

# Green Investor Presentation 2023



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# 1. Introduction to de Volksbank

# Strategy 2021-2025: 'Better for each other - from promise to impact'

## How we stand out: two pillars



### Strong customer relationship

Personal customer approach, seamless & pleasant interaction, suitable propositions



### Social impact

De Volksbank creates social impact on the climate and good housing by integrating these themes into its services

## Four growth priorities

asn  bank

Accelerating ASN Bank's growth as a digital, sustainable bank



Attracting a younger target audience and strengthening business model with fee income

RegioBank

Strengthening local presence with broadening propositions



Expanding BLG Wonen by improving its distribution reach and service

## Five necessary transformations



Digital and omnichannel dialogue



Relevant product range, new propositions, small businesses as a new target group



IT-based customer bank



Customer-focused



Efficient and flexible

## Capabilities

Strengthening organisational, employee and leadership capabilities

## Important preconditions

Comply with laws & regulations

Continuity

## Our mission

We bank with a human touch by creating value for customers, society, employees and shareholder

We aim for optimum total value rather than maximisation of a single value

# Progress on strategy: **two pillars**

## How we stand out



Strong customer  
relationship

## Highlights 2022

- ✓ In a survey by MarketResponse, RegioBank was voted 'most customer-friendly bank' in the Netherlands. SNS (2) and ASN Bank (3) completed the top 3
- ✓ The number of active multi-customers continued to increase by 72,000 to 1.087 million
- ✓ After reaching an all-time high score of +6 in 2021, our customer-weighted NPS decreased to -1, impacted by the introduction of a fixed fee for basic banking services
- ✓ We introduced the Customer Relationship Score (KRS) to measure how strong the relationship is that customers experience based on their satisfaction with, trust in and brand love for their bank. Over 2022, the average score of our brands was 53



Social impact

- ✓ Our brands continued to actively engage with their customers, organising several events to discuss topics such as equal access to financial knowledge, accessibility to the housing market, regional developments and sustainable investing
- ✓ Our climate-neutral balance sheet increased by 7 percentage points to 62%, well on track to reach our 75% objective for 2025
- ✓ At the end of the year we published our first Climate Action Plan, outlining our goal to achieve a net zero balance sheet by 2050, or sooner if possible

# Progress on strategy: four growth priorities

## Growth priority

 **asn bank**

Accelerating ASN Bank's growth as a digital, sustainable bank

## Highlights 2022

- ✓ Launched a European Citizens' Initiative to secure a living wage for garment makers
- ✓ Introduced online platform 'FromHere', where ASN Bank offers practical information to make sustainable living accessible to the whole of the Netherlands
- ✓ Launched three sustainable insurance products via partner a.s.r.
- ✓ Made interest rebates available for existing sustainable residential homes with an energy label A

 **SNS**

Attracting a younger target audience and strengthening business model with fee income

- ✓ Opened the 'Financial Anxiety Helpline' for 24 hours, for anyone who couldn't sleep from financial worries
- ✓ Organised the SNS Youth Board, to discuss the importance of equal access to financial knowledge and information
- ✓ Organised the online event Future Money Talks, offering young adults the opportunity to talk with each other and SNS on their future

**RegioBank**

Strengthening local presence with broadening propositions

- ✓ Presented an award to the most 'neighbourly' entrepreneur, whose efforts help keep the neighbourhood vital and move it forward
- ✓ Finalised the implementation of the full-franchise business model
- ✓ Organised the National Village Summit as an ambassador of quality of life in regional areas
- ✓ Made it possible for associations and foundations to open an account

 **BLGwonen**

Expanding BLG Wonen by improving its distribution reach and service

- ✓ To keep the mid-rent segment affordable, BLG Wonen introduced the Rental Mortgage, based on the national point system that ensures a reasonable rent
- ✓ Prolonged a pilot in cooperation with National Mortgage Guarantee (NHG), to enable 'high-rent tenants' to buy a home by providing them with a mortgage based on a rent statement. In 2022, BLG Wonen provided nearly 500 mortgages to high-rent tenants

Foundation of the Nutsspaarbank, a regional savings bank with a mission to enhance people's self-reliance through their savings

1817

The environment is and continues to be an important issue for ASN

70's

Two regional savings banks merge into SNS

1987

Signs the UN Environment Programme Finance Initiative

1994

Two new investment funds are created. ASN Bank also begins to finance sustainable projects, mainly on sustainable energy and energy efficiency

2000

1960

On 21 January 1960, ASN (Algemene Spaarbank voor Nederland) is founded. Inspired by its roots in labour unions, ASN has a strong focus on positive socio-economic impacts

80's

ASN is the first Dutch bank that decides to no longer invest in South-Africa due to the Apartheid regime

90's

ASN establishes five investments funds. Investments are made based on sustainability criteria

1996

ASN changes its name into ASN Bank

2008

Member of the UN Global Compact

ASN Bank formulates long term goals on human rights, climate and biodiversity

2012

- SNS Bank N.V. signs Dutch Banking Agreement
- SNS Bank N.V. signs IMVO Bankenconvenant

2016

- ASN Bank is the first bank in the world to strive for being climate positive in 2030
- ASN Bank launches the Platform Living Wage Financials
- ASN Investment Funds receives its AIFMD permit

2018

- de Volksbank N.V. receives Green Bond Award of the year from Environmental Finance
- Issuance 1st Green Tier 2 of a bank in Europe
- Introduction of solar panel lease and Platform for Home Improvements
- de Volksbank N.V. signs the Finance for Biodiversity Pledge

2020

2009

ASN Bank signs the Equator Principles (de Volksbank is the signatory in 2020)

2015

- SNS Bank N.V. formulates its long term goal for climate change by introducing the Climate Neutral Balance Sheet
- Introduction of the Climate Neutral Committee chaired by the CFO
- ASN Bank is chair & initiator of Platform for Carbon Accounting Financials

2017

As from 1 January 2017 SNS Bank N.V. is named de Volksbank N.V.

