

Going Green Climate Progress Report 2024



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Climate Progress Report

2024

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Foreword

The impact of climate change can be felt all around us – in cities, in the economy and in people's everyday lives. As a bank serving the public sector, we believe it is our responsibility to accelerate the transition to a sustainable future. Therefore, we work with our clients and partners to take tangible and ambitious steps.

For years, BNG has played a key role in financing initiatives that make the Netherlands more social and sustainable, from energy-neutral school buildings to innovative water management solutions. We use our funding capacity for the energy transition, with a specific focus on sectors such as housing, healthcare, education and mobility. We do this not only by managing risks, but also by seizing opportunities, for example, by financing heating networks so the built environment no longer relies on gas. This enables us to strengthen our role in making the Netherlands more sustainable and work towards a climate-neutral future.



This climate progress report provides a transparent overview of our contribution. We measure the CO₂e emissions of our loans and take responsibility for the impact of our own business operations, in line with the Paris Agreement and the UN Sustainable Development Goals.

In 2023, the most recent measurement year, emissions for the client groups we have been measuring since 2018 fell to 20.4 tonnes of CO_2 e per financed million euros, a decrease of 5% compared to the previous year. It shows that the public sector is taking clear steps towards climate neutrality. This is a positive sign, as we aim to achieve a reduction of at least 43% in our loan portfolio by 2030.

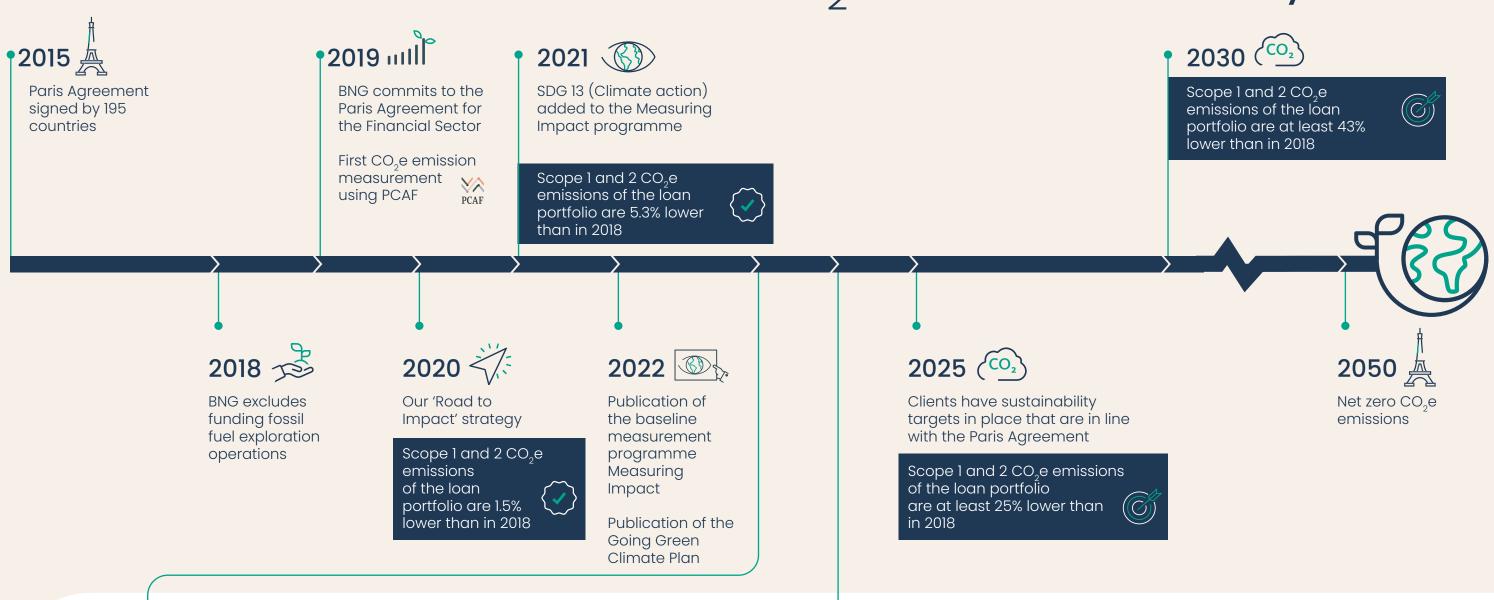
Our long-term target for 2050 is net zero CO₂e emissions across all relevant activities across our entire value chain. Therefore, we are also taking measures within our own business operations, such as renovating our office building to achieve energy label A++. A stricter lease policy means that from now on we will only opt for electric cars, with the aim of a fully electric fleet by 2029.

Over the past year, we have made progress in further improving our measurements. The coverage ratio of the measurements in our loan portfolio rose from 89.8% to 99.6%. The expansion of our emission measurements required a lot of work, but thanks to its success, we obtain an increasingly accurate picture of the impact of our financing and enables us to support our clients better in their sustainability challenges.

Sustainability requires collaboration, courage and perseverance. In the coming year, we will increase our efforts accordingly. We have opted for a process that includes added value and, as a unifying force, we want to play a pioneering role in sustainable improvement.

Philippine Risch CEO at BNG

1. Our route to net zero CO₂e emissions by 2050



Results of financed emissions 20231:

- Increase in the coverage ratio of emission measurements in 2023, from 89,8% to 99.6%, mainly due to the expansion of emission measurements for Public infrastructure and energy.
- Emissions mapped for 48% of our bonds in 2023.
- Decrease in absolute scope 1 and 2 CO₂e emissions within the loan portfolio² by 3% in 2023 compared to 2022, 24% compared to 2018.
- Increase in emission intensity (scope 1, 2 and 3) in 2023, due to the addition of the emission-intensive Public infrastructure and energy portfolio.
- Decrease of 5 to 18% in 2023 (compared to 2022) in physical emission intensity (kg CO₂e/m²) in property-driven sectors. Social housing associations are achieving the target level. Healthcare deviates slightly.

Results of own operations in 2024:

- · Launch of ESG assessment of clients in the loan portfolio.
- Climate targets for 2030 submitted to the Science Based Targets initiative.
- Stricter lease policy: electric lease cars are the only option.
- Emission measurements expanded to include commuting, other business travel and waste.

¹ We are one year behind in the emission measurements of our loan portfolio; the most recent year with calculated emissions is 2023

² This concerns emissions for sectors that we have been calculating since 2018 (91% of our long-term loan portfolio). We formulate separate targets for new client groups that have been added to the emission measurements.

2. Our climate plan for green added value

We have been the bank of and for the public sector in the Netherlands for more than a century. During this time, we have played an important role in funding activities that contribute to making the society more social and sustainable. We focus on the themes that matter. We view combating the consequences of climate change as a joint responsibility.

With our 'Going Green' climate plan, we actively focus on goals that contribute to a better climate. As a result, we not only reduce the risks for our clients and ourselves, but we also work together to achieve our sustainability ambitions. This is how we are preparing for the challenges of tomorrow.



Climate change and risks

Climate change extends to the very core of our society and economy. In order to limit global warming, we must drastically reduce CO_2 e emissions. The Netherlands aims to reduce emissions by 55-60% by 2030 compared to 1990 and to be fully climate neutral by 2050. If we and other countries fail to achieve these targets, it will have lasting environmental, economic and social consequences.

Climate change also poses risks for the financial sector. These risks are divided into two categories:

- Transition risks arise from the transition to a climate-neutral economy. Examples include the impairment of buildings that do not meet sustainability requirements, such as an energy rating of C or lower. New rules or changing market sentiment can also lead to financial pressure on clients and even bankruptcies. Therefore, banks must make their loan portfolios more sustainable.
- **Physical risks** involve damage caused by the effects of climate change, such as floods, storms or heat waves. Long-term problems such as drought, rising sea levels or biodiversity loss also have a major impact on the economy and quality of life. This increases the credit risk for clients vulnerable to these consequences.

However, climate change goes even further than financial risks. It increases social inequality and accelerates biodiversity loss. That's why it's important for the financial sector to not only limit risks, but also to actively support the transition to a sustainable economy.

Our promises

We are committed to the United Nations Sustainable Development Goals (SDGs). One of these goals is Climate Action (SDG 13). We not only endorse this goal, but are also working towards it. For example, in 2018, we decided to completely exclude funding for fossil fuel extraction. In 2019, we signed the Dutch financial sector's Climate Commitment. In doing so, we commit to three clear objectives:

- 1. Measuring and reporting the CO₂e emissions of our funding,
- 2. Setting reduction targets and defining action plans; and
- 3. Funding the energy transition in the Netherlands.

Our ambitions: 'Going Green'

In our 'Going Green' climate plan, we have set out a clear ambition: to contribute to a future-proof and climate-neutral society. Our goal is to achieve net zero $\mathrm{CO_2}$ e emissions in all relevant activities within our value chain by 2050. As most emissions originate from our lending, we have set separate targets for our loan portfolio. For the time being, these targets are focused on scope 1 and 2 emissions, because this is where our clients have the most influence.

Absolute targets

We have established the following medium-term targets:

- A reduction of at least 25% in 2025, and
- A reduction of at least 43% by 2030, both compared to 2018.

For the client groups added to our emission measurements for the first time this year, we have no comparative figures since 2018. As a result, including them in the above targets would give a distorted picture. Therefore, we apply our absolute targets to the sectors that we have been measuring since 2018: social housing associations, municipalities, provinces, water boards, healthcare, education and drinking water companies. These make up 91% of our outstanding long-term loans in 2023.

We will set separate targets for our Public infrastructure and energy portfolio. This portfolio is highly diverse, so we will look at the type of targets most suitable for each client group. This is strongly related to the availability of data that is still very limited for some of these client groups.

BNG climate targets

Our long-term target

2050: net zero CO₂e emissions for our value chain



Our medium-term targets **Absolute emissions** Relative emissions 2025: 2030: CO₂e emissions per m² of Scope 1 and 2 emissions of our loan social housing associations portfolio decreased by 25% compared to 2018 that we finance decreased by 62.3% compared to 2018 2030: CO₂e emissions per m² of Scope 1 and 2 emissions of our loan healthcare institutions portfolio decreased by 43% compared financed by us decreased by to 2018 71.2% compared to 2018 CO₂e emissions per m² of 嘂 municipalities financed by us decreased by 62.8% 25% 43% compared to 2018 CO₂e emissions per m² of educational institutions financed by us decreased by 2025 2030 62.0% compared to 2018

Relative targets

For sectors in which we mainly finance real estate, we have also set relative targets based on $\mathrm{CO}_2\mathrm{e}$ emissions per square metre. For this purpose we use scientifically based emission reduction pathways from the Carbon Risk Real Estate Monitor (CRREM). These pathways are in line with the 1.5°C climate target. For social housing associations and healthcare institutions, we use specific emission reduction pathways for these types of real estate, while for municipalities and educational institutions we have developed our own pathway based on the emission reduction pathway for office buildings. We use these emission reduction pathways to determine the target reduction for 2030 per sector. To this end we use 2018 as the baseline year. The relative climate targets differ per sector, because both the baseline measurement (2018) and the target emission level in 2030 differ for each sector.

Moreover, we limit our own environmental impact by taking sustainable measures in our operations, including those related to our office building, lease policy, business air travel, commuting and waste.

