

Update on Triodos Bank's commitment to the Net-Zero Banking Alliance

INTERMEDIATE TARGET DISCLOSURE

October 2022

Our Target to reach Net Zero by 2035

**Net Zero
by 2035**

We have set a target for reaching net zero across Triodos Bank's loans and investments by 2035. That means Triodos Bank's entire loans to customers portfolio and the complete range of funds managed by Triodos Investment Management and Triodos Regenerative Money Centre.

We will continue to reduce all emissions across the portfolio beyond the net zero target, going beyond carbon neutrality and aiming to be carbon negative and nature positive.

This is a high ambition. It means transitioning sectors like organic farming to regenerative farming, it means transitioning vital service like healthcare and care homes, it means retrofitting all buildings to be energy efficient and changing our energy systems.

AsOneToZero

Triodos Bank was founded in 1980 with a mission to make money work for positive change, using money consciously today without compromising the needs of future generations. We exist 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. Therefore, all the loans and funds' investments we make are designed to improve social and environmental sustainability and the quality of life for communities.

The effects of the climate crisis are becoming more present in our everyday life, which stress the importance of bolder moves by the financial sector to limit global warming. In April 2021 Triodos Bank joined the Net-Zero Banking Alliance (NZBA) convened by the UN, one of the first banks doing so. In this report Triodos Bank gives an update on the progress the bank has made meeting the NZBA requirements and discloses the banks intermediate targets 2030.

Our commitment to the NZBA is part of our ambition to become net zero by 2035 covering 100% of our lending and funds' investments portfolios. Even for a bank which has been established with sustainability at its core and which boasts an already low carbon intensity portfolio, we realise we're in a race that we can only run together with our clients and stakeholders. AsOneToZero.

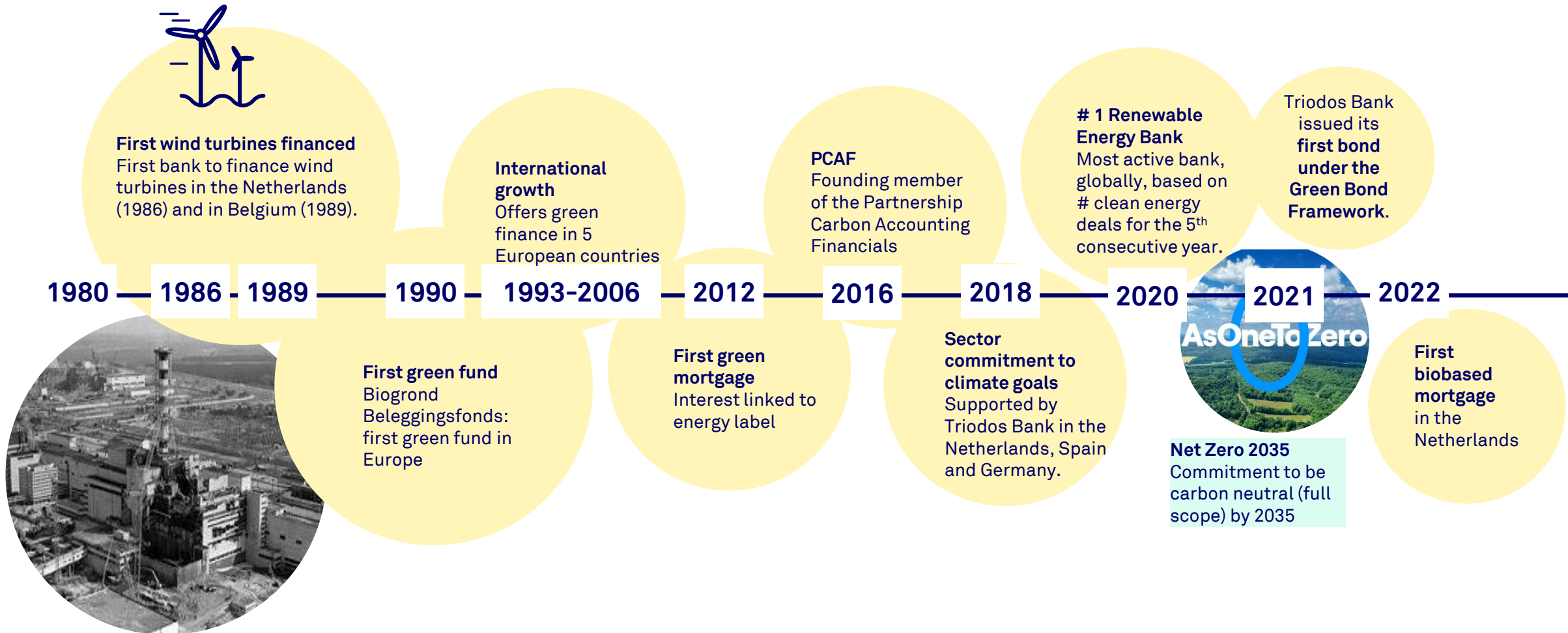
The transition to the net zero society must be inclusive; it is about getting the real change in society. We can't just reduce emissions, only to find out that we've used all our natural resources to get there. We can't stop using fossil fuels, only to find out we've exploited people to get there. We need holistic solutions. An approach that works for all living species.