2019

- de Volksbank N.V. publishes its first stand-alone Human Rights Report
- Publication of de Volksbank Green Bond Framework
- Introduction of sustainable loan products
- Publication of first gender pay gap paper
- de Volksbank N.V. issues its first Green Bond
- de Volksbank N.V. signs the UNEP FI Principles for Responsible Banking
- ASN Bank formulates its long term goal for Biodiversity: All investments or funding have a positive impact on biodiversity in 2030
- ASN Bank is initiator of Platform for Biodiversity Accounting Financials





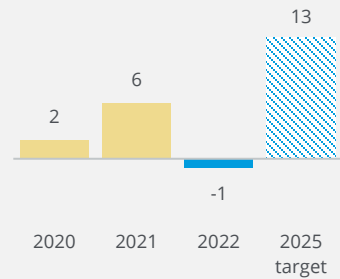
## 2. De Volksbank Sustainability Strategy

# 2025 long-term objectives

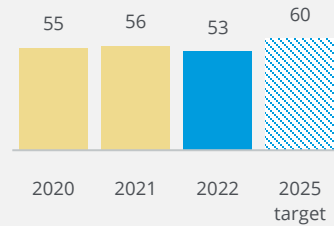
## Customers



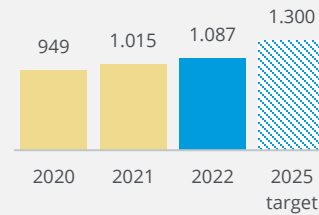
Customer-weighted average NPS



Customer Relationship Score



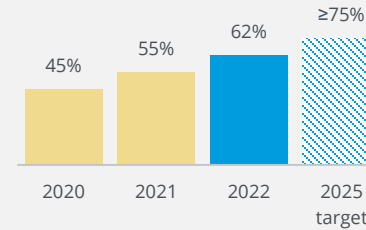
Active multi-customers (in thousands)



## Society



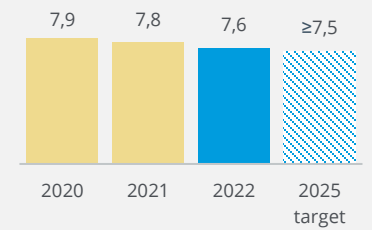
Climate-neutral balance sheet



## Employees



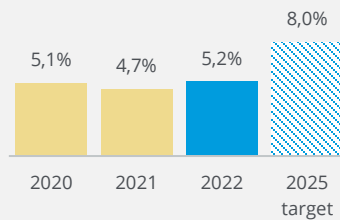
Genuine attention for employees



## Shareholder



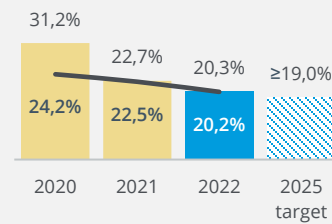
Return on Equity



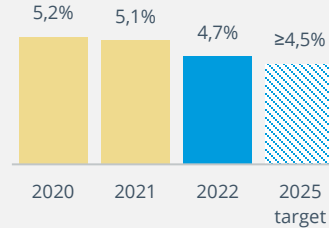
## Other objectives

CET1 capital ratio

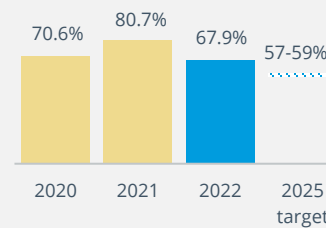
— Pro forma ratio Basel IV<sup>1</sup>



Leverage ratio



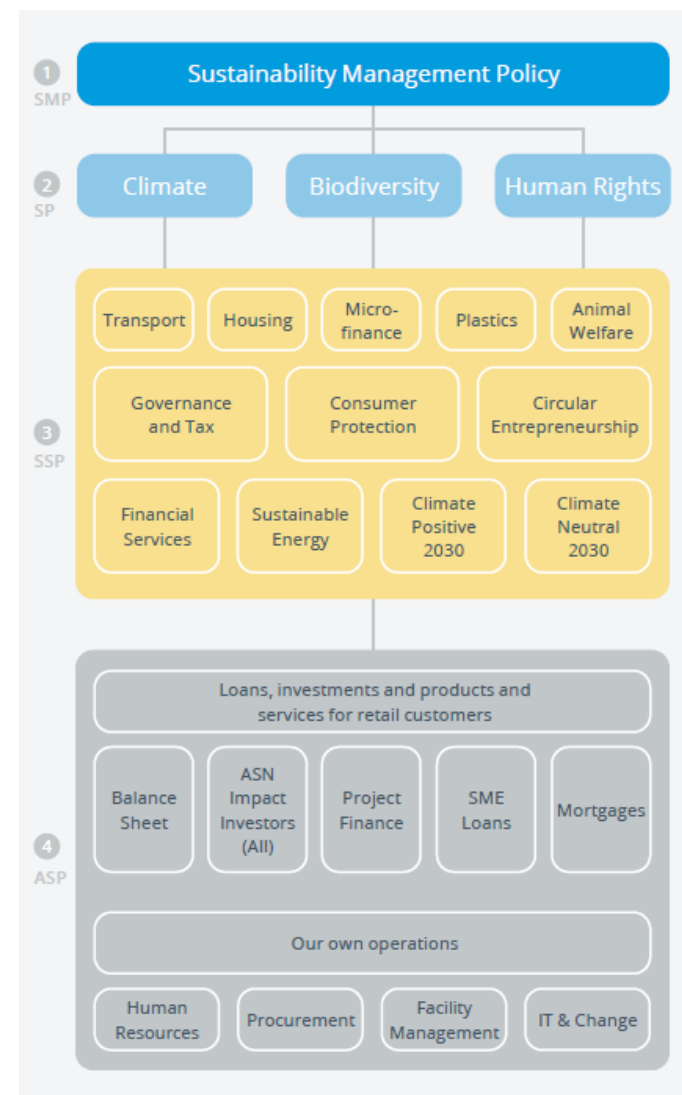
Cost/income ratio



[1] The CET1 ratio based on Basel IV is an estimate

# Sustainability Management Policy

- Our value of “taking responsibility for society” includes a strong focus on **sustainability**
- Given our core activities mortgages, savings and payments, we can have a significant positive impact on **sustainability in our distribution chain**
- We see it as our social responsibility to make a difference in this respect and to encourage customers to make their **homes more energy efficient**
- De Volksbank also has a **strict investment policy**, taking into consideration the climate, human rights and biodiversity. We exclude investments and companies that are not aligned with our sustainability policies
- We also seek to reduce the negative impact of our activities on the climate. Our objective is to achieve **100% climate neutrality by 2030** and reduce the CO<sub>2</sub> emissions from our own business operations



# Main sustainability pillars

## Climate

- **Carbon accounting** since 2015
- **Climate-neutral balance sheet:** 75% climate-neutral balance sheet by 2025, rising to 100% by 2030
- A **net-zero balance sheet** by 2050, and earlier if possible.
- **More sustainable homes:** actively reducing emissions by encouraging customers to make their homes more sustainable through the use of sustainable housing products
- **Responsible investing/lending:** Sustainability as key in the investment policy of ASN Bank
- Initiator of **Partnership for Carbon Accounting Financials**