Science Based Targets initiative

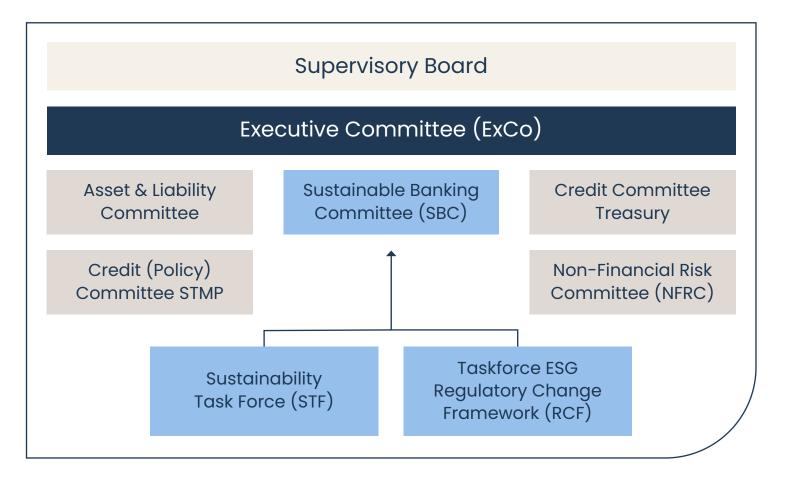
In 'Going Green', we have committed to submit our near-term emission reduction targets to the Science Based Targets initiative (SBTi) for validation. The SBTi is viewed as the gold standard for setting climate targets. It provides organisations with a transparent and robust framework for setting emission reduction targets in line with the very latest climate science. We submitted our targets after having worked hard on them this past year. We hope to receive confirmation this year that the targets we submitted are indeed scientifically underpinned and comply with the Paris Agreement.

Our governance

It is essential that we firmly anchor sustainability in our governance structure if our CO₂e reduction strategy is to be successful. For this reason, we revised our governance structure in 2023 and established the Sustainable Banking Committee (SBC), which we built on in 2024. This committee, led by our CEO, is responsible for ensuring our sustainability policy as a whole. The SBC convened for the first time in February 2023 and meets every month.

The SBC is supported by two other bodies:

- 1. Sustainability Task Force (STF): This task force consists of employees from various departments at the bank whose work is instrumental in achieving our sustainability targets. They prepare decision-making in the SBC and ensure sustainability is integrated into our processes.
- 2. ESG Regulatory Change Framework (ESG RCF): This team identifies new ESG laws and regulations and assesses what this means for our organisation.



Emissions in our value chain

To provide insight into our climate impact, we distinguish between three types of emissions. Scope I includes direct emissions originating from our operations, such as the gas and fuel consumption of our offices and vehicles. Scope 2 relates to indirect emissions of purchased energy, such as electricity for our offices. However, the greatest impact is in scope 3: emissions in our value chain. These include emissions related to the projects and organisations we finance, such as social housing associations, healthcare institutions and municipalities.

The diagram shown below indicates how these emission categories manifest in our value chain:

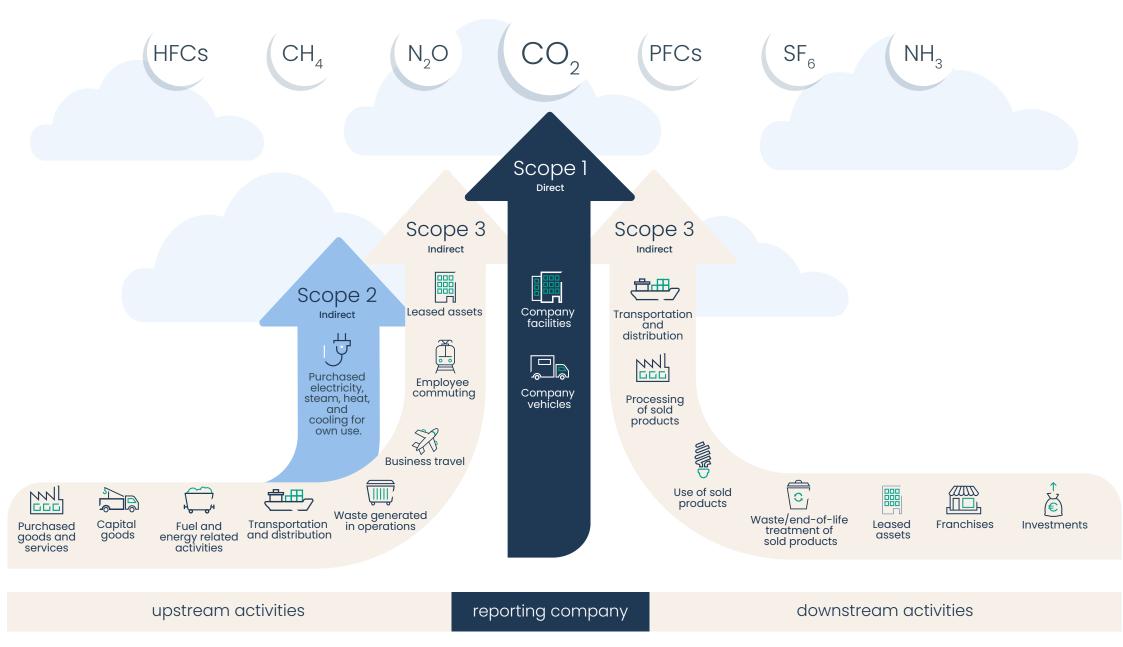


Image based on the Greenhouse Gas Protocol

Scope of the emission measurements

To calculate our financed emissions, we use the Partnership for Carbon Accounting Financials (PCAF) method. This method is widely supported in the financial sector. We want to be transparent about how we calculate our emissions. That's why we publish a PCAF report every year, which provides a detailed description of our methodology and sources used. As BNG has a client group that overlaps with NWB Bank, we agreed with the latter that we would calculate the financed emissions in the same way. This avoids two different calculation being produced for the same client. Both BNG and NWB Bank have their financed emissions calculated by research firm Het Pon & Telos, using the same PCAF methodology and using the same data where our client portfolio overlaps. Because we rely on our clients' energy data, 2023 is the most recent year for which we can calculate financed emissions.

Financial institutions are also expected to measure their clients' scope 3 emissions. This includes indirect emissions in a company's value chain. These concern, for example, emissions from suppliers, transport and emissions released during use of the products sold. Measuring clients' scope 3 emissions is challenging due to the limited availability and quality of data. This also makes it more difficult to compare financed emissions between banks. The range of clients' scope 3 activities is very broad. Without insight into which scope 3 activities have been included, a fair comparison is impossible. For this reason, since last year we have added a table to our climate report, which clearly shows in Appendix 3 the emission sources included. We also split our financed emissions into scope 1 and 2 and scope 3. This makes our figures easier to compare with those of other banks.

Expansion of the coverage ratio of financed emissions in the loan portfolio

We have been measuring the CO₂e emissions of our loan portfolio since 2018. This measurement mainly concerns building-related emissions involved in loans³ to our clients. Since many of our clients attract funding for investments in real estate (social housing associations, healthcare and educational institutions, as well as municipalities and provinces), these emissions provide a representative picture of the CO₂e emissions involved in BNG. We also measure the CO₂e emissions associated with funding water boards and drinking water companies.

This year, we significantly expanded the scope of the emission measurements; we now map emissions for 99.6% of the loan portfolio (2022: 89.8%). In addition to the aforementioned client groups, we now measure CO_2 e emissions for virtually all our loans to public infrastructure companies, joint arrangements and other public institutions. Public infrastructure companies include, for example, airports and seaports, network operators and waste processing companies. Consequently, this portfolio is diverse and mainly includes non-property-related emission sources. As a result, we were unable to adopt the same approach as in other sectors. Where possible, we used emission data from clients' annual reports. As many clients do not yet report their emissions, we have calculated part of the emissions using a sectoral approach. This approach has a lower PCAF data quality score than that of other sectors. In the coming years, we will work on improving data quality for the emission measurements of these clients.

The small part of our loan portfolio for which there are no emissions mainly concerns renewable energy projects. These projects generate few emissions, but actually concern a large amount of avoided emissions. We calculated the net avoided emissions for 62% of these projects.

³When we talk about 'loans' and 'loan portfolio' in our emission measurements, we are referring to long-term loans. These are loans with a maturity of one year and longer.

Addition of emission measurements for bonds and medium term notes

Not only do we finance organisations through loans, but also through negotiable debt securities. This year, for the first time, we calculated the financed emissions for our bond and medium term notes (MTN) portfolio. We succeeded in doing so for 48% of this portfolio. This includes the CO₂e emissions of municipalities, public infrastructure companies, governments and a large part of the supranational and multilateral development banks. The missing data mainly relates to covered bonds. In the coming years, our aim is to further expand emission measurements for this portfolio.

Emissions originating from our own operations

With regard to our own operations, we have been mapping emissions resulting from heating our offices, our lease car fleet and business air travel for a long time. As of this year, we have also included emissions originating from commuting, other business travel and waste.



Motivating our clients

We only have an indirect impact on our clients' CO₂e emissions. Nevertheless, as the most important financier in the public sector, we play a crucial role in helping our clients become more sustainable. To achieve this we use three tools:

1. Inclusion and exclusion

We focus exclusively on the Netherlands' public sector, including governments and organisations that serve the public. Examples include social housing associations, healthcare and educational institutions. Organisations of which the government owns at least 50% or whose activities are fully guaranteed by the government are also eligible.

We support innovative solutions, such as energy-efficient technologies and CO₂e reduction programmes. However, we not only serve green and social pioneers, but also clients who are in the middle of the (energy) transition or have just embarked on their sustainable journey.

Our green and social values reflect the important role our clients play in society. We see it as our job to help them overcome their transition challenges. Therefore, we expect clients to be aware of climate change, to credibly reduce their CO₂e footprint and to anticipate climate risks. Furthermore, it is important that they avoid the 'lock-in' of emission-intensive assets where possible.

In addition, in our ESG standards, we exclude certain potential clients in advance, such as organisations involved in the extraction or production of fossil materials such as coal, oil and natural gas.

We integrate ESG criteria, as included in the ESG standards, into our loan acceptance and client relationships. As a result, we promote sustainable growth and limit risks.

2. Engagement

Discussions with our clients, combined with the low-cost funding we offer, represent our most important tool for making an impact with clients. Sustainable ambitions require patience; together we can make the Netherlands greener and more social.

The discussions help us:

- Make clients aware of the urgency and possibilities of sustainability.
- Gain insight into the measures clients have already taken, as well as their plans.
- Manage and reduce the climate and environmental risks facing our clients (and thus the bank).

Optimise the effectiveness of these discussions; we try and compile the best possible picture of the ESG/sustainability issues confronting our clients. Relevant key components include:

- Individual ESG ratings: We assess clients (for the time being) on the basis of their CO₂e emissions, energy efficiency, physical risks and adaptation measures.
 We express the wish to be able to better quantify our social added value in the future.
- **Climate action plans:** We monitor whether our larger clients have reduction targets and plans in place.
- We check whether our impressions match those of the client and learn from each other.
 We are keen to discuss appropriate financing solutions.

In 2024, we made additional investments in the knowledge development of our client teams and an improved registration system. This enables us to define and monitor the sustainability targets of clients more effectively. There is still work to be done in this area, and we continue to make our processes smarter and more efficient.

We align our client propositions as closely as possible with the challenges facing our clients. This ranges from individual sustainability solutions, such as green loans, to sectoral schemes, such as the Heating Network Guarantee Fund (Waarborgfonds Warmtenetten) and state guarantees for making public real estate more sustainable.

3. Financing conditions

We are exploring the possibility of further encouraging sustainability through financing conditions and targeted financing propositions. For example, we provided a number of sustainability-linked loans with agreements on achieving sustainable performance targets. In addition, we are working on a pilot project for loans aimed at encouraging sustainability among social housing associations. In the coming years, we will examine whether we can further expand this tool to other sectors.

Our contribution to the energy transition

We are committed to accelerating the energy transition. We will achieve this through, among other things, financing some 60 projects in solar energy, wind energy and geothermal energy. We are also funding the expansion of the electricity grid, through grid operators such as TenneT, to prepare the grid for the growing demand for renewable energy.