We invite you to join us on this journey!

Jeroen Rijpkema,
Chair of the Executive Board
and CEO

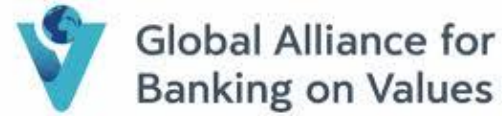


The journey leading us to Net 0 started in 1980



Partners and commitments in our climate engagement

Founding member of



Founding signatory of



Member of



Net zero by 2035

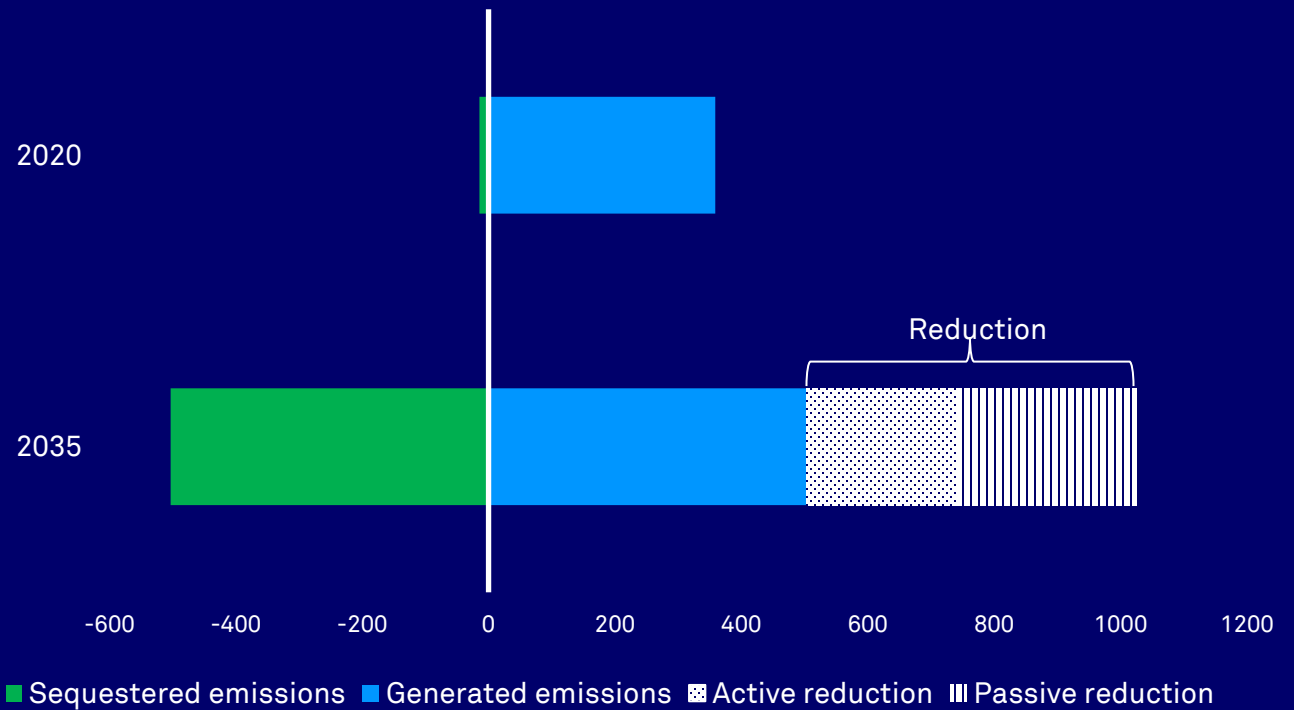
Our plan at a glance

The target entails reducing net GHG emissions from 344 ktonne CO₂e in 2020 to 0 in 2035, covering 100% of our lending and funds' investment portfolios.

