

An aerial photograph of a lush green landscape with rolling hills, dense forests, and open fields. A large, bright blue circle is superimposed over the center of the image, partially overlapping the text. The sky is blue with scattered white clouds.

# As One To Zero

## Triodos Bank Net Zero Target and Strategy

November 2021

Triodos  Bank

**“Everybody’s  
talking about zero.  
But the most  
important number  
is one.”**

## **#AsOneToZero**

The world’s climate is changing, and its devastating effects are felt more every day. It’s vital to reduce our greenhouse gas (GHG / CO2e) emissions to zero as fast as possible. But the most important number isn’t zero. It’s one.

Everything on our planet is connected. It’s a system, where everything affects everything.

The ecosystem, the economy: one thing. Our many challenges and the answers to those challenges: one thing.

To make the planet whole again, we have to look at the whole picture. It takes more than just cutting carbon. 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. Where renewable energy, massive investments in regenerating nature and a fully sustainable built environment go hand in hand.

And we need to do this together. We need to act as one movement. As a collective of people that want to get somewhere, urgently. With a willingness to work together to achieve something, something never done before, that is very difficult, but possible.

The goal is to get to zero fast.  
And we can only do that if we do it as one.



## As One to Zero.

These four words frame our vision and express our true ambition. We commit to the Science Based Target initiative (SBTI) with our full banking and investments portfolio by 2035. This is not about Triodos Bank. It's about our clients, our stakeholders and everybody who wants to join as one to reach that goal.

By setting a target for 2035, we show that we realise we're in a race and we're fully committed. By reaching out, we show that we realise we can only do this together. As One to Zero is our assignment to ourselves and a promise to the world.

It has four components:

# 1

### **We make the places we all live and work in, work for us**

We aim for a significant reduction in emissions from our business lending, primarily property-based emissions. And we transform existing housing to net zero.

# 2

### **We grow our natural resources**

A substantial amount of our future portfolio of new natural capital finance and regenerative organic agriculture – sequestering carbon and supporting biodiversity.

# 3

### **We invest in green power to the people**

We maximise our contribution to the energy transition of the built environment and lower carbon intensity of our portfolio. We're going to finance new green energy infrastructure – generation, storage, green jobs and a path to a fully sustainable renewable energy sector.

# 4

### **We move as a movement**

We aim for all our investments (listed and private debt and equity) to reduce in carbon intensity so that we can be net zero by 2035. We will collaborate with others and will stimulate private public cooperation. We will build a movement of likeminded people. We want an inclusive transition; it is about getting the real change in society.

# Hitting our target without missing the point

To make the planet whole again, we have to look at the whole picture. It takes more than just cutting carbon.

Triodos Bank was founded 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.

So, whilst addressing climate change is fundamental given its existential importance and urgency, there are many other impacts which we will address concurrently. In formulating its target, Triodos Bank has adopted a holistic approach in support of its mission to create positive impact on people and nature. We want to reduce emissions, respecting the planetary boundaries and social inclusion of all people. We want to hit the target without missing the point.

Triodos Bank connects savers and investors who want to change the world with sustainable entrepreneurs, organisations and companies in selected sectors. We only lend and invest in enterprises 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.

As a sustainable bank, we measure our results in terms of both impact, risk 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). We were the first bank to report on the carbon intensity of its entire portfolio using the PCAF methodology and we had this reviewed by our external auditor. We are one of the first banks in the world to commit to the Net-Zero Banking Alliance, bringing together banks worldwide representing over a quarter of global banking assets to commit to aligning lending and investment portfolios with net-zero targets.

## It's all about impact

Our focus on impact determines which sectors we finance and how we finance them. We value and support the work of companies, organisations and people who seek, through their activity, to benefit people and the planet.

We have built a track record of 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.**

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 believes that culture is a powerful force for positive change, driving creativity and innovation in business, and providing lasting opportunities for personal development.**

In 2020, 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 623,000 individuals benefited from the work of 600 education initiatives financed by Triodos Bank.



**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.**

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 and 210 social housing projects, which directly and indirectly provide accommodation for approximately 59,000 people. Via institutions working for inclusive finance in emerging markets we have reached approximately 20.2 million savers and 18.2 million borrowers, saving for their future and generating income.