Our loans contribute to making homes and public real estate more sustainable. Together with social housing associations and municipalities, we finance the sustainability of various buildings, such as schools and town halls. Thanks to our loans, these buildings are fitted with insulation and sustainable heating systems, such as heat pumps and heating networks. In addition, we finance recycling efforts by waste collection and processing companies, which make a significant contribution to recycling raw materials that are reused by industry. At the same time, we promote CO_2 e reduction in transport by investing in clean public transport, charging stations and bicycle facilities, in association with municipalities and public transport companies.

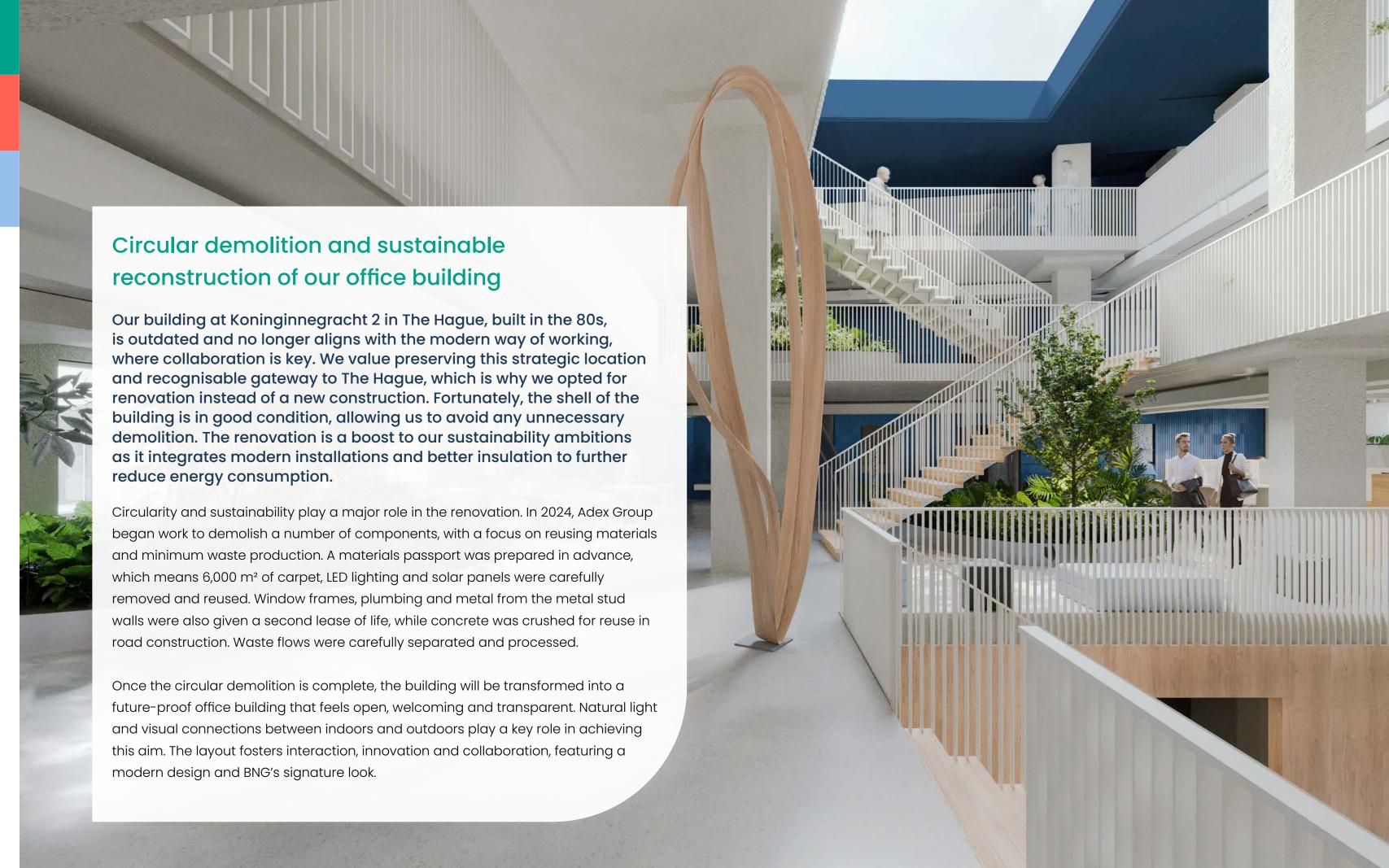
Lastly, we indirectly contribute to reducing emissions in the agricultural sector and promoting sustainable land use. Through funding from the Stichting Nationaal Groenfonds (National Fund for Green Investments), we support sustainable activities in agriculture and nature. Our funding also contributes to investments by provinces and municipalities in planting forests, which helps capture CO₂e and promote sustainable land use.



Making our own operations more sustainable

Reducing our CO₂e footprint is a key priority in our business operations. We are taking tangible steps to reduce emissions and are working on an integral approach that focuses on reducing emissions. In addition, we aim to promote sustainability throughout our chain with our preference for working with Dutch suppliers that comply with local laws and regulations. Our emissions policy includes a wide range of measures to minimise the emissions from our operations:

- Since 2018, our office building has been natural gas-free and we only use certified wind energy from the Netherlands and power generated by our own solar panels. In 2023, we embarked on a large-scale renovation of our office building, aimed at making it even more sustainable. This renovation elevates the energy label from A to A++. After the renovation, the building will be heated entirely with electricity and we will no longer use district heating.
- In addition to reporting emissions originating from our office premises, lease cars and air travel, we will also map the emissions from other business travel and commuting from 2024 onwards. This gives us a more comprehensive picture of our emissions and allows us to target our efforts to reduce them more effectively.
- Business travel: the standard is that for business trips within Europe and within a radius of 750 kilometres around The Hague, the train is, in principle, the standard choice.
- Commuting: employees are encouraged to use (electric) bicycles via our bicycle plan.
- Lease policy: employees can only opt for electric lease cars; as a result, our fleet will be fully electric from 2029.



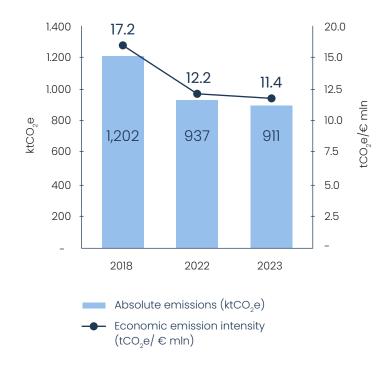
3. Our financed emissions in 2023

We have been measuring the CO_2 e emissions of our loan portfolio since 2018. This year, we further expanded the scope, as a result of which we now map the corresponding CO_2 e emissions for 99.6% of our loans. We also managed to measure the financed emissions of 48% of our bond/MTN portfolio.

Financed emissions of the loan portfolio

Absolute financed emissions have fallen slightly for the sectors we already measured last year⁴. This decrease occurs in the activities that clients themselves can influence most (scope 1 and 2). The reduction in scope 1 and 2 emissions in 2023⁵ is 3% compared to 2022. Compared to our baseline year 2018, the decrease is 24%. This is close to the 25% reduction target we set for the financed emissions of these client groups by 2025. To achieve our 2030 reduction target, our clients will need to achieve the same reduction in emissions as they have done over the last five years.

Scope 1 and 2 emissions originating from the loan portfolio in accordance with the sectors measured in 2018



⁴ Social housing associations, municipalities, provinces, water boards, healthcare and educational institutions, drinking water companies

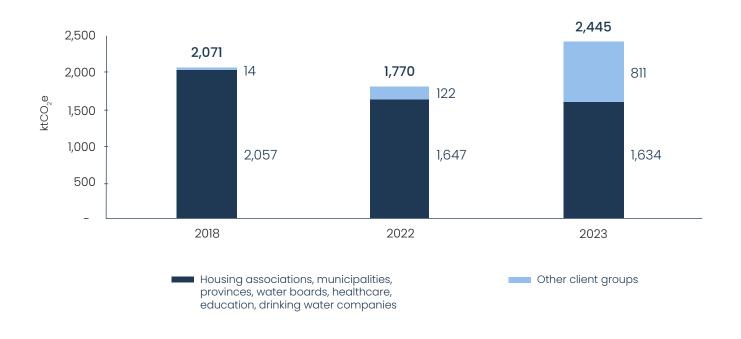
⁵ We are one year behind in emission measurements of our loan portfolio; 2023 is the most recent year with calculated emissions

If we include all client groups, i.e. public infrastructure companies, joint arrangements and other public institutions that have been added to our measurements this year, we see a different picture. Absolute financed emissions originating from our entire loan portfolio increased from 1,770 ktCO₂e in 2022⁶ to 2,445 ktCO₂e in 2023. This increase is due to the expansion of our coverage ratio. The figure shown below demonstrates the evolution of the financed emissions of our loan portfolio. Due to the increase in the coverage ratio, a comparison in the absolute number of financed emissions between 2023 and 2022 has little meaning. Therefore, in the figure we make it clear which portion of emissions originates from the sectors we have been measuring since 2018, and which portion originates from the other sectors, most of which were added recently.

Not only has the scope of our emission measurements increased, our loan portfolio has grown too. It increased by 1.3% in 2023 to EUR 87.8 billion (2022: EUR 86.7 billion). This also results in an increase in absolute financed emissions.

Absolute emissions are thus highly influenced by the coverage ratio and size of the loan portfolio. Therefore, it is important to look at emission intensity. This is also known as CO_2e emissions per million euros financed. For the sectors we also reported last year, the emission intensity decreased by 5% from 21.5 tCO_2e/\mathbb{E} million to 20.4 tCO_2e/\mathbb{E} million. We see a decrease in the intensity of scope 1 and 2 emissions, as well as scope 3 emissions.

Development of financed emissions of the loan portfolio



Financed emissions of the loan portfolio in more detail

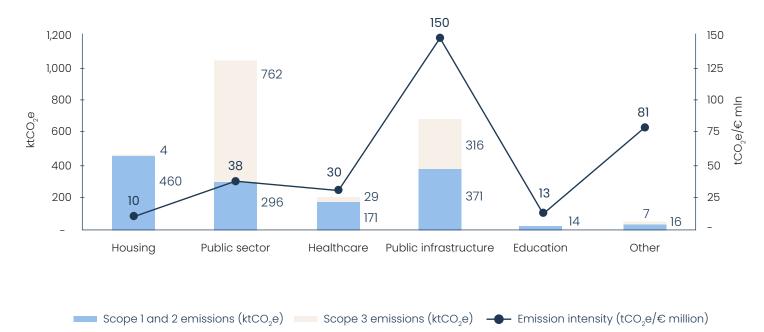
				2022 measurement in accordance with the	2023 measurement in accordance with the
	2018	2022	2023	2018 sectors	2018 sectors
Outstanding loan (€ million)	81,628	86,664	87,767	78,831	80,072
Outstanding loan with a CO₂e footprint (€ million)	70,542	77,848	87,388	76,677	80,019
Coverage ratio	86.4%	89.8%	99.6%	97.3%	99.9%
Absolute generated emissions (ktCO ₂ e)	2,071	1,770	2,445	1,647	1,634
Economic emission intensity (tCO₂e/ € million) - Total	29.4	22.7	28.0	21.5	20.4
Economic emission intensity (tCO₂e/ € million) - scope 1 and 2	17.2	12.2	15.2	12.2	11.4
Economic emission intensity (tCO₂e/ € million) - scope 3	12.1	10.6	12.8	9.3	9.0
Absolute avoided emissions (ktCO ₂ e)	-	-	380	-	-

⁶ This differs from what we presented in our 2023 Climate Progress Report. The methodology for calculating scope 3 emissions of municipalities has been refined. We have also applied this change retroactively to the 2022 emissions

The emission intensity of our total loan portfolio amounts to 28.2 tCO₂e/ € million in 2023. This is an increase of 24% compared to the previous year (2022: 22.7 tCO₂e/€ million). The increase is mainly due to the addition of our Public infrastructure and energy. Public infrastructure companies have a higher emission intensity than our other clients. This is clearly demonstrated in the figure shown below.

