

# NIBC SUSTAINABILITY REPORT

August 2022

## 2021-2022 Sustainability Highlights

- NIBC sells remaining Offshore (fossil fuel) Energy portfolio (July 2022)
- North Westerly VII ESG CLO awarded Global Capital ESG Deal of the Year (April 2022)
- NIBC joins UN Principles for Responsible Investment UN PRI (April 2022)
- NIBC 2021 Annual Report: NIBC's first EU Taxonomy disclosures (March 2022)
- COP26: NIBC announces strategic realignment, ends new financings of fossil fuel exploration and production (November 2021)
- NIBC EUR 750 mln Senior Green Preferred launched (September 2021)

### Sale of remaining Offshore (fossil fuel) Energy Portfolio

In July 2022 NIBC announced the sale of its remaining Offshore Energy portfolio, ending our involvement in this asset class. This followed the strategic realignment in November 2021 and updates NIBC's Sustainability Policy and its Environment and Climate Policy to exclude new financings of fossil fuel exploration and production. NIBC had already been reducing fossil exposures for several years to reduce risks related to cyclical exposures and climate impacts.

### Global Capital ESG Deal of the Year - North Westerly VII ESG CLO

NIBC is grateful to Global Capital for their recognition in April 2022 of the North Westerly VII ESG CLO as ESG Deal of the Year among securitizations. In 2021 North Westerly VI ESG CLO was recognised by IFLR as Structured Finance Deal of the Year, provided best practice example for structured products in a publication of UN PRI and UN Global Compact in May 2021.

### NIBC Green Bond

In September 2021 NIBC launched an EUR 750 mln green senior preferred issuance, our first green debt issuance under our new Green Bond Framework. The issuance was well-received in the market and broadened NIBC's investor base, attracting additional responsible debt investors to NIBC.

### Energy efficient real estate

Energy efficiency of NIBC's retail and commercial real estate portfolios is strengthening. At year end 2021, about 18% of NIBC's retail mortgage exposures and 50% of NIBC's commercial real estate exposures achieved energy label A or higher. Overall more than 60% of real estate on NIBC's balance sheet has achieved an energy efficiency label or EPC equivalent of C or higher.

### Sustainability-linked infrastructure

Client and investor interest in sustainability is increasing. During 2021 approximately one third of NIBC's new origination in the Infrastructure asset class involved "sustainability-linked" financing structures. Key performance indicators which relate client or asset sustainability performance were linked to margin ratchets, and used in these financings to incentivise improved sustainability performance.

# NIBC Sustainability Report

Despite the challenges faced in the world today, NIBC is optimistic that together we can achieve climate targets and protect the environment and human rights if governments, businesses and consumers each do their part and take action today.

NIBC remains committed to doing our part to achieve these outcomes and is pleased to share this Sustainability Report to give further insights into our progress during 2021 in sustainability, ESG and corporate social responsibility ( CSR ). This Report is for the year ending 31 December 2021 unless otherwise stated. It aims to provide expanded commentary, metrics and targets related to sustainable business practices at NIBC.

This disclosure serves as the main non-financial report for both NIBC Holding and NIBC Bank and as a guide to our ESG policies and practices. It also supplements the material sustainability aspects and statements which are disclosed in our Annual Reports.

## Where to find more information

Additional information on our financial and non-financial performance is reported in NIBC's Annual Reports, GRI Content Index, Pillar III report, TCFD Report and other disclosures. For example, our TCFD Report serves as NIBC's climate risk disclosure and our UN Global Compact COP serves as NIBC's sustainable development goal ( SDG ) report. Additional information regarding NIBC's corporate governance and sustainability policies are available on our website.

## Reports

- NIBC Annual Reports: [nibc.com/about-nibc/investor-relations/annual-reports/](http://nibc.com/about-nibc/investor-relations/annual-reports/)
- NIBC Pillar III: [nibc.com/about-nibc/investor-relations/annual-reports/](http://nibc.com/about-nibc/investor-relations/annual-reports/)
- NIBC Sustainability Report: [nibc.com/about-nibc/sustainability/](http://nibc.com/about-nibc/sustainability/)
- NIBC GRI Content Index: [nibc.com/about-nibc/sustainability/](http://nibc.com/about-nibc/sustainability/)
- NIBC UN Global Compact COP: [nibc.com/about-nibc/sustainability/](http://nibc.com/about-nibc/sustainability/)
- NIBC Equator Principles: [nibc.com/about-nibc/sustainability/](http://nibc.com/about-nibc/sustainability/)
- NIBC Modern Slavery Statement: [nibc.com/about-nibc/sustainability/sustainability-regulatory-disclosures/](http://nibc.com/about-nibc/sustainability/sustainability-regulatory-disclosures/)
- NIBC TCFD Report: [nibc.com/about-nibc/sustainability/](http://nibc.com/about-nibc/sustainability/)
- SFDR Principle Adverse Impact ( PAI ) Statement: [nibc.com/about-nibc/sustainability/sustainability-regulatory-disclosures/](http://nibc.com/about-nibc/sustainability/sustainability-regulatory-disclosures/)

## Past Non-Financial Reports

- Archive: [nibc.com/about-nibc/sustainability/archive-non-financial-reports/Policies](http://nibc.com/about-nibc/sustainability/archive-non-financial-reports/Policies)
- Corporate Governance Policies: [nibc.com/about-nibc/corporate-governance/](http://nibc.com/about-nibc/corporate-governance/)
- Compliance Policies: [nibc.com/about-nibc/corporate-governance/compliance](http://nibc.com/about-nibc/corporate-governance/compliance)
- Sustainability Policies: [nibc.com/about-nibc/sustainability/sustainability-governance/](http://nibc.com/about-nibc/sustainability/sustainability-governance/)

## About NIBC

NIBC was founded in 1945 to finance the visionary entrepreneurs who helped rebuild the Netherlands after World War II. Over time, we evolved into an enterprising bank offering financing and co-investing solutions to our clients' needs: being flexible and agile, with a 'THINK YES' mentality to match our clients' can-do attitude. NIBC has many milestones, such as the launch of NIBC Direct and Beequip.

Following the acquisition of the shares of NIBC Holding N.V. by Blackstone, the company was delisted on 18 February 2021. As announced in November 2021, we will continue to focus on niche markets where we have bespoke market knowledge in the Netherlands as well as the rest of Europe.

## Making a difference at decisive moments

We took steps into the fintech space through yesqar, as well as through our minority stake in OakNorth. Together with our institutional partners, we are expanding our Originate-to-Manage propositions, developing and optimising our position in the financial ecosystem. We have continued to build on our entrepreneurial DNA to become the company that we are today: best suited to help our clients at their decisive moments.



# NON-FINANCIAL HIGHLIGHTS

## NIBC Direct customer survey score - Mortgages

2021

8.1

2020: 8.0

2019: 8.0



## Corporate lending NPS score

2021

+59%

2020: +30%

2019: +47%



## NIBC Direct customer survey score - Savings

2021

7.6

2020: 7.9

2019: 7.8



## Screening corporate loans

2021

100%

2020: 100%

2019: 100%

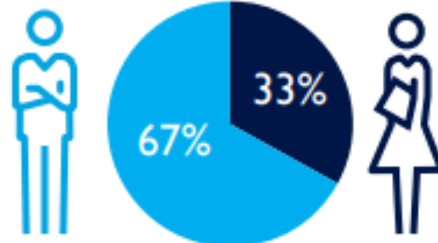
## Sustainability ratings

2021



## Male/female ratio

2021

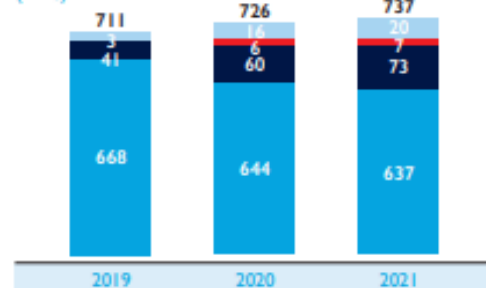


2020: 67% / 33%

2019: 68% / 32%

## Number of employees

(FTEs)



■ NIBC Bank ■ Beequip ■ yesqar ■ Other



## Non Financial Key Figures <sup>1</sup>

### NIBC Holding

#### Non-financial key figures

	2021	2020	2019
NIBC Direct customer survey score - Mortgages	8.1	8.0	8.0
NIBC Direct customer survey score - Savings	7.6	7.9	7.8
NPS score corporate lending clients	+59%	+30%	+47%
% of new corporate loans screened against sustainability policy	100%	100%	100%
Number of new corporate clients with increased sustainability risk assessment	21	14	10
Fines or sanctions for non-compliance with laws and regulations	0	0	0
Total number of FTEs end of financial period	737	726	711
Male/female ratio	67%/33%	67%/33%	68%/32%
Male/female ratio top management	77%/23%	82%/18%	85%/15%
Training expenses per employee (EUR)	2,508	1,767	3,352
Absenteeism (trend total)	1.6%	1.6%	2.0%
Employee turnover (employees started)	17.9%	18.7%	20.6%
Employee turnover (employees left)	16.9%	16.9%	18.6%

### NIBC Bank

#### Non-financial key figures

	2021	2020	2019
NIBC Direct customer survey score - Mortgages	8.1	8.0	8.0
NIBC Direct customer survey score - Savings	7.6	7.9	7.8
NPS score corporate lending clients	+59%	+30%	+47%
% of new corporate loans screened against sustainability policy	100%	100%	100%
Number of new corporate clients with increased sustainability risk assessment	21	14	10
Fines or sanctions for non-compliance with laws and regulations	0	0	0
Total number of FTEs end of financial period	637	644	667
Male/female ratio	65%/35%	67%/33%	67%/33%
Male/female ratio top management	77%/23%	83%/17%	85%/15%
Training expenses per employee (EUR)	2,773	1,882	3,504
Absenteeism (trend total)	2.2%	1.6%	2.0%
Employee turnover (employees started)	16.1%	13.2%	20.6%
Employee turnover (employees left)	17.6%	16.9%	18.6%

Definitions for each non-financial key figure are provided in NIBC's Annual Reports and show the linkage to material topics as defined by our stakeholders. The methodologies used are clearly stated and where relevant further details are provided.

<sup>1</sup> 2021 highlights and figures as published in the Annual Reports for NIBC Holding and 2021 figures for NIBC Bank

## EU Taxonomy Disclosure<sup>2</sup>

### KPIs pursuant to Article 10 of Article 8 Delegated Act (EU) 2020/852 (EU Taxonomy)

Mandatory Disclosure in EUR millions Article 10		Taxonomy			
		Total	Taxonomy Eligible	Non-eligible	% coverage
2a	Total Assets	22,721	11,495	11,226	100%
	of which trading portfolio and on-demand NFRD interbank loans	148	-	148	1%
	of "Other" Debt and other assets of which exposure to NFRD companies - loans	1,132	222	910	5%
	of which exposure to retail clients	49		49	
		11,273	11,273	-	50%
2b	Total exposure to central governments, central banks and supranational issuers	1,793	-	1,793	8%
	Total exposure to derivatives	334		334	1%
2c	Total on-demand non-NFRD interbank loans	673		673	3%
	Total exposure to non-NFRD companies-loans	6,415		6,415	28%
	Total exposure to non-NFRD companies - mezzanine equity	237		237	1%
	Total exposure to non-NFRD retail clients	667		667	3%

Voluntary Disclosure in EUR millions Article 10		Taxonomy			
		Total	Taxonomy Eligible	Non-eligible	% coverage
2a	Total Assets	22,721	14,577	8,144	100%
	of which trading portfolio and on-demand NFRD interbank loans	148	-	148	1%
	of "Other" Debt and other assets of which exposure to NFRD companies - loans	1,132	222	910	5%
	of which exposure to retail clients	49	8	41	0%
		11,273	11,273	-	50%
2b	Total exposure to central governments, central banks and supranational issuers	1,793	-	1,793	8%
	Total exposure to derivatives	334	0	334	1%
2c	Total on-demand non-NFRD interbank loans	673	-	673	3%
	Total exposure to non-NFRD companies-loans	6,415	2,381	4,034	28%
	Total exposure to non-NFRD companies - mezzanine equity	237	26	211	1%
	Total exposure to non-NFRD retail clients	667	667	-	3%

This disclosure is NIBC's first EU Taxonomy eligibility reporting and should serve to help us prepare for our future Taxonomy alignment disclosures. For comparability in reporting we are voluntarily using the Annexes provided in the Article 8 disclosures Delegated Act to guide our reporting to the extent possible. This disclosure is based on a granular analysis of the balance sheet data and attributes recorded in NIBC systems as of 31 December 2021.

<sup>2</sup> 2021 figures as published in the Annual Report for NIBC Holding

We have designated retail mortgage activities (NACE activity L68) to be Taxonomy eligible and have included these as part of the mandatory reporting disclosure. For corporate banking activities, we have determined NFRD companies based on the company's previous year's reporting and current NFRD criteria.

Within the mandatory reporting, component we have determined 51% of our balance sheet to be taxonomy-eligible and 49% to be non-eligible. NIBC has designated an activity as eligible under the EU Taxonomy if it is included in the list of activities covered by the Taxonomy based on our own judgement and the NACE records in our systems. For clarity this is irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts. The activities are designated as non-eligible if they are not described in the delegated act. The majority of NIBC corporate banking activities are either asset-based or the activity being financed is clear.

For additional transparency to stakeholders, we have also voluntarily reported estimations to the best of our ability for the remainder of our balance sheet. Non-NFRD retail clients are those for which NIBC has not yet established the energy-labels. Non-NFRD interbank loans are related to counterparties headquartered outside of the EU. One challenge is that the majority of NIBC's activities involve companies which do not report under NFRD and also may not meet the expected thresholds of the upcoming Corporate Sustainability Reporting Directive ( CSRD ). Collecting data will be an ongoing challenge for NIBC, but it does not necessarily mean that these exposures are not Taxonomy-aligned.

