



# Impact Report BNG ESG Bonds for Dutch Social Housing Associations

Summary report

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**HET** pon | telos



# Management summary

BNG Bank, the market leader in financing the Dutch social housing sector, has issued a series of bonds under its Sustainable Finance Framework. These bonds are specifically designed to support the core tasks of housing associations and align with the ICMA SBP (social bond) and the Sustainable Development Goals (SDGs).

## Funds

The funds raised through the BNG social housing bonds are allocated towards supporting the Sustainable Development Goal (SDG) expenditures of Dutch social housing associations, focusing most directly on SDGs 1, 4, 7, 10, and 11. By utilizing the proceeds from these bonds, social housing associations are able to further their efforts in areas such as combating poverty (SDG 1), promoting quality education (SDG 4), achieving affordable and clean energy for all (SDG 7), reducing inequalities (SDG 10), and enhancing the sustainability and livability of social housing communities (SDG 11).

Figure 1 Development of SDGs over time<sup>1</sup>



<sup>1</sup> In this report, when referring to scores, the years 2021 and 2023 refer to the reporting years. This means that data prior to 2023 are used to calculate the scores; scores and data are no prognoses.

### Developments of SDGs over time

Figure 1 demonstrates the impact of these investments. The investments made in SDGs 1, 4, 7, 10, and 11 have resulted in positive contributions towards achieving the goals. Notably, there has been progress in combating poverty in the Netherlands, as indicated by the increasing sustainability score for SDG 1. While the advancements towards SDG 4, which focuses on quality education, have been modest, the trend is positive. Encouragingly, there has been significant improvement in the sustainability score for SDG 7, indicating progress in attaining affordable and clean energy for all. For example, according to Aedes, the share of social housing associations-owned dwellings with solar panels has increased to 16.1% in 2022. Additionally, SDG 10, aiming to reduce inequalities, has also witnessed an increase in its sustainability score. This is partly due to an increase in the share of affordable and low-cost dwellings (83.7% in 2021). The only minor decline in sustainability score is observed in SDG 11, emphasizing the need for continued efforts to enhance the sustainability, livability, and quality of social housing communities.

Overall, the data highlights the positive advancements made by social housing associations in contributing to the SDGs. The proceeds from the BNG social housing bonds play a crucial role in financing these endeavors, underscoring the commitment to sustainable development and creating inclusive communities. The progress made in various areas highlights their ongoing commitment to the principles of sustainable development and lays a foundation for further advancements in the future.

This summary report provides a condensed version of the analysis and highlights the main findings and outcomes. For a comprehensive understanding of the used methodology and detailed results, please refer to the full report<sup>2</sup>.

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<sup>2</sup> <https://www.bngbank.com/Funding/ESG-Bonds>

# Table of contents

Management summary	1
<b>1 Introduction</b>	<b>4</b>
1.1 Set-up of this report	4
1.2 About BNG Bank	4
1.3 BNG ESG Funding	5
1.4 BNG Bank Sustainable Finance Framework	5
1.5 Financing Dutch social housing associations	5
1.6 Method sustainability reporting	6
<b>2 Frameworks and results</b>	<b>8</b>
2.1 Social housing associations and their role in the Dutch society	8
2.1.1 Contemporary social challenges of the Dutch social housing associations	8
2.2 Core task housing associations	10
2.3 Results SDGs in depth	13
2.4 Results SDGs overall	15
2.4.1 Overall score of Dutch Housing Associations	16
2.4.2 SDGs over time	16
<b>3 Conclusion</b>	<b>20</b>

# 1 Introduction

## 1.1 Set-up of this report

In this summary report, the main findings of our impact study are presented. First, we begin by discussing the role of BNG Bank in the financing of social housing associations in the Netherlands. Thereafter, the methodology of Het PON & Telos in its sustainability reporting is discussed. In Chapter 2, we will delve into the framework and present our findings. We will begin by outlining the role of social housing associations in Dutch society, alongside the contemporary challenges they face. Subsequently, we will discuss the core responsibilities of social housing associations. Moving forward, we will assess the progress made by social housing associations especially in achieving Sustainable Development Goals (SDGs) 1, 4, 7, 10, and 11. We will highlight the efforts and advancements made towards these goals, shedding light on the positive changes brought about by social housing associations. Additionally, we will present the sustainability scores across all SDGs, focusing on the period between 2021 and 2023, to demonstrate the continuous progress made by social housing associations. Lastly, the conclusion is presented in Chapter 3.

In this report, when referring to scores, the years 2021 and 2023 refer to the reporting years. This means that data prior to 2023 are used to calculate the scores; scores and data are no prognoses.