We will discuss this portfolio in more detail in a separate section.

Financed emissions of the loan portfolio broken down by sector



Financed emissions of bonds and medium term notes

We determined the financed emissions of clients in our bond/MTN portfolio in several ways. For municipalities, we were able to rely on the data we used to calculate the financed emissions of the loans. For public infrastructure companies, we were able to rely on clients' annual reports. For governments, supranational institutions and multilateral development banks we used the PCAF methodology and database. For all three methods, we were also able to map emissions for 2022, which means that we have comparative figures with retroactive effect. Financed emissions for 2022 and 2023 can be found in the first two appendixes.

In the following sections we discuss the most important client groups in more detail. For municipalities and our Public infrastructure and energy portfolio, we present the financed emissions of our long-term funding as a whole, i.e. both loans and bonds and medium term notes.

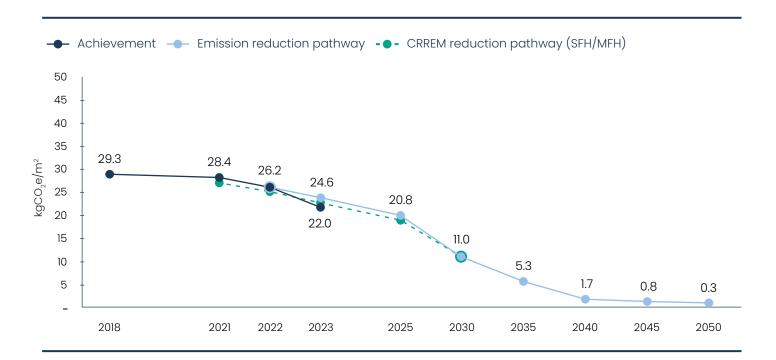
Social housing associations

This client group accounts for 52% of our loan portfolio

Social housing associations play a major role in the Dutch housing market. Social housing associations own about 2.4 million rental properties, which represents about one third of the total housing stock in the Netherlands. BNG finances almost all the social housing associations in the Netherlands and provides more than 60% of their total demand for financing. Social housing associations are our largest client group in outstanding loans, which means that their performance plays a crucial role in achieving our own climate targets.

Social housing associations' energy consumption and the associated CO₂e emissions decreased further between 2022 and 2023. Expressed in m², the kg CO₂e decreased from 26.2 (2022) by 16% to 22.0 (2023). Compared to our baseline year 2018, this is equal to a decrease of 25%. We are aiming for a decrease of 62% by 2030, CO₂e emissions per m² of the financed social housing associations would then be in line with the 1.5°C scenario. The reduction achieved in 2023 is a good step towards reaching this target. Reducing CO₂e in the built environment is characterised by the interplay between residents, social housing

Emission reduction pathway for social housing associations



associations and energy suppliers. Residents decide how high to set the thermostat. The housing association determines which energy/heat source is used and is responsible for the energy efficiency of the property. The electricity supplier determines the energy mix, in which the share of green energy is increasing annually. As a result, a number of effects are intertwined in our figures. As in the previous year, the decline in the sector's CO₂e emissions in 2023 can be attributed to both electricity consumption (-3%) and gas consumption (-11%).



Social housing associations

	2018	2022	2023
Outstanding amount € million	38,947	44,118	45,957
Emission measurement coverage ratio	94%	97%	100%
Financed emissions (ktCO ₂ e)	635	492	459
Economic emission intensity (tCO₂e/€ million)	17.3	11.5	10.0
Physical emission intensity (kg CO ₂ e/m²)	29.3	26.2	22.0
Energy performance - Electricity (kWh/m²)	25.3	24.5	22.9
Energy performance - Gas (m³/m²)	10.5	9.5	8.5

A substantial share of the decrease in 2023 can be attributed to the residents themselves. Across the Netherlands, energy consumption has fallen sharply since the Russian invasion of Ukraine and the resulting increase in energy prices. Energy prices remained high in 2023 ⁷. As a result of high (or higher) energy prices, tenants used the heating less and set it at a lower temperature. The result is reduced energy consumption and lower CO₂e emissions. The other effect is the increasing sustainability of the Social housing associations' housing

⁷ Gas price per m³ January 2025: graph with current gas prices

stock. In accordance with the National Performance Agreements⁸, social housing associations are taking measures to reduce CO₂e emissions. Social housing associations are insulating existing homes, building new homes to sustainable standards and taking homes off the gas network and switching them to sustainable sources.

This translates into an improvement in their energy labels. 44% of homes now have energy label A or higher⁹. The number of homes with energy labels E, F and G decreased further in the past year. There were 180,700 homes with a poor energy rating in 2023. All E, F and G labels must be phased out by 2028.

The improvement in energy labels is the result of insulation measures being implemented and the installation of solar panels. Between 1 July 2023 and 1 July 2024, social housing associations implemented at least one sustainability measure in 178,400 homes. During the same period a year earlier, this was the case for 165,400 homes. The share of homes with solar panels increased from 20% to 23%.

There are still major steps to be taken in the transition to more efficient heating installations and sustainable heat sources. More than 85% of the heat is generated by a conventional high efficiency boiler¹⁰ or another fossil source. Currently, between 5,000 and 10,000 existing housing units are being switched annually to a natural gas-free heat source. According to the National Performance Agreements, 450,000 existing homes must be natural gas-free by 2030.

Therefore, the sector is on the right track to meet its targets. Nonetheless, this is no mean feat. Social housing associations will still have to reduce their CO₂e emissions by 50% to remain in line with the 1.5°C increase in global warming by 2030.

⁸ National Performance Agreements | Aedes

⁹ Aedes benchmark | Sustainability

¹⁰ Aedesdatacentrum.nl, Warmteopwekking - Nederland.xlsx



Municipalities

This client group accounts for 29% of our loan portfolio and 6% of our bond/MTN portfolio

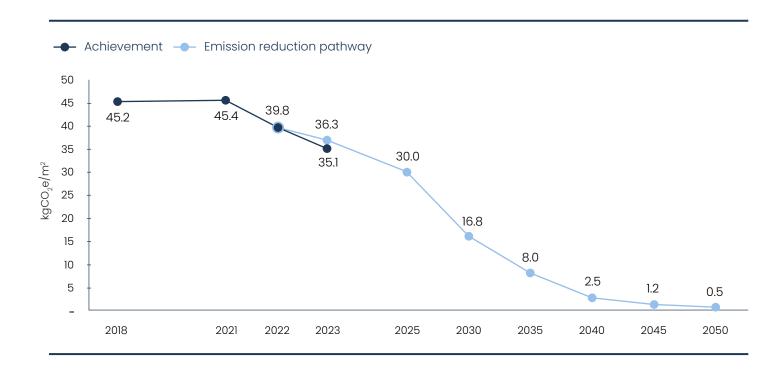
Municipalities are a crucial link in achieving the Dutch climate targets. Among other things, they play an important role in ensuring existing homes and buildings within their municipal boundaries are insulated and taken off the natural gas network. In addition, municipalities are responsible for ensuring charging infrastructure becomes available and wind and solar projects are set up. However, in this report we do not focus on the policy activities of municipalities, but on their investments. We specifically focus on the increased sustainability of the property owned by the municipalities. This includes offices, swimming pools, libraries and museums.

Although we provide balance sheet financing and do not know exactly what our financing is used for, it is likely that municipalities will obtain bank financing for investments to make property more sustainable. BNG finances almost all municipalities in the Netherlands and supplies more than 60% of their total financing requirements. Conversely, municipalities with outstanding loans are our second-largest client group, which means their performance is incredibly important for achieving our climate targets. That's why we are happy to talk to them to explore how we can support their ambitions. We talk to the municipalities every year and this topic is invariably on the agenda.

Municipalities have collectively committed to the Climate Agreement. As a result, municipalities are set to achieve a 55% CO₂e reduction by 2030 compared to 1990 and ultimately be climate neutral by 2050.

Although it is not clear whether municipalities are on track to connect homes to heating networks, as indicated by the Council for Public Administration last year¹¹, our figures show that they are well on their way to reducing their emissions. Municipalities' emissions amounted to 35.1 kg CO₂e/m² in 2023, a decrease of 12% compared to 2022. The emissions per m² are below the target we had set for 2023.

Emission reduction pathway for municipalities



Gas consumption per m² decreased by 6% in 2023 compared to 2022. Based on the figures, it is impossible to ascertain the extent to which this development can be attributed to improved energy efficiency of the property or lower thermostat settings. In any case, our impression is that there is no lack of ambition when it comes to making their properties more sustainable. We see many examples of new-build or renovation projects that aim for energy neutrality. Municipalities did use more electricity in 2023 than in 2022. However, because the electricity mix is becoming increasingly sustainable, emissions per m² as a result of electricity consumption has decreased.

In contrast to physical emission intensity, we observe a slight increase in economic emission intensity for scope 1 and 2 activities of the municipalities. This is not so much due to an increase in energy consumption per m², as explained above, but to an increase in the amount of property managed by the municipalities.

¹¹ Striving for climate neutrality. Steering and funding decentralised climate and energy policy) | Publication | Council for Public Administration

Despite the positive results, municipalities still have a long way to go by 2050. Achieving the targets will require a great deal of investment in the energy efficiency of their real estate in the coming years. During this time, we will also continue to fully support municipalities to make public lighting more sustainable and to facilitate the construction of heating networks.