Looking ahead, we expect our reported totals will evolve based on our business strategy as displayed in Focus & Accelerate, any changes to the delegated acts and as data available to NIBC evolves. Regulatory compliance, including compliance with Regulation (EU) 2020/852, is part of our license to operate.

The Taxonomy and its criteria provide a lens through which we can view our Focus and Accelerate strategy and identify additional opportunities. For example the Taxonomy allows only the top 15% of retail mortgages in the Dutch market in terms of energy efficiency can be considered Taxonomy aligned at any one time. Transition and adaptation actions will be as important and a larger market share as activities which are considered fully aligned. NIBC will continue its efforts to collect data and engage with clients or counterparties, prioritising our most material portfolios and exposures. In the future we intend to disclose the extent to which these exposures are Taxonomy-aligned.

NIBC will continue to engage with clients and other stakeholders to promote transparency in a manner aligned with the Taxonomy, other regulatory disclosure requirements and public expectations. We are committed to continue promote sustainability, human rights and environmental awareness among our clients, suppliers and other stakeholders. We will also continue to refine our internal systems, design of of financial products, policies and processes to continue to facilitate our compliance with these evolving requirements.



### What we do

We serve a corporate and retail client franchise, with a focused strategy, bringing bespoke financial solutions to clients in chosen sectors and with the goal to optimise the offering to our clients as well as to continuously improve internal cost effectiveness. We are client-oriented, present at their decisive moments. We offer a broad and relevant product suite for these entrepreneurial clients.

### What we do and where we do it<sup>3</sup>



NIBC Bank is distinguished from many of its banking sector peers in that it is not a general commercial bank.

We do not have a brick and mortar bank network presence. We also may be the only bank in Europe which does not offer retail or corporate current (payment) accounts, credit cards, or transaction banking.

These attributes differentiate NIBC in terms of the ESG risks we manage as well as the ESG opportunities we pursue. By focusing on certain activities, asset classes and sectors where we create impact, NIBC achieves increased operational efficiencies and limits its exposure to potential ESG risks while conducting business in a responsible manner.

<sup>3</sup> 2021 figures as published in the Annual Report for NIBC Holding

## Retail Banking

NIBC's product offerings in the retail asset class include residential owner-occupied mortgages, buy-to-let mortgages, online savings and investment brokerage products. NIBC originates mortgage loans under the NIBC Direct<sup>4</sup>, Hypinvest Hypotheek<sup>5</sup> and Lot Hypotheken<sup>6</sup> labels through our online portals as well as through third party intermediaries.

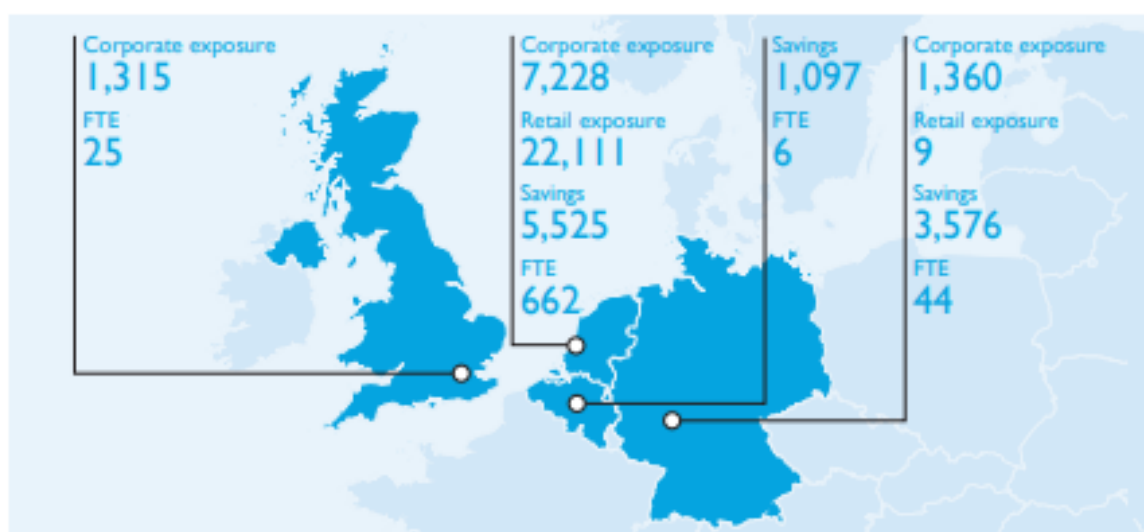
Our mortgage offerings include value added products like buy-to-let and mortgages for underserved segments, helping people to get onto the "property ladder" and thereby increasing and broadening financial inclusion.

## Our Markets<sup>7</sup>

A focus on north-western Europe

### Focus on north-western Europe

in EUR millions



## Corporate Banking

NIBC organizes its corporate client offering by asset classes and products. We focus on serving medium-sized corporate clients in selected asset classes in the Netherlands and across Europe with the purpose to enable them to achieve their goals and growth ambitions. As a speciality financier, we differentiate ourselves from traditional peers by the fact that we do not offer current accounts, transaction banking or other 'flow-related' products to corporate clients.

In the last years, NIBC has continued optimising its operations towards a more digitalised and standardised model, allowing us to focus on scalable growth initiatives and smaller ticket sizes. NIBC has onboarded its origination processes and customer relationship management onto a single digital platform, allowing us to service our clients more efficiently and effectively.

Main activities:

- Mortgages, in all our expertise domains (owner-occupied and Buy-to-let (BtL), on- and off balance sheet), including international expansion.

<sup>4</sup> NIBC Direct, <https://www.nibcdirect.nl/> <https://www.nibcdirect.de/>

<sup>5</sup> Hypinvest, <https://www.hypinvest.nl/>

<sup>6</sup> Lot Hypotheken, <https://www.lothypotheken.nl/>

<sup>7</sup> 2021 figures as published in the Annual Report for NIBC Holding

- Asset-backed transaction financing in the fields of Commercial Real Estate (also through our label
- OIMIO), Digital Infrastructure (including OtM) and Shipping and specialty financing, such as Collateralised Loan Obligations (CLOs) and providing minority equity investments.
- Platform financing through Fintechs such as Beequip and yesqar.

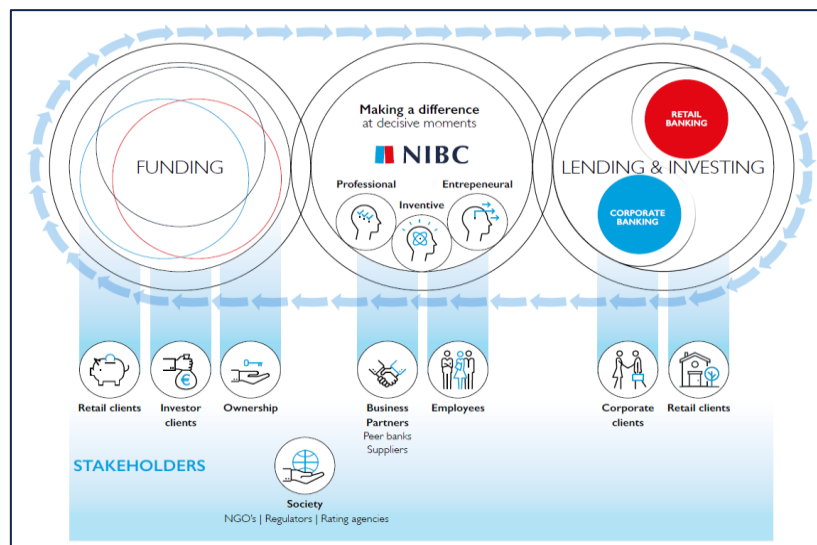
### Subsidiaries

NIBC Bank, Beequip<sup>8</sup> and Fin Quest (YesQar)<sup>9</sup> are among the principal subsidiaries of NIBC Holding. Of these NIBC Bank is by far the most significant, by most measurements comprising 90% or more of NIBC Holding's total activities. Beequip (equipment leasing) and Fin Quest (automotive leasing) are scale ups and start ups within the NIBC financial platform. The list of principal subsidiaries is published in NIBC Holding's Annual Report<sup>10</sup>.

All of NIBC's business units are responsible for managing sustainability risks and opportunities as part of their regular activities. Although NIBC's subsidiaries operate independently, they follow the governance, compliance and sustainability approach of NIBC Bank. They have adapted this to their scale and complexity. As they scale up, proportionality, reasonableness and common sense are being applied as described in international standards. They also regularly engage with colleagues within NIBC Bank to discuss approaches to the risks and opportunities that they and their stakeholders face.

Additional information and figures are available on our corporate website, in our Annual Report, and in our Pillar III disclosure<sup>11</sup>.

### NIBC's Value Creation Model



NIBC's value creation story is unique. Established in 1945 to help rebuild the Netherlands after the Second World War, NIBC is strongly rooted in its obligations to create societal value and financial resilience.

Over time NIBC has evolved to become an enterprising bank offering asset-based financing and coinvesting services to entrepreneurial corporate and retail clients in northwestern Europe. By continuing to transform our business and adapt to changing societal needs, we aim to continue our tradition of creating long term value for stakeholders.

<sup>8</sup> Beequip equipment leasing, <https://www.beequip.nl/>

<sup>9</sup> Fin Quest / Yes Qar, <https://yesqar.nl/>

<sup>10</sup> 2021 NIBC Holding Annual Report, p285, <https://www.nibc.com/about-nibc/investor-relations/annual-reports/>

<sup>11</sup> 2021 NIBC Pillar III Report, <https://www.nibc.com/about-nibc/investor-relations/annual-reports/>

NIBC's approximately 700 employees serve over 450,000 retail clients, 450 corporate clients and approximately 3,000 small-medium sized leasing clients, who rely on us to deliver secure and reliable banking services. As a mid-sized financial institution operating from the Netherlands, the United Kingdom, Germany and Belgium, we are differentiated from peers in the markets we serve, the asset classes on which we focus, the product mix that we offer and our ability to innovate and adapt to changing market circumstances.

The operating environment is dynamic and the risks and opportunities in this environment impact our ability to create value. Social and economic impacts of the COVID-19 pandemic, technology, demographic changes, global warming, a continued low interest rate environment and increased regulation and oversight are influencing NIBC and our stakeholders.

Several drivers are crucial to our value creation model. Our relationships with retail and corporate clients are based on trust. Access to funding through retail savings, debt investors and shareholders enable us to execute our strategy. Our employees bring us the skills and knowledge needed to deliver our strategy. Our risk management systems and processes reduce the risks related to our product offering for NIBC as well as for our clients. Our technology and data capabilities help us to deliver a great client experience, to scale and to run as a modern financial institution without the need for brick and mortar branches. And our relationships with regulators, rating agencies and civil society organisations bring strength to our brand and reputation.

We aim to deliver value to our stakeholders. Our corporate clients receive funding to grow their business. Our mortgage clients receive funding to purchase their home. Our savings clients are enabled to safely save for tomorrow and increase their financial resilience. Our workforce is increasingly diverse, innovative, adaptable and living our corporate values. Our investors receive good returns enabling them to meet their goals. And the communities we serve are more resilient and strong, benefitting from the growth, services and opportunities we've helped to empower.

Looking ahead, the sectors and activities which NIBC is pursuing reflect growth opportunities, our ambition to accelerate growth, long-term societal needs, and NIBC's sustainability priorities. For example, NIBC's retail offerings (mortgage loans & Buy-to-Let) and three corporate focus sectors (Commercial Real Estate, Digital Infrastructure and Shipping) are activities which will be needed today as well as after 2050 and therefore need to transition to net zero aligned to EU and Paris Agreement targets. NIBC's award-winning North Westerly ESG CLO program is bringing investment to private companies and providing opportunities for responsible investors. And our platform activities are well-positioned to enable a sustainable transition in the leasing markets they serve.

### Business Partners & Suppliers

NIBC's strategic business partners and suppliers are largely professional services organisations providing legal, audit, communications, technology, and other specialised services. These partners help NIBC to serve the needs of our stakeholders.

Technology services are provided by Cegeka<sup>12</sup>. Our mortgage business back office is outsourced to Stater. Independent mortgage brokers such as De Hypotheker<sup>13</sup> are used in the origination of mortgages. Professional services are provided by parties such as EY<sup>14</sup> which provides auditing services and KPMG<sup>15</sup> which provides consultancy services. Cerrix<sup>16</sup> provides a SAAS solution for operational risk management. Further business

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<sup>12</sup> Cegeka, <https://www.cegeka.com/>

<sup>13</sup> De Hypotheker, <https://www.hypotheker.nl/>

<sup>14</sup> EY, [https://www.ey.com/nl\\_nl](https://www.ey.com/nl_nl)

<sup>15</sup> KPMG, <https://home.kpmg/>

<sup>16</sup> Cerrix, <https://cerrix.com/>

partners include Sopra <sup>17</sup>, Fiducia<sup>18</sup>, and Collectric <sup>19</sup> among others. Our partners vary in size, but each provides their services from operating locations based in the same countries as NIBC.

### Responsible Procurement

NIBC expects its vendors and suppliers to act in accordance with regulations, international conventions, standards and guidelines on human rights and the environment in their own operations and supply chains including subcontractors. We undertake supplier due diligence as part of our “Know Your Supplier” ( KYS ) programme.

We believe that by taking a comprehensive approach to manage systemic supply chain risks and engaging with suppliers and other stakeholders, we are contributing to efforts to strengthen human rights and environmental aspects in regional and global supply chains.

NIBC includes ESG requirements in its vendor and supplier contracts and engages with these business partners to ensure a high level of sustainability performance and responsible business conduct. We focus on the most material aspects while also expecting core foundational policy commitments. Our expectations are clearly stated in our Supplier Code of Conduct <sup>20</sup>.

We undertake supply chain ESG due diligence, monitor, and work with external stakeholders to ensure any material concerns are raised and addressed. We use internally developed due diligence tools, external sources and also directly ask our business partners about their policies & reporting, supply chain and approach.