We plan to reach this target by reducing the emission intensity of financed activities on the one hand and by investing in nature-based solutions providing carbon sequestration on the other hand.

Passive reduction refers to the expected effect of decarbonization in the energy market, active reduction refers to efforts on top of that.

Climate impact of our loans & funds' investments 2020 & 2035



Financed emissions are measured following the PCAF method | 100% lending & funds' investment activities (scope 1-2 of clients) are covered | Targets SBTi scenario 1,5°C aligned and in process of validation.

Figures relative to future CO₂e emissions are based upon plausible projections set as on date of report

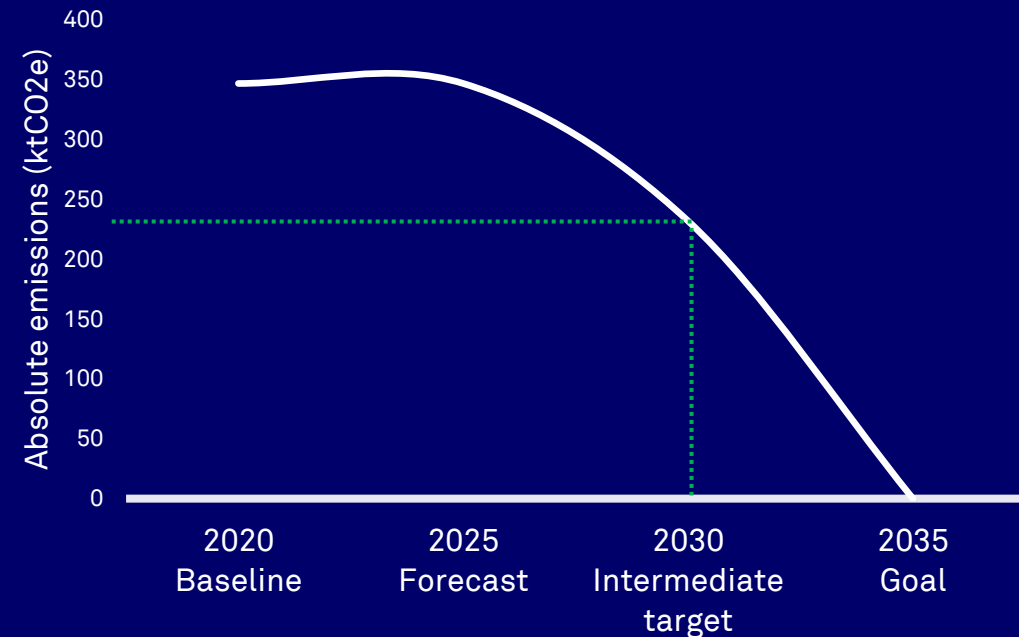
2030 intermediate target

Our road to Net Zero

To reach our goal, we set an intermediate target to reduce net emissions by 32% to 232 ktonne CO₂e in 2030 across our entire loans and funds' investments portfolios.

In a context of portfolio growth, we expect net absolute emissions to be relatively stable until 2025 and to start declining from then onwards, as result of our sequestration investments and our reduction efforts diminishing the carbon intensity of portfolios.