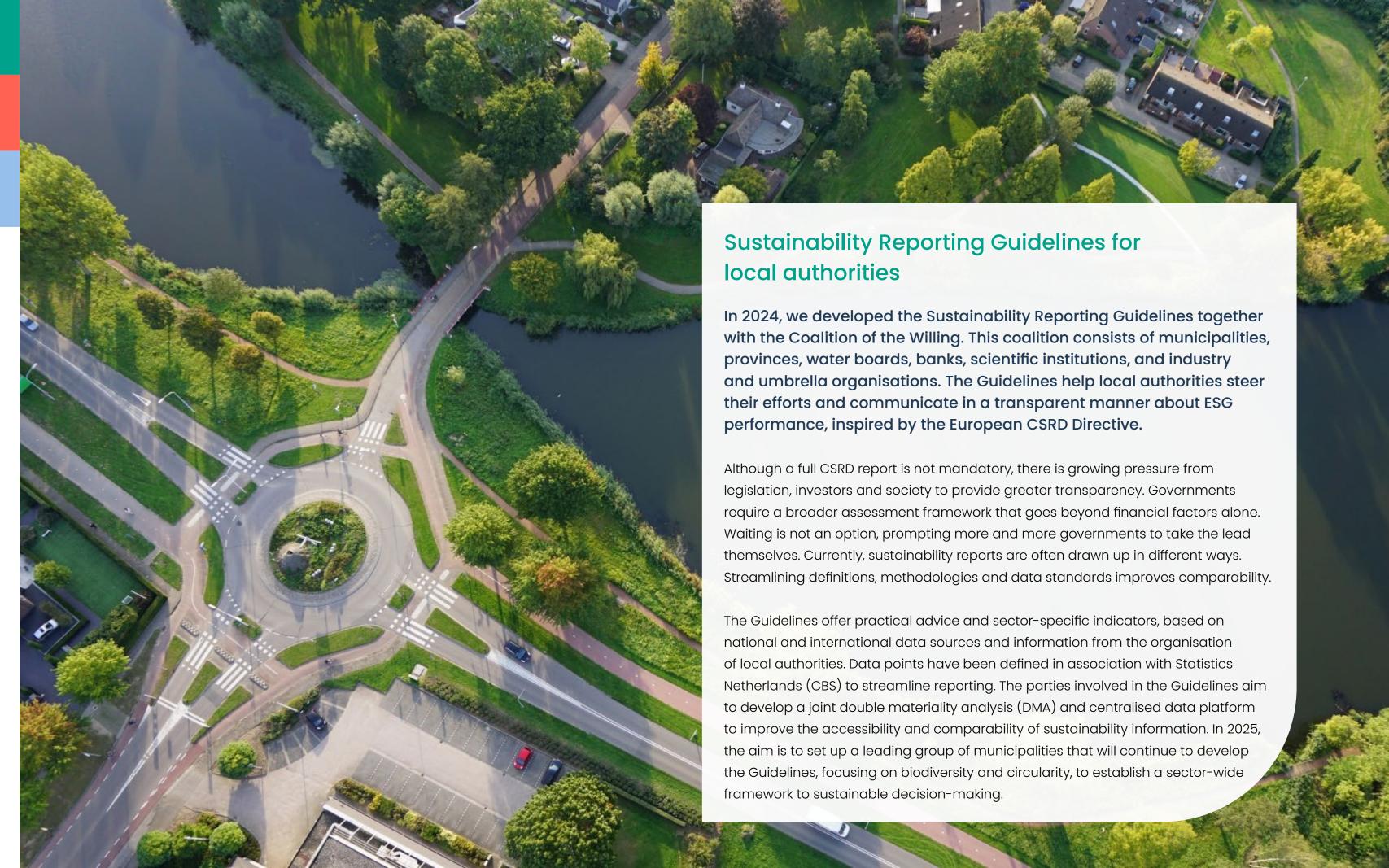


Municipalities

	2018	202212	2023
Outstanding amount € million	26,066	27,061	26,350
Emission measurement coverage ratio	100%	100%	100%
Financed emissions (ktCO ₂ e)	1,079	915	946
Economic emission intensity (tCO₂e/€ million) - total	41.5	33.8	35.9
Economic emission intensity (tCO₂e/€ million) - scope 1 and 2	11.1	8.4	9.3
Physical emission intensity (kg CO ₂ e/m²)	45.2	39.8	35.1
Energy performance - Electricity (kWh/m²)	48.4	43.4	44.0
Energy performance - Gas (m³/m²)	14.3	13.3	12.5

¹² The figures for 2022 and 2023 are based on both the loan and the bond/MTN portfolios; for 2018, this only concerned the loan portfolio





Healthcare

This client group accounts for 8% of our loan portfolio

BNG is a large financier of the healthcare sector. The healthcare sector makes a major contribution to the S (Social) of ESG, through disease prevention, treatment and support. At the same time, the healthcare sector has a negative impact on the E (Environment) of ESG. The sector is responsible for approximately 7% of

CO₂e emissions, 4% of waste and 13% of resource use in the Netherlands¹³. Due to, among other things, the ageing population, the sector is facing challenges in ensuring healthcare remains accessible, affordable and of a high-quality.

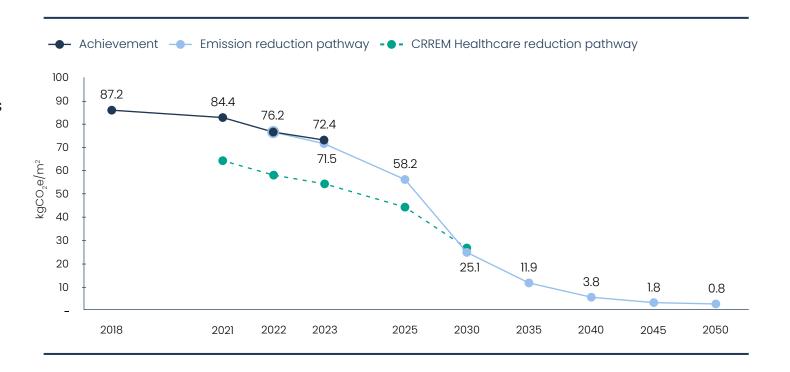
This means increasing its sustainability is even more challenging. Substantial measures to increase sustainability are accompanied by relatively high investments and a longer payback period. Besides the uncertainty regarding long-term funding, healthcare institutions are struggling with the dilemma of whether they should use available resources in the short term for patient care or for improving sustainability, which only provides benefits in the longer term.

Despite the challenges, there are many positive developments in this sector. In recent years, the Healthcare Green Deal has been expanded. In 2022, tangible, measurable targets were set that led to the Healthcare Green Deal 3.0. The sector aims to reduce emissions by 55% by 2030 and be climate neutral by 2050. In addition, efforts are being made with regard to circularity, with the target of a 50% reduction in raw material use and a 75% reduction in residual waste by 2030. Work is also underway to reduce the environmental impact of drug use by 2030. Healthcare institutions have laid down these plans in a Road Map Portfolio.

Many of our clients have signed the Healthcare Green Deal 3.0 and created a Road Map Portfolio. As of 2024, we will analyse our clients' plans and discuss with them the status, progress and the supporting and facilitating role we can play. The themes of the Healthcare Green Deal are part of our discussions with clients. We see that almost every healthcare institution is taking steps. We observe the greatest progress at large hospitals and university medical centres. However, we do see that healthcare institutions are increasingly facing network congestion when developing real estate. This may delay the energy transition for healthcare institutions.

Since we mainly finance the real estate of healthcare institutions, this is the focus of our emission measurements. In 2023, CO₂e emissions per m² were equivalent to 72.4 kg CO₂e/m². This is a decrease of 5% compared to last year (2022: 75.2 kg CO₂e/m²). Based on the development in energy consumption, this decrease seems to be less due to the increased sustainability of the real estate, and mainly to the greening of the energy mix. Our aim is to further analyse this increasing sustainability in the coming years.

Emission reduction pathway for healthcare institutions



¹³ https://www.greendealduurzamezorg.nl/

For 2030, we set a target for the emissions of healthcare institutions in our portfolio to be in line with the 1.5°C global warming scenario. This means that emissions must not exceed 25.1 kg $\rm CO_2e/m^2$ by 2030. This results in a necessary decrease of 71% compared to our baseline year 2018. So far, our clients have achieved a decrease of 17.0%, so we all have quite a way to go. Since it is not realistic to expect healthcare institutions to already comply with the CRREM benchmark pathway, we have set out an emission reduction pathway in 'Going Green' up to 2030. In 2023, healthcare institutions will exceed this pathway slightly, but the deviation is manageable.

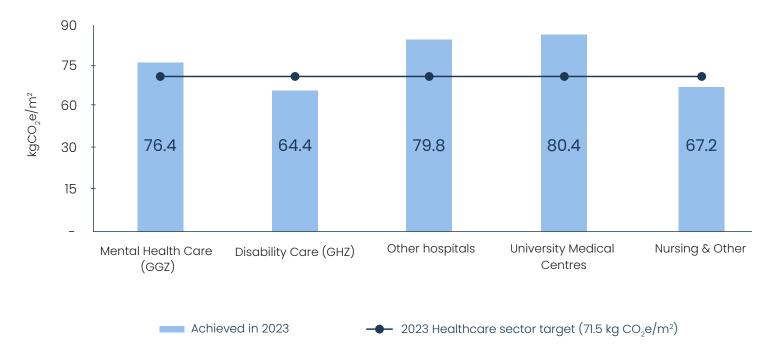
All have quite a way to go. Since it is not realistic to expect healthcare institutions to already comply with the CRREM benchmark pathway, we have set out an emission reduction pathway in 'Going Green' up to 2030. In 2023, healthcare institutions will exceed this pathway slightly, but the deviation is manageable.

More than half of our funding in the healthcare sector goes to hospitals. Energy consumption by hospitals is high. In addition, the extensive use of disposable materials and the impact of anaesthetics result in high emissions in hospitals. This is reflected in our figures. CO_2e emissions per m^2 by (academic) hospitals are 18% higher than the average of the rest of our clients in the healthcare sector. This is due to both higher gas and electricity consumption. We see that an increasing number of hospitals are reporting their environmental data. As a result, we will be able to rely more on these figures in the coming years and gain more detailed insight into the environmental performance of these clients. This helps us in discussions with our clients and to steer in terms of our targets.



	2018	2022	2023
Outstanding amount € million	7,031	6,724	6,629
Emission measurement coverage ratio	88%	96%	100%
Financed emissions (ktCO ₂ e)	285	208	200
Economic emission intensity (tCO₂e/€ million)	46.3	32.3	30.2
Physical emission intensity (kg CO ₂ e/m²)	87.2	76.2	72.4
Energy performance - Electricity (kWh/m²)	73.5	69.8	69.0
Energy performance - Gas (m³/m²)	33.0	29.3	29.5

Physical emission intensity per subsector





Education

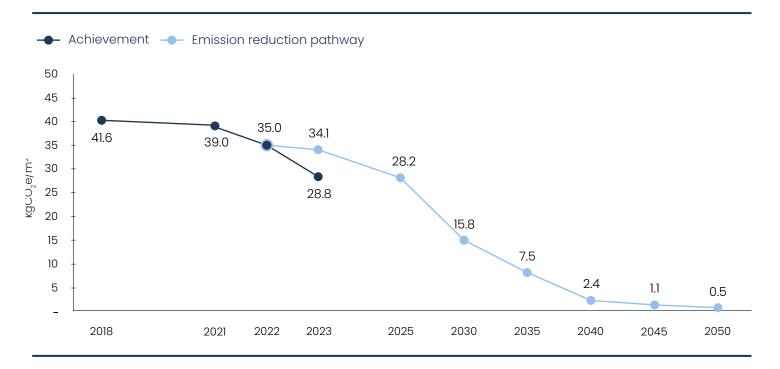
This client group accounts for 1% of our loan portfolio

The education sector is facing a major renovation challenge. Many buildings occupied by schools and universities are outdated. Substantial investments must be made in energy efficiency to reduce CO_2 e emissions and to provide a healthy, inspiring learning environment. This includes installing solar panels, improving insulation and installing heat pumps. This not only reduces energy costs, but also provides a more agreeable indoor climate, which is important for the concentration and well-being of pupils and staff. Moreover, school playgrounds are increasingly being greened in order to reduce heat stress, cope with flooding and contribute to the (psychological) well-being of children.

This development is also visible among the educational institutions in our portfolio. In particular, we observe a decrease in gas consumption, which seems to indicate that the real estate is becoming more sustainable. The decrease in gas consumption combined with the greening of the electricity grid translates into a significant decrease in emissions. This decrease is not visible in terms of absolute emissions, because this year we have expanded the coverage ratio of our emission measurements from 62% to 100%.

However, this decrease is visible in the emission intensity figures. CO_2 e emissions per m² were 28.8 kg CO_2 e/m² in 2023, a decrease of 18% compared with 2022. In order to meet our climate targets for 2030, educational institutions need to become even more sustainable so that they emit a maximum of 15.8 kg CO_2 e/m² by 2030. This means a further required decrease of 45% by 2030. If the current trend continues, this reduction seems feasible.

Emission reduction pathway for educational institutions





	2018	2022	2023
Outstanding amount € million	979	1,057	1,035
Emission measurement coverage ratio	54%	62%	100%
Financed emissions (ktCO ₂ e)	16	13	14
Economic emission intensity (tCO₂e/€ million)	30.0	19.7	13.2
Physical emission intensity (kg CO ₂ e/m²)	41.6	35.0	28.8
Energy performance - Electricity (kWh/m²)	40.7	33.9	38.4
Energy performance - Gas (m³/m²)	15.2	13.9	6.8

Public infrastructure and energy

This client group comprises 6% of our long-term loan portfolio and 2% of our bond/MTN portfolio

The Public infrastructure and energy portfolio is our most diverse portfolio. This portfolio includes energy network operators, drinking water companies, waste energy companies, public transport companies and renewable energy projects. This sector includes our clients who score high in terms of CO₂e emissions, as well as clients who make or will make a major contribution to achieving the climate targets. That is why we are pleased to discuss these clients' financed emissions in more detail for the first time in a separate section in this edition of the progress report.