NIBC itself is a mid-sized company and we know that there are limits to our influence. No company is perfect, but we do expect a governance approach which ensures suppliers promote equality and good employment standards, eradicate modern slavery and child labour, and has zero tolerance for discrimination of any kind. We prefer that a supplier’s core corporate policy commitments are publicly visible and transparent to stakeholders.

For example during 2021 NIBC continued to promote business partners to make public commitments to take actions to reduce emissions in support of the Paris Agreement, to respect human rights in accordance with the UN Guiding Principles on Business and Human Rights, and to publicly commit to respecting the OECD Guidelines for Multinational Enterprises.

We believe that companies that live up to these leading international ESG standards are companies of the future. These commitments are the foundation for much of the recent and upcoming EU ESG regulation including the EU Social Taxonomy. The more that we can help our business partners to commit to and excel beyond these minimum standards, the more we reduce the sustainability risks within our value chain.

When adverse incidents occur, we expect our partners to constructively engage with those who have been affected, take action to effectively remedy the situation and improve future performance. If there is no evidence of improvement or willingness to improve, NIBC will terminate the relationship.

### Stakeholder Engagement

NIBC recognises its responsibilities towards stakeholders, regularly engages with them and considers their interests in its day-to-day decisions and activities. Engaging with stakeholders in a proactive way and on a continuous basis is central to our business strategy and ambition to achieve sustainable growth.

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<sup>17</sup> Sopra, <https://www.soprabanking.com/>

<sup>18</sup> Fiducia, <https://www.fiduciagad.de/>

<sup>19</sup> Collectric, <https://www.collectric.com/>

<sup>20</sup> NIBC Supplier Code of Conduct: <https://www.nibc.com/about-nibc/sustainability/sustainability-governance/>



We define stakeholders as any group or individual affected directly or indirectly by our activities. We have identified our main stakeholders to include clients, institutional investors, shareholders, regulators, employees and civil society organisations. We actively seek these connections to the world around us to ensure we reflect on our business, understand our impact and to continue to innovate.

**Types of Stakeholder Engagement**

Our engagement with these groups takes place via different channels that range from ongoing dialogue to direct requests for feedback. To ensure our long-term success, we acknowledge the need to strike a careful balance between the interests of all our stakeholders.

# Balancing stakeholder interests & engaging in dialogue

NIBC aims to continue its long-standing commitment to raise awareness regarding environmental and human rights issues. We greatly appreciate the open and honest feedback of our stakeholders and aim to continue to our regular dialogue. Informal dialogue often adds the clarity and insights needed to help companies to take practical steps forward to address complex human rights and environmental issues.

**Engagement Frequency**

Representatives of NIBC at all levels of the organization and in all dimensions including subsidiary organisations took part in relevant discussions. There was regular engagement with all stakeholder groups during 2021.

**Stakeholder Expectations**

The views of NIBC’s stakeholders are continuing to evolve, influenced by the world around us. There is a rising expectation that financial and non-financial aspects need to be in balance. At the same time, our stakeholders expect NIBC first and foremost to be a financially healthy company with strong risk management which protects the integrity of the financial system. They also expect that we strongly consider environmental concerns, human rights risks and good governance in our own operations and in our financings and investments.

**Summary of outcomes from stakeholder dialogues**

Stakeholder Group	Type of dialogue/channel	Main aspects discussed
Retail & Corporate Customers	Surveys Deal origination Client meetings Call center	Financial solutions Climate resilience Client satisfaction Sustainable Development Goals KYC & AML
Investors	Annual General Meeting Capital Markets Days Investor Updates	Financial performance Business strategy Climate Resilience Sustainability Performance Economic outlook
Suppliers & Vendors	RFPs Supplier reviews Meetings	ESG due diligence Policies and standards Transparency Data security Supply chains
Authorities	Meetings Consultations Sectoral for a	EU Green Taxonomy Data Security Compliance with laws and Regulations

	Reports	Climate resilience KYC & AML
Civil society organisations	Individual Meetings Multistakeholder dialogues Annual General Meeting Informal discussions	Fossil fuel exposures Climate risk Human Rights Diversity & Inclusion Due diligence
Employees	Team & individual meetings Works Council meetings Events	Diversity Sustainability & ESG Ethics & Integrity Data Security Climate resilience
Peer Banks	NVB meetings, working groups and expert pools Multistakeholder dialogues	Human rights Climate resilience Data security ESG best practices & lessons learned

## Examples of Stakeholder Engagement

### SFDR & CLOs

Together with other collateral and asset managers, business partners and other stakeholders NIBC discussed implementation of the level 1 and level 2 SFDR requirements. We collaborated on an industry-wide solution to collect data to meet the level 2 disclosure requirements. The solution makes it easier for private companies to meet these ESG disclosure requirements and enables auditable data for the financial institutions.

### Equator Principles

NIBC is one of 114 financial institutions in 37 countries worldwide which have officially adopted the Equator Principles (EPs) <sup>21</sup>. The EPs are a risk management framework for determining, assessing and managing environmental and human rights risks in project finance transactions. During 2021 we met regularly with peer financial institutions and also communicated regularly with interested civil society organisations on strengthening ESG standards related to project financing.

### Human Rights

Although the International Responsible Business Conduct (IRBC) agreement <sup>22</sup> for the Dutch banking sector ended during 2021, NIBC continued its work with stakeholders in the area of human rights. We engaged on human rights with business partners, clients, civil society organisations and employees.

Attention was given to increasing transparency of corporate human rights commitments and practices with a view towards influencing long-term positive improvements. For example, several mid-sized corporate clients and vendors added their commitment to respect human rights to their public websites as a result of our discussions.

### Climate Accord

NIBC is a signatory of the Climate Accord (‘Klimaat Akkoord’) <sup>23</sup> together with other Dutch financial institutions. NIBC discussed carbon emissions targets, potential climate risks, and best practices in reporting with regulators, civil society organisations, peer banks and clients.

<sup>21</sup> Equator Principles: <https://equator-principles.com/>

<sup>22</sup> IRBC Dutch Banking Sector Agreement: <https://www.imvoconvenanten.nl/en/banking>

<sup>23</sup> Klimaat Akkoord, <https://www.klimaatakkoord.nl/>

To meet this commitment, we are taking action in our own operations and in our financings and financings and investments to make substantial progress towards a zero carbon economy.

### PCAF

NIBC is an active member of the Partnership for Carbon Accounting Financials ( PCAF )<sup>24</sup> to further engage on emerging carbon accounting standards in the financial sector with our financial peers. PCAF standards and methodologies are being used in NIBC's disclosures of estimated emissions.

Data quality and improving the sourcing, consistency and comparability of data were among the carbon accounting aspects discussed with peers and other stakeholders during 2021. NIBC's voice in these discussions is focused on the asset classes where we are active and mirrors civil society voices which call on financial institutions to follow the science, take a precautionary approach, and responsibly de-carbonise the financial system.

### Responsible Shipping

NIBC continued to take a proactive role in addressing environmental and human rights issues in shipping value chains. RSRS aims to help address the environmental and human rights issues in shipping value chains together with ship owners, ship operators and other stakeholders.

RSRS members are working to both improve the value chains themselves, but also increase access and ensure safety of NGOs and other organisations that wish to monitor working conditions, environmental issues and other aspects. These challenges require effort from all parties involved in the value chain. In that respect RSRS is just one part of the broader ecosystem that needs to be developed.

Based on discussions with stakeholders, we can conclude that the efforts of NIBC and the eleven other banks involved in RSRS are having a positive influence on the shipping value chain. Since 2014, 100% of NIBC's new financings in shipping have included RSRS, achieving our target. More than 90% of NIBC's shipping portfolio at year-end 2021 includes RSRS commitments.

## Sustainability Strategy

Sustainability is an integral part of our overall corporate strategy to create financial and non-financial value for our stakeholders. NIBC's business activities, our value chain and our operational footprint as described earlier in this report and in our Annual Report provide the context for NIBC's sustainability strategy.

Overall our strategy is to identify sustainable opportunities which create financial and non-financial value for our stakeholders, to support our corporate and retail customers to become more sustainable, and to help the communities that we serve to become more resilient. This is embodied in our purpose, supporting clients at decisive moments. For example, this means supporting retail customers as they purchase a home and to decarbonize and improve the energy efficiency of their homes. For corporate clients, this means supporting mid-sized unlisted corporates in the Netherlands and north west Europe at decisive moments and to take steps in their own operations and value chain aligned to the Paris Climate Agreement, UN Guiding Principles on Business and Human Rights and other leading international standards.

Our sustainability strategy is underpinned by our corporate values and purpose and framed by the UN Global Compact and UN Sustainable Development Goals. These frameworks are pillars which guide us toward responsible business conduct, transparency and ESG best practices. Where possible we aim to quantify both the

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<sup>24</sup> Partnership for Carbon Accounting Financials, <https://carbonaccountingfinancials.com/>

positive and negative impacts of activities. In numerous initiatives and fora we raise our voice to follow the science, to embrace the facts and take a precautionary approach.

*NIBC strategy architecture*



We aim to reduce the environmental and human rights risks inherent in global value chains. This means engaging with a wide range of stakeholders, raising awareness, monitoring progress and working together to reduce any severe adverse impacts to people or planet.

Importantly, this strategy is reflected in the tone at the top of NIBC as well as embraced bottom up within the organization. Our ExCo and Supervisory Board are focused on oversight, ensuring that we do as we have promised. In parallel, our employees take a great deal of pride in our approach, the progress we are making, our entrepreneurialism and finding opportunities even as a relatively small bank and our honest and authentic approach.

Neither NIBC nor our clients are perfect, but we aim to work with companies that are entrepreneurial and are not afraid to address the challenges in difficult sectors and activities. Our “Think Yes” attitude is positive, inclusive and sustainable. Sustainability is progressing hand in hand with technology developments and innovation. Our approach is risk-based and ensures we only finance activities where our clients have appropriate management structures in place to manage and mitigate the risks. We use policy exclusions for those activities which inherently cause harm to people or planet, those which we believe can not transition and companies which are not willing to transition.

**Sustainability Governance**

To guide our business activities and client interactions, NIBC applies established principles, sustainability policies and procedures. These include our Code of Conduct, Business Principles, Compliance Framework and Sustainability Framework.

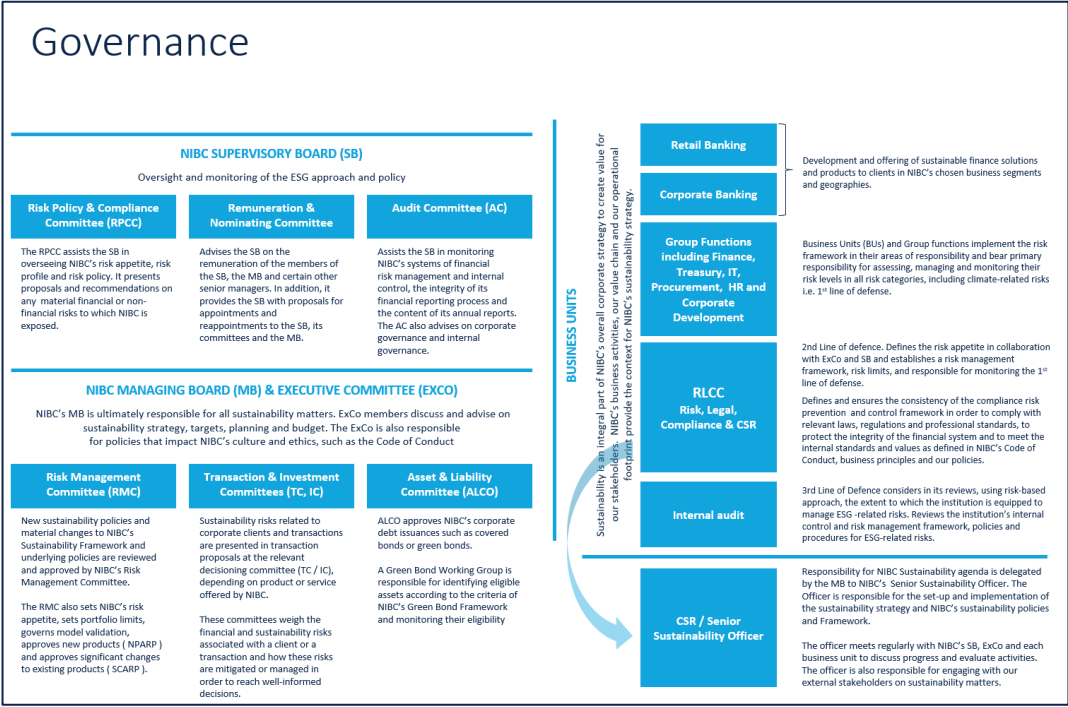
NIBC operates a two-tier board structure. Our Managing Board and Executive Committee ( ExCo ) are ultimately responsible for all sustainability matters. The ExCo is also responsible for policies that impact NIBC’s culture

and ethics, such as the Code of Conduct. Although ESG aspects are a standing quarterly topic on our ExCo agenda, in practice discussions with ExCo and individually with its members are more frequent. Sustainability matters are also presented and discussed on a quarterly basis with NIBC’s Supervisory Board.

Updates to the sustainability framework and sustainability policies are reviewed and approved by NIBC’s Risk Management Committee ( RMC ) and/or within its sub-committees. A substantive update on sustainability developments is provided to RMC at least semi-annually. This includes topics such as climate-related issues, human rights, and performance indicators.

NIBC’s Transaction Committee ( TC ) is the main approval body for senior debt and counterparty exposure transactions, lending and underwriting. The Investment Committee ( IC ) is the approval body for equity, mezzanine and subordinated debt transactions and revaluations. The Engagement Committee approves client engagements and reviews potential conflicts of interest. Our Strategic Investment Committee (SIC) approves strategic investments. NIBC’s Asset and Liability Committee ( ALCO ) approves NIBC’s corporate debt issuances such as covered bonds or green bonds. Sustainability is well-represented among the aspects considered in the balanced decision-making by each of these committees.