## 1.2 About BNG Bank

BNG Bank is a Dutch promotional bank and has traditionally been the bank for the public domain and the public interest in the Netherlands. The bank is owned by the Dutch central government (50%) and local governments (50%) in the Netherlands and it has provided financing to the public sector since 1914, at competitive terms and conditions. Its clients are Dutch local authorities and institutions that are active in the social housing, healthcare, education, energy, and infrastructure sectors. The majority of loans provided by the bank (more than 90%) are granted to or guaranteed by government bodies. The bank has got the highest credit ratings by all three major credit ratings agencies (Moody's: Aaa; FitchRatings: AAA; S&P Global: AAA).

BNG Bank's mission statement is 'Driven by social impact'. This purpose is leading for all BNG Bank's activities. Instead of maximizing profits, its priority is to maximize the social impact of its activities. BNG Bank has set ambitious targets in its "Road to Impact strategy", to increase the impact in the Dutch public sector. In measuring this social impact, the UN Sustainable Development Goals (SDGs) are used as the point of reference. BNG Bank also launched its Climate Plan 'Going Green', which outlines how the bank plans to reduce emissions from the credit portfolio and those arising from its own operations in line with the 1.5°C target of the Paris Climate Agreement in the coming years.

BNG Bank is driven by the core values of sustainability, reliability and professionalism. BNG Bank is convinced that these conscious choices will enable it to achieve its ambitions: to be

the promotional lender that delivers social impact and that is considered by clients and other stakeholders as their go-to partner for addressing the social challenges they have to cope with. Per year-end 2022 BNG Bank has a long-term loan portfolio of EUR 88 billion.

### 1.3 BNG ESG Funding

With its excellent credit ratings, BNG Bank has been a well-known issuer in the international capital markets for a long time. Increasing awareness and engagement in the field of ESG has led the global financial sector to develop ESG-labelled bond frameworks. In this light, BNG Bank has been an active issuer of ESG bonds (formerly known as SRI bonds) since 2014.

In 2014, BNG Bank developed an ESG issuance framework in cooperation with Het PON & Telos. Under this framework, the most sustainable municipalities and social housing associations were selected. The loans provided to these “best-in-class” performing core clients were consecutively funded with proceeds from the ESG bonds which the bank issued. This framework was successfully deployed until 2020. The launch of the UN SDGs, as well as the launch of BNG’s Road to Impact strategy- provided a logical backdrop to modernize the framework in 2021. As a result, the BNG Sustainable Finance Framework<sup>3</sup> was launched in that year. It is under this ESG framework that BNG Bank has issued ESG bonds for Dutch municipalities and social housing associations since 2021.

### 1.4 BNG Bank Sustainable Finance Framework

The Sustainable Finance Framework follows the four key pillars of the ICMA Green Bond Principles (GBP) and Social Bond Principles (SBP), and of the LMA Green Loan Principles (GLP): Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting. Given this structure, the framework is divided in two sub-frameworks that each focus on a different client group in terms of use of proceeds:

- Sub-framework I for loans to Dutch municipalities
- Sub-framework II for loans to Dutch social housing associations

Each transaction BNG Bank initiates will include eligible proceeds from only one sub-framework to avoid mixed use of proceeds in one financial instrument.

In the next chapter, the Sustainable Finance Framework will be discussed in more detail.

### 1.5 Financing Dutch social housing associations

BNG Bank is market leader in financing the Dutch social housing sector. The mandate of this sector and its activities are laid out in the Dutch Housing Act and the Rules of Participation of the Social Housing Guarantee Fund (WSW). The set of activities that can be

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<sup>3</sup> BNG Bank (2021). Sustainable Finance Framework. Retrieved from <https://www.bngbank.com/Funding/ESG-Bonds>

financed with a WSW guarantee is therefore restricted. Until 2022, there have been 5 bonds issued for Dutch social housing associations under the Sustainable Finance Framework:

Table 1 Bonds issued for Dutch Social housing associations

2021	Coupon (%)	Maturity date	ISIN
EUR 1.5 bn	0.25	11/22/36	XS2408981103
2022			
AUD 500 mn	2.45	07/21/32	AU3CB0285898
CAD 300 mn	1.80	02/11/25	XS2441629750
EUR 1.2 bn	1.25	03/30/37	XS2463550702
EUR 1.75 bn	1.875	07/13/32	XS2500674887
EUR 200 mn	0.25	11/22/36	XS2408981103

## 1.6 Method sustainability reporting

In 2018, Our World in Data published their SDG tracker<sup>4</sup> on the Sustainable Development Goals. The tracker provides a way to track global, regional and national progress across the 17 Goals, 169 Targets, and 232 Indicators of the SDGs.

Het PON & Telos carefully selected the indicators to measure the impact along the SDGs but is also hampered by the availability of data. Keeping that into account, Het PON & Telos comprised a set of indicators to measure the Sustainable Development Goals based on a long tradition of, and experience with sustainable development indicators and expert judgement.

The choice for indicators is influenced by three basic principles:

- The indicator must be linked to an SDG financed by the new BNG ESG Bond
- The indicator must be closely linked to the social housing associations' tasks or spheres of influence
- The data used must be of high quality, and from a reliable source

This year, a total of 15 goals and 109 indicators were measured for 275 social housing associations<sup>5</sup>.