Public infrastructure and energy¹⁴

						emission int ₂e/€ million)		
Sector	Subsector	Outstanding Ioan (€ million)	Emission measurement coverage ratio (%)	Financed emissions (ktCO ₂ e)	Scopelen 2	Scope 3	Total	PCAF data quality score ¹⁵
Public infrastructure	Public transport	1,153	100%	17	5.6	8.8	14.4	3.6
	Infrastructure	1,066	100%	278	30.0	230.4	260.4	3.7
	Waste collection and processing	697	100%	270	358.9	29.0	387.8	2.0
	Drinking water companies	677	92%	22	26.2	8.6	34.8	2.2
	Spatial planning	592	100%	66	14.6	97.5	112.2	5.0
	Network operators (energy, telecom)	884	100%	96	81.6	27.4	109.0	2.8
	Total	5,070	99%	749	76.9	72.4	149.3	3.2

Sector	Subsector	Outstanding loan (€ million)	Emission measurement coverage ratio (%)	Net avoided emissions (ktCO ₂ e)	Intensity of emissions avoided (tCO₂e/ € million)	PCAF data quality score ¹⁶
Energy	Renewable energy	808	66%	380	714.3	3.0
	Sustainability projects	52	0%	-	-	-
	Total	859	62%	380	714.3	3.0

¹⁴ For clients for whom we were able to use the emissions specified in their annual reports, in most cases we used the scope 3 emissions they reported and audited.

^{15, 16} Scale 1 to 5, whereby 1 is the highest score.

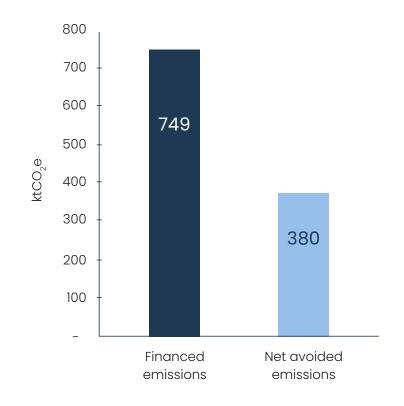
The CO₂e emissions of public infrastructure companies are to a limited extent the result of real estate use, which means that we were unable to map the emissions using the same method as for the sectors mentioned above. For this progress report, we tried to establish emissions for as many clients as possible through their own annual reports. These are largely available for waste processing companies, network operators and airports and seaports. This applies less to other client groups such as infrastructure projects or spatial planning. For clients who do not report their emissions, we have used the CO₂e emissions per € million outstanding loan, which PCAF has established for various sectors. These sectors are set at a fairly high level of aggregation, so the emission measurement is less accurate. The PCAF data quality score in the table on page 28 shows the accuracy. The lower the number, the higher the data quality of the emission measurement. We expect more and more clients to report their emissions in the coming years so that the reliability of our figures increases.

Due to the fact that our emission measurements within this client group for 2022 was still very limited, this section only deals with emissions for 2023. Appendix 2 deals with emissions for 2022.

In this section, we present financed emissions of both the loans we provide to public infrastructure companies and the bonds we hold for them. This client group includes emission-intensive companies, which account for 29% of our total financed total emissions, while they represent just 6% of our loan and bond portfolio¹⁷. At the same time, many clients in this client group make a major contribution to the energy transition.

In addition, financing renewable energy projects is part of our Public infrastructure and energy portfolio. These projects ensure a greening of the energy mix, thus avoiding emissions. This year, we mapped the net avoided emissions for 62% of these projects. This means that of the 749 ktCO₂e emitted by the public infrastructure companies in our portfolio, we can offset 380 ktCO₂e of avoided emissions from our energy portfolio.

Financed emissions in 2023 for Public infrastructure and energy



¹⁷ Here the emissions of this sector are relative to the total emissions of the loan portfolio and bond/MTN portfolio, excluding governments, supranational and multilateral development banks. For the outstanding amounts, the only amounts included are those with an emission calculation.

In the next section, we provide information about a number of the client groups within our Public infrastructure and energy portfolio.

Infrastructure

This client group mainly comprises airports and seaports and projects for the development of public infrastructure. These are companies and projects that are part of the vital infrastructure of the Netherlands and of great importance to the Dutch economy. At the same time, these clients (indirectly) have a significant impact on the environment. Thus, the Dutch government and public seaport companies work closely together on tailored agreements to support these companies in the energy transition.

As also revealed in the table on page 28, the highest CO₂e emissions of these ports are the result of their scope 3 activities. In the case of seaports, for example, these are emissions from the companies located in the port area. We expect ports to have a clear strategy to help (further) green activities in their port area. Ports must encourage and support companies in their transition.

For 31% of our funding in this sector, clients have set science-based reduction targets, which have been validated by the Science Based Targets initiative. We will monitor this progress and include it in our client discussions.

Waste collection and processing companies

The collection of household waste is a statutory task for municipalities. We finance clients who focus on collecting waste, as well as clients who sort and process the waste into raw materials and/or energy after collection. Separating waste contributes to the circularity of materials. However, incinerating the unusable residual waste results in direct emissions of CO_2e . Many of the waste processing companies we finance report their production and environmental data in detail. They are aware of their impact on the environment and have set targets to reduce emissions. But this also presents a challenge.

The government aims to reduce the annual amount of household residual waste produced per resident and at the same time to focus on increasing and improving recycling.

These objectives are being achieved to an ever greater extent. However, incinerators are most efficient when running at full capacity. In some cases, residual waste is imported from other EU countries in order to make maximum use of production capacity. In these countries, there is a lack of waste processing capacity and waste is still often dumped, which is more harmful to the environment than incinerating the waste.

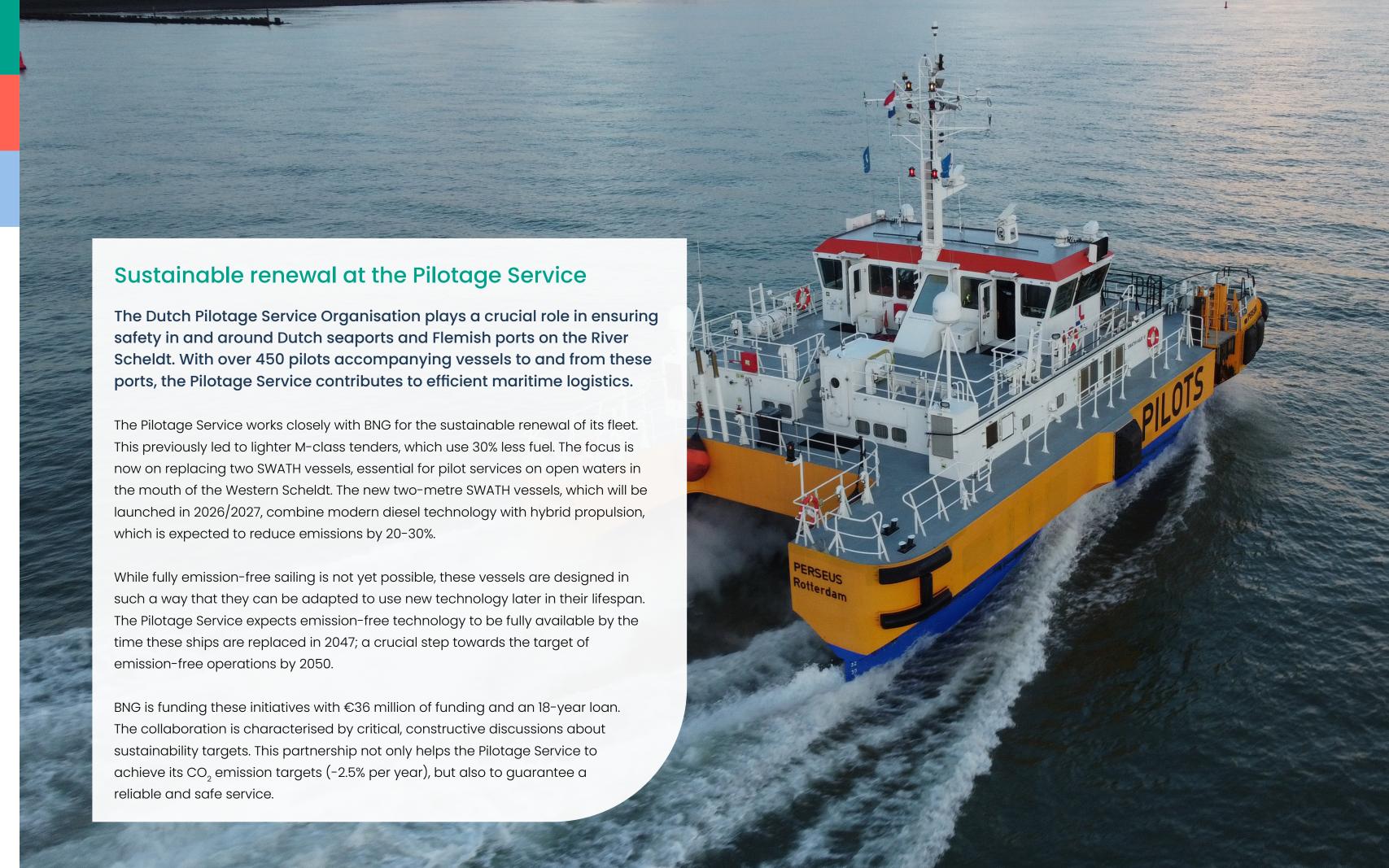
The consequence of using production capacity in this way is that absolute emissions of CO_2 e emissions from Dutch waste processors barely decreases. In the future, emission reductions will have to come from CO_2 e emission capture. In November 2023, BNG and ING financed the construction of a CO_2 capture installation at Twence, with a capacity of 100,000 tonnes. The installation was completed on 1 January 2025. Twence used the first quarter to carry out the final preparations. In the spring, when the growing season begins, the first liquid CO_2 will be supplied to the greenhouse horticulture sector. As soon as liquid CO_2 can be stored under the North Sea, waste processors' CO_2 emissions will decrease further.

Network operators

We finance energy network operators and heating network operators. The challenges facing energy network operators are complex. Expanding and increasing the electricity grid is an important precondition for the further development of the Dutch economy and the energy transition. However, the ability to cope with the increasing demand for electricity and the variable supply of renewable energy sources is a challenge. This results in network congestion. Combating network congestion by expanding the electricity grid requires major investments. By financing these investments, we are demonstrating our green added value as a bank. Among other things, we help network operators with standby facilities to boost their creditworthiness.

By 2050, approximately 8.0 million homes and other buildings still need to be made natural gas-free. It is expected that approximately 5.5 million homes will benefit from an electric heat solution. To achieve this, the electricity grid must be expanded considerably. For approximately 2.5 million homes, it is clear that sustainability provided by a heating network will result in the lowest social costs. We are committed to making investments in heating networks possible. Among other things, by working with the Association of Netherlands Municipalities and the Ministry of Climate Policy and Green Growth to elaborate the concept of a guarantee fund for heat suppliers. This means investments in heating networks also contribute to the energy transition and the challenges associated with network congestion.





4. Achievements within our own business operations

In order to achieve net zero emissions by 2050, it is important that we also have insight into the environmental impact of our own operations. In 2024, we expanded the emission measurements of our own activities. Last year, we already measured the CO₂e emissions caused by heating our office buildings and those resulting from our employees' business air travel. This year, we also determined the emissions for our employees' commuting, the business trips they take apart from air travel and the CO₂e emissions associated with our waste.