*NIBC’s ESG Governance and business unit responsibilities*



Internal Audit, an independent and objective assurance function, reviews NIBC’s processes and controls, including those related to NIBC’s non-financial key figures.

Day to day responsibility for managing sustainability issues is delegated by the Executive Committee to a Senior Sustainability Officer who reports on these issues to the Chief Risk Officer ( CRO ). Each person within NIBC is responsible for identifying and mitigating sustainability risks within their own area of responsibility.

NIBC’s Senior Sustainability Officer acts as a catalyst for sustainability with NIBC, responsible for preparing and implementing sustainability strategies, targets, planning and budgets, and engaging with internal and external stakeholders. Processes and controls are audited by NIBC’s internal auditors. Any findings are reported to the Risk Policy and Compliance Committee (RPCC) of NIBC’s Supervisory Board.



Role	Responsibility
Supervisory Board	Sustainability matters are discussed on a quarterly basis with NIBC's Supervisory Board. NIBC Supervisory Board's Risk Policy & Compliance Committee (RPCC) monitors and periodically discusses sustainability matters. The Audit Committee receives any findings from Internal Audit and our external auditors in regard to the Non Financial Key Figures reported in NIBC's Annual Reports.
Managing Board & Executive Committee ( ExCo )	NIBC's Managing Board is ultimate responsible for all sustainability matters. ExCo members discuss and advise on sustainability strategy, targets, planning and budget. The ExCo is responsible for policies that impact NIBC's culture and ethics, such as the Code of Conduct and approves certain public reports, such as NIBC's Modern Slavery Statement.
Risk Management Committee ( RMC )	New sustainability policies and material changes to NIBC's Sustainability Framework and underlying policies are reviewed and approved by NIBC's Risk Management Committee.  The RMC also sets NIBC's risk appetite, sets portfolio limits, governs model validation, approves new products ( NPARP ) and approves significant changes to existing products ( SCARP ).
Transaction Committee ( TC ), Investment Committee ( IC ), & Engagement Committee ( EC )	Sustainability and climate risks related to corporate clients and transactions are presented in transaction proposals at the relevant risk committee (TC/ IC/ EC, depending on product or service offered by NIBC).  These committees weigh the financial and sustainability risks associated with a client or a transaction and how these risks are mitigated or managed in order to reach well-informed decisions.  The Sustainability Officer reviews assessments and is invited to join committee meetings in the event increased sustainability risks have been identified and further discussions are warranted.
Asset & Liability Committee ( ALCO )	NIBC's ALCO and its Green Bond Working Group (GB WG) are responsible for any Green Bond Issuances.  The GBWG is responsible for identifying eligible assets according to the criteria of NIBC's Green Bond Framework and monitoring their eligibility.
Internal Audit	Processes and controls are audited by NIBC's internal auditors. External third party audits may also be performed on non-financial key figures reported in NIBC's Annual Report or where otherwise needed. For example the Allocation Report for NIBC's recent green bond is in the process of being externally assured.
Senior Sustainability Officer	Responsibility for overseeing NIBC's sustainability agenda. The officer is responsible for the set-up and implementation of the sustainability strategy, including targets, planning and budget.  The Officer provides advices on transaction proposals, new products, and significant changes to existing products. The Officer chairs the GBWG which monitors the eligibility of green assets according to the criteria set in NIBC's Green Bond Framework.  The Officer is up-to-date on all sustainability developments and is responsible for engaging with our external stakeholders on sustainability matters. The officer meets regularly with each business unit to evaluate activities, discuss progress, and plan future developments.

### Three Lines of Defence

Our sustainability governance revolves around a system of checks and balances to ensure stakeholders can be part of decision-making processes. NIBC operates a 'three lines of defence' risk management model. In this

model, the first line comprises the business units; the second line is risk management and the other control functions and the third line is Internal Audit.

*NIBC Three Line of Defence risk management model, applied to Sustainability*



The three lines of defence model is used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision-making, risk and control, and to achieve effective governance, risk management and assurance. All three lines are dedicated to maintaining a strong internal control framework which protects NIBC’s stakeholders.

*Application of leading ESG Standards*

Our policies are informed by leading international sustainability frameworks such as UN Global Compact and the Sustainable Development Goals ( SDGs ). NIBC reviews its corporate governance and sustainability policies annually. When revisions are needed, these are reviewed, approved and republished.

A number of externally-developed economic, environmental and social charters, principles, or other initiatives are endorsed and applied within NIBC’s sustainability and corporate governance policies.

These include:

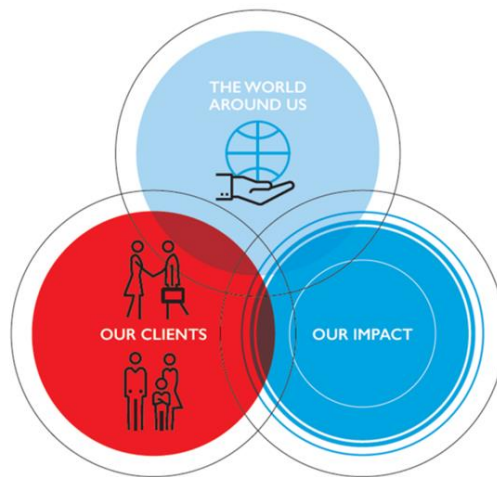
- Dutch Banking Codes
- UN Global Compact (signatory)
- UN Guiding Principles on Business and Human Rights (by policy)
- Equator Principles (member institution)
- IFC Performance Standards (by policy)
- Dutch IMVO/SER banking sector agreement (signatory)
- Universal Declaration of Human Rights (by policy)
- OECD Guidelines for Multinational Enterprises (by policy)
- ILO Core Conventions (by policy)
- UN Principles for Responsible Investment - UNPRI (by policy)
- UNEP FI (by policy)

- UN Convention on the Elimination of All Forms of Discrimination against Women (by policy)
- UN Declaration on the Rights of Indigenous Peoples (by policy)
- UNICEF Convention on the Rights of the Child (by policy)
- Wolfsberg Principles (by policy)
- FATF recommendations (by policy)
- Partnership for Carbon Accounting Financials – PCAF (member institution)

Additional principles and charters applied by NIBC are mentioned in our sector and issue-specific policies.

## Corporate Culture

Investing in our people, culture and innovation is one of the strategic priorities mentioned in NIBC’s Annual Report. Sustainability is one of the drivers of our corporate culture. This means that it is integrated into our day-to-day responsibilities and that we make ongoing efforts to increase awareness about sustainability risks and the opportunities.



A variety of communications are used to maintain and build internal awareness. These include our corporate website, intranet, social media, events and workshops, and meetings. External criticisms and praises are shared internally in order to learn and foster continuous improvement.

## Our Values

Three values best sum up NIBC and what we stand for. They are the basis of what we do, how we choose to do it and the way we measure our success.



### Professional

Our in-depth sector knowledge, expert solutions and tailored risk and portfolio management are the foundation of our success. We are firmly focused on the future, and work hard to anticipate trends and the impact they could have on our clients and their needs



### Entrepreneurial

We are a sound and enterprising bank focused on decisive moments in our clients’ business and in life. Our clients require a bank that can respond to their needs in an agile way. We cultivate what we call the ‘THINK YES’ mentality.



## Inventive

We provide bespoke solutions and encourage our people to think creatively to meet clients' needs. Structuring is part of our DNA. Our inventiveness ensures we can adapt to our fast-changing world and seize opportunities.

## Responsible Business Conduct

NIBC has a *Code of Conduct*<sup>25</sup> which all employees including consultants and temporary staff are required to sign when they begin to work at NIBC. Our Code lays out what is expected in terms of how we conduct ourselves and what we expect of each other in our internal and external relationships. This provides a strong foundation for responsible business conduct.

NIBC's *Code of Conduct* was redeveloped in recent years to reflect our changing world and increasing expectations from our stakeholders. NIBC policies, including the *Code of Conduct* and its guidance, are reviewed at least annually and updated when deemed necessary. All policies are approved at senior management levels within our organization. For example any material changes to the *Code of Conduct* are approved by NIBC's Executive Committee and Managing Board.

All employees are required to sign our *Code of Conduct*. Training on the *Code of Conduct* is conducted annually and is mandatory for all employees. Expectations are discussed with new employees as part of our new employee introduction sessions, usually led personally by our CEO. Clear guidance is also offered alongside the *Code of Conduct*, emphasising NIBC's speak up culture and whom to approach when there are questions or doubts.

### Inspired by the world around us

At the same time, our culture is innovative, inspired by our entrepreneurial clients and developments in the world around us. We know that we are not perfect. Employees are encouraged to not be afraid of making mistakes, but expected to "own it" when they do. This builds a culture of trust, encourages learning and inspires continuous improvement.

### Trust must be continuously earned

Banking is based on relationships and trust. Consequently, it is crucial for us to adhere to the letter and spirit of all laws and regulations in the countries in which we do business and to maintain high ethical standards.

Our internal policies and procedures are in place to achieve this and all decisions shall be in line also with them. Regular training is provided for all staff so that they will know how to act in different situations.

### Do as we say we will

Our mantra is "to do as we say we will". This means being accountable, getting the basics right and adhering to best practices in corporate governance, compliance and ESG. In practice we take a precautionary approach, carefully consider our corporate commitments and avoid overestimating positive impacts or underestimating potential harms.

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<sup>25</sup> NIBC Code of Conduct and guidance, <https://www.nibc.com/about-nibc/corporate-governance/>

## Compliance

Compliance is an important part of good corporate governance. NIBC is committed to comply with relevant laws, regulations and professional standards in each of the markets in which we operate and protecting the integrity of the financial system. We also are committed to comply with internal standards and values as defined in NIBC's Code of Conduct, business principles and our policies.

Based on the Financial Supervision Act (Wet op het financieel toezicht) and the Decree on Prudential Rules Wft (Besluit Prudentiële Regels Wft), NIBC is required to have policies and procedures in place for adequate management of the risks to which it is subject and in relation to various other specific matters required by law. Policies are among the instruments that NIBC uses to communicate and define rules, values and objectives within NIBC.

The Managing Board of NIBC is ultimately responsible for business ethics and ensuring compliance within NIBC. Managing compliance risk and complying with applicable laws, regulations and standards in both personal and business conduct is the responsibility of every employee or contractor working for NIBC.

## Compliance is an important part of corporate governance

NIBC's Compliance department is responsible for independent and objective oversight of policies, procedures and core processes to ensure that NIBC and its employees act with integrity and in conformity with all applicable laws and regulations. These responsibilities are embedded in our Compliance and Regulatory charter. NIBC's Regulatory Affairs team is responsible for identifying and tracking new or changed conduct-related laws and regulations applicable to NIBC or its subsidiaries. This team also coordinates and facilitates policy management within NIBC.

A Regulatory Expert Network (REN) with NIBC monitors regulatory developments across all disciplines and provides updates to NIBC's Risk Management Committee. A sub group of REN involving Legal, Regulatory Affairs and Sustainability monitors regulatory developments related to ESG, identifies gaps and potential next steps. This has proven important given the volume and pace of ESG regulatory developments at the EU and national levels.

NIBC runs a compliance & integrity awareness programme that is based on our *Code of Conduct*, and reflects the most up-to-date standards in our industry. This dedicated programme is required annual training for all employees. Compliance & integrity training is also obligatory for all new employees when they join NIBC.

### Customer Due Diligence

NIBC has made considerable investments in recent years in reviewing and assessing *Know Your Customer* (KYC) practices and in the maintenance of risk management, legal and compliance procedures. We consider KYC, compliance practices, our duty of care, and regulatory requirements to be a part of our license to operate.

Due diligence is the responsibility of all employees within their area of responsibility, though this typically is primarily a responsibility and process initiated in the first line of defence. NIBC has an internal Client Due Diligence policy to prevent money laundering, the financing of terrorism, fraud, to meet all sanction regulations and to protect the reputation of NIBC and the financial market in general.

NIBC's sustainability policies further commit us to performing ESG due diligence and assessments of relevant and material environmental risks, climate risks, biodiversity risks, human rights risks and governance risks for all



corporate clients and transactions. We aim to assess 100% of our new corporate loans. In our Non Financial Key Figures, we have reported that ESG due diligence and assessments were performed by NIBC for 100% of new corporate loans, an indicator that we are living up to this commitment.

#### Anti-Fraud, Anti-Bribery, Anti-Corruption

As summarized in our *Fraud Prevention Policy* <sup>26</sup>, NIBC does not want or accept any involvement in fraud. Managers and employees are obliged to report actual or suspected fraud or misconduct to our compliance department, who will determine appropriate follow-up action.

NIBC defines fraud as any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and / or the perpetrator achieving a gain. Internal fraud is described as employees (including contractors) who intentionally deceive others to achieve an advantage, benefit or gain. External fraud is best described as clients, business partners or other third parties who are deceiving NIBC employees to achieve a gain.

Employees are provided a clear definition of bribery in our *Anti-Bribery and Corruption Policy* <sup>27</sup>. Guidelines of what is considered to be acceptable and unacceptable behaviour are provided. Comprehensive definitions of fraud, bribery and corruption are included in our internal policy. Regular training and updates are provided to our staff in order to maintain awareness and address any emerging areas of concern. Testing is also conducted to ensure staff have strong comprehension of our policy.

## NIBC promotes a “speak up” culture

NIBC strongly values the reputation and integrity of the bank and its employees. It supports and protects the reporting of wrongdoing. Since employees can often be the first to recognise wrongdoings, like misconduct, fraud and corruption, NIBC promotes a “speak-up” culture and is committed to ensure that there is a climate of transparency in which employees can voice genuine concerns safely and without fear of reprisal.

#### Anti-Money Laundering and financing of terrorism

Money laundering is the process whereby money from an illegal source is converted into funds that appear to be legitimate. This covers more than just cash transactions. Financing of terrorism is the funding of terrorism and other severe crimes both through legal and illegal funds.