The framework for social housing associations from a sustainability point of view, is based on measuring two aspects: internal performance aspects of social housing associations and the external sustainability performance of the environment of the housing units. The internal performance covers, amongst others, the challenges in the financial sustainability of the organization and the energy transition. The external sustainability deals with the local environment in which the rental housing units are situated.

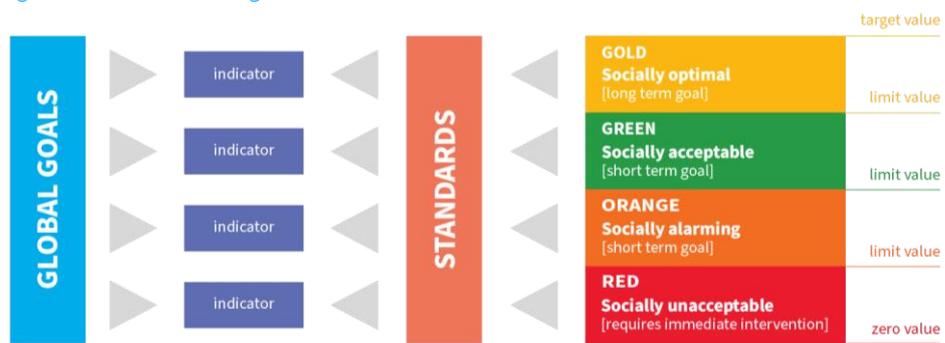
A prerequisite to operationalize the external performance is knowledge of the location of the rental units. Until now, Het PON & Telos has not been able to acquire such data on the

<sup>4</sup> <https://sdg-tracker.org/>

<sup>5</sup> Some social housing associations were excluded due to insufficient data.

level of individual addresses. In the meantime, an approximation of the location specific sustainability characteristics of rental units of social housing associations is used, based on possession of social housing associations per municipality and neighbourhood. In order to transform individual indicator scores into a uniform system of sustainability scores, Het PON & Telos has developed an approach using sustainability norms for each indicator by which ranges of sustainability goal achievement are defined (Figure 2).

Figure 2 Flowchart goal achievement and norms



In the aforementioned full report, detailed information can be found on how Het PON & Telos measures the sustainability of social housing associations.

## 2 Frameworks and results

### 2.1 Social housing associations and their role in the Dutch society

Social housing associations play a crucial role in public housing in the Netherlands. Today, the 279 Dutch social housing associations own nearly 2.4 million dwellings, from which 2.1 million are social rental houses (see Table 2). A limited part concerns commercial rental homes<sup>6</sup>. Social housing associations have a share of almost 30% of the total Dutch housing stock, and 67% of all rental properties in the Netherlands<sup>7</sup>. However, the significance of the social housing associations for public housing is not only determined by its quantitative share in the housing market, but even more so because of its primary task to provide affordable housing. After all, the target group of the social housing associations are people with a low socio-economic status.

#### 2.1.1 Contemporary social challenges of the Dutch social housing associations

Realizing the core ambitions of social housing associations is not without particular challenges. For example, the waiting lists for social rental houses are getting longer, and shortages in the middle segment of the housing market are increasing<sup>8</sup>. For young people and starters in the housing market in particular, access to affordable housing is very limited<sup>9</sup>. This applies to both the rental and the private owner-occupied sector. In addition, access to the housing market varies greatly over regions in the Netherlands. Especially in the larger cities, the housing market is more or less ‘locked in’<sup>10</sup>. In the eyes of many, including the social housing umbrella organization Aedes, the Netherlands are currently coping with a housing crisis. To combat these challenges, Aedes and 33 partner organizations drafted the ‘Actieagenda Wonen’, a housing construction program for the next 10 years that should provide around 1 million homes.<sup>11</sup> The proposals in that agenda were embedded in the coalition agreement of cabinet Rutte 4, which in turn, resulted in the so called ‘National Performance Agreements’ (After: Performance Agreement), signed by the cabinet, Aedes, Woonbond<sup>12</sup> and the VNG<sup>13</sup>. Amongst others, those agreements include the doubling of the production of social housing between 2022 and 2030 (a total of 250,000 in this period), responsible rental raises, as well as lowering the rent for lower income households. Furthermore, it includes sustainability measures for over 675,000 houses, a budget of €1.5 billion to increase the investments in housing, living area and the wellbeing

<sup>6</sup> Autoriteit Woningcorporaties (2023). Staat van de corporatiesector 2022. Retrieved from <https://www.ilent.nl/documenten/rapporten/2023/03/02/staat-van-de-corporatiesector-2022>

<sup>7</sup> Retrieved from CBS statline in July, 2023.

<sup>8</sup> <https://www.woonbond.nl/nieuws/jarenlang-wachten-sociale-huurwoning#:~:text=In%20een%20kwart%20van%20de,jaar%20op%20een%20sociale%20huurwoning.&text=In%20de%20vijf%20gemeenten%20met,uit%20onderzoek%20van%20de%20NOS%20>.