Our office building

In 2023, we started renovating our office building on Koninginnegracht in The Hague. Since November 2023, we have temporarily occupied a rented property on Bordewijklaan in The Hague. This property is heated by gas, which means our CO_2 e emissions have increased since then. We do have a say in the energy contract for the property we have rented, we report the emissions resulting from our gas and electricity consumption under scope 1 and 2.

We use certified wind energy, which means our market-based CO₂e emissions are zero. The CSRD also expects us to communicate location-based emissions, which do not take account of measures to improve sustainability. From now on, we will include them in our report.

During the renovation of our building in 2024, use was still made of electricity and to a very limited extent of district heating. These are also included in our scope 2 emissions. Due to the renovation, our solar panels did not generate any power in 2024.

In addition, we rent an office in Voorburg, which we use as a back-up site. This property is also heated using gas. We have no say in the energy contract, as a result of which we report both gas and electricity consumption under scope 3.

Mobility

Since 2011, we have reported CO₂e emissions resulting from our lease cars and air travel. In addition to the emissions resulting from the diesel and petrol consumption of our lease cars, from now on we will also include the emissions associated with the electricity consumption of our hybrid and electric lease cars. Our lease policy changed in 2024, which means that employees will only be able to lease electric cars in the future. As a result, we will see a decrease in our scope 1 emissions in the coming years. Due to the expiry of lease contracts for cars with a combustion engine, our scope 1 emissions will be zero from 2029.

Our policy on business travel has also changed. As of 2024, rail transport will in principle be the standard for journeys up to 750 kilometres. This will be reflected in the CO₂e emissions of our air travel.

For the first time this year, we have mapped the emissions resulting from our employees' commute. In 2025, we will make our mobility policy more sustainable and examine how we can further facilitate and encourage employees to choose a sustainable option.

Waste

In 2024, we monitored our waste flows. This includes plastic, paper, glass and residual waste. From now on, we will continue to monitor the amount of waste and the associated CO₂e emissions and formulate additional actions to reduce our waste flows.

CO₂e emissions resulting from our business operations (tCO₂e)¹⁸

Scope 1	2024	2023	2022
Natural gas for heating our temporary office ¹⁹	75	48	
Lease cars	118	59	81
Total scope I emissions	194	107	81
Scope 2			
Purchase of electricity ^{19, 20}	0	31	0
Purchase of district heating	8	63	65
Lease cars (electric)	39		
Total scope 2 emissions (market-based)	47	94	65
Total scope 2 emissions (location-based) ²¹	283		
Scope 3			
Business air travel	19	42	25
Other business travel	13		
Commuting	128		
Rented property ²²	11	24	
Waste	6		
Total scope 3 emissions	176	67	25
Total emissions (market-based)	416	268	171
Total emissions (location-based)	653		
	· · · · · · · · · · · · · · · · · · ·		

¹⁸ Well-to-wheel emission factors have been used

¹⁹ The CO₂e emissions of our rented property on Bordewijklaan in The Hague were allocated to scope 3 last year, which we allocated retroactively to scope 1 and 2.

²⁰ We purchase green energy. However, in 2023, the energy consumption of our rented property had not yet been factored in.

²¹ For the location-based calculation of the electricity we purchased, the emission factor for 'electricity (unknown) grid mix' of CO2emissiefactoren.nl was used.

²² This concerns our back-up site in Voorburg.

5. Looking ahead

Sustainable transitions require collaboration, courage and perseverance, which we also experience in our efforts to achieve net zero. It is only by effectively working together – both internally and with our clients – and by learning from each other that we can create added value for our clients and ourselves. In 2024, we made considerable efforts to increase our understanding of our clients' ESG performance and documenting it. These are important steps in our sustainable transition, but we still have some way to go. For 2025, we have planned a number of actions to achieve our targets step by step:

- In 2025, we expect clients to have formulated a sustainability target that is in line with the Paris Agreement. For most clients, if they do not yet have sustainability targets, each new financing application of five million euros or more must be accompanied by a plan showing that the investment is in line with the 1.5°C scenario.
- We set emission reduction targets for our clients within the Public infrastructure and energy portfolio. We look at the type of target that is most suitable for each client group.
- In 2025, we will toughen our sustainability strategy. The stricter strategy will elaborate on our guiding principle: Bank of added value.
- We will increase our understanding of the climate and environmental risks faced by our clients and quantify them where possible. We will do this, for example, by adding input to our ESG rating model and carrying out a new climate stress test.
- In 2025, we will launch our green loans for social housing associations.
 We will continue to develop new financing products that will support the sustainable transition.



Appendix 1 Financed emissions of the loan portfolio 2023

TOTAL

Type of emissions	Sector	Subsector	Outstanding loan amount (€ million)	Coverage ratio by sector (%)	Absolute financed Eco emissions (tCO ₂ e)	onomic emission intensity (tCO₂e/€ million)	PCAF data quality ²³
Generated	Housing	Social housing associations	45,957	100%	458,990	10.0	2.0
emissions		Housing related	784	100%	5,395	6.9	5.0
	Public sector	Municipalities	25,104	100%	913,282	36.4	3.7
		Joint arrangements	1,303	100%	86,175	66.1	5.0
		Provinces	449	100%	12,546	27.9	4.0
		Water boards	220	100%	14,244	64.7	2.8
		Other public institutions	510	100%	32,008	62.7	5.0
	Healthcare	Nursing & Other	1,954	100%	72,485	37.1	3.3
		University Medical Centres	1,314	100%	26,825	20.4	2.6
		Other hospitals	2,372	100%	62,346	26.3	3.3
		Disability Care (GHZ)	643	100%	23,559	36.7	3.4
		Mental Health Care (GGZ)	346	100%	14,671	42.4	3.3
	Public infrastructure	Public transport	1,153	100%	16,592	14.4	3.6
		Infrastructure	1,028	100%	237,024	230.6	3.8
		Waste collection and processing	697	100%	270,500	387.8	2.0
		Drinking water companies	677	92%	21,717	34.8	2.2
		Spatial planning	592	100%	66,444	112.2	5.0
		Network operators (energy, telecom)	486	100%	74,226	152.7	4.2
	Education	Primary education	311	100%	3,825	12.3	3.0
		Secondary and higher education	618	100%	9,377	15.2	3.5
		Other educational institutions	107	100%	477	4.5	4.9
	Other	Other	281	100%	22,717	80.7	5.0
			86,908	99.9%	2,445,423	28.2	2.8
Avoided	Energy	Renewable energy	808	66%	380,410	714.3	3.0
emissions		Sustainability projects	52	0%	-	-	
			859	62%	380,410	714.3	3.0

87,767

99.6%

			Scope 1 and 2			Scope 3		
Type of emissions	Sector	Subsector	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	PCAF data quality ²⁴	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO ₂ e/€ million)	PCAF data quality ²⁵
Generated	Housing	Social housing associations	458,990	10.0	2.0	-	-	-
emissions		Housing related	1,031	1.3	5.0	4,364	5.6	5.0
	Public sector	Municipalities	237,308	9.5	3.0	675,974	26.9	4.0
		Joint arrangements	33,458	25.7	5.0	52,717	40.4	5.0
		Provinces	721	1.6	4.0	11,825	26.3	4.0
		Water boards	12,314	56.0	2.8	1,930	8.8	2.8
		Other public institutions	12,334	24.2	5.0	19,674	38.6	5.0
	Healthcare	Nursing & Other	63,126	32.3	3.1	9,359	4.8	5.0
		University Medical Centres	22,773	17.3	2.2	4,052	3.1	5.0
		Other hospitals	53,312	22.5	3.0	9,033	3.8	5.0
		Disability Care (GHZ)	19,014	29.6	3.0	4,545	7.1	5.0
		Mental Health Care (GGZ)	12,912	37.3	3.0	1,759	5.1	5.0
	Public infrastructure	Public transport	6,447	5.6	3.6	10,145	8.8	3.6
		Infrastructure	31,955	31.1	3.8	205,068	199.5	3.8
		Waste collection and processing	250,290	358.9	2.0	20,209	29.0	2.0
		Drinking water companies	16,363	26.2	2.0	5,354	8.6	3.0
		Spatial planning	8,669	14.6	5.0	57,775	97.5	5.0
		Network operators (energy, telecom)	57,163	117.6	4.2	17,063	35.1	4.2
	Education	Primary education	3,825	12.3	3.0	-	-	-
		Secondary and higher education	9,377	15.2	3.5	-	-	_
		Other educational institutions	477	4.5	4.9	-	-	_
	Other	Other	16,192	57.5	5.0	6,525	23.2	5.0
			1,328,052	15.3	2.6	1,117,371	12.9	4.1

Financed emissions of bonds and medium term notes 2023

Type of emissions	Portfolio	Outstanding amount (€ million)	Coverage rate sector (%)	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	PCAF data quality ²⁶
Generated	Municipalities	1,247	100%	32,261	25.9	3.8
emissions	Public infrastructure	436	100%	62,716	143.8	1.6
	Other	9,410	0%	-	-	-
		11,093	15%	94,977	56.5	3.1

Type of emissions	Portfolio	Outstanding amount (€ million)	Coverage rate sector (%)	Absolute financed emissions (tCO ₂ e) (incl. LULUCF)	Absolute financed emissions (tCO ₂ e) (excl. LULUCF)	PCAF data quality ²⁷
Generated	Sovereigns	3,808	100%	1,136,087	1,159,639	2.5
emissions	Supranationals/Multilateral development banks	5,462	78%	667,603	730,319	5.0
		9,270	87%	1,803,689	1,889,958	3.4
Total		20,363	47.9%			

Breakdown of financed emissions of bonds and medium term notes 2023 by scope

		Scope 1	and 2	Scope 3		
Type of emissions	Portfolio	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	
Generated 	Municipalities	6,893	5.5	25,368	20.4	
emissions	Public infrastructure	15,014	34.4	47,702	109.4	
	Other	-	-	-	-	
		21,908	13.0	73,070	43.4	

		Sco	pe 1	Scope 2	Scope 3
Type of emissions	Portfolio	Absolute financed emissions (tCO ₂ e) (incl. LULUCF)	Absolute financed emissions (tCO ₂ e) (excl. LULUCF)	Absolute financed emissions (tCO ₂ e)	Absolute financed emissions (tCO ₂ e)
Generated	Sovereigns	549,238	572,790	16,860	569,989
emissions	Supranationals/ Multilateral development banks	667,603	730,319	-	-
		1,216,840	1,303,109	16,860	569,989

Appendix 2 Financed emissions of the loan portfolio 2022

emissions Pi	Housing Public sector	Social housing associations Housing related	44,118				PCAF data quality ²⁸
emissions Pi		Housing related		97%	492,426	11.5	2.0
H	Public sector		715	0%	-	-	-
		Municipalities	25,765	100%	881,339	34.2	3.9
		Joint arrangements	1,270	3%	513	14.2	2.0
		Provinces	421	100%	16,537	39.2	4.0
		Water boards	197	100%	15,675	79.4	2.7
		Other public institutions	560	0%	-	-	-
Pi	Healthcare	Nursing & Other	2,007	89%	79,519	44.7	3.3
Pi		University Medical Centres	1,308	100%	18,662	14.3	3.3
 Pi		Other hospitals	2,378	99%	70,554	30.0	3.3
Pi		Disability Care (GHZ)	668	99%	25,477	38.4	3.3
Pi		Mental Health Care (GGZ)	362	91%	13,733	41.5	3.3
	Public infrastructure	Public transport	986	28%	1,099	4.0	4.0
		Infrastructure	1,126	71%	120,520	149.9	4.0
		Waste collection and processing	710	0%	-	-	-
		Drinking water companies	548	94%	20,356	39.3	2.2
		Spatial planning	631	0%	-	-	-
		Network operators (energy, telecom)	603	0%	-	-	-
Ec	Education	Primary education	303	72%	5,827	26.6	3.0
		Secondary and higher education	653	67%	7,085	16.2	3.0
		Other educational institutions	101	0%	6	34.1	3.0
0	Other	Other	317	18%	214	3.7	4.0
			85,749	91%	1,769,542	22.7	2.8
Avoided Er	Energy	Renewable energy	867	0%	-		
emissions		Sustainability projects	48	0%			
			914	0%			
Total			86,664	89.8%			ale 1 to 5, whereby 1 is the highe