## Reset the economy

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. Climate change, global loss of biodiversity and deforestation fundamentally change the global ecosystem, enabling the spread of viruses, leaving many vulnerable. Globally, millions of citizens lack access to basic needs, including care. Many countries struggle with deep divisions, social exclusion and inequalities of income and wealth.

We 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. Unfortunately, progress on resetting the economy has been disappointing, even though the urgency has increased.

To have the most systemic impact as a frontrunner, we reinforce all we do by advocating for systemic change of the financial system. We collaborate at a practical and strategic level with other European and global stakeholders, such as other values-based financial institutions, non-governmental organisations, governments and banking associations – to help grow a movement. We have been active in calling for progressive regulation and legislation that will help expedite the transition and achieve greater sustainability. And by demonstrating what is possible, we make it more possible for policy makers to act.

# Our Climate Story So Far

## 1980

**A new bank is born**

## 1986

**Sustainable energy investment funds**

The largest nuclear disaster ever takes place in the Ukrainian city of Chernobyl. For Triodos Bank this was the reason to start with investment funds for sustainable energy. We were the first bank in the Netherlands to finance wind turbines.

## 1990

**First green fund in Europe**

Triodos Bank launches the first green fund in Europe called Biogroend Beleggingsfond. The Wind Fund will follow later. In 1998 these funds come together in Triodos Green Fund. This fund invests in more than 300 projects in the field of organic agriculture and renewable energy.

## 1993 – 2006

**Triodos grows across Europe**

From roots in the Netherlands the bank expands to offer sustainable banking and green finance in Belgium, United Kingdom, Spain and Germany.

## 2012

**First green mortgage**

Triodos Bank starts providing residential mortgages in the Netherlands. In 2012, we were the first bank to link the energy label of the home to the interest you pay.

In 2020 we took a new step towards accelerating the energy transition. When you buy a house with an energy label C or lower and do not intend to make it more sustainable, you can borrow less.

## 2016

**Measure to manage**

Triodos Bank is one of the founding members of the Partnership for Carbon Accounting Financials, a partnership that develops open source methodologies for assessing the carbon footprint of the portfolios of financial institutions.

## 2018

**Paris and the financial sector**

Start of negotiations on a Dutch Climate Agreement. Triodos Bank negotiates at the tables for electricity and the built environment.

## 2019

**Financial commitments to climate goals**

Triodos Bank takes the initiative for a commitment by the Dutch financial sector to the Paris Agreement climate goals. The commitment is signed by banks, asset managers, pension funds and insurers. The Dutch commitment serves as an example for climate commitments in Spain (2019) and Germany (2020). These were initiated with the help of Triodos Bank.

## 2020

**Triodos continues to top the charts for renewable energy**

Triodos Bank tops the Clean Energy Pipeline Global League Table for number of clean energy deals, financing 73 deals worth a total \$630 million (USD) across Europe. The deals incorporate onshore wind, offshore wind, solar, hydro and energy efficiency projects. This is the fifth year running that Triodos has topped the league table

