

# 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 first half of 2023

- ✓ Our customer-weighted Customer Relationship Score increased with 1 percentage point to 54 and our customer-weighted NPS rose to 0, from -1 at year-end 2022
- ✓ The number of active multi-customers increased further by 39,000 to 1,126 million
- ✓ In May 2023, for the second year in a row, ASN Bank, RegioBank and SNS ranked 1, 2 and 3 in the survey 'most customer-friendly banks' in the Netherlands



Social impact

- ✓ The climate-neutral balance sheet rose 4 percentage points to 66%, mainly due to an increase in purchased climate bonds and investments in renewable energy projects
- ✓ In the most recent survey of the Fair Bank Guide de Volksbank came out on top, with a score of nine out of ten on seven ESG themes

# Progress on strategy: four growth priorities

## Growth priority

## Highlights first half of 2023



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

- ✓ More than 240.000 signatories for the EU citizens initiative 'fair living wage in the garment sector', launched by ASN Bank
- ✓ Sustainable insurance products, offered through partner a.s.r., were rated 'green choice' by Dutch Consumers' Association
- ✓ Platform for Biodiversity Accounting Financials (PBAF), initiated by ASN Bank, welcomed its 50<sup>th</sup> member



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

- ✓ Started a partnership with WorldSkills Netherlands, a foundation that promotes vocational education and craftsmanship among young people
- ✓ Launched three new products: sustainability advice, tailor-made mortgages and life insurance for tenants
- ✓ SNS is appointing an Advisory Board on the Future, to involve young adults in its policy and business operations



Strengthening local presence with broadening propositions

- ✓ Realised 72 initiatives that contribute to liveability in communities, in corporation with the Oranje Fonds and NLvoorElkaar
- ✓ Organised the third edition of the National Village Summit as an ambassador of quality of life in regional areas



Expanding BLG Wonen by improving its distribution reach and service

- ✓ BLG Wonen focuses on improving its distribution reach and service and remains committed to making the housing market more accessible by working with independent financial advisers to develop and offer suitable standard and custom mortgage solutions

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







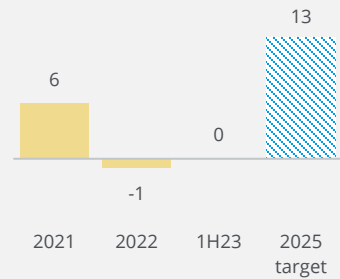
## 2. De Volksbank Sustainability Strategy

# 2025 long-term objectives

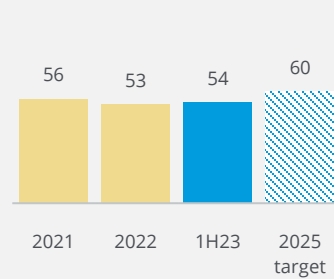
## Customers



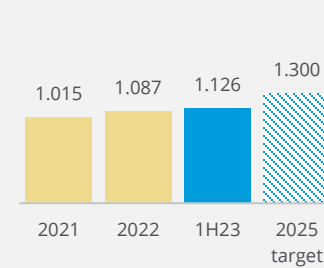
### Customer-weighted average NPS



### Customer Relationship Score



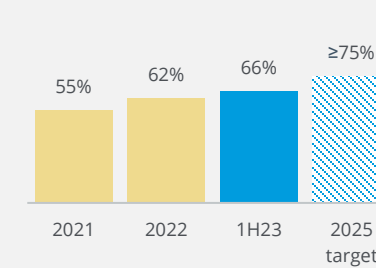
### Active multi-customers (in thousands)