## Human Rights

- Publication of the updated **Human Rights Report**
- ASN Bank formulated a **human rights objective:** by 2030 the garment industry will have implemented all necessary processes to enable a living wage for employees in its supply chain
- Engagement with investees through **Platform Living Wage Financials (PLWF)**
- Publication of the **diversity and inclusion policy**
- Focus on **gender equality:** we have the ambition to have 40% of all managerial positions filled by women by 2025. In addition, we strive for a 50% male / female distribution at total employee level



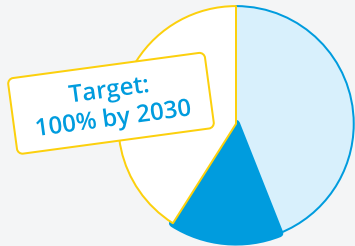
## Biodiversity

- **A net positive impact on biodiversity:** ASN Bank has set the goal of having a net positive impact on biodiversity with its loans and investments by 2030
- **Calculation of biodiversity impact:** methodology to calculate the biodiversity from ASN Bank will be applied to de Volksbank to increase positive impact
- Initiator of **Partnership for Biodiversity Accounting Financials**
- Biodiversity footprint assessed through the **Biodiversity Footprint Financial Institutions (BFFI)** methodology



# Responsibility for society

## Climate-neutral balance sheet



Our balance sheet was 62% climate-neutral in 2022.

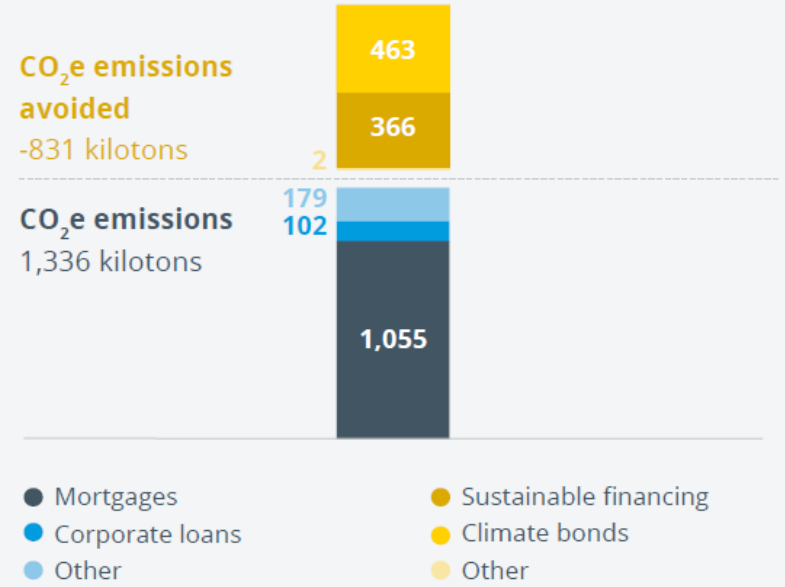
### Switch to PCAF methodology

Climate-neutral balance sheet rose to 62%, calculated using the PCAF methodology (we were 55% climate neutral at the end of 2021)

## Governance

- Progress of de Volksbank's climate-neutrality is governed by the Committee Societal Impact
- Internal KPIs on the average energy label and absolute emissions for mortgages
- Progress monitored on a quarterly basis. External reporting occurs biannually in (half)year results
- Limited assurance on results of Integrated Annual Review

## CLIMATE-NEUTRAL BALANCE SHEET



The improvement is driven by:

1. additional project financing (366 kton of CO<sub>2</sub>e emissions avoided in 2022);
2. the purchase of green bonds (463 kton of CO<sub>2</sub>e emissions avoided in 2022);
3. the reduction in CO<sub>2</sub>e emissions of our mortgage portfolio (1,055 kton of CO<sub>2</sub>e emissions, compared to 1,123 kton of CO<sub>2</sub>e emissions in 2021).

# Partnership for Carbon Accounting Financials (PCAF)

- Since 2015, fourteen financial institutions from the Netherlands, **at the initiative of ASN Bank**, have worked together to harmonize, develop and implement carbon accounting methodologies for eight asset classes
- Both for risk indicators (effect of the world on you) or impact indicators (your effect on the world), it is important to **deduct the financed climate impact (CO<sub>2</sub>e)** in a uniform and transparent manner
- In March 2023, **375 financial institutions** worldwide with **88.7** trillion USD in total financial assets were committed to measure and disclose the greenhouse gas emissions associated with their portfolio of loans and investments.
- The global carbon accounting standard for six asset classes builds upon the **GHG Protocol's technical guidance for calculating GHG emissions** financed by loans and investments
- The goal of PCAF is to develop the Global GHG Accounting and Reporting Standard for the Financial Industry
- **"Follow the money" is a key principle of the global standard** i.e., the money should be followed as far as possible to understand and account for the carbon impact in the real economy. It includes scope 1, 2 and relevant categories of scope 3 of the investee



From the Netherlands since 2015...



...to North America in 2018...