<sup>9</sup> <https://nos.nl/op3/artikel/2377995-sociale-huurwoning-in-zeker-een-kwart-van-de-gemeenten-wacht-je-meer-dan-7-jaar>

<sup>10</sup> Ibid.

<sup>11</sup> <https://www.aedes.nl/dossiers/actieagenda-wonen.html>

<sup>12</sup> National association for tenants: <https://www.woonbond.nl/>

<sup>13</sup> Umbrella organisation of Dutch Municipalities: <https://vng.nl/>

of tenants and an annual budget of €75 million to increase the living quality of neighbourhoods<sup>14</sup>.

Looking at the most recently available data in Table 2, it becomes evident that social housing associations have indeed constructed new housing units as promised in the Performance Agreements. Almost 1,000 more housing units were constructed in 2021 compared to 2020, from which the majority are social rental homes. However, it is important to note that the overall growth in housing units in 2021, as reported by ILT (Inspectorate for Living Environment and Transport)<sup>15</sup>, is approximately 4,400 when considering factors such as sales, purchases, demolitions of housing units, and administrative corrections. Furthermore, the market share of housing associations within the housing market is declining. This implies that in order to meet the goals set for the growth of the housing stock, housing associations must accelerate the pace at which new housing units are constructed.

Table 2 Housing stock of social housing associations

	2019	2020	2021
Number of constructed homes	14,927	15,878	16,900
Number of dwellings at the end of the year <sup>16</sup>	2,379,611	2,381,712	2,383,346
Number of social rental units	2,091,260	2,097,457	2,098,637

Source: Autoriteit Woningcorporaties (2023). Staat van de Corporatiesector 2022.

<sup>14</sup> <https://aedes.nl/nationale-prestatieafspraken/wat-omvatten-de-nationale-prestatieafspraken-op-hoofdlijnen>

<sup>15</sup> Autoriteit Woningcorporaties (2023). Staat van de Corporatiesector 2022. Retrieved from <https://www.ilent.nl/documenten/rapporten/2023/03/02/staat-van-de-corporatiesector-2022>

<sup>16</sup> The number of dwellings is an indicator in the Harmonised Framework for Impact Reporting For Social Bonds (VI- Affordable housing) from ICMA (2022).

## 2.2 Core task housing associations

Availability, affordability, liveability and sustainability are dominating the current debate in the social housing association sector, just as it did over a century ago. Those principles are also reflected in the contemporary social housing sector, as visible in the 5 core ambitions of Aedes<sup>17</sup>:

- Rents that residents can afford;
- Sufficient and suitable social rental houses, everywhere in the country;
- Sustainable rental houses without additional housing costs for tenants;
- Rental houses in mixed neighbourhoods where people feel at home;
- Good preconditions and healthy business operations

Investments in the social housing sector are financed by social housing associations' own equity and bank loans. The collective assets of all social housing associations are used as collateral for financiers through the Social Housing Guarantee Fund (*“Waarborgfonds Sociale Woningbouw”*), which also watches over risk management. Ultimately, bank loans are backed up by the Dutch State and municipalities, which act as potential guarantors of last resort. This results in more favourable financing terms and counter-cyclical investments, without any direct government subsidies for new investments. This Guarantee Fund is considered very safe and stable (AAA-rating), and it has never needed to materialize a guarantee since its start in 1983.

The Social Housing Guarantee Fund restricts the Use of Proceeds to a number of core tasks of housing associations. In the Sustainable Finance Framework (after: Framework), the list of eligible proceeds is mentioned in ‘Sub-Framework II’<sup>18</sup>. The methodology of the social housing sub-framework maps the social housing associations' activities to the ICMA SBP (social bond) and to the SDGs. The proceeds of the BNG social housing bonds will be used to fund the SDG expenditures of the Dutch social housing associations, meaning that contributions are made on expenditures on SDGs 1, 4, 7, 10 and 11.

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<sup>17</sup> Around 90% of the social housing organisations in the Netherlands is a member of Aedes. <https://aedes.nl/>

<sup>18</sup> BNG Bank (2021). Sustainable Finance Framework. Retrieved from <https://www.bngbank.com/sustainability>

## Housing for thousands of Amsterdammers, by Eigen Haard

Housing corporation Eigen Haard is one of the largest in the Netherlands. They manage approximately 57,000 homes, primarily located in Amsterdam and surrounding municipalities such as Zaanstad, Landsmeer, Amstelveen, Aalsmeer, Haarlemmermeer, Uithoorn, and Ouder-Amstel. Financing from BNG Bank is primarily applied to build homes for people with low or moderate incomes.

Figure 3 Kramatweg

Source: Luuk Kramer



The Amsterdam housing market has become infamous for its seemingly never-ending price hike. The city is highly sought-after internationally; by consequence it is increasingly unaffordable for middle-income professionals such as police officers, primary school teachers, and nurses. "In addition to social housing, we also build for those middle-income groups," says Nicole de Vrij, Director of Development and Operations.