Absolute Net Emission Forecast



Figures relative to future CO₂e emissions are based upon plausible projections set as on date of report

Our emission profile

At our starting point 2020

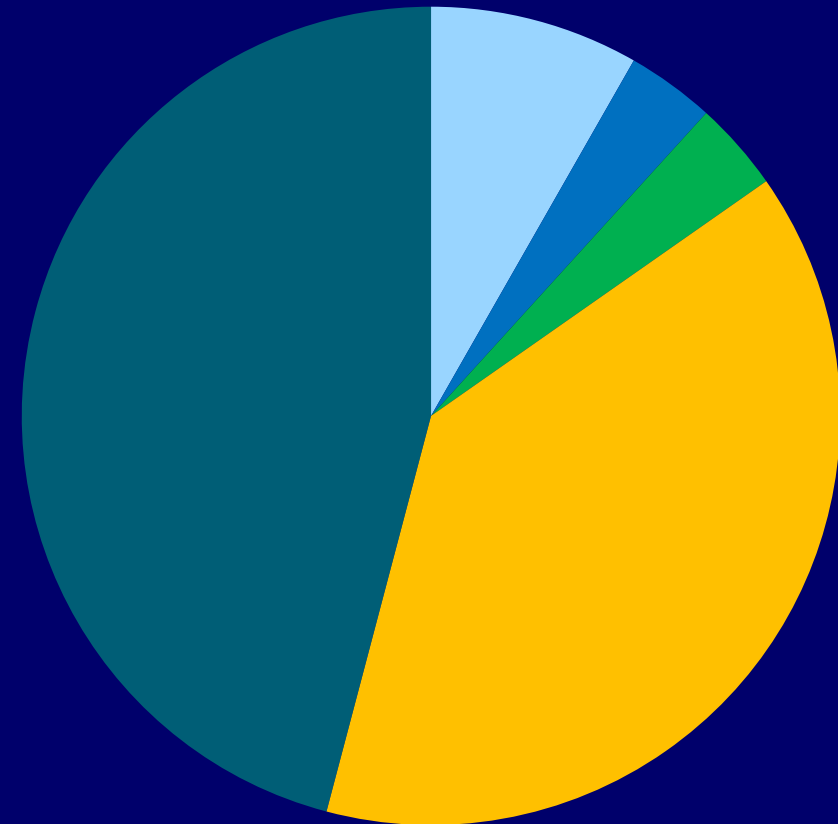
Agriculture only counts for 4% of financed emissions since from our start, we only finance sustainable agriculture

Commercial and residential real estate account for 11 % of our financed emissions.

Listed debt & equity investments account for 39 % of our financed emissions.

Other debt & equity investments account for 46 % of our financed emissions

Distribution of gross absolute emissions by NZBA sector



- Commercial Real Estate
- Residential mortgages
- Agriculture
- Listed Debt & Equity
- Other Debt & Equity

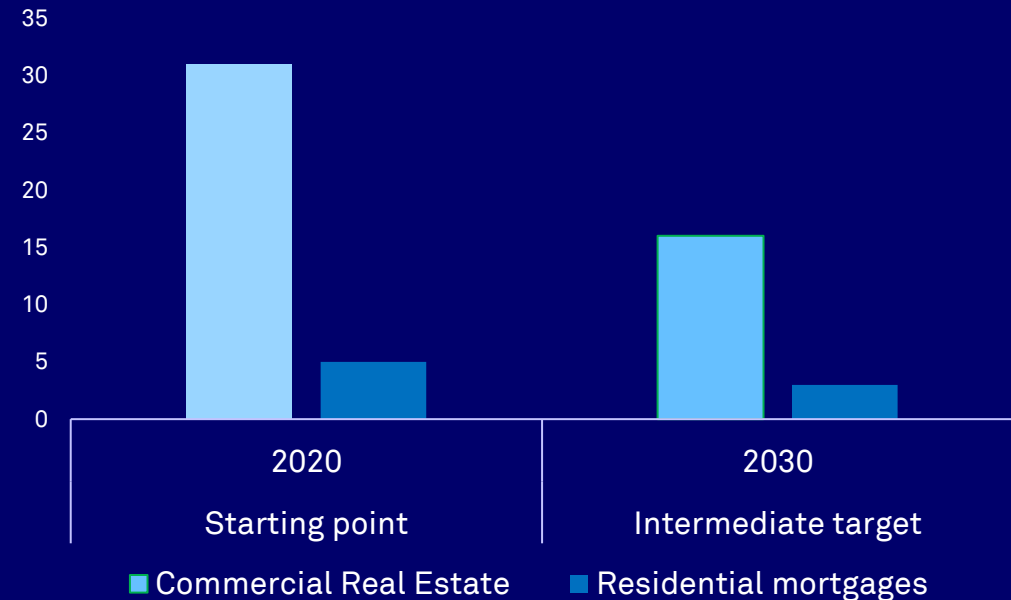
Real estate

Intermediate targets

We aim for a significant reduction of financed emissions in commercial estate and other property-based business lending via engaging with customers and investees.