...to global in 2019

# De Volksbank Climate Action Plan

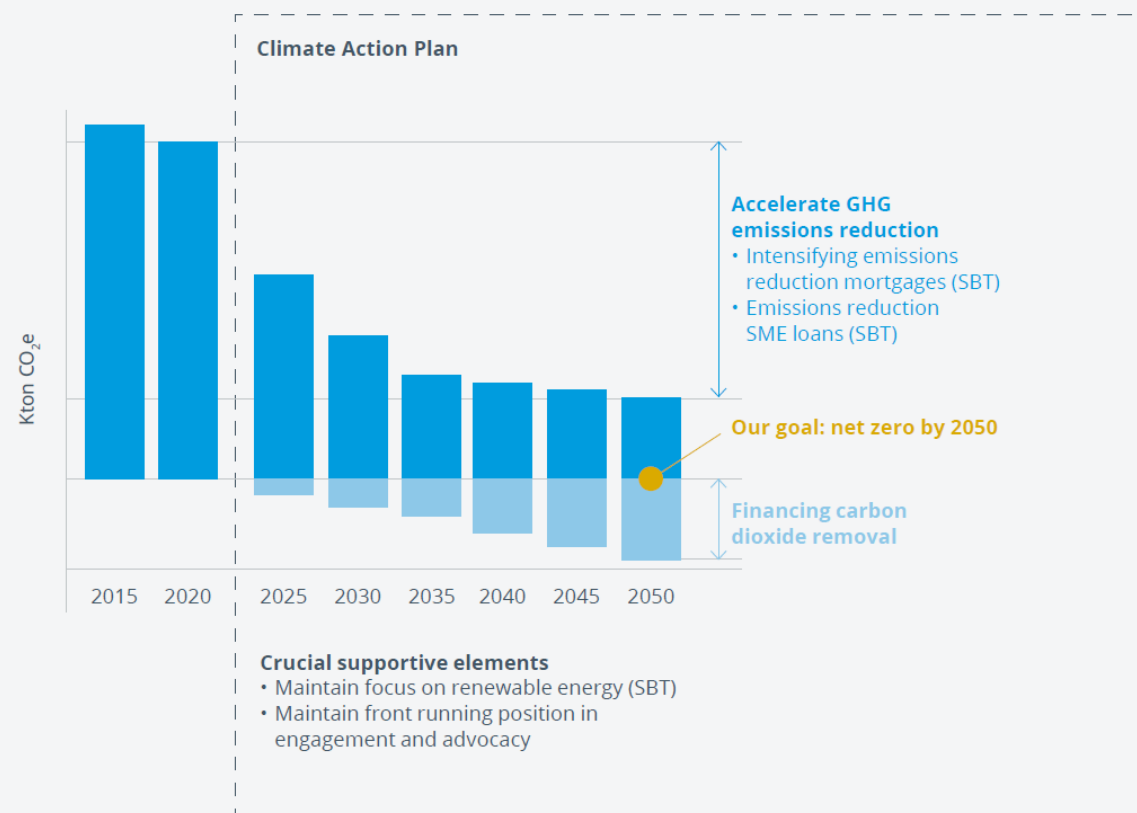
- De Volksbank [published its Climate Action Plan](#) on 22 December 2022, the full report can be accessed [here](#)
- We have the ambition to reach a net-zero balance sheet by 2050, but we strive to be ahead of the Paris Agreement objective.
- In line with our 2022-2025 strategy ('a large proven social impact'), the main step is to raise the bar: with our Climate Action Plan we will embark on a path to alter our KPI from a climate-neutral balance sheet in 2030 into a net-zero balance sheet by 2050 by the reporting year 2024. Our impact on climate change is mainly through our loan portfolio (scope 3 – category 15 (investments)).

## Climate neutral and net zero

Climate neutral means emitted CO<sub>2</sub>e emissions are equalled by avoided or sequestered CO<sub>2</sub>e emissions.

Net zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.

## Schematic overview of our Climate Action Plan

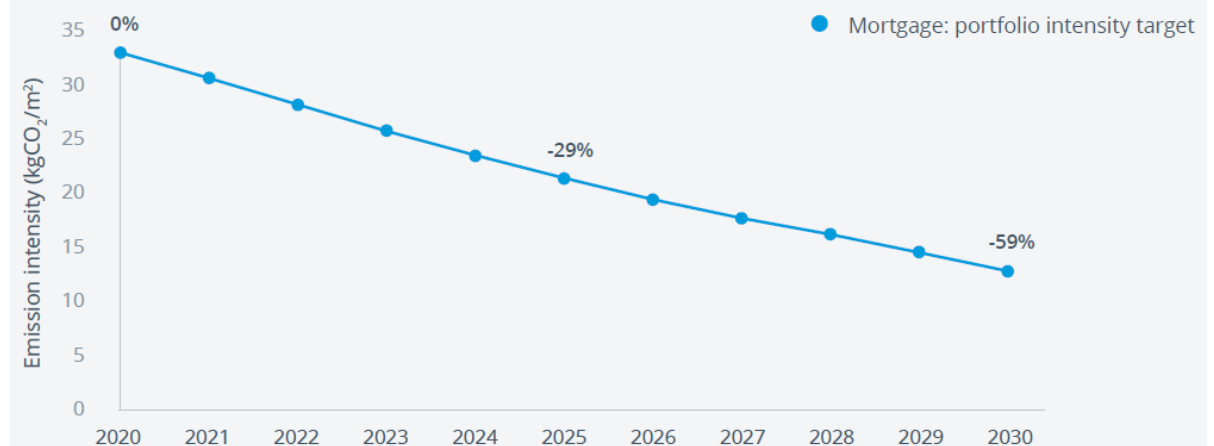


# Science-Based Targets

- We are committed to reducing our mortgage portfolio GHG emissions by 59% per square meter by 2030 (taking 2020 as the base year). De Volksbank has approved Science Based Targets (SBT) for its scope 1, 2 and 3 emissions. The latter includes emission reduction targets on mortgages (real estate), renewable energy (power), and investments covering relevant balance sheet categories.
- The SBTi is complementary to our approach of a climate-neutral and net-zero balance sheet: the initiative gives an indication of the speed and extent to which we need to reduce CO<sub>2</sub>e emissions from our own business operations and our main portfolios. In collaboration with Guidehouse, a consultancy firm with capabilities in sustainability, we have set targets for our buildings and car fleet, mortgage portfolio and renewable energy portfolio. The targets are ambitious and in line with a 1.5 degrees Celsius scenario, based on the International Energy Agency's Net Zero Emissions by 2050 scenario. We will update the targets on an annual basis and report on the progress in our annual report.

- Our efforts on limiting the impact of the mortgage portfolio on climate change is based on two key elements, namely advising on and supporting our customers on the:
  - reduction in energy consumption (insulation, better appliances);
  - substitution of energy sources (solar panels and solar heat).
- Both, if possible, in combination with other benefits such as green roofs. The latter having a small, positive impact on biodiversity as well. A crucial prerequisite for us is that our solutions are affordable for all.