NIBC adheres to the Wolfsberg Principles <sup>28</sup> and the Financial Action Task Force (“FATF”) Recommendations. Knowing and understanding our clients are important measures to prevent money laundering and financing of terrorism. In our role as a gatekeeper of the financial system, we have the responsibility to identify and prevent undesirable elements from entering the system and to prevent undesirable transactions.

Most recent instances of money laundering which have involved European financial institutions have been related to money flows and facilitation through current accounts. NIBC is different from its peers in that it does not provide or offer current accounts. This does not mean that we believe we are immune from the risk of money laundering, only that risks related to payments and the sources of these risk are inherently different from our peers.

<sup>26</sup> NIBC Fraud Prevention policy summary, <https://www.nibc.com/about-nibc/corporate-governance/compliance>

<sup>27</sup> NIBC Anti-Bribery and Corruption Policy summary, <https://www.nibc.com/about-nibc/corporate-governance/compliance>

<sup>28</sup> NIBC Wolfsberg Questionnaire, <https://www.nibc.com/about-nibc/corporate-governance/compliance/>

## Conflicts of Interest

We have a *Conflicts of Interest policy* in order to ensure that any (potential) conflicts are identified in a timely manner and adequately managed. We prevent and manage conflicts by means of an internal control framework which includes policies and procedures as well as systems and controls. For example, NIBC has a private investment transaction policy to prevent conflicts of interest, insider dealing, the misuse of inside information, and market abuse. We also have an additional functions policy to prevent actual or perceived conflicts of interest.

## Whistleblowing

NIBC promotes a “speak up” culture in its day-to-day business operations. This is introduced to employees during new employee introduction sessions. All staff completed a mandatory e-learning on NIBC’s *Whistleblowing policy*<sup>29</sup> in 2021.

NIBC’s staff is obliged to report actual or suspected fraud or misconduct. We do not accept nor tolerate any instance of fraud, bribery or corruption. Genuine concerns are handed fairly and investigated appropriately. Concerns may be reported to designated internal Trust Representatives or anonymously in accordance with our Whistleblowing policy.

## Grievances and Complaints

It is important to NIBC that we maintain good relations with our clients and stakeholders.

NIBC Bank has a complaints mechanism<sup>30</sup> available on our corporate website to facilitate the receipt and handling of grievances of our stakeholders or their appointed representatives. Our complaints procedure is aligned with leading international standards such as the UNGPs and OECD Guidelines for Multinationals.

Our core criteria include legitimacy, accessibility, predictability, equitability and transparency aligned to these international standards. NIBC is committed to cooperate in legitimate external grievances and remedy processes to the extent reasonable and practical.

Our mechanism is available to all stakeholders and their legitimate representatives. Complaints received for other subsidiaries of NIBC Holding will be forwarded to the processes and procedures for those subsidiaries and reported to the corporate secretary of NIBC Holding.

A dedicated call center is available for our retail customers to answer questions and receive feedback. We cooperate in external national and sectoral grievance and remedy mechanisms when appropriate. Additional alternatives are also available.

## Sanctions compliance

Sanctions and embargoes are political trade restrictions with the aim of maintaining or restoring international peace and security. NIBC is obliged to adhere to applicable sanction laws and regulations in all countries where NIBC operates. These commitments are embedded in NIBC’s *Sanctions policy*. NIBC also complies with all sanction regimes in effect in those jurisdictions that are applicable in relation to specific transactions of clients.

## Gifts and entertainment

Business decisions taken by NIBC staff, clients or other associated parties must not be influenced improperly. No conflict or appearance of conflict must exist or arise between the interests of NIBC and our clients or others with whom we do business. These commitments are embedded in NIBC’s *Gifts and Entertainment policy*.

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<sup>29</sup> NIBC Policy on Whistleblowing, <https://www.nibc.com/about-nibc/corporate-governance/compliance/>

<sup>30</sup> NIBC complaints form and procedure, <https://www.nibc.com/about-nibc/contact/complaints-form/>

We must not allow ourselves to be influenced by anything other than business considerations, nor should we influence clients or potential clients in this respect. Staff must register the giving or accepting of all gifts and entertainment worth more than EUR 100 and must never accept or offer money from/to clients or other business partners.

#### Lobbying and political contributions (GRI 415-1)

NIBC made no direct political contributions during 2021 (2019:0; 2018:0). Beyond our participation in trade associations like the Nederlandse Vereniging van Banken (Dutch Banking Association), NIBC does not employ or engage professional lobbyists or make direct political contributions.

#### Prevention of Tax Evasion

NIBC has an internal *Prevention of Tax Evasion policy* which aims to prevent the facilitation of tax evasion offences. The policy requires NIBC staff to disclose and escalate all suspicions relating to illegal tax evasion where they arise. The policy is supplemented by NIBC's Tax Position Statement disclosure which summarises our approach and is published on our corporate website.

#### Banking on trust

At NIBC we are mindful of our responsibility towards helping build and maintain trust in the financial services industry. We believe trust is the foundation on which our sector must be based, and we have consistently looked to make it the basis of our own company's culture. To support this aim, we have continued to run our Banking on Trust programme and made concerted efforts through our focus on sustainable culture, ethical business conduct and responsible behaviour.

During the year, we continued the Compliance & Integrity awareness programme that is based on our revised *Code of Conduct*, and reflects the most up-to-date standards in our industry. This dedicated programme has continued to raise employees' awareness about our Compliance & Integrity policy framework for dealing with integrity-related matters, e.g. through a mandatory Code of Conduct/Compliance e-learning. Compliance & Integrity training is also obligatory for all new employees when they join NIBC.

#### Information Security & Data Privacy

NIBC strives to protect the privacy and the confidentiality of personal data that NIBC processes in connection with the services it provides to customers. NIBC will process personal data carefully and always in accordance with applicable rules and regulations.

NIBC's Managing Board has delegated authority to our Corporate Information Security Officer ( CISO ) who is responsible for the development of information security policies and to support and advise on their implementation. Similarly, our corporate Data Privacy Officer is responsible for the development of data privacy policies and to support and advise on their implementation. NIBC has also appointed dedicated data protection officers ( DPOs ) for its legal entities and branches - each has a DPO. Our DPOs are available to answer any questions in regard to the processing of personal data by NIBC. NIBC is committed to notify data subjects in a timely manner in case of policy changes or a data breach.

The Privacy Statement on our corporate website provides a clear overall of the personal data that we might collect, how this information is stored, data retention, the protections that are in place and the rights of data subjects under the European General Data Protection Regulation ( GDPR ).

In 2021, 45 information security or data privacy incidents occurred of which none resulted in a material impact for NIBC and/or its clients. All employees completed mandatory information security and data privacy trainings

during 2021. Simulation exercises were also held to inform employees of their responsibilities and to raise awareness.

Trainings on data privacy and information security are mandatory for all staff. Recent trainings have focused on digital privacy and security aspects and aim to mitigate the potential for breaches or harm.

NIBC's information security policies are based on NEN ISO/IEC 27001 and 27002:2013 standards, also known as *Information Security Management Systems (ISMS)* and code of practice for information security controls. NIBC is a member of the FI-ISAC, Information Security working group of the Dutch Payments Association and other sectoral working groups to share best practices and stay informed about latest threats and developments in the field of cybercrime.

Our ISMS is supported by regular external and internal audits. We maintain and regularly test business continuity plans. Furthermore there is significant oversight by regulators and authorities, which also require reporting in the event of breaches and other issues.

### Testing & Monitoring

The potential impact and likelihood of IT & cybercrime risks are continuously tested through NIBC's IT and *Information Security Control Framework*. Security incident and event monitoring is in place and acts on "notable events". Such events include occurrences that can indicate potential malicious behaviour, like elevation of privileges, unauthorised connections to databases, login attempts, and network screening.

Periodic internal vulnerability scanning and penetration testing is performed to identify possible vulnerabilities/weaknesses on NIBC's IT infrastructure. Testing is executed by reputable external parties, which are changed periodically in order to keep a fresh eye on NIBC's defence against cybercrime.

NIBC's Operational Risk Management ( ORM ) department monitors our business continuity management and preparedness. Periodic tests and scenarios are performed in order to ensure preparedness and that business continuity plans perform as expected. Physical climate risks which might affect the availability of NIBC's facilities is one of the scenarios which have been considered and planned for. Policy expectations are documented in NIBC's internal Business Continuity Management policy.

### Vendor Management

NIBC increasingly outsources IT services to external vendors. Human rights, environmental performance and corporate governance are among the aspects which are assessed for significant new contracts and contract renewals. Significant outsourcing arrangements are reported to our supervisory authorities.

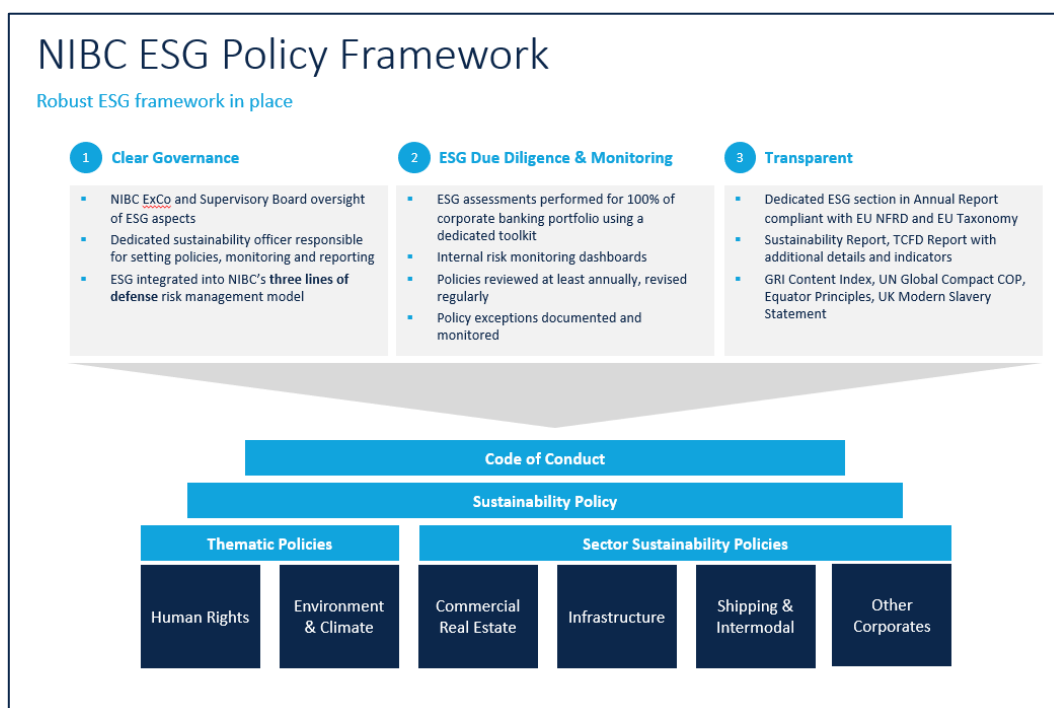
Vendors are expected to adhere to GDPR, appropriate information security and business continuity standards, provide proof of certifications, and to adhere to NIBC's *Supplier Code of Conduct*. Certifications may include ISO 20000, ISO 27001, NEN 7510, and ISO 22301 among others depending on the vendor and the product or service which we are seeking.

Specific requirements for vendors are in addition to the requirements previously explained in the *Responsible Procurement* section of this Report.

## Managing Sustainability Risks

As part of our client risk-assessment process, the sustainability standards we expect our clients to meet are clearly set out in our *Sustainability Policy*. These are based on international conventions, codes of conduct and are regularly updated based on stakeholder feedback.

We operate a Sustainability Framework, which describes the processes and tools we use and designates those responsible for these processes at NIBC. Our Framework and policies guide our use of an internal sustainability toolkit which we use to help assess environmental (including climate risks and biodiversity risks), human rights and governance risks related to corporate clients and transactions. Central to the assessment of ESG risks is an understanding of the relevant positive and adverse ESG impacts associated with a client's activities and the commitment and capacity to manage any adverse ESG impacts.



We also apply sector-specific policies where our involvement may be restricted or prohibited entirely, as is the case with the weapons industry. ESG sector policies are also in place for those sectors where we are active. These policies outline the risks we have identified and our approach to those sectors.

### 2021 ESG Policy Updates

During 2021, all of NIBC's sustainability policies were reviewed and many were updated. Any significant changes to these policies were approved by NIBC's Risk Management Committee.

The most material change was NIBC's decision to commit to no new financings of fossil fuel exploration and production. This commitment was implemented during COP26 to NIBC's *Sustainability Policy*<sup>31</sup> and our *Environment and Climate Policy*<sup>32</sup>. NIBC had already been reducing fossil exposures for several years to reduce risks related to cyclical exposures and climate impacts.

<sup>31</sup> NIBC Sustainability Policy, p3: <https://www.nibc.com/media/3036/nibc-sustainability-policy.pdf>

<sup>32</sup> NIBC Environment and Climate Policy, p4: <https://www.nibc.com/media/3036/nibc-sustainability-policy.pdf>



External stakeholders, including NGOs, are often proactively consulted during as policy changes were considered and developed. Many offered upfront feedback and input which allowed NIBC to consider further policy changes or clarifications in existing policies.

### Double Materiality

In our overall approach to ESG, NIBC embraces the concept of “double materiality”. This means we consider what is financially material, but also any risks to or impacts on the environment or society. A risk that does not seem to be financially material may become financially relevant if the social or environmental context changes. Time horizons used in the analysis of materiality are important. Understanding a situation from other viewpoints is crucial, particularly for those stakeholders who might be adversely impacted. Saliency is also a crucial consideration in regard to potential human rights impacts.

### ESG Due Diligence and Screening

As part of due diligence processes at NIBC, all corporate clients and transactions are assessed for environmental (including biodiversity & climate risks), social risks and governance risks using a sustainability toolkit. Human rights due diligence and environmental due diligence are integrated parts of this screening and assessment process.