Further innovation of our green mortgages offer will allow us to significantly reduce financed emissions in residential mortgages.

Intermediate Carbon Intensity Targets Commercial and residential real estate



All targets are expressed in ktonne CO₂e equivalents emitted per billion euros outstanding

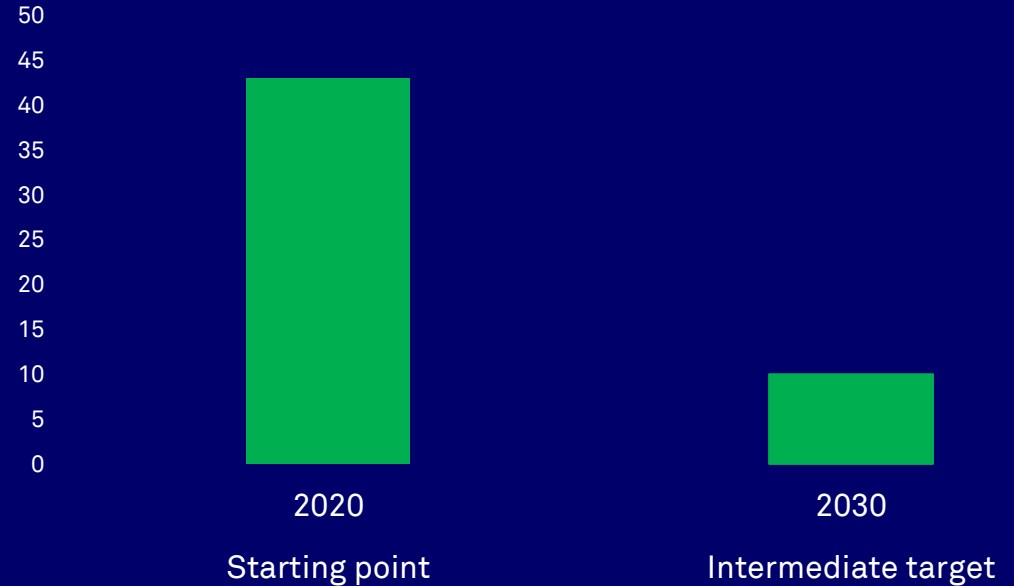
Figures relative to future CO₂e emissions are based upon plausible projections set as on date of report

Agriculture

Intermediate targets

We'll reduce financed GHG emissions intensity of projects in agriculture, bringing by 2035 the financed GHG emissions from our agriculture portfolio to zero via engagement with customers and investees. For 2030 our target is a reduction from 43 to 10.

Intermediate Carbon Intensity Targets Agriculture



All targets are expressed in ktonne CO₂ equivalents emitted per billion euros outstanding

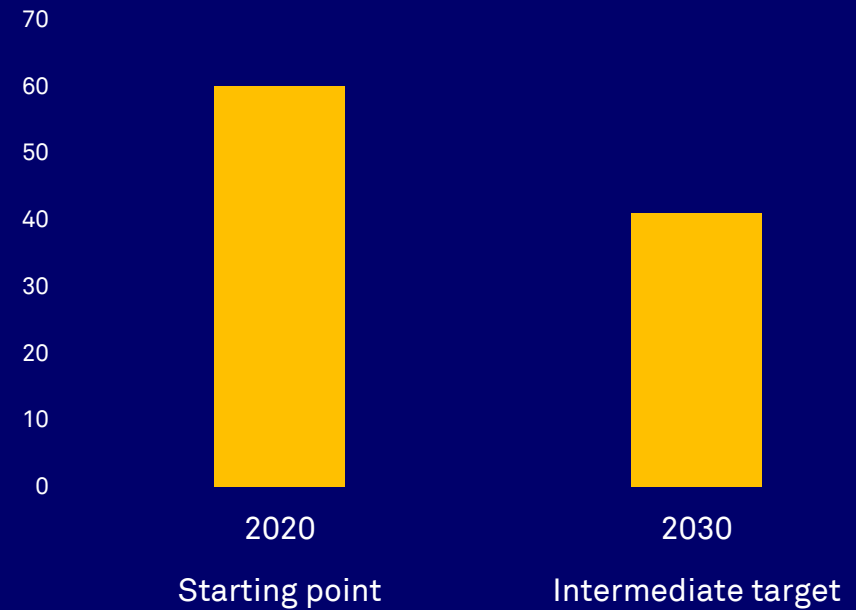
Figures relative to future CO₂e emissions are based upon plausible projections set as on date of report

