bond issuance objectives and rationale

- Green bond financing offers a way to create transparency around funds targeted for climate change mitigation, which in turn create a positive benchmark to all investments financing
- Issuing green bonds enables the bank to increase and diversify overall capital base (equity / debt capital)

## Alignment with the best market standards

### ICMA Green Bond Principles



### Climate Bond Initiative Standards

Climate Bonds INITIATIVE










### EU Taxonomy and EU Green Bond Standard



# Green Bond Framework

## Use of Proceeds

1

<p>Renewable Energy</p> 	<ul style="list-style-type: none"> <li>▪ <b>Type of projects: Renewable energy generation and efficiency projects, with life cycle emissions lower than 100gCO2e/kWh, declining to 0gCO2e/kWh by 2050</b> <ul style="list-style-type: none"> <li>• On- and offshore wind energy</li> <li>• Solar photovoltaic and Concentrated Solar Power</li> <li>• Hydropower</li> <li>• Energy saving projects such as Heat and Cold storage (ATES)</li> </ul> </li> </ul>	 
<p>Environmentally Sustainable Management of Living Natural Resources</p> 	<ul style="list-style-type: none"> <li>▪ <b>Type of projects: Forest and Nature conservation projects</b> <ul style="list-style-type: none"> <li>• 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</li> <li>• Nature development projects that includes the use, ownership, or development of property for landscape or nature and wildlife preservation purposes</li> </ul> </li> </ul>	 
<p>Green Buildings</p> 	<ul style="list-style-type: none"> <li>▪ <b>Type of Projects: Green residential and commercial properties</b></li> <li>▪ <b>Residential properties:</b> <ul style="list-style-type: none"> <li>• Built prior to 31 December 2020: <ul style="list-style-type: none"> <li>□ Netherlands: EPC label “A” <u>and</u> belonging to top 15%</li> <li>□ Spain and Belgium: EPC label “A” <u>and/or</u> belonging to top 15%</li> </ul> </li> <li>• Built as of 1 January 2021: Nearly Zero Emissions Building 10%</li> <li>• Refurbished properties: With energy efficiency improvement of at least 30% (equals to two EPC label steps improvement)</li> </ul> </li> <li>▪ <b>Commercial properties:</b> <ul style="list-style-type: none"> <li>• Built prior to 31 December 2020: EPC label “A” in the Netherlands, Belgium, France and Spain and any other European Country, <u>and/or</u> belonging to the top 15%</li> <li>• Built as of 1 January 2021: Nearly Zero Emissions Building – 10%</li> <li>• Building certifications: LEED “Gold” and above, BREEAM “Excellent”, HQE “Excellent”, DGNB “Gold” and above, or equivalent or higher level of certification</li> </ul> </li> </ul>	 

# Green Bond Framework

## 2 Project Evaluation and Selection

- Eligible projects are subject to Triodos Business Principles ([Business Principles](#)) and Lending Criteria which do take into account strict environmental and social standards
- Group Impact Committee mandated a Green Bond Working Group which will manage the preparation of the Framework and any future updates, including expansions to the list of Eligible Categories, and publishing of Green Bond Report

## 3 Management of proceeds

- Portfolio based allocation approach
- Full allocation within 24 months after issuance of the Green Bond. The bond has a look-back period of maximum two years.
- 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
- Pending allocation, Triodos will hold and/or invest, at its own discretion, in its treasury liquidity management, the balance of net proceeds not yet allocated to Eligible Green Loans



# Green Bond Framework

## 4 Reporting

- Allocation and impact reporting will be provided on an annual basis via a Green Bond Report until maturity of each of the Green Bonds issued
- Allocation report: amount of net proceeds, number of eligible loans, balance of unallocated proceeds, amount or the percentage of new financing and refinancing
- Impact report: total installed renewable energy capacity in MWh, estimated energy consumption in kWh/m2, Estimated annual GHG emissions avoided in tonnes of CO2eq

## 5 Second party opinion

- Triodos Bank has received a positive Second party opinion by Vigeo Eiris (V.E)
- Vigeo Eiris is of the opinion that Triodos Bank Framework is aligned with the four core components the Green Bond Principles 2021 (“GBP”) and best practices identified by V.E
- It also states that the contemplated Framework is coherent with Triodos Bank’s strategic sustainability priorities and sector issues and contribute to achieving the Issuer’s sustainability commitments

V.E’s Assessment on Alignment with Green Bond Principles



		Not Aligned	Partially Aligned	Aligned	Best practices
1	Use of Proceeds				✓
2	Process for Project Evaluation and Selection				✓
3	Management of Proceeds				✓
4	Reporting				✓



Thank you.





# Disclaimer (1)

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## Here are some examples of our interventions 1/3:

**SDG1 No Poverty:** Triodos has an active role in tackling urban poverty in Europe, financing organisations devoted to care and social inclusion of homeless people and provides employment for disadvantaged people. It is also advising charities on social impact bonds that raise investment to tackle homelessness nationally.

**SDG2 Zero Hunger:** not financing intensive agriculture and, instead exclusively financing sustainable and organic agriculture. Triodos specialises in financing sustainable food production through lending and investing activity. It has decreased lending to projects producing meat and increased lending to fruit and vegetable projects. This indicates a positive trend given the environmental cost of meat production.





## Here are some examples of our interventions 2/3:

**SDG3 Good Health and well-being for people:** only financing health care providers with a human-centred approach to care, ensuring health and well-being, particularly for the elderly, people with learning and physical disabilities and other disadvantaged groups such as those recovering from drugs and substance abuse.

**SDG4 Quality Education:** only financing education initiatives – from nursery to adult education – that benefit individuals' personal development and society in terms of social cohesion. Projects like Kids Allowed nursery that delivers progressive and forward-thinking childcare services in Manchester.

**SDG5 Gender equality:** Triodos treats all individuals equally, and particularly includes people who are often excluded. In practice this leads to an explicit focus on making access to finance available to women. Also valuing a diverse community in Triodos itself (with overall 1,668 employees of which 49.6% are female in 2020).





## Here are some examples of our interventions 3/3:

**SDG7 Affordable and clean energy:** not financing fossil fuels and exclusively financing renewable energy initiatives in the energy sector. Also buying energy from renewable sources to power all the buildings that Triodos work from within their own network. Triodos has focused on financing solar panels and LED lighting, supporting the aim of being energy self-sufficient.

**SDG13 Climate action:** direct loans and investments that aim to combat climate change, particularly through finance of the sustainable energy sector in Europe. All banking products and services take the environment into consideration.

**SDG15 Life on land:** not financing any projects that degrade natural habitats or diminish biodiversity. Instead Triodos finances organic agriculture, as well as conservation organisations, which see agriculture as part of a natural system. The Organic Trade Board received funding from Triodos Bank to help run marketing campaigns to promote organic food.