## Society



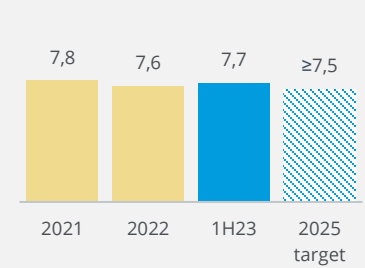
### Climate-neutral balance sheet



## Employees



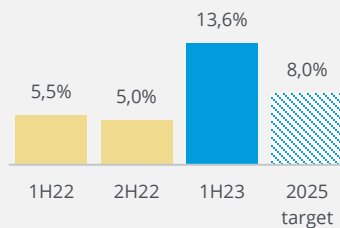
### Genuine attention for employees



## Shareholder



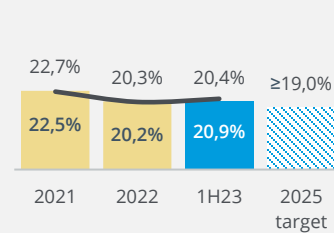
### Return on Equity



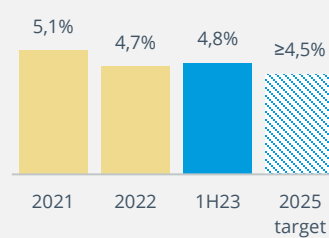
## Other objectives

### CET1 capital ratio

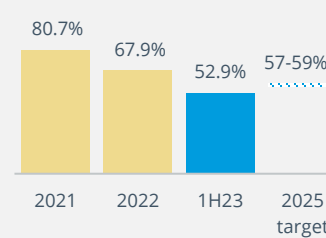
— Pro forma ratio Basel IV<sup>1</sup>



### Leverage ratio



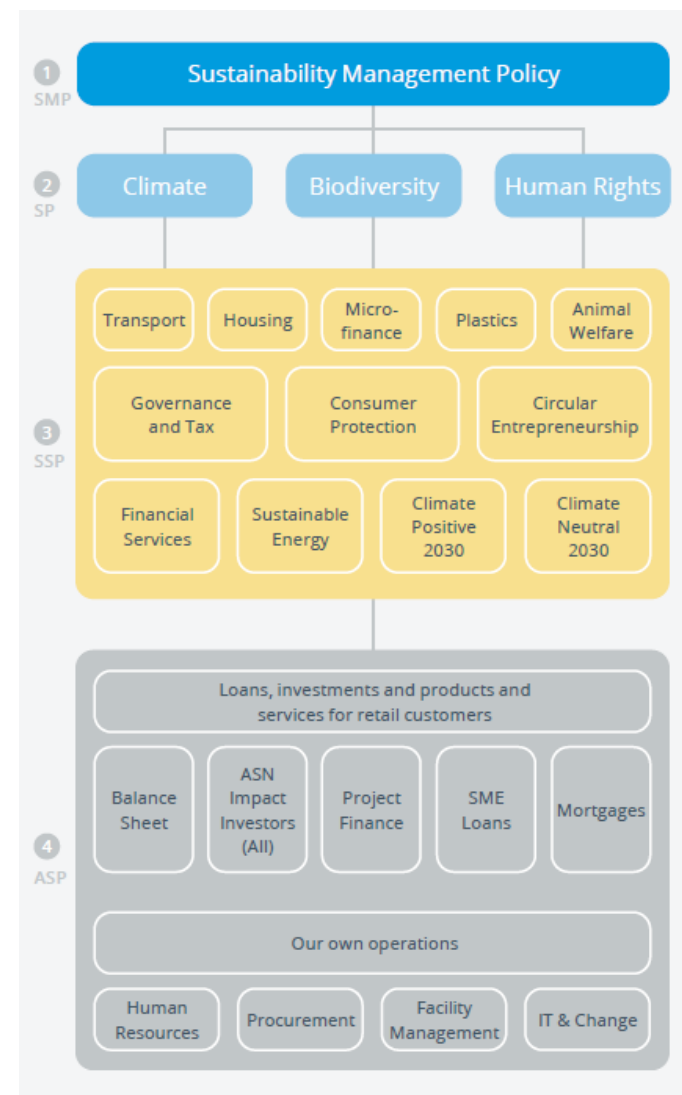
### Cost/income ratio



[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 **HR policy on diversity, equity and inclusion**
- 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



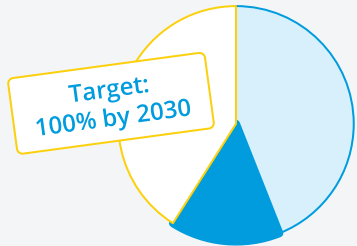
## Biodiversity

- **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.