Demand for additional housing in the city remains high, and so Eigen Haard's strategy is to build approximately 800 homes per year. They build on wholly owned land, municipal land, or land owned by third parties; renovating where possible and demolishing for new construction when necessary.

### Reliable partner

"We could not achieve such a substantial ambition without financing from BNG Bank," says De Vrij. "Our own cash flow is insufficient; this requires significant investments. But things have been going well for years, so we are happy with BNG Bank." Treasurer Dries Wijte is also satisfied with the relationship: "They are an important financier for us and very reliable. They were one of the few financial partners who remained consistently available during the credit crunch, to name one example."

### Choosing between renovation or...

Many factors come into play when deciding between demolition and renovation, says De Vrij. "After World War II especially, buildings were constructed cheaply and quickly. Today many of those buildings have reached the end of their lifespan. The quality of the foundation also poses challenges. If the foundation is in poor condition, demolition is often considerably cheaper. And of course, monuments warrant a different approach."

### ...demolition and...

When it comes to demolition and rebuilding, numerous questions arise: Can we 'densify'? In other words, can we build more homes on the same plot? What type of homes are suitable for this neighborhood? What additional amenities does the neighborhood need?

### ...reuse!

And if there is demolition, it does not necessarily mean destruction of the old structures. "We strive for 'circular demolition' as much as possible. For example, we recently reused the wooden paneling from the entrance portals of some demolished buildings in the ceilings of the new construction."

### Kramatweg, Amsterdam

The Kramatweg is an example of this type of circular demolition: forty-two homes were delivered there recently, after the demolition of a building that had reached the end of its lifespan. "We demolished that building with the consent of almost all residents. It was finished, as they agreed. Beautiful homes have now been built in its place. The project was nominated for this year's Amsterdam New Construction Award."

## 2.3 Results SDGs in depth

As mentioned before, Dutch social housing associations contribute most directly to SDGs 1, 4, 7, 10 and 11 with their expenditures funded by the BNG social housing bonds proceeds. The contributions to these SDGs will be demonstrated by the progress on a couple of indicators. In these examples we will always refer to the most recent year of data availability.

### SDG 1: No poverty



The scores for SDG 1 have shown a consistent upward trend over the reporting period, indicating significant progress in addressing poverty. Social housing associations play a crucial role in combating poverty in the Netherlands, as they provide affordable housing for households with a low socio-economic status. On average, tenants are paying a smaller proportion of their income towards rent, which confirms the contribution to affordable housing since 2015<sup>19</sup>. Furthermore, there is a positive trend regarding poverty noticeable in the Netherlands. For example, the percentage of households with an income below 101% of the social minimum was 6.7% in 2021 (most recent year of data availability), compared to 10% in 2013. This demonstrates the positive developments and advancements being made in the country to combat poverty, aligning with the goals of SDG 1.

### SDG 4: Quality education



The progress towards achieving SDG 4 has been positive, with scores showing a slight increase over the last years. Social housing associations have a dominant position in the neighbourhoods where they are active and can therefore play a role in community development and cohesion. They often invest in improving neighbourhood infrastructure, which includes schools. In doing so, they have an effect on the education system. Education is of high quality in the Netherlands. At the last measurement, primary schools received an average rating of 8.0, and high schools an average rating of 7.0, indicating that people are satisfied with Dutch schools. Furthermore, the number of early dropouts has fluctuated over the years and increased slightly in the latest year, where 1,65% of young adults (between 12 and 23 years old) left school before obtaining a basic qualification<sup>20</sup>. However, the percentage of early dropouts has decreased by over 1% since 2013. These developments highlight the country's efforts towards fulfilling the goals outlined in SDG 4.

<sup>19</sup> Autoriteit Woningcorporaties (2023). Staat van de Corporatiesector 2022.

<sup>20</sup> A basis qualification is a Senior general secondary education (HAVO), a university education (VWO) or an Intermediate vocational diploma (MBO-2)

## SDG 7: Affordable and clean energy



Significant progress has been made in achieving SDG 7, as indicated by the increase in scores over the reporting period. These improvements can be attributed to progress along a couple of indicators. Within the 275 housing associations in the data, we observed a noteworthy reduction in average greenhouse gas emissions, resulting from energy consumption, electricity usage, and district heating in social housing dwellings. These emissions decreased from 18,671 to 17,605-ton CO<sub>2</sub>-equivalent on average over the period 2019-2020. Additionally, the average energy efficiency of all 275 social housing associations in the data improved from 201 to 196 in one year, measured as the theoretical primary fossil energy consumption per square meter. To enhance energy efficiency, the group of social housing associations in the Netherlands have installed more solar panels on their dwellings. Aedes reports that the percentage of social housing association-owned dwellings equipped with solar panels has increased from 2% to 16.1% between 2015 and 2022. Furthermore, the share of dwellings of social housing associations with a heat pump increased from 2 to 3 % in the last measured years. This initiative directly contributes to SDG 7's objective of ensuring affordable and clean energy for all.