The toolkit integrates NIBC’s sustainability policies and applies the latest international conventions and standards appropriate for mid-sized corporates in our geographies and sectors. This screening process is described in detail in NIBC’s *Sustainability Framework* <sup>33</sup>.

In our assessments, corporate transactions are assigned a sustainability risk rating (low, medium, high, maximum) across possible human rights, environment, and governance risk factors. This assessment is performed based on public information sources, bad press checks as well as information provided by the company themselves.

In 2021, no new transactions were approved with an internal high or maximum sustainability risk rating (2020:0; 2019:0). Increased risks (level: medium) were identified for 21 potential corporate clients and transactions which were considered during the year (2020: 14; 2019:10). This is reported in our Annual Reports as part of our Non Financial Key Figures <sup>34</sup> as well as earlier in this Sustainability Report.

These assessments are primarily made by NIBC business units, the first line of defence in our three lines of defence model. Our Senior Sustainability Officer independently monitors these assessments and has the opportunity to provide a sustainability advice in our lending and investment decision processes. Internal audits are performed to ensure that sustainability assessments are on file for all corporate clients. This is also externally audited as deemed necessary.

### NIBC Policy Framework and Sustainability Policies

NIBC’s policy framework consists of corporate governance, compliance, and sustainability policies which provide clear policy guidelines within the bank.

#### Corporate Governance Policies

- NIBC Code of Conduct
- NIBC Bankers Oath
- Anti-Bribery and Corruption Policy

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<sup>33</sup> NIBC Sustainability Framework, <https://www.nibc.com/about-nibc/sustainability/sustainability-governance/>

<sup>34</sup> NIBC Holding Annual Report, page 14, <https://www.nibc.com/about-nibc/investor-relations/annual-reports/>

- Policy on Whistleblowing
- Gifts and Entertainment Policy
- Corporate Information Security Policy

#### Sustainability Policies

- Sustainability Framework
- Sustainability Policy
- Human Rights Policy Supplement
- Environment Policy Supplement
- Commercial Real Estate Policy
- Financial Institutions Policy
- Food, Agri, Retail & Health Policy
- Indirect Investment Policy
- Industrials Manufacturing Policy
- Infrastructure Policy
- Offshore Energy Policy
- Renewables Policy
- Retail Services
- Shipping & Intermodal Policy
- Weapons and Defence Policy
- Supplier Code of Conduct

#### Financial Frameworks

- Sustainable Finance Framework (launched March 2020)
- Green Bond Framework (launched June 2021)

Additional corporate governance and compliance policies are mentioned throughout this report and are available on NIBC's website or internally on our corporate intranet.

## Responsible Products

When NIBC decides to enter a new activity or sector, a *New Product Approval and Review Process* ( NPARP ) is conducted to establish the parameters under which we will engage. Significant changes to existing products undergo a *Significant Change Approval and Review Process* ( SCARP ) approval process.

Both processes involve a sustainability assessment to identify positive ESG product design opportunities as well as to analyze and mitigate any potential adverse risks to people, the climate and the environment.

Our Sustainability Director is a member of the Retail Risk Team which monitors portfolio developments across our retail products. From time to time, additional testing related to ESG topics is performed in order to ensure products are meeting NIBC's responsibilities and expectations.

#### Responsible Marketing

Our approach in regard to responsible marketing is embedded in our Sustainability Policy. NIBC is committed to offer its products and services in a truthful, responsible and fair manner. We avoid predatory retail lending or other practices that might impose unfair and abusive loan terms on borrowers or be perceived as mis-selling of products. These are among the aspects which are reviewed as part of our approval processes.

Signing a mortgage loan contract is often the largest financial commitment made by a family. Our internal policies establish requirements to assess affordability and borrowers creditworthiness before granting them a mortgage loan. NIBC’s retail activities, include internet saving, internet deposits and residential mortgages, RMBS, and buy-to-let activities.

**Exclusions**

Although NIBC focuses on a limited range of asset classes, products and services, stakeholders occasionally inquire about exclusions of certain corporate sectors and activities even if clearly outside of our focus. For these, NIBC has embedded certain activity exclusions, activities which NIBC will not finance or invest in, in our sustainability policies. The exclusion may be because NIBC has strong sustainability concerns about such activities or because the ESG risk is too great relative to our risk appetite.

For clarity to our stakeholders, during 2021:

- No new financings were made for fossil fuel projects or companies;
- No new financings were made for companies or projects in marine protected areas or other areas of high biodiversity importance or high conservation value;
- No new financings were made for companies or projects in areas where water-scarcity was pre-existing and operations would compete with the needs of communities;
- No new financings were provided for projects or companies active in conflict zones, occupied territories, or locations where we determined that the impacts on people or the environment might be unmanageable.

For transparency to our stakeholders, during 2021 NIBC did not provide financial services or investments which supported:

Topic	In 2021, NIBC did <u>not</u> finance or support
<b>Extreme Fossil Fuels</b>	<ul style="list-style-type: none"> <li>• arctic / antarctic or unconventional oil &amp; gas projects,</li> <li>• oil &amp; tar sands,</li> <li>• shale oil &amp; gas (fracking),</li> <li>• fossil fuels extracted from liquefied coal,</li> <li>• other extreme hydrocarbon extractions;</li> </ul>
<b>Power Generation</b>	<ul style="list-style-type: none"> <li>• coal-or lignite-fired power generation,</li> <li>• nuclear power generation,</li> <li>• large-scale water projects (such as dams or large-scale hydroelectric),</li> </ul>
<b>Mining</b>	<ul style="list-style-type: none"> <li>• coal or lignite mining,</li> <li>• mountaintop removal mining,</li> <li>• uranium mining,</li> <li>• mining or trade in conflict minerals,</li> </ul>
<b>Land biodiversity and deforestation</b>	<ul style="list-style-type: none"> <li>• agricultural or other projects with a large impact on forests (deforestation), peatlands or high conservation areas;</li> </ul>
<b>Marine biodiversity and overfishing</b>	<ul style="list-style-type: none"> <li>• drift net or dynamite fishing</li> <li>• shark finning</li> <li>• other harmful fishing techniques</li> </ul>
<b>Nuclear</b>	<ul style="list-style-type: none"> <li>• nuclear power generation</li> <li>• nuclear weapons</li> <li>• nuclear waste decommissioning, transport or disposal</li> </ul>
<b>Weapons</b>	<ul style="list-style-type: none"> <li>• manufacturing, supply or development of weapons and/or weapons systems</li> <li>• cluster munitions, nuclear weapons, robotic weapons, or other highly controversial weapons</li> </ul>

<b>Animal Welfare</b>	<ul style="list-style-type: none"> <li>• animal testing for cosmetic purposes</li> <li>• genetic modification of animals</li> <li>• use of animals for entertainment</li> <li>• trade or manufacture of fur products</li> <li>• use of endangered species or wild animals</li> </ul>
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For transparency and comparability in regard to our existing financings, an overview of NIBC Bank's corporate balance sheet exposures as of year end 2021 is provided in a NACE Supplement<sup>35</sup> which accompanies NIBC's Annual Reports.

## Innovation

Innovation and sustainability often drive the development of new products and are a driver of product refinements which are at the center of NIBC's client-centric approach.

### Lot Hypotheken

NIBC offers a sustainable mortgage label, Lot Hypotheken<sup>36</sup>. Lot is ambitious, offering substantial benefits to mortgage customers which want to make energy efficiency improvements. At its launch, Lot was the most affordable mortgage offering in the Netherlands, the first to break the 1% interest rate barrier.

At the same time, Lot is set up to further expand NIBC's Originate-to-Manage mortgage proposition. This way NIBC increases its ability to serve a broader range of clients, intermediaries and institutional investors. Lot will help to increase access of these investors to sustainable mortgages and is a good example of how NIBC acts to build value in the financial ecosystem for the benefit of people and planet.

In June 2022, Lot Hypotheken and NIBC Direct received the Gouden Lotus award for best new mortgage provider (under 3 years) and best mortgage lender respectively from InFinance. Lot has also been nominated for the SEH Sustainability Award, recognising the substantial benefits Lot offers to customers who choose to act on climate concerns.

### Northwesterly VII ESG CLO

During 2021 NIBC successfully launched North Westerly VII ESG CLO further growing our market-leading ESG CLO program. The CLO applies ESG criteria for socially responsible investments which prevents the fund from investing in controversial sectors (such as coal power and mining, extreme fossil fuels, weapons and firearms, tobacco, gambling, among others) and adheres to NIBC's robust sustainability framework and policies.

NIBC ensures this through pre-investment positive and negative screening, borrower/transaction due diligence, NIBC's internal assessments, monitoring and review processes. We provide transparency through detailed quarterly investor reporting and analysis.

In April 2022, North Westerly VII was awarded the ESG Deal of the Year<sup>37</sup> by Global Capital. We are very proud of this achievement and very much appreciate this recognition by the market. Two and a half years ago, we launched our first (and also Europe's first) CLO compliant with best practices of ESG-focused investing – North Westerly VI – and are still recognised as a market leader in this field.

### NIBC Green Bond Framework

<sup>35</sup> NIBC 2021 NACE Supplement, <https://www.nibc.com/about-nibc/investor-relations/annual-reports/>

<sup>36</sup> Lot Hypotheken, <https://www.lothypotheken.nl/>

<sup>37</sup> ESG Deal of the Year, <https://www.nibc.com/about-nibc/newsroom/newsroom/esg-deal-of-the-year-for-clo-north-westerly-vii/>

During 2021, NIBC launched a new Green Bond Framework<sup>38</sup> to support corporate and retail clients in their sustainability ambitions and create new opportunities. The Framework was launched in 2021. The Framework focuses on on-balance sheet assets across three categories: retail residential real estate, commercial residential & office real estate and renewable energy. Each category is aligned as closely as currently possible to the technical screening criteria ( TSC ) and do no significant harm criteria ( DNSH ) of the EU Green Taxonomy, the targets of the SDGs, and the ten principles of the UN Global Compact ( UNGC ). As our asset base develops over time, the framework allows us to expand to other green asset categories.

In September we launched an EUR 750 mln senior green preferred issuance<sup>39</sup> under our green framework. The green format further diversified NIBC's investor base, attracting dedicated ESG investors. The proceeds of the bond were used for residential and commercial real estate financings that meet certain energy efficiency standards. External assurance and an independent second-party impact report are currently being prepared and likely will be published in the coming weeks.

## NIBC Innovation Lab

NIBC's culture is innovative, inspired by our entrepreneurial clients and developments in the world around us. We have a culture of trust, encourage learning and aim to continuously improvement.

Our Innovation Lab catalyses innovation within NIBC by organising inspiration sessions, by connecting employees with innovative companies, and by providing opportunities for employees to get involved in new innovation projects. Numerous pilots have been launched as a result including a chatbot, voice to text, savings analyses and dashboards.

During 2021 NIBC's Innovation Lab continued its refinement of NIBC's sustainability analytics tools and dashboards which are helping to further strengthen due diligence and monitoring of environmental risks and human rights risks of corporate clients, suppliers, vendors and their supply chains.

Dashboards were conceptualized and developed to strengthen internal management oversight. We expect this will be a point of attention for at least the next few years as more quantitative ESG becomes available for a broader range of companies.

The benefits of these developments may eventually stretch beyond NIBC. Transparency in supply chains is a significant practical challenge for mid-sized and smaller businesses. Few tools exist to support these companies to map their full supply chain and to pinpoint adverse impacts so that they can act.

These developments support NIBC's ambition to be a sustainability leader for European private corporate debt and is a good example of our "Think Yes" mentality to turn practical sustainability challenges into tangible opportunities.

## Human Rights

NIBC believes that respect for human rights is a basic corporate responsibility; towards our own employees, but also towards those people who are affected directly or indirectly by our actions.

NIBC endorses human rights as formulated in the Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights ( UNGPs ). Our human rights policy commitments also include the ILO core conventions, UNICEF Convention on the Rights of the Child, UN Convention on the Elimination of All Forms of Discrimination against Women ( CEDAW ), and the UN Declaration on the Rights of Indigenous Peoples.

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<sup>38</sup> NIBC Green Bond Framework, <https://www.nibc.com/media/2942/nibc-green-bond-framework-june-2021.pdf>

<sup>39</sup> NIBC Green Issuance (September 2021), <https://www.nibc.com/about-nibc/newsroom/newsroom/nibc-enters-green-bond-market/>

## Governance of respect for human rights

Respecting people and their human rights is embedded in NIBC's Code of Conduct which underpins NIBC's corporate values. NIBC's Human Rights policy supplement guides our approach to mitigating human rights risks within the context of our business strategy, the markets we serve, and the people who may be impacted by our financings.

Governance within NIBC for human rights risks and other sustainability risks and the processes we use to manage them are described in brief in this Report and in more detail in our Sustainability Framework.

Our Human Rights policy was reviewed and updated during 2021. Human rights due diligence is integrated into NIBC's sustainability due diligence and monitoring processes for financings and investments to identify and manage potential human rights risks. NIBC uses an integrated toolkit to guide our staff in the assessment of these risks in our corporate financings.

# Respect for human rights is a core corporate responsibility

In our due diligence and monitoring, we focus our attention on the most severe risks to people and prioritise our efforts accordingly. In alignment with the UNGPs, we take into account the size, sector and operational context of a company as well as the severity of the potential impacts on people.

We expect companies to have in place policies and processes appropriate to their size and circumstances. Saliency in regard to human rights means that we focus on the risks to people who may be adversely impacted and their rights.

## Reporting on human rights issues

NIBC reports on human rights risks in its Annual Report, in this Sustainability Report, in our annual UN Global Compact report and in our annual Modern Slavery Statement.

One of our commitments is that we aim to assess human rights risks and other ESG risks for 100% of our new corporate loans. In our Non Financial Key Figures of our Annual Report, we have reported that ESG due diligence and assessments were performed by NIBC for 100% of new corporate loans, an indicator that we are living up to this commitment.