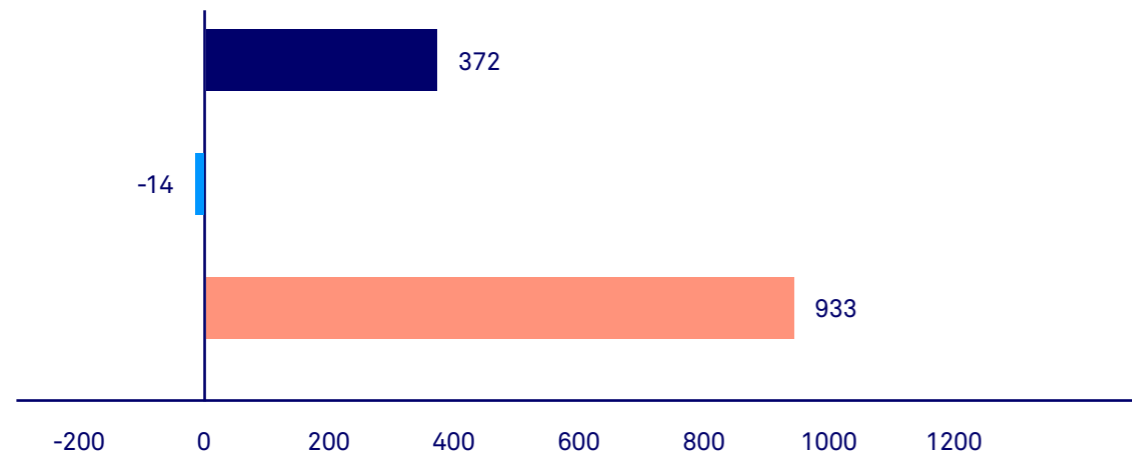
# Our Starting Point

Triodos Bank has only ever financed sustainable sources of energy within our energy infrastructure investments, and we have financed more projects than any other bank in Europe.

Therefore, we have financed a high volume of ‘avoided emissions’ (GHG emissions that are avoided from fossil-fuel power generation due to renewable energy) – indeed our avoided emissions are far higher than the emissions generated in our portfolio. But this does not ‘net’ to zero, since renewable energy does not absorb atmospheric emissions.

There is a small volume of ‘sequestered or absorbed emissions’ which do reduce the net level of emissions from the portfolio. We publish all of our portfolio emissions in our audited annual report in line with the global PCAF Standard, a summary for 2020 is shown below.

## Climate impact of our loans and investmentsts in ktonne CO<sub>2</sub> eq. 2020



## Climate impact of our loans and investmentsts in ktonne CO<sub>2</sub> eq. 2020

Impactsector	Total outstanding (million EUR)	2020 Attributed emissions (ktonne CO <sub>2</sub> eq.)
<b>Generated emissions</b>		
<b>Environment:</b>		
Organic farmi	298	13
Sustainable property	963	30
Residential mortgages	2,739	26
Environmental – other	298	13
<b>Social:</b>		
Care for the elderly	748	29
Healthcare – other	456	17
Social housing	528	23
Inclusive finance & development	816	11
Social other & municipalities	377	13
<b>Culture:</b>		
Arts and culture	501	34
Education	322	9
Culture – other	271	16
<b>IEB Funds:</b>	2,306	139
	<b>10,623</b>	<b>372</b>
<b>Sequestered emissions</b>		
Nature development & Forestry	57	-14
<b>Net emissions</b>	<b>10,680</b>	<b>358</b>
<b>Avoided emissions</b>		
Renewable energy	2,384	933
<b>Total<sup>1</sup></b>	<b>13,063</b>	

<sup>1</sup> Avoided emissions should not be aggregated because their absolute emission is zero

# Net Zero by 2035

## Our Target to reach 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.

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 increasing financial support to conserve and restore nature, it means transitioning vital service like healthcare and care homes, it means retrofitting all buildings to be energy efficient and changing our energy systems.

# Our four key strategies to achieve Net Zero





# We make the places we all live and work in, work for us

We aim for a significant reduction in business lending emissions, primarily property-based emissions. And we transform existing housing to zero-emission ready.

**Target:** by 2035 our emissions intensity (e.g. GHG emissions per EUR of lending or investment) will reduce significantly compared to 2020.

## Green Mortgage

We introduced our first green mortgages in 2012, providing a full energy audit and a sliding scale of interest rate discount based upon the energy label of the house. The more energy efficient the home, the lower the interest rate. Today, we still relate the interest rates to the energy performance and also offer a sustainable retrofit loan with 0% interest up to an amount of 25k, unique in the market; we stimulate biobased building methods, the highest incentives are given to passive and biobased buildings. Our new approach will be to prioritise homes with poorer energy efficiency in order to transform them (to at least an energy label B) so that they are ready to become zero emission buildings when they switch energy source – for example when they connect to a zero-emissions district heating network. Triodos Bank is very visible in the climate debate in the Dutch market, we introduced a loan standard related to energy performance. Unsustainable homes are a financial risk. If you have high energy costs every month, you also have less money for the mortgage payments and you can borrow less, plus your house loses value. Triodos Bank hopes that the lending standards will eventually change across the industry.