Figure 7. Mortgage portfolio intensity target<sup>6</sup>



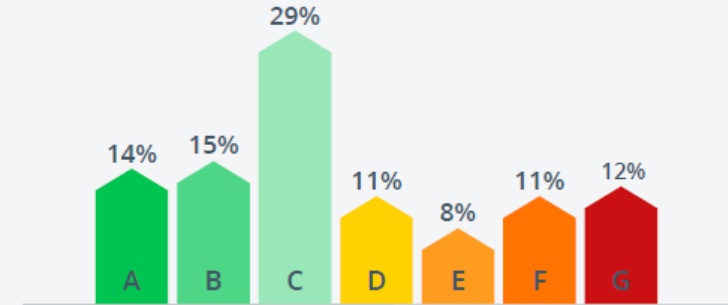
6. An intensity target is a normalised metric that sets an organisation's emissions target relative to an economic or operational variable. Intensity targets allow an organisation to set emissions reduction targets while accounting for economic growth

# Energy label distribution

- De Volksbank assesses the [energy label distribution](#) of its mortgage portfolio
- Based on the RVO database at the end of 2022, [14% of financed homes consist of energy "A" labels](#)
- More than half of the mortgage portfolio (58%) has an energy label in the range "A" – "C"
- The average energy label of our mortgage portfolio is [3.63](#). This average is based on information about the final and provisional energy efficiency ratings available, which we receive from the Netherlands Enterprise Agency (public data).

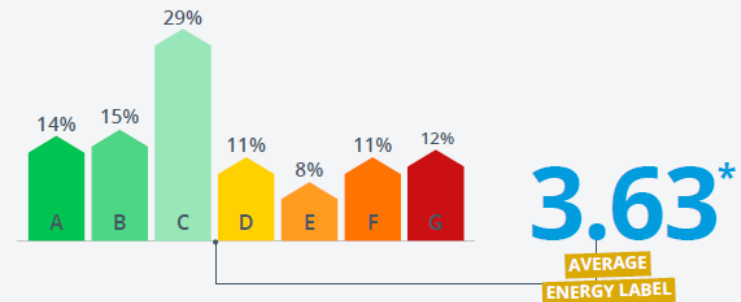
- At year-end 2022, we were [62% climate neutral](#) which puts us well on track to achieving our interim target of at least 75% by 2025.
- This is the result of an increase in financed renewable energy projects and an increase in purchased green bonds with a strong focus on renewable energy projects. The climate neutrality continued to improve due to the decrease in the electricity grid emission factor in the Netherlands and improvement of avoided emissions calculation for renewable energy projects.
- A higher-grade energy efficiency rating does not mean that the energy consumption, and thus CO<sub>2</sub>e emissions, is automatically reduced. For this reason, we measure and report on the footprint of our mortgage portfolio in CO<sub>2</sub>e based on anonymised energy consumption data of our customers, which we receive from three grid operators.

## ENERGY EFFICIENCY RATINGS IN OUR MORTGAGE PORTFOLIO OF FINANCED HOMES<sup>1</sup>



1. Rounder percentages based on the RVO database at year-end 2021. Of the homes, 40% have a final energy efficiency rating, 57% has a preliminary energy efficiency rating and 2% has an expired definitive energy efficiency rating.

## Average energy label residential mortgage portfolio



\* Label A=1, B=2, etc.

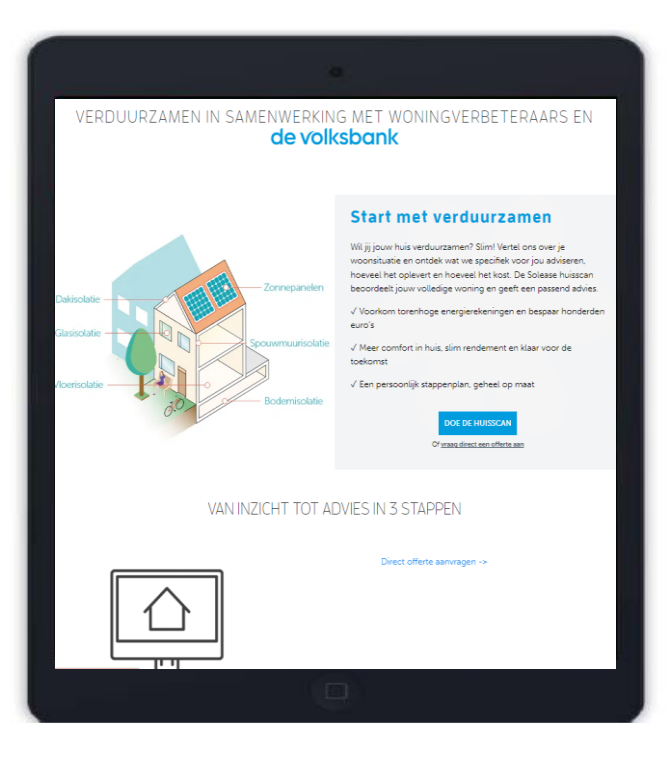
# Sustainable housing strategy

**Sustainable housing** is a standard topic discussed in customer conversations by:

- Offering the platform Woningverbeteraars\* through our brands as partners, including services such as the home energy check
- Offering advice at home: independent energy-efficiency advisor informs customers about energy-efficiency measures for their homes.

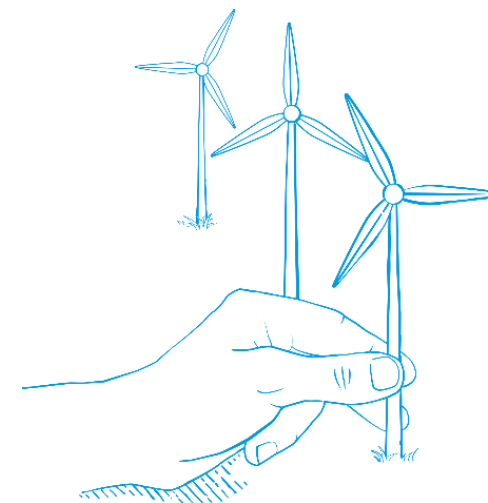
Aim to **improve the energy labels C to G** by training our mortgage advisors to encourage customers to take energy-saving measures:

- In 2022 the campaign on green (sedum) roofs was initiated through our partners Natuur & Milieu and Het Groene Loket, encouraging the use of green roofs
- In 2022 the solar panel campaign was launched to encourage the use of solar panels. In a high-demand market our installation partner was still able to deliver panels to our Woningverbeteraars clients on short notice (within a few weeks)
- In 2022, we launched an insulation campaign through our platform Woningverbeteraars. Here too our installation partner was still able to deliver insulation on short notice (within a few weeks)
- Our mortgage advisors are certified sustainable housing advisors and participate in different e-learning and seminars on sustainable housing
- De Volksbank is one of the [proud main sponsors](#) of team VIRTUe, a student team from Eindhoven, which designed the sustainable house of the future. Clever gadgets in the house inspire the residents to learn to live more sustainably. Eighty percent of the materials used are or can be reused later. The house is divided into two studios with a cozy common room next to it with appliances that can easily be shared. This house can be viewed in Eindhoven from spring 2023.