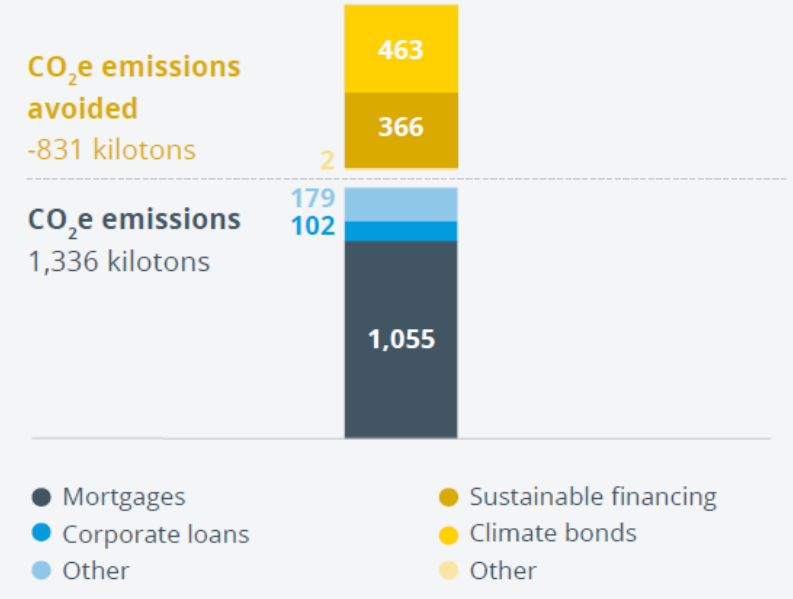
### Switch to PCAF methodology

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 October 2023, **434 financial institutions** worldwide with **\$93.5** 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

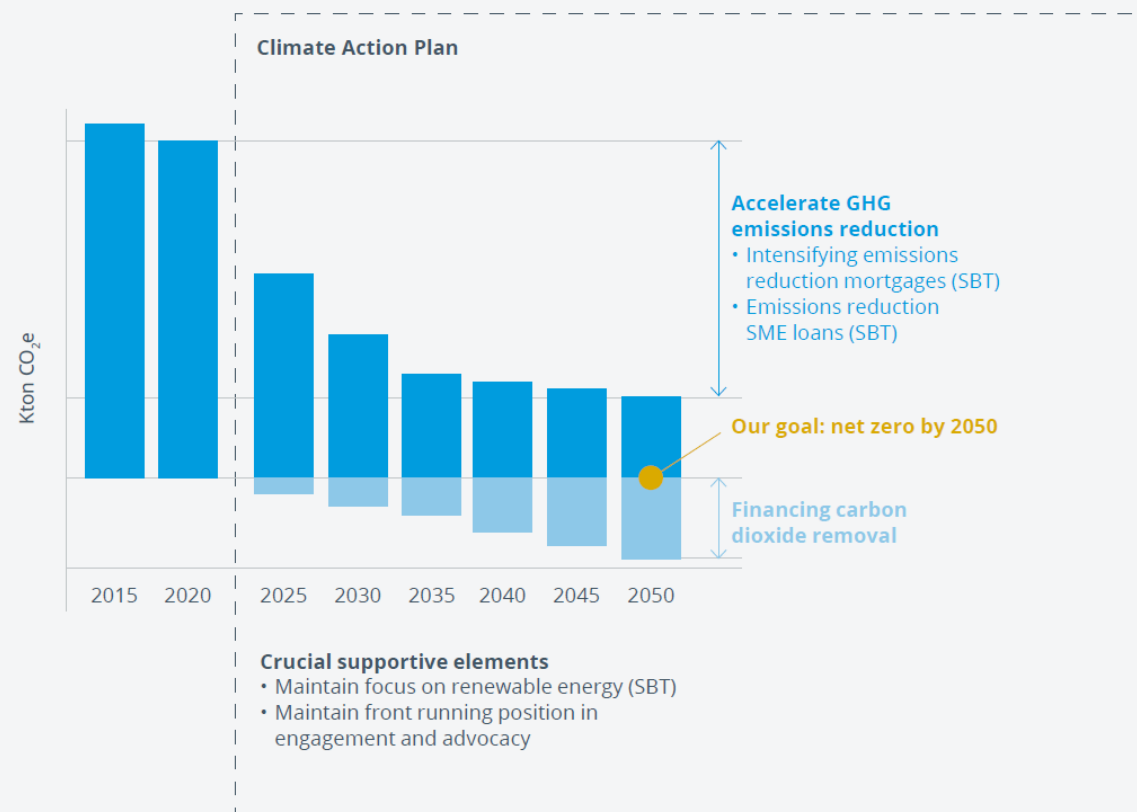
- De Volksbank [published its Climate Action Plan](#) on 22 December 2022, the full report can be accessed [here](#)
- We have the ambition to reach a net-zero balance sheet by 2050, but we strive to be ahead of the Paris Agreement objective.
- In line with our 2022-2025 strategy ('a large proven social 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