## Business & Charities

We will support our business and charity clients across the social and cultural sectors to perform deep retrofit to their properties, reducing their GHG emissions, and improving the resilience, comfort and performance of their premises. We will build upon our experience working in diverse sectors including clients previously considered to be beyond scope – such as the cultural heritage properties (monuments) which implemented highly significant and successful retrofits.

## Reinforcing our client communities

We will seek to connect as many of our customers and partners to clients in need of support across our network in order to build a supportive community that can collectively achieve our goals. We have previously coordinated introductions across our client base, enabling connections that have helped deliver multiple positive impact benefits and commercial opportunities.

## Triodos Bank's mortgage strategy

- Advising on sustainability is our duty of care. Inefficient homes not only lead to higher costs, the risk of the brown discount is also increasing. Sustainable homes currently benefit from the green premium effects, but sustainable will increasingly become the standard. We must ensure that the people with the poorer housing do not have to pay for the brown discount without a perspective to improve.
- We stimulate more alternative forms of living, smaller, more in conjunction with others. We believe that nature-inclusive / eco-friendly neighborhoods improve the quality of life.
- Sustainability is also about the re-use of existing real estate. We finance redevelopments and revitalisations from existing real estate to housing, with sustainability at its core.
- It is important to build climate-adoptive, we have an eye for biodiversity and, for example, houseboats. We financed and structured the collective commissioning of the most sustainable floating district in Europe (as an example)
- The more sustainable the home, the lower the interest rate
- Very high interest rate discount on the insulation measures
- We offer collective purchasing advantages to private individuals when purchasing heat pumps
- Triodos Bank is the first bank to have the maximum borrowing space in terms of loan to value and loan to income related to the energy bill. Unsustainable homes are a financial risk. If you have high energy costs every month, you also have less money for the mortgage payments and you can borrow less, plus your house loses value. Triodos hopes that the lending standards will eventually change across the industry.
- We are very active in the debate to relate the lending standards to energy performance but also to finance existing owners on the basis of housing cost neutrality when taking sustainability measures. facilitating that one can borrow as much as is saved. leave no one behind
- In our advice and the online journeys, the monthly cost effect of the possibility to invest in sustainability measures is always presented. We offer action perspective and show net effects. We were the first bank with this integrated tool.
- Every mortgage customer gets a energy-label report reimbursed by Triodos Bank
- For energy-neutral homes and for sustainability measures, extra borrowing is allowed.

# Case studies



## The MQ Project, Germany

The MQ Project does not only rely on modularity, but also on renewable raw materials in construction. About 1,500 tons of CO<sub>2</sub> are permanently bound in the project for the construction of this hotel in Berlin, by using wood as the main building material; if transport, processing and the use of other building materials in the project are offset, a CO<sub>2</sub> negative building is still created in its production cycle and thus creates a positive environmental footprint compared to a possible production of the modules, for example, from steel. In addition, no new area was sealed by the construction, since the project was built on the roof of a multi-story parking garage.

## Entrepatis, Spain

The Entrepatis Las Carolinas cooperative has launched a pioneering social and sustainable construction project in Madrid. It is a building with 17 A+ certified ecological homes, under the transfer of right of use, a model known as co-housing. The building has almost zero energy consumption thanks to measures such as the use of non-polluting materials, renewable energy production, smart insulation and water reuse, among other aspects. This saves energy and reduces polluting emissions.

The owners have chosen a new way of management, cohousing or transfer of right of use. It is an alternative to buying and renting that allows its occupants to use the home as cooperative members for a specified period of time while the flats belong to the cooperative, as well as the services, supplies and common areas.

Committed to a new construction and management model, the Entrepatis Las Carolinas cooperative has obtained financing from Triodos Bank to carry out this initiative.

Iñaki Alonso CEO: "Buildings currently should not emit CO<sub>2</sub> emissions in their use, electrification has reached the automotive sector but the building sector is responsible for 36% of CO<sub>2</sub> emissions and these aspects are still not discussed, in the case of Entrepatis and other projects that have been financed by Triodos Bank, and have been certified CO<sub>2</sub> net zero, the projects do not have any CO<sub>2</sub> emissions in use and calculate the carbon embedded in the construction process."