# Housing - our current sustainable product range

	asn  bank	 BLGWonen	RegioBank	 SNS
Facility to borrow up to 106% of the home value in case of sustainability measures through mortgage (adviser)	✓	✓	✓	✓
Facility to borrow up to 106% of the home value case of sustainability measures through mortgage (online mortgage, without advice)	✗	✗	✗	✓
Additional loan of €9,000 in case of sustainability measures. The loan is on top off a customer's maximum mortgage borrowing capacity*	✓	✓	✓	✓
ASN Bank mortgage with Sustainable Housing loan part	✓	✗	✗	✗
Discount for energy-efficient rating in band A ASN Bank mortgage	✓	✗	✗	✗
Attractive conditions and terms for mortgage for newly-built home (attracting energy-efficient rating in band A)	✓	✓	✓	✓
Personal loan sustainability (energy-savings measures)	✗	✗	✗	✓
Private mortgage increase	✓	✓	✓	✓



# De Volksbank sustainability credentials

- **ISS ESG.** In November 2022, the ISS ESG Corporate Rating given to de Volksbank was a **B rating** (1<sup>st</sup> decile rank)
- **\*Sustainalytics.** As of October 2022, de Volksbank received an ESG Risk Rating of **9.1** from Sustainalytics and was assessed to be at **negligible risk** of experiencing material financial impacts from ESG factors
- **MSCI.** In 2022, de Volksbank received a **rating of AA** (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment
- **CDP.** In 2022, de Volksbank received a **B rating** for its disclosure on the CDP Climate Change Questionnaire
- **Transparency Benchmark.** Achieved 6th place during 2021 in the Transparency Benchmark (2019: 122nd). This places de Volksbank in a group of frontrunners in the Netherlands. The study is held amongst the largest companies in the Netherlands and aims to measure their transparency in reporting on corporate social responsibility (CSR)
- **The Dutch Consumer Association's Banking Monitor.** Strong rankings for three brands of de Volksbank in 2022: RegioBank (1<sup>st</sup>), ASN Bank (2<sup>nd</sup>) and SNS (5<sup>th</sup>). Customers were asked to rate Dutch banks on internet banking, the mobile banking app, costs, communication, and service
- In October 2020, only de Volksbank received a green score in the **Fair Bank Guide** for how it handles gender equality. De Volksbank conducted an analysis on gender pay gap and has a zero-tolerance policy regarding gender discrimination towards customers and investments
- Our brands also won several awards, both for their mortgage services and for several websites





# 3. De Volksbank Green Bond Framework

# Rationale for green financing

## Climate-neutral balance sheet

De Volksbank's green finance strategy contributes to the achievement of de Volksbank's overarching **long-term balance sheet climate-neutrality goal to be achieved by 2030**

## Always aiming for best practice

De Volksbank has set up its Green Bond Strategy via the publication of its first Green Bond Framework, back **in April 2019**. In **February 2021**, the Framework has been updated to **reflect recent standards**

## Matching sustainability and funding strategy

In line with **our housing strategy**, we have been advocating for sustainability and encouraging our customers to make their houses more efficient. This is part of our DNA

## Addressing the call for more action on climate change

Green bonds are an **effective tool** to channel investments to assets that have demonstrated climate benefits and **contribute to the achievement of the UN SDGs and EU Objectives**

## Supporting the growth of sustainable markets

**Diversify our investor base targeting SRI and green investors**, while fostering the relationship with existing investors

De Volksbank Green Bond Strategy matches with the Bank's core business and long-term sustainability ambitions

# Green Bond Framework

- We designed a Green Bond Framework that meets **independent standards on transparency and disclosure**
- The Green Bond Framework received a positive Second Opinion from ISS ESG confirming the **alignment with the ICMA Green Bond Principles and takes into account the recommendation of the CBI, the TEG report and the Delegated Acts on the EU Taxonomy**
- SPO based on the EU Green Bond Standard model **by ISS-ESG**
- The first issuance under the Green Bond Framework 2019 was rewarded with the **Green Bond Award of the Year** by Environmental Finance



# 1. Use of Proceeds

The **Eligible Green Loan Portfolio** can include financing and refinancing of investments, expenditures and/or loans in line with the criteria below:

## Green Buildings

- Dutch residential properties built before 2021: Energy Performance Certificate (EPC) label "A" AND must belong to the top 15% low-carbon residential buildings in the Netherlands
- Dutch residential properties built as of 2021: Must meet the categorization of "Nearly Zero Emissions Building" (NZEB) – 10%
- Refurbished Residential buildings: Improved energy efficiency of at least 30%. In terms of EPC labels (two EPC label steps improvement). De Volksbank may provide dedicated residential refurbishment loans

## Energy efficiency

Measures contributing to a more efficient use of energy, such as but not limited to:




- Geothermal or Hybrid heat pumps contributing to the targets for renewable energy in heating and cooling **in accordance with Directive 2018/2001/EU**
- Alternative heating
- Floor, wall and roof isolation
- Energy efficient windows, doors and frames, meeting Eco-design requirements **pursuant to Directive 2009/125/EC**
- Energy efficiency advisory

## Renewable Energy

Production, development, construction, operation, acquisition and products of renewable energy; as well as the connection of renewable energy production units to the electricity grid, the transportation through the network and the manufacturing of the technology. **Renewable energy sources can include:**

- On and offshore wind energy
- Solar energy
- Tidal Energy

# Alignment with United Nations' Sustainable Development Goals (UN SDGs)

Green Bond Principles	SDG	SDG Goal	SDG Target description	EU Environmental Objectives
Green buildings	11 sustainable cities and communities 	Sustainable cities and societies	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	EU Environmental Objective 1: Climate Change Mitigation (Article 10) Substantial contribution to EU Objective
Climate neutral balance sheet	13 Climate action 	Climate Action	13 Take urgent action to combat climate change and its impacts	1: (1.b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3)
Renewable Energy	7 Affordable and clean energy 	Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix  7.3 By 2030, double the global rate of improvement in energy efficiency	EU Environmental Objective 1: Climate Change Mitigation (Article 10)  Substantial contribution to EU Objective 1:  (1.a) Generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid

## 2. Project Evaluation and Selection

- Projects are evaluated and selected by the **Committee Societal Impact (CSI)**, chaired by the Chief Risk Officer (CRO), which meets every six weeks
- The CSI is composed of representatives of the Treasury Department, Finance Data and Reporting, Compliance, Director ASN Bank, Director Corporate Communication, Director Risk and Director Strategy

**Expertise Centre Sustainability** **Step 1** Compliance with internal ambitious lending and investment policies relevant to the achievement of a climate-neutral balance sheet by 2030, including Climate Change, Biodiversity and Human Rights Policies and initiatives (exclusion of unsustainable activities; in accordance with DNSH and Minimum Social Safeguards)

**Green Bond Framework** **Step 2** Compliance with Eligibility Criteria set out in de Volksbank Green Bond Framework

### Eligible Green Loan Portfolio



**Duurzaam en energiezuinig wonen doe je zo**

Je wilt duurzaam en energiezuinig gaan wonen? Slim, want daardoor kan je energierekening omlaag en help je het milieu. We zetten voor je op een rij welke mogelijkheden er zijn.