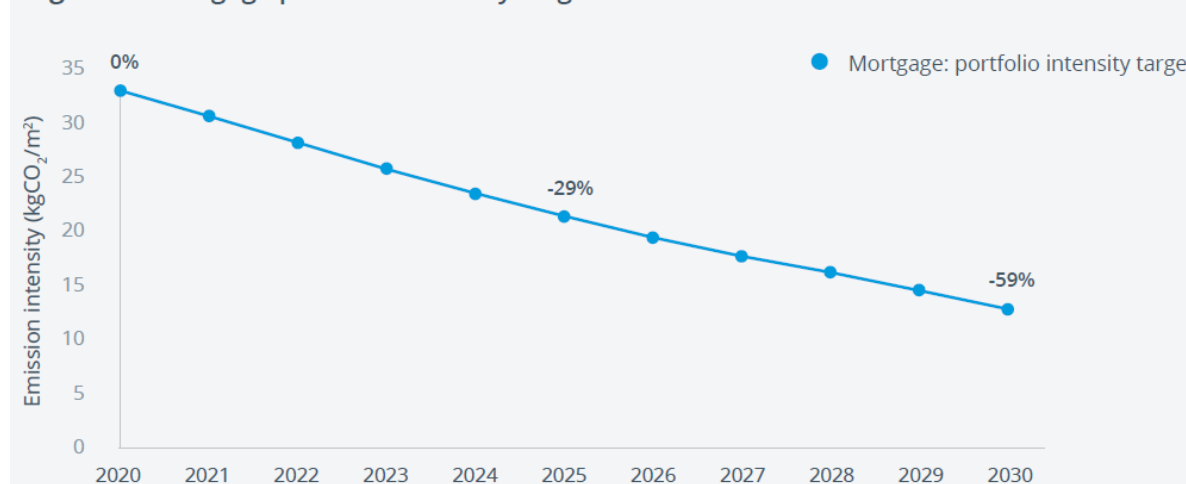


# Science Based Targets

- 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

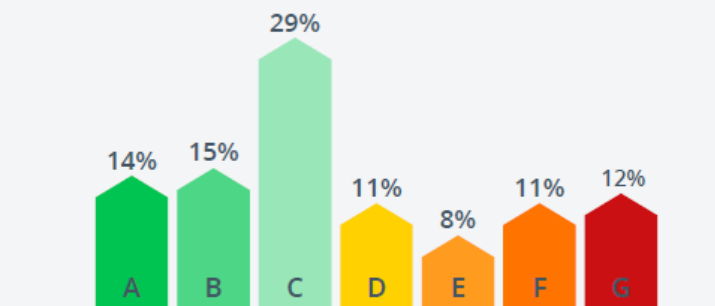


# Energy label distribution

- 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).

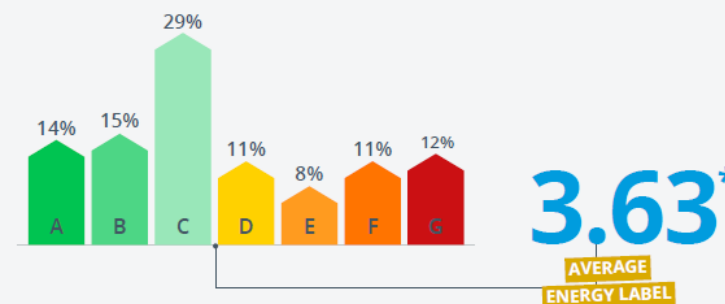
- At year-end 2022, we were [62% climate neutral](#) which puts us well on track to achieving our interim target of at least 75% by 2025.
- This is the result of an increase in financed renewable energy projects and an increase in purchased green bonds with a strong focus on renewable energy projects. 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.