## Tivoli GreenCity, Belgium

Tivoli GreenCity is a new ecological living and working quarter in Brussels. What used to be a wasteland located between a residential area and the industrial zone of the Port of Brussels is now an example of urban renewal. The economic part of the project, greenbizz. brussels, includes an SME park, a fablab and an incubator for sustainable and innovative entrepreneurship. In addition, Tivoli GreenCity contains about 400 passive and zero energy houses – including social housing and cohousing projects – retail, two day-care centres and numerous communal meeting spaces. Triodos Bank grants housing loans to more than 25 buyers in Tivoli GreenCity and is involved as a partner in the cohousing project.

## University of Winchester, UK

Founded in 1840, the University of Winchester is a leading university in the UK offering study on a wide range of subjects – from arts and humanities, to business and education. It is home to around 7,800 undergraduate and postgraduate students and founded on the core values of compassion, spirituality and that individuals matter. A £30m loan from Triodos Bank was used to complete a landmark new building development at the West Downs Quarter campus, with a BREEAM Excellent sustainability rating and one of the first university projects in the UK to pursue WELL Certification. The building also brings a range of social benefits for both students and local residents, with a multi-use space that features an art gallery, zero waste shop and vegan café.

## Schoonschip, the Netherlands

Schoonschip is a floating residential area in Amsterdam. Since the beginning of 2020, 46 households on 30 arks have lived in this ecological and sustainable district. The houses generate their own energy and have only one connection to the energy grid. Sustainable materials and sustainable installations have been used as much as possible.

The residents of Schoonschip built and learned together, without the intervention of a project developer, Collective Private Commissioning. They share their knowledge with others, and you can turn to them for advice.

Schoonschip worked closely with Triodos Bank for seven years. Triodos provided the mortgages for this project.



## We grow our natural resources

A substantial amount of our future portfolio of new natural capital finance and regenerative organic agriculture – sequestering carbon and supporting biodiversity.

**Target:** by 2035 our net GHG emissions from our agriculture portfolio will be zero. We will invest in nature-based solutions that provide carbon sequestration alongside multiple positive impacts.

### Regenerating our natural world

A dedicated food, agriculture and nature strategy to scale-up nature-positive investment through regenerative organic agriculture, nature restoration and conservation. By catalysing, developing and selecting high quality projects with multiple positive impacts (climate, resilience, biodiversity, health & wellbeing) we can help address multiple challenges at the same time as making progress on our net zero goals.

### Food & agriculture

We have been the leading financial institution for pioneers in organic, biodynamic and sustainable agriculture since we founded Triodos Bank in 1980. By integrating regenerative agriculture approaches to optimise soil health, our farming clients will be able to sequester more carbon than their soils emit with the potential to become carbon 'sinks'.

### New models for restoring and conserving nature

Through Triodos Regenerative Money Centre and Corporate Finance advisory work we can manage donation, blended and catalytic investments. In the UK we have already helped to catalyse the creation and investment of new business models to support the restoration and conservation of nature. Whether it is peatland, wetlands, grasslands, or forests, there is huge potential to recognise the multiple impacts that each project can deliver whilst sequestering atmospheric emissions.

# Case studies

## Aula del Mar Asociación para la Conservación del Medio Marino, Spain

In 1998, a group of biologists and professionals aware of the conservation of the marine environment decided to create the Aula del Mar de Málaga association to publicize the importance of respect for the seas and oceans.

The entity organizes cultural activities and exhibitions at the Alborania Museum and collaborates in the recovery of turtles and marine mammals in its Center for the Recovery of Marine Species (CREMA). In addition, it carries out awareness, education and recovery projects for the marine environment sponsored by Public Administrations, such as the “Marine Laboratory”, “Beach Recovery” or “Aquaponics” projects.

At Triodos Bank we have granted funding to Aula del Mar for the dissemination of the “Aquaponics” project, an activity that combines the breeding of aquatic species and the cultivation of plants on water in the same integrated system.