## SDG 10: Reduced inequalities



The scores for SDG 10 have had some ups and downs. The last years, the average sustainable score has increased. This indicates that significant progress has been made to achieve equality. For example, within the group of 275 social housing associations, the match between the housing stock of the corporation with regard to the target group in the area of the possession of the housing association has increased to 92.7% on average in 2021. Furthermore, the share of affordable and low-cost dwellings within the regional market has improved slightly over the years, with the latest data showing 83.7% of the dwellings qualifying as affordable and low-cost. Even though the progress is small here, it suggests that the availability of affordable housing for low-income households is increasing. In contrast, the share of allocations within the income limits of the 'Wet op de Huurtoeslag' has decreased with 5.6 percentage point to 70.5%. This suggests that a smaller proportion of housing allocated by social housing associations is falling within the income limits set for rent subsidies.

## SDG 11: Sustainable cities and communities



In the reporting period, the sustainability score for SDG 11 has decreased only slightly, suggesting there has been little change or improvement in certain aspects related to sustainable cities and communities. For example, the average residential satisfaction has increased slightly with 0.1 percentage points – resulting in a rating of 7.7 out of 10 - which indicates that there has been small progress in enhancing the satisfaction levels of residents living in social housing. The same is the case for the rating of repair requests; the average score increased with 0.1 percentage points as well. Looking at the state of the dwellings, the average score has decreased with 0.1 percentage point. This highlights that there is still room for further improvement in maintaining and upgrading the quality of social housing properties. Overall, the stable

scores for SDG 11 suggest that there is a need for continued efforts to enhance the sustainability, livability, and quality of social housing communities.

## 2.4 Results SDGs overall

Housing associations affect the surrounding neighbourhoods in which they are active, resulting in both direct and indirect effects on other SDGs than the ones described before. In this chapter, we will first give an overview of the SDG scores of the most recent year as presented in Figure 4, after which we will discuss the development over time. In the accompanying Full report, an overview of the scores of all housing associations on all SDGs can be found.

Figure 4 SDG scores



### 2.4.1 Overall score of Dutch housing associations

Figure 4 provides an overview of the SDG scores for the reporting years 2021-2023. The highest scores in 2023 are observed for SDG 8, which focuses on decent work and economic growth, with an average score of 61 for the 275 Dutch social housing associations measured. SDG 5, which pertains to gender equality, closely follows with an average score of 60. Conversely, housing associations perform relatively poorly in terms of SDG 14, which addresses life below water. This outcome is not surprising considering the challenges the Netherlands faces in meeting the EU standards of the Water Directive Framework. As a result, the score for SDG 14 lags behind. For most other SDGs, the scores in 2023 fall within the range of 47 to 54. This indicates that there are still obstacles to overcome in order to meet sustainability standards in various areas.