Severe adverse human rights incidents related to NIBC's financings during 2021 were acted upon in accordance with our duty of care under the leading international human rights standards to which we are committed. The main salient human rights risks for NIBC are labour conditions and worker safety in corporate client supply chains. NIBC manages these risks through stakeholder engagement, client and transaction due diligence and by raising awareness with corporate clients. Full transparency into supply chains continues to be a significant challenge for corporate clients.

We continue to recognise the need to deepen and strengthen our due diligence, monitoring and understanding in regard to potential adverse human rights risks.

## Managing human rights risks

The potential salient human rights risks that we have identified are at lower levels in the supply chain of clients, for instance a supplier to our clients' suppliers. To address these risks, NIBC expects clients and suppliers to have appropriate management systems in place to manage potential human rights and environmental risks. Our



integrated sustainability due diligence and monitoring includes human rights due diligence and monitoring. Our sustainability policies mention requirements in terms of international standards NIBC expects our business partners to follow and relevant certifications that should be obtained as evidence of a responsible supply chain.

Transparency into supply chains is a significant practical challenge for mid-sized and smaller corporates. This is an area where NIBC and the corporates we support are working to gain greater insights. NIBC engages regularly with NGOs, unions and other civil society stakeholders to deepen our understanding of their concerns and to explore possible practical solutions. Stakeholder engagement is briefly reported in our Annual Report, in our Materiality Assessment, in this report and in other sustainability-related disclosures on our corporate website.

A growing risk is security of client data. To mitigate this we do not leave client information unattended and we have policies such as a clear desk policy, information security policies, and additional security controls. All staff completed mandatory trainings on data privacy and information security during 2021. Our approach to information security is led by a dedicated Corporate Information Security Officer ( CISO ) and is further described in the Information Security section of this report.

NIBC offers an online complaints mechanism on its website and is available to any stakeholder or third party in accordance with the UNGPs and OECD Guidelines. We also support the development of corporate and sectoral grievance mechanisms which raise the bar in terms of access for affected stakeholders and effectiveness. Internal whistleblower procedures are available to employees on NIBC's intranet. These mechanisms are included in guidance provided to employees for NIBC's Code of Conduct and mentioned in our Annual Report.

#### IRBC Agreement

NIBC is a signatory of the International Responsible Business Conduct ( IRBC ) agreement for the Dutch banking sector. The initiative aims to improve human rights practices related to project and corporate financings and is guided by the OECD Guidelines for multinational enterprises and UN Guiding Principles on Business and Human Rights.

The IRBC platform enabled NIBC to share knowledge and engage with civil society organisations, authorities, and financial sector peers. Although the Agreement reached its formal conclusion in 2020, the work with various parties has continued. NIBC has continued as an active voice in the Dutch Banking Association's responsible business conduct working group and its efforts to create an independent expert panel which can advise on certain activities, scenarios or cases. One of the initial projects will be to establish a theory of change for the Dutch banking sector.

We continue address our commitment to report on human rights aspects in accordance with the IRBC Agreement and our policy commitment to the UN Guiding Principles, and OECD Guidelines for Multinational Enterprises, NIBC publishes a human rights section in this Sustainability Report which addresses the main points of the UNGP Reporting Framework. We report our salient human rights risks in our Annual Report, supported by two Non Financial Key Figures which illustrate our human rights and sustainability due diligence process.

Further we updated our complaints and grievance procedure in recent years to ensure a close and visible tie to the UNGPs and OECD Guidelines. Our core criteria for our procedure include legitimacy, accessibility, predictability, equitability and transparency aligned to these standards. The procedure applies to NIBC Holding, NIBC Bank and other subsidiaries.

#### UN Global Compact

NIBC has been a signatory of UN Global Compact ( UNGC ) since 2010. and supports the ten principles of the UNGC with respect to human rights, labour, environment and anti-corruption as well as the broader UN goals. We state this commitment in our Annual Report each year and report on it in our UN Global Compact

Commitment on Progress ( UNGC COP ) report. Our UNGC COP also serves as NIBC's main Sustainable Development Goal ( SDG ) report.

By incorporating the Global Compact principles into our strategy, policies and procedures, and establishing a culture of integrity, NIBC aspires to not only uphold our basic responsibilities to people and planet, but also set the stage for the long-term success of our stakeholders and our communities.

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

### Responsible Business

NIBC's commitment to responsible business is central to our vision, embedded in our business strategy, articulated in our Code of Conduct, and carried out in our day-to-day relationship with all stakeholders. Our approach is further supported by our governance framework, policies and processes.

For example, NIBC has embedded the SDGs in our Sustainable Finance Framework and our Green Bond Framework by aligning the eligible categories to the targets which underpin the 17 SDGs. This will allow us to provide future investors in NIBC Green Bonds a quantitative impact assessment of the contribution towards the goals.

### UNGC Communication on Progress

Each year, we have published a Communication on Progress (COP) on our corporate website and on the UNGC website<sup>40</sup>. Our COP provides insights into how NIBC is progressing in regard to each of the ten principles, the SDGs, human rights, and the environment. In our most recent UNGC COP we expanded our disclosures to provide tangible examples of actions we've taken in accordance with our commitments.

### Preventing Financial Distress

NIBC is committed to making sure that the retail banking products that we offer are accessible, have clear and understandable terms and conditions ('direct duidelijk'), and do not lead to overindebtedness.

During the pandemic, we have kept an proactive dialogue with clients and been responsive to their needs. NIBC has offered payment holidays to give our clients flexibility when and where needed. This helped our clients to serve their other stakeholders, protected jobs, and hopefully will help them to be part of a healthy and green recovery from the pandemic.

### NIBC Special Servicing Mortgages

NIBC has for many years had in place an extensive support programme for mortgage clients whose payments are in arrears. NIBC Special Servicing Mortgages sets up debt repayment schemes together with these clients. If the scheme fails or cannot be implemented, we discuss the options for restructuring the loan with the client.

We call in a mortgage advisor to help us assess whether the interest rate could be lowered by such actions as interest rate averaging or mobilising the client's savings or investments to enable early redemption of part of the loan. And if a mortgage client is unable to repay their debt due to unemployment, we can call in a job coach.

### Financial Coaching

Since 2017 NIBC Special Servicing Mortgages has focused its efforts on further developing this approach. Our new business coaching programme for motivated self-employed entrepreneurs with payment problems is

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<sup>40</sup> UN Global Compact <https://www.unglobalcompact.org/what-is-gc/participants/12853-NIBC#cop>

unique in the Netherlands. Some self-employed entrepreneurs are highly qualified professionals who lack expertise in marketing or administrative matters. The coach provides them with the help they need to permanently boost their income.

### Supporting Vulnerable Clients

Special Servicing Mortgages has also implemented a new client-first way of working. Mortgage clients whose payments are in arrears are immediately assigned to a single point of contact who deals with their case – a client-friendly approach that speeds up the process of finding solutions. We also try to observe at an early stage that clients might run into problems, for example by encouraging clients to report to us in advance that they might be laid off soon.

To prevent future payment problems, we proactively review redemption-free mortgage loans, particularly when clients are a bit older or their mortgage interest tax relief will soon expire. In such cases, we inform the client about the imminent change in their financial situation and in some cases sit down with them to draw up a plan that will facilitate repayment of the loan.

### Equator Principles

The Equator Principles ( EPs ) are a risk management framework developed by financial institutions for determining, assessing and managing environmental and social ( E&S ) risks in project finance transactions. Project finance is often used to fund the development and construction of major infrastructure and industrial projects.

The EPs have also helped spur the development of other responsible environmental and social management practices in the financial sector and banking industry, including the US Carbon Principles and the international Climate Principles and provide a platform for engagement with a broad range of interested stakeholders, including non-governmental organisations ( NGOs ), clients and industry bodies.

NIBC is one of 114 Equator Principles Financial Institutions ( EPFIs ) in 37 countries worldwide which have officially adopted the EPs. As part of this commitment, we have implemented the EPs in our sustainability policies, due diligence procedures and standards for financing projects and will not provide Project Finance or Project-Related Corporate Loans where the client will not, or is unable to, comply with these principles.

Only a limited number of NIBC's transactions fall within the scope of EP. In 2021 as in 2020, NIBC did not finance any project finance transactions that fell within the scope of EP. By comparison, NIBC reported five transactions for 2018, and seven transactions for 2017.

NIBC applies the Equator Principles methodology of determining, assessing and managing E&S risks also for other financings that do not fall within the technical scope of EP.

The fourth revision of the Equator Principles was launched in 2020. Standards in project finance can and should continue to evolve to mitigate adverse human rights impacts, adverse biodiversity impacts, and to reduce GHG emissions in accordance with COP21 Paris Agreement targets.

Free, prior and informed consent ( FPIC ) related to large scale projects is increasingly a concern for some stakeholders. None of the financings of NIBC in recent years have been found to have adverse impacts on indigenous peoples, land rights or other FPIC-related impacts. FPIC is recognised in the UN Declaration on the Rights of Indigenous Peoples which is among the international conventions embedded in NIBC's policy commitments.

## Corporate Citizenship

NIBC wants to be a good corporate citizen by contributing to the well-being of the communities which we serve. We encourage our employees to volunteer their time and expertise to community projects and support their initiatives by matching the money they raise for good causes. In addition, NIBC runs its own social projects, some of which are focused on helping to educate youngsters about prudent money management.

We began to returning to more normal face to face dialogue with civil society stakeholders in 2021. Regular discussions were important particularly in light of the UN Sustainable Development Goals ( SDGs ), our cooperative efforts to increase responsible business, and the COP26 climate conference.

### NIBC NGO Boulevard

In 2015, we launched the NIBC NGO Boulevard, a unique initiative that makes modern office space and professional facilities available to good causes. Civil society organisations in the NIBC NGO Boulevard include Maatschappelijke Alliantie, Stichting Vitalis, Schuldhulpmaatje, SDG Charter and Buddy Network. One focus area for all of these organisations and NIBC has been to contribute to Dutch efforts towards the SDGs through activities and initiatives.

Our daily interactions, joint initiatives and workshops, and other activities have significantly increased awareness at NIBC staff of the environmental and social challenges faced by the world around us.

NIBC aims to help these civil society organisations to be effective and increase their impact. At the same time, since we share the same facilities, these organisations inspire us and help raise the awareness amongst NIBC's employees of societal challenges. Interaction with these civil society organisations has led to joint initiatives on societal challenges in areas such as financial education, blue economy, waste as a resource, circular economy, and mobility as part of NIBC's Talent Programme. New initiatives are underway in 2021.

### Financial education & financial inclusion

Although NIBC has a limited product range, we aim to be inclusive in our financings and investments. For example, certain Infrastructure financings helped to expand digital services to underserved rural populations. By doing so, NIBC is supporting its corporate clients to enable high-speed access, enabling jobs, and providing digital access to education and learning opportunities.

Our retail mortgage offerings include affordable Nationale Hypotheek Garantie (NHG) social mortgages. We also offer mortgages for starters, self-employed and the elderly, populations which are underserved by many of our competitors. The affordable interest rates of Lot Hypotheek mortgages provide broader accessibility and affordability of energy efficiency improvements.

NIBC employees were active in a wide range of initiatives in our communities during 2021. As part of Week van het Geld (Global Money Week) activities bankers provide fun lessons about money to primary school children. Annually about 700 primary school children participated in this Bank voor de Klas program with NIBC staff.

### Food Banks

NIBC donated food and dozens of our employees packed holiday food parcels to support families which rely on the Dutch Foodbanks. We partnered with employees of other leading corporates such as Unilever, Mars, Shell, Dr Oetker and Upfield to ensure that the families reliant on the Foodbanks received a holiday food parcel.

### Vulnerable children

In December, employees in The Hague supported Stichting Vitalis in what has become an annual tradition at the bank. Vitalis is a professional non-profit organisation that supports vulnerable children so they can avoid

intensive professional youth counselling programmes. Despite the pandemic, NIBC employees provided personalised holiday gifts for more than 100 children in a special corona-proof Christmas event for the children.

## Human Capital: Our People

At NIBC we strongly believe that our people represent our three core competences, entrepreneurial, professional and inventive, towards the outside stakeholders. For serving our clients our people are our key assets. Consequently, NIBC continuously invests in the development of its people to enable them to grow in order to make a difference at decisive moments for its clients.

### Number of FTEs as of 31 December <sup>41</sup>

	2021	2020	2019
<b>Total FTEs</b>	737	726	711
<b>FTEs by Unit</b>			
NIBC Bank	637	644	667
NIBC Bank (within NL)	562	552	560
NIBC Bank (outside NL)	75	92	107
Beequip (NL)	73	60	41
Lendex (NL)	20	16	3
Fin Quest (NL)	7	6	-
<b>FTEs by Country</b>			
Netherlands	622	634	603
Germany	44	61	76
United Kingdom	25	25	27
Belgium	6	6	5
<b>FTEs by Business Unit</b>			
Corporate Clients	433	433	506
Retail	185	185	147
Treasury & Group Functions	108	108	58

### Recruitment

Recruitment efforts have continued to include engagement with selected student associations, for which we organised several in-house days and attended various recruitment events. Targeted in-house recruitment events help us to create more diversity in our organisation. Since learning and development is pivotal within NIBC, we continued to give working students internship opportunities in our organisation. We have a hands on approach in these internships, encouraging students to broaden their skills, become comfortable in a business environment, and at the same time make meaningful contributions within NIBC.

### NIBC New Employee Introduction Program

The NIBC Introduction Program was organised on a regular basis in 2021 to enhance the onboarding of new employees. In addition to presentations on the strategy of the bank and on various parts of organisation, special attention was given to our corporate values, culture, anti-corruption, climate change and human rights.