**Begin met duurzaam en energiezuinig wonen**

- Energiebesparende tips**: Met deze tips kun je tot € 200 per jaar besparen op je energierekening. Begin er meteen mee. [Bekijk de tips >>](#)
- Stappenplan**: Een energiezuiniger huis waarvoor begin je? Met dit stappenplan houd je er grip op. [Neem het stappenplan >>](#)
- Zo financier je het**: Je kunt besparende maatregelen op verschillende manieren financieren. [Ontdek de mogelijkheden >>](#)
- Subsidie aanvragen**: De overheid biedt energiebesparing toe. Kijk of je subsidie kunt krijgen. [Lees meer >>](#)
- Energielabel**: Het energie label laat zien hoe energiezuinig je huis is. Als je je huis verkoopt heb je het nodig. [Lees meer >>](#)

**Je huis isoleren en verduurzamen**

- Je huis isoleren**: Over je huis te isoleren bespaart je energie en dus geld. Dit doet geen kwaad. [Meer over isolatie >>](#)
- Duurzaam (ver) bouwen**: Het gaat om verbouwen. Dat is het moment om het duurzaam en energiezuinig te doen. [Duurzaam bouwen >>](#)
- Energie neutraal wonen?**: Dat kan met een mix van de meest recente technieken. [Lees op de website >>](#)

**Groener met stroom en gas**

- Over op groene energie**: Overstappen op groene stroom is goed voor het milieu en vaak ook duurzamer te zijn. [Overeen energie >>](#)
- Energiezuinige apparatuur**: Je energielasten kunnen omlaag als je investeert in energiezuinige apparatuur. [Energie besparen >>](#)
- Zonnepanelen**: Met zonnepanelen heb je duurzame energie op. Goed voor het milieu en je portemonnee. [Zonnepanelen >>](#)

De Volksbank Process for Project Evaluation and Selection is in line with best practice

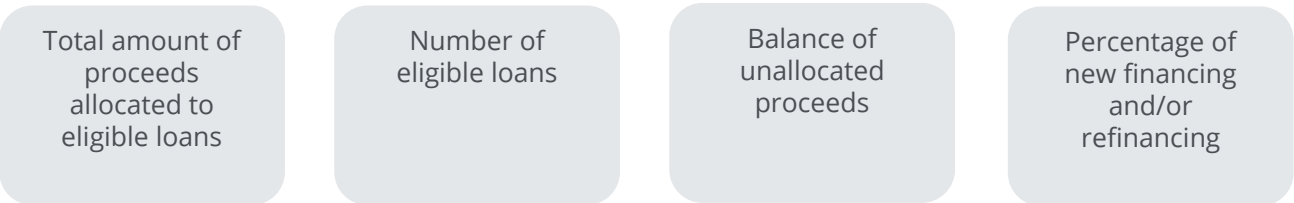
### 3. Management of Proceeds

- The proceeds of the Green Bond will be managed through a portfolio-based approach
- Eligible mortgages will be flagged in an internal monitoring system. **Eligible Green Loans** can be newly provided or existing loans
- The Eligible Green Loan Portfolio matches or exceeds the amount of outstanding Green Bonds
- De Volksbank intends to allocate the proceeds from the Green Bonds to an **Eligible Green Loan Portfolio**, selected in accordance with the Use of Proceeds criteria and the Evaluation and Selection Process previously discussed
- Additional Eligible Green Loans will be added to de Volksbank's Eligible Green Loan Portfolio to the extent required
- **Pending the full allocation of the proceeds**, or in the event of an insufficient Eligible Green Loan Portfolio, de Volksbank will hold and/or invest, at its own discretion, the balance of net proceeds not yet allocated in its treasury liquidity portfolio, in cash or other short-term and liquid instruments with a sustainable character (e.g. green and social bonds)
- Committee Societal Impact (CSI) will review and approve allocations of bond proceeds to the Eligible Green Loan Portfolio on, at least, an annual basis
- **Based on the commitment to a portfolio approach, and ongoing review to ensure compliance, ISS-ESG considers this process to be aligned with market practice**

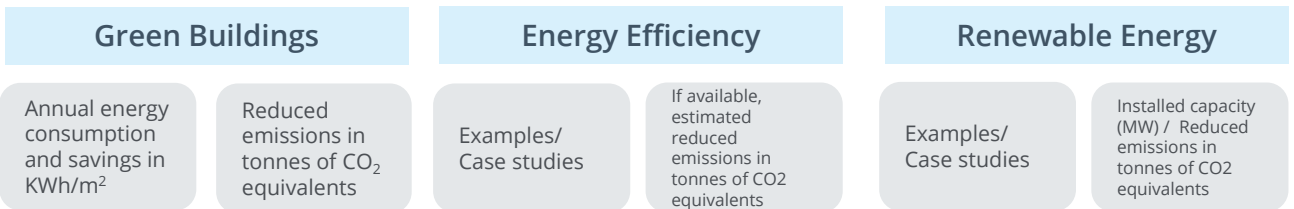
# 4. Reporting

- Reporting will be based on the Eligible Green Loan Portfolio, which will be **aggregated for all green bonds outstanding**
- Report on the **progress of the climate-neutral balance sheet**, and the extent to which the green bond has contributed to the climate neutral balance sheet
- Align the reporting with the most **up to date methodology proposed by PCAF** at the time of reporting
- Both the allocation report as well as the impact report will be made available **annually** via the dedicated green bond page on de Volksbank website\*

## Allocation reporting



## Impact reporting



Impact reporting information will be presented in accordance with the December 2020 edition ICMA Handbook template for impact reporting in accordance with the portfolio approach "Harmonized Framework for Impact Reporting" \*\*

\* <https://www.devолksbank.nl/investor-relations-1/green-bonds.html>

\*\* <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-December-2020-151220.pdf>