Juan Antonio López, President of Aula del Mar: “We like to work with ethical banking because it is an important part of how we understand sustainability in a comprehensive way at Aula del Mar. The economy must be green in all its phases to continue with a quality of life on the planet.”

## Riverford Organic Farmers, UK

Veg box business Riverford was founded in 1987, and since then, the company has grown to more than 650 people, delivering vegetables to 50,000 homes a week.

Riverford founder Guy Singh-Watson: “We can’t carry on business as usual, while paying to offset all our emissions. First and foremost, we will significantly reduce our emissions in all areas of the business; offsetting is only for those emissions we can’t avoid. We really want to use nature-based offsets where possible, which can range from woodland creation, to better soil management to increase the amount of carbon sequestered there. When done well, they don’t just sequester carbon; they can have a range of ecosystem benefits, from flood regulation and water quality improvements, to increasing biodiversity, and providing valuable cultural and recreational resources for communities.”

## Aardpeer, the Netherlands

A movement created by Triodos Regenerative Money Centre in a coalition with BD Grondbeheer, Wij.land and Herenboeren in order to safeguard agricultural land (and soil vitality) for future generations.

One of the first activities of the movement is the issue of a 5-year and 10-year AFM approved Bond. Circa Eur 7m was subscribed thus far mainly by many small investors.

Proceeds of the bond issue are used to extract agricultural land from the speculative market which drives up prices leading to unsustainable farming practices.

Access to affordable land is a leverage point for the transition to a resilient natural capital environment.

## Nature-based investing pilot projects, UK

The Dasgupta Review highlighted that the global financial system has a critical role in supporting a more sustainable relationship with nature. The challenge now is in creating investable business models connected to biodiversity restoration. Triodos has worked internationally on the development of new investment approaches, including in the UK through a partnership with DEFRA, the Environment Agency and Esmée Fairbairn Foundation on four pilot projects chosen to receive initial grant funding.

For example the Rivers Trust are working on natural flood management in the Wyre catchment in Lancashire. The project aims to reduce flooding in nearby towns, while also creating new habitats for wildlife. The newly created wetlands and peatlands also combat climate change due to the storage of greenhouse gases. Over £1.5m in private investment is earmarked to implement the Natural Flood Management supported by a nine-year loan. It will be used to deliver over 1,000 highly targeted measures, including tree planting, creation of temporary water storage areas, leaky dams and a network of hedges that will significantly reduce flooding to local communities at risk.

## Snowchange, Finland

Snowchange is an innovative organisation that creates multidimensional impact on biodiversity, local communities and climate change mitigation in Finland. Triodos Regenerative Money Centre has invested in Snowchange.

It focusses on restoration of peatland, in cooperation with indigenous community and explores carbon sequestration efforts through rewetting of devastated peatland, which fulfill an important function as carbon sink.

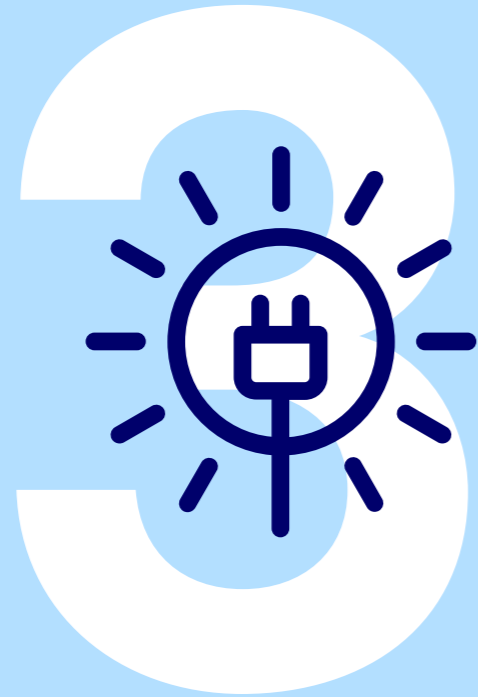
## Renaturation of the Emscher, Germany

The renaturation of the Emscher is a positive driver for structural change, bringing important natural and recreational areas to a region that was once characterised by mining and heavy industry. The proceeds of a green bond issued by North-Rhine Westphalia state bank NRW.BANK are used to finance this project.