### 2.4.2 SDGs over time

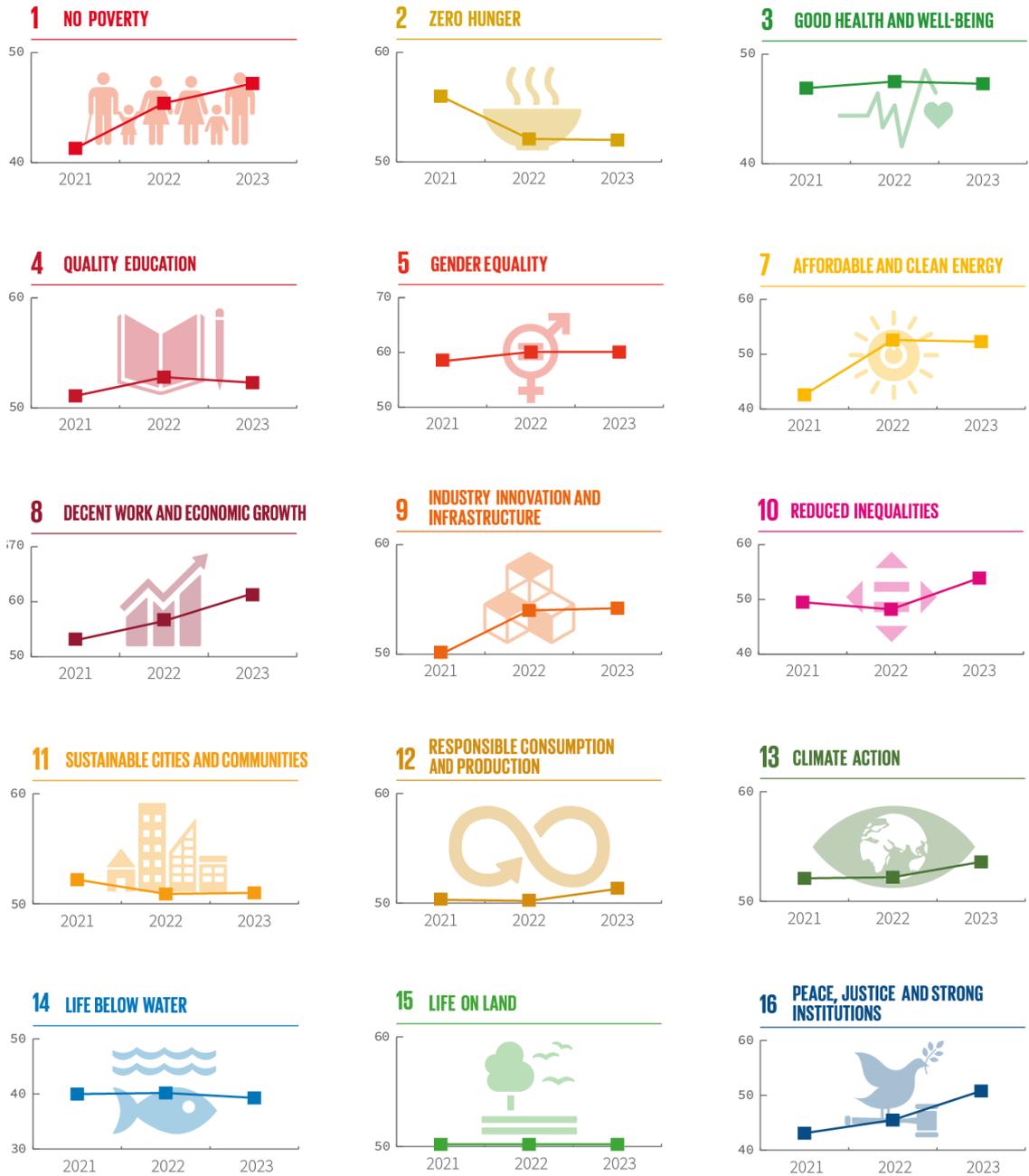
The Dutch social housing associations have made notable progress in several SDGs over time, as depicted in Figure 5. Particularly impressive is the significant increase in their score for SDG 7, which focuses on affordable and clean energy. During the reporting years 2021 to 2023, this score has risen by 10 percentage points. The improvement in SDG 7 can be largely attributed to enhancements in the energy expenditure ratio and energy burdens indicators. However, it is important to note that this progress would have been different if the Dutch government hadn't provided compensation for the rising energy costs.

SDGs 8 (Decent work and economic growth) and SDG 16 (Peace, justice, and strong institutions) share the second position in terms of progress. Both SDGs have seen an 8-percentage point increase since 2021. In the case of SDG 8, this advancement can be attributed in part to a rise in the average value of rental units and the standardized corporation value per rental unit. The progress in SDG 16 can be explained by a reduction in the number of youths being referred to the youth criminal bureau.

On the other hand, three SDGs have experienced a decrease in their sustainability scores over time: SDG 2 (Zero hunger), SDG 11 (Sustainable cities and communities), and SDG 14 (Life below Water). SDG 2 has decreased by 4 percentage points, primarily due to an increase in the number of unhealthy food suppliers. SDG 11 and SDG 14 both experienced a 1-percentage point decrease. The decline in SDG 11's sustainability score can be attributed to a decrease in the number of people volunteering and an increase in noise hindrance from roads. For SDG 14, the decrease is mainly due to a reduction in the share of water bodies complying with the standards set by the Water Framework Directive in terms of the presence of priority substances.

The scores for SDG 3 (Good health and well-being) and SDG 15 (Life on land) have remained unchanged from 2021 to 2023.

Figure 5 Development of SDGs over time



## Sustainable housing with Wonion

The Achterhoek-based housing corporation Wonion resulted from a merger in 2008. The bold decision was made at the time for sustainable solutions to be at the core of the company. Today that commitment can be seen everywhere, from the completed homes to corporate gatherings at the office.

"My own relationship with BNG Bank goes back about 14 years but for Wonion, it goes back to before the merger," says Manager of Business Operations, Casper te Brake. "They're a stable partner who remains easily accessible with short lines of communication. They wholeheartedly support our sustainability ambition - as long as our plans are solid as well, of course. They provide a significant portion of our total financing: around half of it, in 2022."

### On the German border

"What we do with those loans is primarily to build homes and make them more sustainable in the Achterhoek," says CEO Gerrolt Ooijman. "We're not a large corporation - about 4,000 homes, spread across several villages in the municipality of Oude IJsselstreek near the German border and the town of Doetinchem. But what truly sets us apart is our commitment to sustainability in what we create."

### Zero-energy construction

Ooijman explains what that means: "In all our new construction projects, we aim for homes with zero on the electricity meter. This means of course solar panels and heat pumps, along with top-class insulation and mechanical ventilation. But we also take climate adaptation measures into account, and we reduce the carbon footprint around the homes. We design for coolness in the summer, to avoid excessive heat buildup."