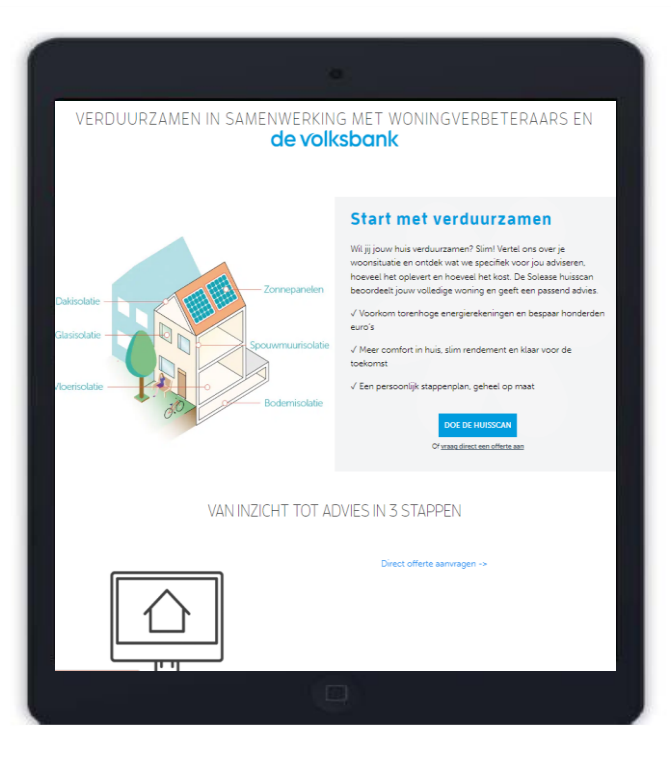
# Sustainable housing strategy

**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.

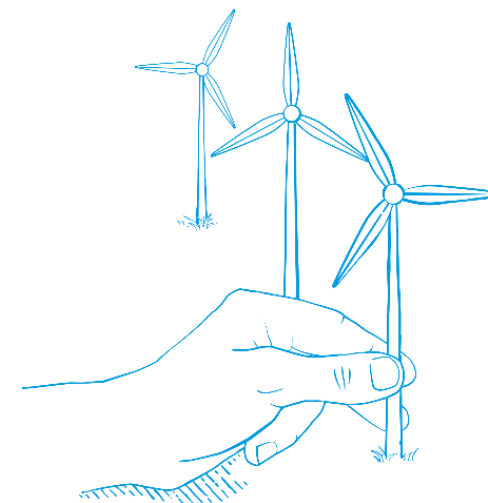
Aim to **improve the energy labels C to G** by training our mortgage advisors to encourage customers to take energy-saving measures:

- 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

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 in 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 May 2023, de Volksbank received the highest score on average in the **Fair Bank Guide**
- 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

## Green Bond Strategy

De Volksbank has taken important steps to enhance its **green bond strategy** and sees it as an important tool to support the strong growth of its own green portfolio.

## 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 **September 2023**, 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 Party Opinion from ISS ESG confirming the **alignment with the ICMA Green Bond Principles**
- Contribution to the **UN Sustainable Development Goals & EU Environmental Objectives**, and the performance of the Renewable Energy project category against proprietary issuance-specific KPIs
- ISS-ESG has performed an EU Taxonomy Alignment assessment for the category **Green Buildings which is assessed as aligned with the EU Taxonomy Technical Screening Criteria (TSC)**
- 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

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

Green Bond Principles	Contribution to UN SDG	Contribution to EU Environmental Objective	EU Taxonomy activity	Eligibility Criteria
Green buildings	  	Climate Change Mitigation	7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings	<p>New or existing residential buildings in the Netherlands:</p> <ul style="list-style-type: none"> <li>• Buildings built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A</li> <li>• Buildings built before 31 December 2020 belonging to the top 15% of the Dutch building stock based on Primary Energy Demand (PED)</li> <li>• Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings (“NZEB”) in the Dutch market</li> <li>• Buildings that have been renovated, resulting in a reduction of Primary Energy Demand of at least 30%</li> </ul> <p>Buildings that have been renovated meeting the criteria for major renovation</p>
Renewable Energy	 	Climate Change Mitigation	4.1 Electricity generation using solar photovoltaic technology 4.3 Electricity generation from wind power 4.4 Electricity generation from ocean energy technologies	<p>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 include:</p> <ul style="list-style-type: none"> <li>• On and offshore wind energy</li> <li>• Solar energy</li> <li>• Tidal energy</li> </ul>



## 2. Project Evaluation and Selection & Management of Proceeds

### Process for Project Evaluation and Selection

- Projects are evaluated and selected by the Social Impact Committee (SIC) chaired by the Chief Risk Officer (CRO), which meets every six weeks.
- Vice-chair of the SIC is the Hub Lead ASN Bank, representing de Volksbank's brands. Other members of the SIC include representatives from Strategy, Finance, Corporate Communication, de Volksbank Financial Markets and Risk and Compliance. Audit and the Chief Customer Officer (CCO) have a standing invitation.