The Emscher river, flowing through the heavily populated Ruhr area, was long used as an open sewer system. This had a devastating effect on the landscape. The fluvial biodiversity seriously decreased, with many species disappearing completely. The river turned into a manmade system of open sewers and canals. The Emscher also lost its natural ability to retain rainwater, causing regular flooding. The proceeds of a green bond issued by North-Rhine Westphalia (Germany) state bank NRW.BANK are used for the renaturation of the Emscher. The 30-year project (1990-2020), in accordance with the EU Water Framework Directive 2000/60/EC, is the largest of its kind in the EU. Several milestones have been reached since the project began; flora and fauna have returned, and newly created retention basins have prevented renewed flooding.

The renaturation of the Emscher is a positive driver for structural change, bringing important natural and recreational areas to a region that was once characterised by mining and heavy industry. Internationally, this project has provided a blueprint for similar projects in Asia, Africa, Latin America and the USA.

Triodos Euro Bond Impact Fund invests in the NRW.BANK Green Bond #2-2019



# We invest in green power to the people

We maximise our contribution to the energy transition of the built environment and lower carbon intensity of our portfolio. We will help democratise renewable energy, for example through community solutions. We're going to finance new green energy infrastructure – generation, storage, green jobs and a path to a fully sustainable renewable energy sector.

**Target:** We will continue to invest in renewable energy generation based upon our four decades of sector leadership whilst increasing the proportion of complementary energy infrastructure that can assist and accelerate the transition. This includes energy efficiency, energy storage, electric vehicles and charging infrastructure and green hydrogen, alongside renewable energy generation.

## Renewable Energy Generation

We have been pioneers in financing renewable energy for over four decades. We have financed sufficient renewable energy for the needs of >700,000 households via more projects than any other bank, public or private, in Europe. We have financed local community energy schemes but also some of the largest offshore windfarms. Beyond continuing to finance this vibrant sector, we want to leverage our skills and experience to help catalyse new and emerging technologies that will help build the potential for a fully renewable system.

## Energy System Infrastructure

For the whole of society to decarbonise, we need to find the mechanisms to decarbonise all the ways in which energy is distributed and used within the economy – electricity for our appliances, heat for our buildings, fuels for our transport and energy sources for industrial processes. This means innovating and supporting developments in energy infrastructure including smart grids, heat storage, batteries, electric vehicles and charging infrastructure, green hydrogen production and heat pumps. We will seek to work with energy developers, utilities, community groups and other clients who are seeking to lead these transitions.

## Looking at the broader system

We will encourage best practices amongst suppliers to ensure that the production processes used in clean energy are socially responsible and environmentally sustainable. We want to encourage local forms of ownership that enable communities to be involved in steering their transitions. And we want to support the creation of sustainable green jobs within a new green economy.

# Case studies

## Pacifico, Germany

Pacifico Energy Partners is a renewable energy company for wind and solar energy. It develops greenfield projects, repowers existing plants, provides state-of-the-art asset management services and facilitates the acquisition of operational and turn-key plants. The portfolio of assets it provides asset management services for includes plants in Germany, Italy, the Czech Republic and the Netherlands. For project development it is active in several additional countries of the European Union such as Poland and Spain.

Christoph Strasser Co-CEO bei Pacifico Renewables Yield AG:  
“Net zero ambitions lead to a crucial shift in mindsets. Now it’s not only about reducing greenhouse gas emissions, it’s about avoiding them completely. No sector can hide anymore. As a pure play “green” power producer, we do our best to help decarbonise the electricity sector as quickly as possible. Triodos Bank has helped us a lot from an early stage onwards with flexible and tailored financing solutions.”