### Local biobased insulation

However, sustainable construction is not only about minimizing electricity consumption, says Ooijman. "We also work to shorten and localize the supply chain. Currently this mainly concerns insulation materials and fiberboards. We avoid using fiberglass wool and MDF whenever possible, increasingly applying hemp and miscanthus. Ideally, we want to source them from local farmers nearby, so we have collaborations for that. We call it our 'from fields to buildings' principle."

## Drinking rainwater

Ooijman continues: "In some projects, we engage in small-scale experimentation. Take the Heuvelstraat, a project of 28 homes in Silvolde that we're currently working on. For two of those houses, we are now creating a water management system that will purify rainwater into drinking water locally, as well as retain it for irrigation. This is truly innovative, as we see it. Our water partner, Vitens, was initially cautious about it but is now fully on board. If it proves to be effective, it can be scaled up."

## Human factor

"We see that the sustainable nature of our activities also makes the company attractive as an employer," concludes Ooijman. "In a challenging job market, we have less difficulty attracting new talent. People are happy with this kind of commitment."



Figure 6 "For this project at the Heuvelstraat several sustainable solutions were applied, for example the manner by which the previous homes were torn down. This was done granularly and by hand to preserve bricks and roof tiles of the old homes. The materials were consecutively used in the construction of the new homes, which explains the different types of bricks visible in the new Heuvelstraat homes."

Source: Wonion

### 3 Conclusion

The funds raised through the BNG social housing bonds will be allocated towards supporting the SDG expenditures of Dutch social housing associations. This means that the contributions made through these bonds will be specifically directed towards investments in SDGs 1, 4, 7, 10, and 11.

By utilizing the proceeds from these bonds, social housing associations will be able to further their efforts in areas such as combating poverty (SDG 1), promoting quality education (SDG 4), achieving affordable and clean energy for all (SDG 7), reducing inequalities (SDG 10), and enhancing the sustainability and livability of social housing communities (SDG 11).

The analysis of the data reveals promising advancements made by social housing associations in contributing towards these Sustainable Development Goals. Through their investments, social housing associations have positively impacted the goal of combating poverty, as evidenced by the increasing sustainability score for SDG 1. Additionally, although progress towards achieving quality education (SDG 4) has been gradual, it is encouraging to see a positive trend emerging. Significant strides have been made in providing affordable and clean energy for all (SDG 7), indicating the effectiveness of efforts undertaken by social housing associations to make use of sustainable energy and to reduce the dependence on fossil fuels. Moreover, their commitment to reducing inequalities (SDG 10) is reflected in the increased sustainability score for this goal. While there has been a slight decrease in the sustainability score for SDG 11, which pertains to the sustainability and livability of social housing communities, it underscores the need for continuous dedication to improving these aspects.

Overall, social housing associations have demonstrated their role as key contributors to the SDGs, actively working towards creating sustainable and inclusive communities. The progress made in various areas highlights their ongoing commitment to the principles of sustainable development and lays a foundation for further advancements in the future.

# Colophon

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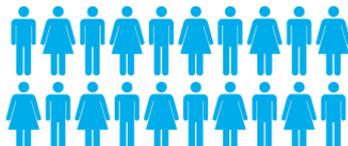
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## KENNISONDERNEMING

STICHTING ZONDER WINSTOOGMERK

### AANTAL MEDEWERKERS

**35**



## INTENSIEVE SAMENWERKINGEN

MET UNIVERSEITEN EN ANDERE  
KENNISINSTELLINGEN

### EXPERTISE

- > PARTICIPATIE & GOVERNANCE
- > WOON- & LEEFOMGEVING
- > DUURZAAMHEIDSTRANSITIES
- > SOCIAAL DOMEIN & ARBEID
- > CULTUUR & ERFGOED
- > DUURZAAMHEIDSIMPACT
- > DATA EN METHODEN

### ONZE OPDRACHTGEVERS

- > PROVINCIES
- > GEMEENTEN
- > ZORG- EN WELZIJNSINSTELLINGEN
- > FONDSSEN
- > BANKEN

### About Het PON & Telos

Improving social decision-making

Het PON & Telos is a renowned research institute based in the Netherlands. It was formed through the merger of two well-established research organizations, Het PON and Telos, in 2020. The institute specializes in conducting interdisciplinary research and providing expertise in various domains, including social issues, sustainable development, and regional development.

Het PON & Telos aims to generate knowledge and insights that contribute to a better understanding of society and support evidence-based decision-making. They collaborate with government organizations, non-profit organizations, banks, and academic institutions to address complex challenges and promote sustainable and inclusive development.

Sustainable development is one of the key areas of expertise for Het PON & Telos. They undertake research and consultancy projects related to sustainable development, environmental impact, energy transition, circular economy, and social responsibility. By combining their expertise in sustainable development with social and economic factors, the institute helps organizations navigate the complexities of sustainable development and make informed decisions that balance environmental, social, and economic stakes.

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