#### 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

#### Green Bond Framework

##### Step 2

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

#### Eligible Green Loan Portfolio



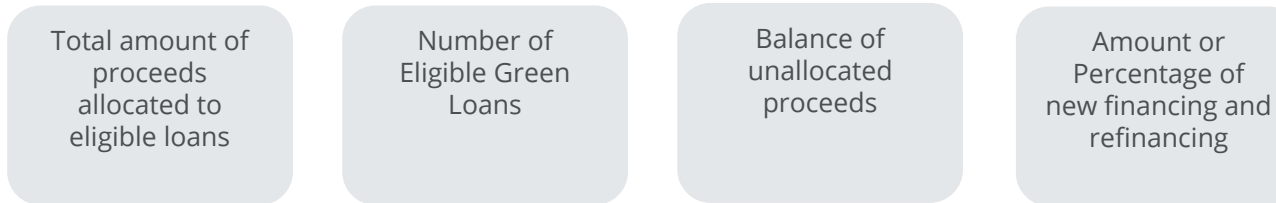
### Management of Proceeds

- The green bond proceeds will be managed by de Volksbank in a portfolio approach.
- De Volksbank intends to allocate the proceeds from the green bonds to an Eligible Green Loan Portfolio, selected in accordance with the Eligibility Criteria and evaluation and selection process presented above.
- De Volksbank will strive, over time, to achieve a level of allocation for the Eligible Green Loan Portfolio which matches or exceeds the balance of net proceeds from its outstanding green bonds.
- Additional Eligible Green Loans will be added to de Volksbank's Eligible Green Loan Portfolio to the extent required.
- In the event of unallocated net proceeds from the green bonds, or in case of an insufficient Eligible Green Loan Portfolio, de Volksbank will hold and/or invest, at its own discretion, the balance of net proceeds not allocated to the Eligible Green Loan Portfolio in its treasury liquidity portfolio, in cash or other short-term and liquid instruments or any other treasury activity.

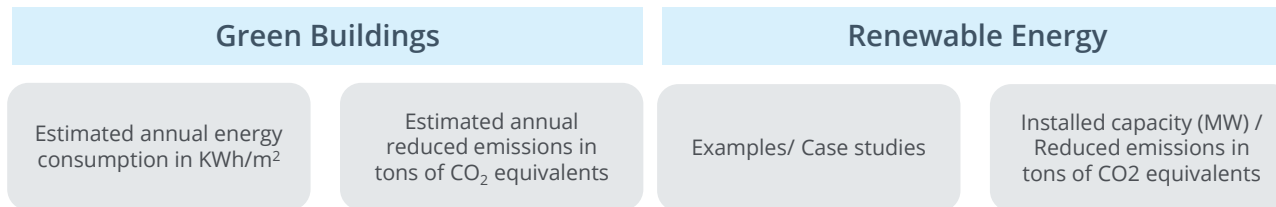
# 3. Reporting

- 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**
- 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 June 2022 edition ICMA Handbook template for impact reporting in accordance with the portfolio approach "Harmonized Framework for Impact Reporting" \*\*

# Green Bond Allocation and Indicative Impact 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.devolsbank.nl/investor-relations/green-bonds](http://www.devolsbank.nl/investor-relations/green-bonds)

PORTFOLIO DATE: 31 DECEMBER 2021					
Eligible Project Category	Number of buildings	Signed Amount (EUR)	Share of Total Portfolio Financing	Eligibility for Green Bonds	Less GHG Emissions in tCO <sub>2</sub> e
Green Buildings	19,984	4,739,872,795	100%	100%	27,685
<b>Total</b>	<b>19,984</b>	<b>4,739,872,795</b>	<b>100%</b>	<b>100%</b>	<b>27,685</b>

Table 1: Portfolio-based Green Bond Report according to the Harmonized Framework for Impact Reporting