# Green Bond Allocation Report 2021

## De Volksbank Green Bond Allocation Report

31 December 2021

Eligible Green Loan Portfolio			Green Funding					
Category	Number of buildings	Amount (EUR) <sup>3</sup>	Instrument (ISIN)	Allocated	Issuance Date	Due Date	New financing/ refinancing	Amount (EUR)
Green Buildings <sup>4</sup>	19.984	4,739,872,795	XS2052503872	Green Senior Unsecured	September 2019	September 2024	100% refinancing	500,000,000
			XS2202902636	Green Tier 2	July 2020	October 2030	100% refinancing	500,000,000
			XS2242176258	Green Senior Unsecured PP	October 2020	October 2022	100% refinancing	300,000,000
			XS2271346152	Green Senior Unsecured PP	December 2020	June 2022	100% refinancing	200,000,000
			XS2308298962	Green Senior Non-Preferred	March 2021	March 2028	100% refinancing	500,000,000
			XS2356091269	Green Senior Non-Preferred	June 2021	June 2026	100% refinancing	500,000,000
			N/A	Pearl 1 RMBS	September 2006	September 2047	100% refinancing	24,751,531
			N/A	Covered Bond Programme	N/A	N/A	100% refinancing	531,213,563
<b>Total</b>		<b>4,739,872,795</b>	<b>Total allocated<sup>5</sup></b>					<b>3,055,965,094</b>

Balance of unallocated proceeds	<b>0</b>
Percentage of net proceeds of Green Funding allocated to Eligible Green Loan Portfolio	<b>100%</b>
Eligible Green Loans allocated to other outstanding transactions	<b>EUR 555,965,094</b>
Value of loans added to the Eligible Green Loan Portfolio since 01-01-2021	<b>EUR 620,975,100</b>

<sup>3</sup> These amounts represent the 31 December 2021 total outstandings to loans that de Volksbank has identified as Eligible Green Loans in accordance with the de Volksbank Green Bond Framework 2021. Additional Eligible Green Loans will be added to de Volksbank's Eligible Green Loan Portfolio to the extent required.

<sup>4</sup> Green buildings in this Green Bond Allocation Report are existing residential buildings built prior to 31 December 2020 with an Energy Performance Certificate (EPC) label "A" in the Netherlands, and belonging to the top 15% low-carbon residential buildings in the Netherlands, as defined in the Green Bond Framework 2021. The definition of the top 15% has been determined and documented by an external consultant. For more information please visit: [www.devolksbank.nl/investor-relations/green-bonds](http://www.devolksbank.nl/investor-relations/green-bonds)

# Indicative impact of the Eligible Green Loan Portfolio 2021

Ton CO<sub>2</sub>e emissions per invested million € as of 31 December 2021

- The impact report 2021 is published on our dedicated green bond webpage
- Total emissions of the Eligible Green Loan Portfolio per € mn is **14.5 ton CO<sub>2</sub>e**
- Less emissions per invested € mn, compared to baseline, is **5.8 ton CO<sub>2</sub>e**

## Less emissions in CO<sub>2</sub> equivalents per invested million



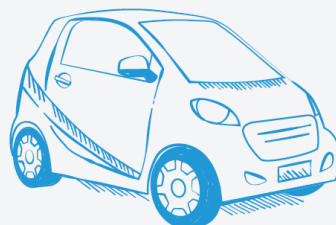
1,139 hours  
showering

or



278,137 cups  
of coffee

or



32,270 km driving  
in the Netherlands



## 5. External review

- **ISS ESG overall evaluation** of the Green Bond Framework is positive, confirming its alignment with the ICMA Green Bond Principles, EU Green Bond Standards and market best practices
- The compliance of the Green Buildings asset pool is deemed to be aligned with the Technical Screening Criteria, Do No Significant Harm Criteria and Minimum Social Safeguards as per the recommendation of the EU Taxonomy
- Both the Second Party Opinion and the Green Bond Framework are available for investors through **de Volksbank website\***
- The Green Bond KPIs contain **a clear description** of the eligible assets category
- All projects underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency
- The **overall sustainability quality** in terms of sustainability benefits and risk avoidance and minimisation is good
- De Volksbank will request on an annual basis, starting one year after issuance and until maturity, a limited assurance report of the allocation of the bond proceeds to eligible assets, provided by its external auditor (EY or any subsequent external auditor)

**ISS ESG**

**SECOND PARTY OPINION (SPO)** **DE VOLKSBANK GREEN BOND**

Sustainability Quality of the Issuer and Green Bond Asset Pool as of 16.02.2021

Category	Details	Result
PRINCIPLES ALIGNMENT	1. Use of Proceeds	✓
	2. Process for Project Evaluation and Selection	✓
	3. Management of Proceeds	✓
	4. Reporting	✓
		<b>POSITIVE</b>
ASSET CATEGORIES	ALIGNMENT OF ASSETS WITH EU TAXONOMY (March 2020 and Draft Delegated Act from November 2020)	
	Residential Green Buildings	<b>POSITIVE</b>
SUSTAINABILITY PERFORMANCE	SUSTAINABILITY PERFORMANCE ASSESSMENT	
	According to the ISS ESG Corporate Rating, the issuer shows a good sustainability performance against industry peer group on key ESG issues faced by the Financials/Mortgages & Public Sector Finance sector. As of 16.02.2021, this rating puts de Volksbank in place 1 <sup>st</sup> out of 129 companies rated by ISS ESG in the Financials/Mortgages & Public Sector Finance sector.	<b>CONSISTENT with the issuer's sustainability strategy</b>
CONTRIBUTION	CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS	
	Significant Obstruction   Limited Obstruction   No Net Impact   Limited Contribution   Significant Contribution	
<p>ISS ESG's SPOs provide Sustainability, Green and Social bond issuers with a credible and independent assessment of the sustainability quality of their bonds.</p> <p>Those that meet ISS ESG's rigorous global standards give sustainability-oriented investors security that the projects they fund are suitably green or social.</p> <p>The ISS ESG's present evaluation will remain valid as long as no new project categories are added to the framework and there are no material changes to the asset pool.</p>		
<p><b>ISS ESG</b></p> <p>LEADING SPO MARKET EXPERTISE   EXPERIENCE ACROSS ISSUER TYPES AND ASSET CLASSES   SUPPORTED BY WIDER ISS FUNCTIONS</p>		



# Appendix

# Contacts

## de Volksbank Financial Markets

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