Breakdown of financed emissions of the loan portfolio 2022 by scope

				Scope 1 and 2			Scope 3	
Type of emissions	Sector	Subsector	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	PCAF data quality ²⁹	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	PCAF data quality ³⁰
Generated	Housing	Social housing associations	492,425	11.5	2.0	-	-	-
emissions		Housing related	-	-	-	-	-	-
	Public sector	Municipalities	220,953	8.6	3.0	660,386	25.6	4.0
		Joint arrangements	209	5.8	2.0	304	8.4	-
		Provinces	782	1.9	4.0	15,754	37.4	4.0
		Water boards	13,935	70.6	2.7	1,740	8.8	2.7
		Other public institutions	-	-	-	-	-	-
	Healthcare	Nursing & Other	69,912	39.3	3.0	9,607	5.4	5.0
		University Medical Centres	14,660	11.2	3.0	4,002	3.1	5.0
		Other hospitals	62,228	26.5	3.0	8,326	3.5	5.0
		Disability Care (GHZ)	21,232	32.0	3.0	4,245	6.4	5.0
		Mental Health Care (GGZ)	12,128	36.7	3.0	1,605	4.9	5.0
	Public infrastructure	Public transport	495	1.8	4.0	604	2.2	4.0
		Infrastructure	8,279	10.3	4.0	112,241	139.6	4.0
		Waste collection and processing	-	-	-	_	-	-
		Drinking water companies	15,950	30.8	2.0	4,406	8.5	3.0
		Spatial planning	-	-	-	_	-	-
		Network operators (energy, telecom)	-	-	-	-	-	-
	Education	Primary education	5,827	26.6	3.0	-	-	_
		Secondary and higher education	7,085	16.2	3.0	-	_	-
		Other educational institutions	6	34.1	3.0	-	_	_
	Other	Other	69	1.2	4.0	145	2.5	4.0
			946,175	12.2	2.5	823,367	10.6	4.2

Financed emissions of bonds and medium term notes 2022

Type of emissions	Portfolio	Outstanding amount (€ million)	Coverage rate sector (%)	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	PCAF data quality ³¹
Generated	Municipalities	1,297	100%	33,259	25.7	3.8
emissions	Public infrastructure	336	100%	54,111	161.0	1.1
	Other	8,971	0%	-	-	-
		10,603	15%	87,370	53.5	3.3

Type of emissions	Portfolio	Outstanding amount (€ million)	Coverage rate sector (%)	Absolute financed emissions (tCO ₂ e) (incl. LULUCF)	Absolute financed emissions (tCO ₂ e) (excl. LULUCF)	PCAF data quality ³²
Generated 	Sovereigns	3,294	100%	1,016,476	1,038,470	2.5
emissions	Supranationals/Multilateral development banks	2,785	59%	261,176	286,376	4.9
		6,079	81%	1,277,652	1,324,846	3.3

Total	16,682	39.3%
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Breakdown of financed emissions of bonds and medium term notes 2022 by scope

		Scope 1	and 2	Scope 3		
Type of emissions	Portfolio	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	Absolute financed emissions (tCO ₂ e)	Economic emission intensity (tCO₂e/€ million)	
Generated	Municipalities	5,707	4.4	27,552	21.3	
emissions	Public infrastructure	10,858	32.3	43,253	128.7	
	Other	-	-	-	-	
		16,565	10.1	70,805	43.4	

		Sco	pe 1	Scope 2	Scope 3
Type of emissions	Portfolio	Absolute financed emissions (tCO ₂ e) (incl. LULUCF)	Absolute financed emissions (tCO ₂ e) (excl. LULUCF)	Absolute financed emissions (tCO ₂ e)	Absolute financed emissions (tCO ₂ e)
Generated	Sovereigns	486,901	508,894	14,777	514,799
emissions	Supranationals/ Multilateral development banks	261,176	286,376	-	-
		748,077	795,270	14,777	514,799

Appendix 3 Data and emission sources used

Sector	Client group	Data source	Scope 1 emission source	Scope 2 emission source	Scope 3 emission source
Housing	Social housing associations	Land Registry and Mapping Agency (Kadaster), network operators, Statistics Netherlands (CBS)	Gas consumption	Purchase of electricity and district heating	
	Housing related	PCAF database emission factors	Fuel consumption	Electricity and heat	Other value chain emission sources
Public sector	Municipalities	Land Registry and Mapping Agency, network operators, Statistics Netherlands, LISA, A & O Provincial Fund	Gas consumption, kilometres driven using own vehicle fleet	Purchase of electricity	Purchased goods and services
	Joint arrangements	PCAF database emission factors	Fuel consumption	Electricity and heat	Other value chain emission sources
	Provinces	Land Registry and Mapping Agency, network operators, Statistics Netherlands, LISA, A & O Provincial Fund	Gas consumption, kilometres driven using own fleet	Purchase of electricity	Purchased goods and services
	Water boards	Water board climate monitor	Gas consumption, kilometres driven using own fleet	Purchase of electricity and heat	Commuting, purchased transport and maintenance, materials and raw materials
	Other public institutions	PCAF database emission factors	Fuel consumption	Electricity and heat	Other value chain emission sources
Healthcare	All client groups	Land Registry and Mapping Agency , network operators, CBS, CIBG (99%)	Gas consumption	Purchase of electricity	Commuting
		PCAF database emission factors (1%)	Fuel consumption	Electricity and heat	
Education	All client groups	Land Registry and Mapping Agency, network operators (63%)	Gas consumption	Purchase of electricity	
		PCAF database emission factors (37%)	Fuel consumption	Electricity and heat	
Public infrastructure	Public transport	Client annual reports (35%)	Fuel consumption of vehicles and real estate	Electricity and heat	Other value chain emission sources, varies per client
		PCAF database emission factors (65%)	Fuel consumption	Electricity and heat	Other value chain emission sources

Sector	Client group	Data source	Scope 1 emission source	Scope 2 emission source	Scope 3 emission source	
	Infrastructure	Client annual reports (31%)	Fuel consumption of vessels, vehicles and real estate	Electricity and heat	Other value chain emission sources, varies per client	
		PCAF database emission factors (69%)	Fuel consumption	Electricity and heat	Other value chain emission sources	
	Waste collection and processing	Client annual reports (74%)	Fuel consumption of vehicles and real estate, production-related activities	Electricity and heat	Other value chain emission sources, varies per client	
		PCAF database emission factors (26%)	Fuel consumption	Electricity and heat	Other value chain emission sources	
	Drinking water companies	Drinking water companies	Extraction and treatment of groundwater, gas consumption, fuel for the use of aggregates, kilometres driven using own fleet	Purchase of electricity	Commuting, air travel, chemicals, transport (suppliers, disposal of residues)	
	Spatial planning	PCAF database emission factors	Fuel consumption	Electricity and heat	Other value chain emission sources	
	Network operators (energy, telecom)	Client annual reports (27%)	Fuel consumption of vehicles and real estate, grid loss, methane emissions	Electricity and heat, grid loss	Other value chain emission sources, varies per client	
		PCAF database emission factors (73%)	Fuel consumption	Electricity and heat	Other value chain emission sources	
Energy	Renewable energy	Gross avoided emissions: client production data; generated emissions: scientific literature			Production, installation, maintenance and disassembly of wind turbines and solar panels	
	Sustainability projects	No emission calculation took place				
Other	Other	PCAF database emission factors	Fuel consumption	Electricity and heat	Other value chain emission sources	

Appendix 4 Scope of climate targets

Loan portfolio

Sector	Subsector	Percentage of portfolio in 2023	Part of absolute emission reduction target scope 1 and 2 for 2025 and 2030	Physical emission intensity target for 2030
Housing	Social housing associations	52%	Yes	Yes
	Housing related	1%	No	No
Public sector	Municipalities	29%	Yes	Yes
	Joint arrangements	1%	No	No
	Provinces	1%	Yes	No
	Water boards	0%	Yes	No
	Other public institutions	1%	No	No
Healthcare	Nursing & Other	2%	Yes	Yes
	University Medical Centres	1%	Yes	Yes
	Other hospitals	3%	Yes	Yes
	Disability Care (GHZ)	1%	Yes	Yes
	Mental Health Care (GGZ)	0%	Yes	Yes
Public infrastructure	Public transport	1%	No	No
	Infrastructure	1%	No	No
	Waste collection and processing	1%	No	No
	Drinking water companies	1%	Yes	No
	Spatial planning	1%	No	No
	Network operators (energy, telecom)	1%	No	No
Education	Primary education	0%	Yes	Yes
	Secondary and higher education	1%	Yes	Yes
	Other educational institutions	0%	Yes	Yes
Other	Other	0%	No	No
Energy	Renewable energy	1%	No	No
	Sustainability projects	0%	No	No
Scope of target		100%	91%	90%

Bond/MTN portfolio

Sector	Subsector	Percentage of portfolio in 2023	Part of absolute emission reduction target scope 1 and 2 for 2025 and 2030	Physical emission intensity target for 2030
Public sector	Sovereigns	19%	No	No
	Supranationals/multilateral development banks	27%	No	No
	Municipalities	6%	No	Yes
Public infrastructure	Public infrastructure	2%	No	No
Other	Other	46%	No	No
Scope of target		100%	0%	6%

Appendix 5 Explanation of climate targets

	Absolute	targets		Absolute targets		
Portfolio	Loan portfolio	Loan portfolio	Loan portfolio	Loan portfolio, bond/MTN portfolio	Loan portfolio	Loan portfolio
Sector	Social housing associations, municipalities, provinces, water boards, healthcare, education and drinking water companies	Social housing associations, municipalities, provinces, water boards, healthcare, education and drinking water companies	Social housing associations	Municipalities	Healthcare	Education
Outstanding amount (€ million)	80,072	80,072	45,957	26,350	6,629	1,035
Sector coverage ratio (%)	100%	100%	100%	100%	100%	100%
Portfolio coverage ratio (%)	91%	91%	52%	29% Ioan portfolio, 6% bond/MTN portfolio	8%	1%
Scopes	1.2	1.2	1.2	1.2	1.2	1.2
Type of target	Absolute	Absolute	Relative	Relative	Relative	Relative
Metric	ktCO ₂ e	ktCO ₂ e	kg CO ₂ e/m²	kg CO ₂ e/m²	kg CO ₂ e/m²	kg CO ₂ e/m²
Baseline year	2018	2018	2018	2018	2018	2018
Baseline year value	1,202	1,202	29.3	45.2	87.2	41.6
Reference year	2023	2023	2023	2023	2023	2023
Reference year value	911	911	22.0	35.1	72.4	28.8
PCAF data quality score	2.5	2.5	2.0	3.0	2.9	3.4
Target year	2025	2030	2030	2030	2030	2030
Value target for the target year	901	685	11.0	16.8	25.1	15.8
Scenario/emission reduction pathway	N/A	N/A	Until 2030: own emission reduction pathway, as of 2030: CRREM 1,5°C GHGe, Single family house (40%), Multi-family house (60%)	Annual percentage of the decrease is equal to the CRREM pathway 1,5°C GHGe Office	of the decrease is	Until 2030: own emission reduction pathway, as of 2030: CRREM 1,5°C GHGe Healthcare
Climate target methodology	N/A	N/A	SDA	SDA	SDA	SDA