- Total emissions of the Eligible Green Loan Portfolio per €mn is **14.5 ton CO<sub>2</sub>e**
- Less emissions, compared to baseline, per invested €mn is **5.8 ton CO<sub>2</sub>e**

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

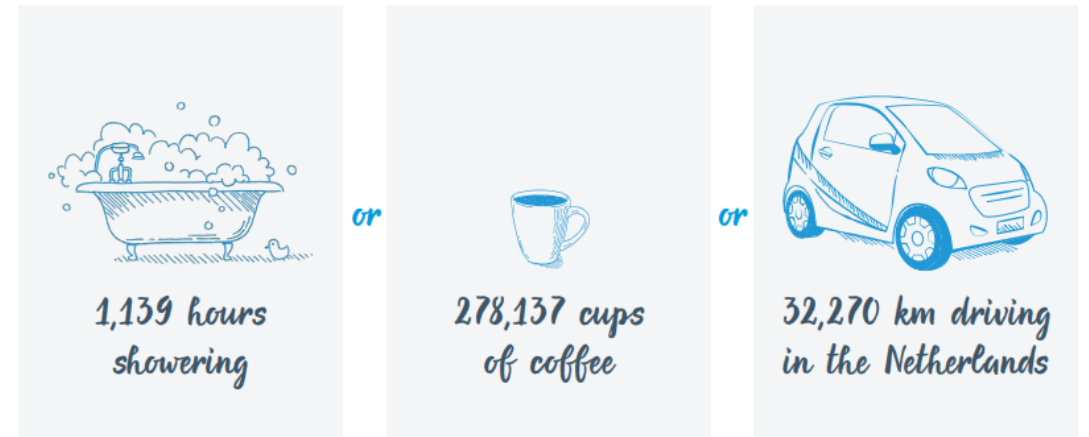


Figure 1: Less emissions in CO<sub>2</sub> equivalents, per invested million euros

# 4. External review

ISS Corporate Solutions has reviewed de Volksbank's updated Green Bond Framework and updated their Second Party Opinion accordingly

## • Second Party Opinion

- ISS **overall evaluation** of the Green Bond Framework is positive, confirming its alignment with the ICMA Green Bond Principles
- ISS considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7 and 13

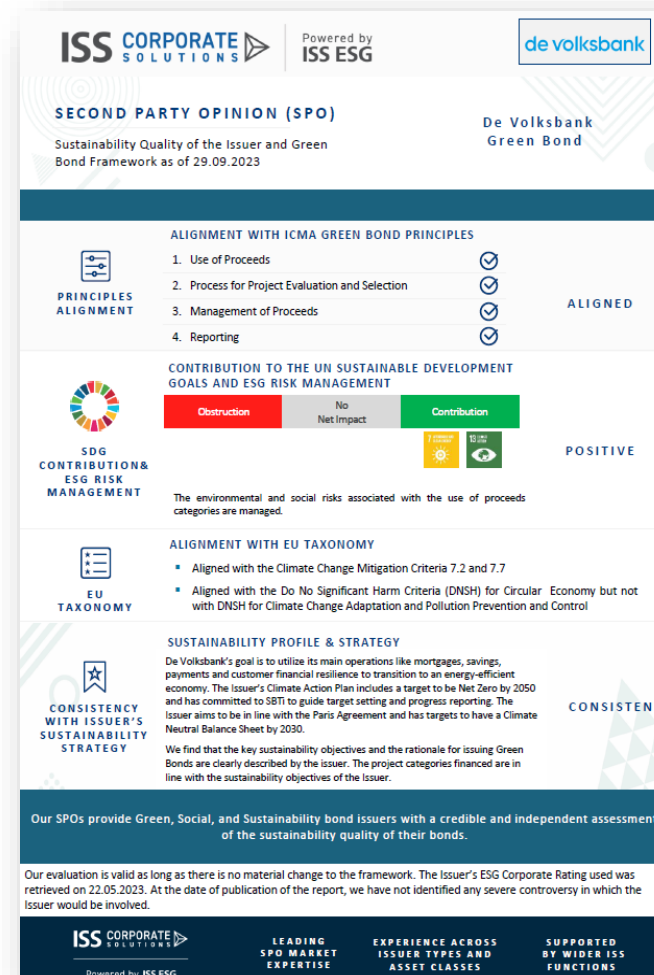


## • EU Taxonomy Assessment

- De Volksbank's project characteristics, due diligence processes and policies for the Green Building project category have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act of June 2021), on a best-efforts basis. The nominated project categories are considered to be:
  - Aligned with the Climate Change Mitigation Criteria
  - Aligned with the Do No Significant Harm Criteria (DNSH) for Circular Economy, but not with DNSH for Climate Change Adaptation and Pollution Prevention and Control