## Awel Co-op, Wales

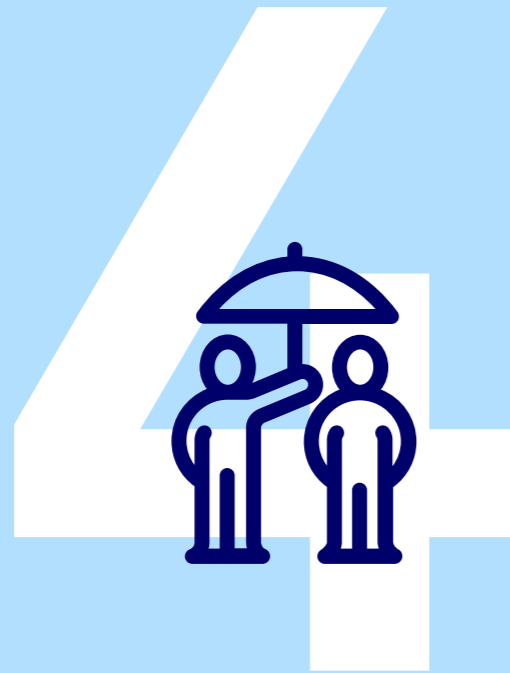
Community engagement sits at the heart of Awel, a Welsh renewable energy project. The project set out to address a local lack of funding for community initiatives in a region of Wales with low average income. A group of volunteers decided to take the project forward, and undertook an independent referendum to gather opinion, which demonstrated wide-spread support from local people for the initiative. Building a wind farm, backed by finance from Triodos, enabled the community to address the challenge of climate change and to push forward the low carbon transition in an area that had historically been focused around coal mining.

## Ecotricity, UK

Triodos Bank has supported Ecotricity, Britain’s greenest energy supplier, since their very first turbine in Gloucestershire in 1996. Over 20 years later, we’re still working closely together. Their model is what they call ‘bills into mills’ –using the revenues from customers’ energy bills to build windmills, sun-mills, gas-mills. The more customers they have, the more they can build.

Dale Vince, Founder of Ecotricity: “Target setting itself is not enough, the world has no shortage of those right now. What we’re short of is policies to hit those targets. All organisations should have a target – it’s only the starting place. The next parts are vital – Measure your entire footprint, Reduce it year on year and offset the residual – down to zero.”





## We move as a movement

We aim for all our investments (listed and private debt and equity) to have a reduction in carbon intensity so that we can be net-zero in 2035. We will collaborate and work together with other parties. Stimulate private public cooperation. And build a movement of likeminded people.

Triodos has an ongoing commitment to improve the banking and financial sector, creating an industry that understands its impact and takes responsibility for it.

We are part of a growing group of organisations working towards changing finance for the better, through organisations such as the Global Alliance for Banking on Values, WWF, UN Principles for Responsible Banking, Global Impact Investing Network and Partnership Biodiversity Accounting Financials and many more.

We have benefited from open discussions with our stakeholders for many years and in varied ways from client days connecting hundreds of customers in all the countries where we work, to meetings and conversations with investors in the bank itself. Triodos Bank has been certified as B Corporation since 2015. We will continue to collaborate with a range of organisations to promote values-based business with human dignity at its core.

# Case studies

## Climate commitments the Netherlands, Germany, Spain

We encourage the financial sector to step up its climate ambitions. Triodos Bank has contributed to the climate agreement in the Netherlands by participating in talks about the agreement. Triodos Bank has also taken the initiative for a commitment from the financial sector to the climate agreement in the Netherlands. In Germany and Spain, we subsequently contributed to agreements by the financial sector to national climate agreements.

## Making impact measurable

It is important that banks can prove that they are improving their impact on the climate. In 2018, we started measuring the carbon emissions generated by our loans and investments. We did this using the Partnership for Carbon Accounting Financials (PCAF) method. PCAF was launched in 2015 by a group of Dutch financial institutions, including Triodos Bank, during the Paris Climate Conference. At the end of 2020, about 100 financial institutions participated. We are also one of the founding fathers of the Partnership for Biodiversity Accounting Financials (PBAF).

## Universal principles for the financial sector

We are committed to universal principles that all financial institutions should adhere to. We worked on guidelines for the global banking sector to tackle societal problems. These UN Principles for Responsible Banking have been signed by more than 200 banks worldwide. Together with other financial institutions, we also signed the Finance for Biodiversity Pledge, committing ourselves to assessing, setting targets for and reporting on our own biodiversity impact.