Listed Debt & Equity

Intermediate targets

We'll reduce the financed GHG emissions intensity of our listed Debt & Equity investments from 60 in 2020 to 41 in 2030, amongst others via engagement with investees.

Intermediate Carbon Intensity Targets Listed Debt & Equity



All targets are expressed in ktonne CO₂e equivalents emitted per billion euros outstanding

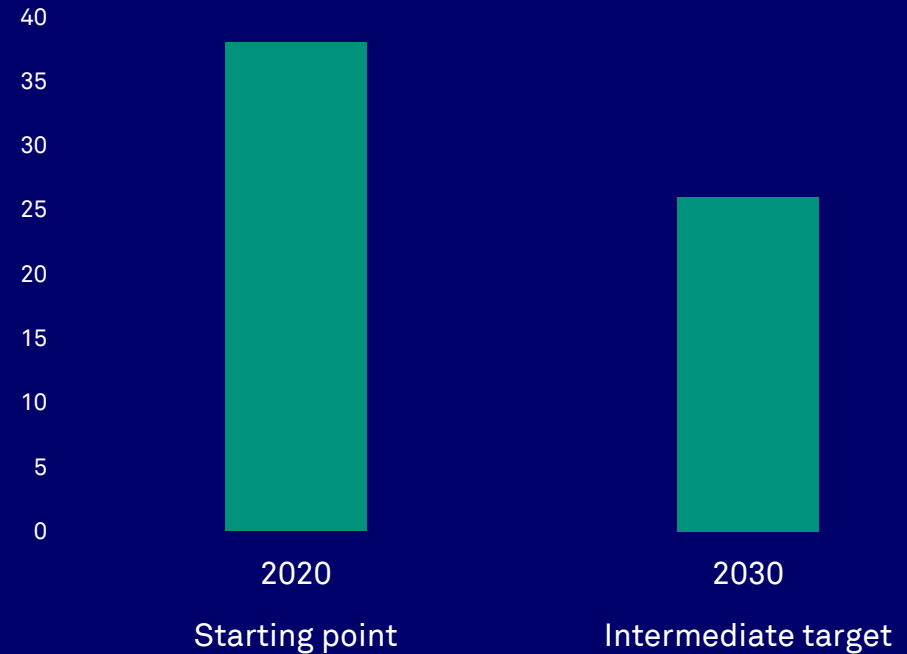
Figures relative to future CO₂e emissions are based upon plausible projections set as on date of report

Other Debt & Equity

Intermediate targets

We'll reduce the financed GHG emissions intensity of our other Debt & Equity investments from 38 in 2020 to 26 in 2030, amongst others via engagement with customers and investees.

Intermediate Carbon Intensity Targets Other Debt & Equity



All targets are expressed in ktonne CO₂ equivalents emitted per billion euros outstanding

Figures relative to future CO₂e emissions are based upon plausible projections set as on date of report

Cautionary note

In this document we report on our financed emissions on portfolio wide level and broken down by sector according to the sector categories following the NZBA Guidelines. These guidelines are primarily designed for reporting of financed emissions by banks. We report within this framework the financed emissions of both lending and investment activities by Triodos Bank, Triodos Investment Management and Triodos Regenerative Money Centre.

For a detailed overview of our financed emissions according the (sub)sector classification in which Triodos reports its financing activities, please refer to Triodos Bank Group's annual report www.annual-report-triodos.com/2021/.

The reported emissions and target setting in this report are in accordance with our insights, measurements, monitoring methods and plausible projections that result from this, on date of report. As climate science evolves along our journey towards Net Zero, we'll review our methodologies and targets at the earliest practical opportunity. In our annual reports, we will make the changes visible and adjust our reporting where necessary.

Triodos Bank
October 21, 2022