## • Verification

- De Volksbank will request on an annual basis, starting one year after issuance of any relevant green bond and until its maturity, a limited assurance report of the allocation of the proceeds of its outstanding green bonds to the Eligible Green Loan Portfolio, provided by its external auditor



**ISS CORPORATE SOLUTIONS** Powered by **ISS ESG** **de volksbank**

**SECOND PARTY OPINION (SPO)** De Volksbank Green Bond  
Sustainability Quality of the Issuer and Green Bond Framework as of 29.09.2023

**ALIGNMENT WITH ICMA GREEN BOND PRINCIPLES**

PRINCIPLES ALIGNMENT	1. Use of Proceeds	✓
	2. Process for Project Evaluation and Selection	✓
	3. Management of Proceeds	✓
	4. Reporting	✓
		<b>ALIGNED</b>

**CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS AND ESG RISK MANAGEMENT**

SDG CONTRIBUTION & ESG RISK MANAGEMENT

Construction	No Net Impact	Contribution
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**POSITIVE**

The environmental and social risks associated with the use of proceeds categories are managed.

**ALIGNMENT WITH EU TAXONOMY**

- Aligned with the Climate Change Mitigation Criteria 7.2 and 7.7
- Aligned with the Do No Significant Harm Criteria (DNSH) for Circular Economy but not with DNSH for Climate Change Adaptation and Pollution Prevention and Control

**CONSISTENCY WITH ISSUER'S SUSTAINABILITY STRATEGY**

**CONSISTENT**

De Volksbank's goal is to utilize its main operations like mortgages, savings, payments and customer financial resilience to transition to an energy-efficient economy. The Issuer's Climate Action Plan includes a target to be Net Zero by 2050 and has committed to SBTi to guide target setting and progress reporting. The Issuer aims to be in line with the Paris Agreement and has targets to have a Climate Neutral Balance Sheet by 2030.

We find that the key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the issuer. The project categories financed are in line with the sustainability objectives of the Issuer.

Our SPOs provide Green, Social, and Sustainability bond issuers with a credible and independent assessment of the sustainability quality of their bonds.

Our evaluation is valid as long as there is no material change to the framework. The Issuer's ESG Corporate Rating used was retrieved on 22.05.2023. At the date of publication of the report, we have not identified any severe controversy in which the Issuer would be involved.

**ISS CORPORATE SOLUTIONS** Powered by **ISS ESG**

LEADING SPO MARKET EXPERTISE | EXPERIENCE ACROSS ISSUER TYPES AND ASSET CLASSES | SUPPORTED BY WIDER ISS FUNCTIONS



# Appendix

# Contacts

## de Volksbank Financial Markets

### Funding Team

- Eric Spiertz (Managing Director)
- René Genet
- Guido Scharwachter
- Peter van der Noord

+31 6 29 73 15 32 [eric.spiertz@devolksbank.nl](mailto:eric.spiertz@devolksbank.nl)  
+31 30 214 3364 [rene.genet@devolksbank.nl](mailto:rene.genet@devolksbank.nl)  
+31 30 214 3361 [guido.scharwachter@devolksbank.nl](mailto:guido.scharwachter@devolksbank.nl)  
+31 30 214 3362 [peter.vandernoord@devolksbank.nl](mailto:peter.vandernoord@devolksbank.nl)

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## Investor Relations

- Jacob Bosscha
- Davey Hak

+31 6 41 47 03 06 [jacob.bosscha@devolksbank.nl](mailto:jacob.bosscha@devolksbank.nl)  
+31 6 53 92 64 58 [davey.hak@devolksbank.nl](mailto:davey.hak@devolksbank.nl)



**Visiting address**

Hojel City Center  
A Building  
Croeselaan 1  
3521 BJ Utrecht

**Postal address**

PO Box 8444  
3503 RK Utrecht