All new bank staff have taken the Bankers' Oath and have signed the "Bankierseed" mirror in the public lobby of our office in the Hague led by and in the presence of our CEO one or more of our Executive Committee members. These new joiners were also introduced to sustainability, encouraged to embrace sustainability in their day to day work and to look for opportunities to continuously improve. Many of the best ideas come from those that have just joined NIBC and the diversity of ideas, backgrounds and skillsets that they represent.

<sup>41</sup> NIBC Holding 2021 Annual Report, pages 170, 171, 176

## Performance Reviews

NIBC has adjusted our feedback and performance review procedures, moving from a yearly, fixed procedure of goal-setting and performance evaluation to more agile, frequent feedback sessions. The aim is to make employees the main actors of their development and also provide more transparency to them on the merit rewards and promotion procedures.

## Training & Development

To compete effectively in our industry, we must develop ourselves at a faster pace and to a higher standard than many of our (larger) competitors. Competition is tough within the financial services industry as a whole and in the labour market the banking sector is still perceived as less attractive than before the financial crisis. But, as a mid-sized bank we have, in some ways, a more compelling offer for employees than our larger peers; one in which they will have greater responsibilities, influence and impact from the start. The 'Think YES' campaigns have helped to position NIBC in the highly competitive labour market.

Complementary to the attention given to feedback, is NIBC's long-running commitment to training and developing its employees. At NIBC, each employee gets a personal development budget of EUR 2,500<sup>42</sup> for two years. The average spending on training was EUR 2,508 per employee (2020: 1,767)<sup>43</sup>. Employees are given freedom to decide how to use this budget to meet their career development needs. During 2021, employees chose from internal in person and online trainings and a wide range on external offerings from their provider(s) of choice.

## Dedicated Training Programme

NIBC's Talent Programme and Dare to Develop programme are our dedicated training programmes for early and mid-career, employees. The Talent Programme is a one year talent development programme which we offer to recent university graduates to kick-start their career at NIBC. During 2021, the employees enrolled in the Talent Programme focused on a series of sustainability challenges designed to strengthen team-building, presentation skills, and developing products to address societal needs.

The Dare to Develop programme is a one year invitation-only programme aimed at our talented young professionals at mid-career level. The programme is developed in close cooperation with the participants and enhances personal effectiveness in influencing, consulting, negotiation and innovation.

## Employee Benefits

NIBC also uses a modern set of employee benefits, which are flexible and well aligned with the realities of our business. An important aspect is the discretionary approach to compensation and benefits, which takes into account a range of considerations, including performance indicators, sustainability and country-wide benchmarks. This enables us to attract and reward our talented staff and retain them.

Among the benefits, NIBC offers a collective-defined contribution (CDC) pension scheme ensuring that employees build up a good pension, while also making pension costs predictable.

Since 2014, NIBC has opted not to be part of the collective labour agreement for banking institutions in the Netherlands. Therefore, the Works Council – as the representative of all NIBC's employees on the payroll in the Netherlands – became senior management's direct interlocutor for negotiations in this important area.

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<sup>42</sup> NIBC Holding Annual Report, Non-Financial Key Figures, p91

<sup>43</sup> NIBC Holding Annual Report, Non-Financial Key Figures, p14, 42



Together this package allows us to achieve low absenteeism, high engagement levels as displayed in our employment survey and continued improvement in our diversity indicators. Importantly our people have felt supported throughout the COVID-19 pandemic.

### NIBC Works Council

NIBC's Works Council is a body of employee representatives which engage in discussions and negotiations with company management on behalf of our employees. Given the challenges facing NIBC and the banking sector, the Council remains focused on the employability of NIBC's staff and on NIBC's competitive position as an attractive employer. This was reflected in the Council's position with respect to reorganisations, diversity and labour agreements.

The Council has also been actively involved with multiple other developments such as mobility policies and employability while also maintaining regular contact with the Works Councils of other Dutch banks and financial institutions in order to exchange best practices

NIBC invests significantly in human capital, developing its people personally and professionally, and providing a stimulating work environment that values diversity and treats everyone with respect.

### Promoting Diversity & Inclusiveness

We believe that diversity is critical to NIBC's ability to succeed and achieve sustainable success. We are committed towards improving our corporate diversity. As such we are committed to creating a stimulating work environment for people from all backgrounds and an environment that is open to different ways of thinking.

#### Number of FTEs as of 31 December <sup>44</sup>

	2021	2020	2019
<b>Total FTEs</b>	737	726	711
<b>Employees by Gender ( GRI 405-1 )</b>			
Female	33%	33%	32%
Male	67%	67%	68%
<b>Gender in Top Management ( GRI 405-1 )</b>			
Female	23%	18%	15%
Male	77%	82%	85%
<b>Employees by Age * ( GRI 405-1 )</b>			
≤29 years	18%	19%	21%
30≤39	30%	30%	28%
40≤49	26%	28%	29%
50≤59	21%	19%	18%
≥60	5%	4%	5%
<b>Diversity of workforce by nationality *</b>			
Dutch	76%	88%	91%
Non-Dutch	24%	12%	9%
# of nationalities	33	36	n/a
<b>Discrimination ( GRI 406-1 )</b>			
Number of incidents	0	0	0

\*data for NIBC Bank

<sup>44</sup> NIBC Holding 2021 Annual Report, page 92

NIBC has zero tolerance for all forms of discrimination with respect to employment and occupation including verbal, physical and sexual harassment. Furthermore, we have systems and processes in place to actively manage and stimulate equal compensation. We comply with national employment legislation in the countries in which we are active and make use of best practices. Respecting and protecting human rights and embracing diversity are embedded in our Code of Conduct.

Diversity at NIBC comprises different gender, nationalities, ages, cultures, as well as social or personal differences. The Exco approved a coherent set of measures and targets – also incorporating a broader diversity scope – which will help us to deliver results. Within the pillars inflow, career, outflow, and awareness we set several targets and measures.

## NIBC ensures fairness in pay by gender and function and rewards performance without bias

We have a Diversity Committee in place which is tasked with researching our current behaviours and recommending ways to achieve a more inclusive environment at NIBC. The Managing Board continues to address this topic as high-priority. We work closely with external entities such as Talent to the Top<sup>45</sup>. Diversity in general, and the male-female balance specifically, are explicitly considered in our talent programmes and performance management.

To address gender imbalances, we have introduced engagements, like mentorships and dedicated workshops and programmes, aimed at retaining and further developing talented female employees. In the case of a vacancy in our Executive Committee or in our Supervisory Board, our policy is to request an Executive Search firm to provide a shortlist with at least 50% female candidates, although final selection is ultimately based on the suitability for a specific position.<sup>46</sup>

During 2021, the gender diversity of our organisation was unchanged 33% female staff (2020: 33%). Gender diversity of senior management improved to 23% (2020: 18%). We are continuing to focus on strengthening diversity at NIBC and have continued to refine our hiring policies to address gender diversity. Our overall diversity target remains to have a minimum of 30% of women. Improving diversity, and in particular male/female ratios is a long-term process and we will continue to strive to meet our ambitions. Diversity across age segments continued to show balance: 19% of our employees were under 30 and 23% of employees were 50 or older.

During 2021 a new LGBTQIA+ working group was formed to enable discussions on this important aspect of diversity and inclusion and to raise awareness within NIBC. A goal of the working group and NIBC is to ensure that everyone is enabled to be themselves, to identify as they prefer, and that we continue to foster an inclusive working environment.

### Pay Equality

	2021	2020	2019
<b>Entry Level Wage Fairness ( GRI 202-1 ) *</b>			
Female	1.99	1.92	2.15
Male	2.10	1.92	2.20
Overall	2.05	1.92	2.18
<b>Gender Pay Ratio by level ( GRI 405-2 ) *</b>			
Professional Support	0,90	0.81	0.85

<sup>45</sup> Talent to the Top, <https://talentnaardetop.nl/en>

<sup>46</sup> 2021 NIBC Holding Annual Report, pages 85, 95

Analyst	1,00	1.03	1.02
Associate	1,10	1.04	1.06
Vice President	1,10	1.07	1.12
Associate Director	1,10	1.08	1.07
Director	1,10	1.03	1.02
Managing Director	0,80	0.86	0.89
<b>Additional Gender Ratios *</b>			
% full-time contracts held by female employees	30.4%	28.7%	26.8%
% part-time contracts held by female employees	58.9%	58.0%	55.2%
% permanent contracts held by female employees	34.8%	33.7%	32.1%
% temporary contracts held by female employees	50.0%	39.3%	n/r

\*data for NIBC Bank, based on headcount

NIBC's ExCo consists of the three Managing Board members and three non-statutory members representing the commercial roles. At year-end 2021, the ExCo consisted of two female members and four male members. The Supervisory Board of NIBC consisted of six members with extensive and international expertise in fields such as banking and finance, corporate governance and corporate management.

Gender pay equality and fairness in pay is closely monitored at NIBC. We aim to ensure fairness in pay by gender and function and to reward performance without bias. The figures reported in this report only show part of the story, since there are also differences in the composition of staff by location.

NIBC realises that improving diversity ratios is a long-term process which requires continuous attention. We will continue to strive to meet our ambitions.

## Health and safety

A healthy workforce is of vital importance to our ability to achieve our financial and non-financial objectives. The COVID-19 pandemic has deeply changed our ways of working. Throughout the year, NIBC has looked at ways of keeping its people healthy which led us to maximise working from home. During most of the year, only a skeleton team worked from the office, the rest of our people working remotely. Technology investments made in previous years paid off with no critical interruptions observed to date. However, working remotely for most of the year comes with its challenges that NIBC has addressed in several ways.

### 2021 Health & Safety Figures

	2021	2020	2019
<b>Total FTEs</b>	737	726	711
<b>Health &amp; Safety (GRI 406-1) *</b>			
Number of Onsite Injuries or Deaths	0	0	0
Sickness Rate	1.6%	1.6%	2.0%
Frequency	.48%	.34%	.62%

\* NIBC Bank only

Although the health and safety figures reported above are limited to NIBC Bank, they are likely representative for other subsidiaries of NIBC Holding, since no material adverse situations were reported.

We have built new ways for our employees to interact, maintain contact with colleagues and continue to feel part of an active community, offering sports classes online, virtual events or conversations with our Executive Committee members or other people from the bank, sending care packages and other tokens of appreciation.

We celebrated the 75<sup>th</sup> anniversary of NIBC with a bank-wide online event. We set up a webshop for our people to spend a total budget of EUR 300 per person on office supplies to upgrade the home office and prevent health issues related to inadequate working conditions.

### Absenteeism & Vitality

Recognising the importance of a healthy workforce, we are very happy to continue a very low absenteeism rate of 1.6 % in 2021 (2020: 1.6%).

To support and enhance the health and vitality of our people we offered a variety of programmes and initiatives to enable a healthy lifestyle and work attitude. Despite the pandemic, our NIBC Vitality team offered a lot of triggers that made employees more aware on three vitality pillars: physical health, mental health and nutrition.

Throughout the year campaigns were organised awareness on the impact of food on health, by means of food boxes delivered to employees with healthy ingredients. Employees were offered training courses focusing on mindfulness, reducing stress and building on resilience, and alternative ways of using our brainpower. This followed NIBC's renewed focus on activity-based working over the past few years.

These attractive initiatives have contributed to NIBC's low absenteeism rate.

### Employee Engagement

In 2021 NIBC conducted an Employee Experience Survey to gain insights into how our employees rate our culture, our leadership and their work experience by measuring the levels of engagement and commitment in our organisation. The four pillars of this survey are Engagement, Commitment, Employership and Leadership.

#### Positive and Open Culture

The survey is part of NIBC's effort to build a positive and open culture in which we recognise employees by celebrating their success and sharing feedback. Each manager leading a team with more than five employee responses received a feedback report. Managers and employees jointly discussed the outcomes of the Employee Experience Survey to develop an action plan.

The overall conclusion of this survey is that in general employees find NIBC a good organisation to work for and our employees are proud to work for NIBC.

Engagement and commitment of our employees, as measured by our Employee Experience Survey, continues to improve. 80% of employees are committed employees (2019: 75%). We have also improved engagement level to 37% from 35%. Over 90% of respondents expressed satisfaction with NIBC.

We continue to raise awareness and understanding of health and wellness issues amongst our employees to keep on boosting their vitality and productivity. Furthermore we continue to invest in the development of our employees by offering them feedback, coaching and training, development programmes and e-learning.

#### Young NIBC

The Young NIBC network is focused on connecting younger NIBC staff to each other and the bank. Young NIBC identifies their needs and facilitates matching events, with a focus on learning about NIBC's organisation and culture and creating a professional network.

In December, NIBC colleagues to participate in a Christmas Box Packaging Event at the 'Voedselbank' in Rotterdam. NIBC's involvement in this was initiated by Young NIBC in 2019. For the third year in row a lot of colleagues participated in this very energetic and positive event that focused on helping those in need.

## Environment, Climate & Biodiversity

We operate in a complex world, where population growth, climate change, biodiversity loss and water scarcity are creating significant sustainability challenges and unprecedented pressures on natural and human systems.

There is increasing scientific certainty in respect to influence of mankind on climate change. Global temperatures are rising, drought and wild fires are starting to occur more frequently, rainfall patterns are shifting, and glaciers and snow are melting. The sea level is rising, our oceans are acidifying, while biodiversity is rapidly declining. Climate change, environmental changes, overexploitation and pollution are accelerating the extinction of species needed to keep ecosystems in place. Land conversion and use of nitrogen and phosphate are further accelerating negative impacts. The private sector, public sector and society have a responsibility to act urgently in order to address these impacts and promote positive

### Paris Climate Agreement

Humankind is pushing the planet's ecological limits and impacting our natural capital. Commitments by country signatories to the Paris Climate Agreement aim to prevent global warming from rising above 2° and preferably no more than 1.5°.

NIBC recognises our corporate responsibility to respect the environment, protect biodiversity, and take action to mitigate climate change in support of the Paris Climate Agreement and SDG13. Laws in our operating locations of the Netherlands, Germany, the UK and Belgium have set legal reduction targets of 95%-100% reduction by 2050 in regard to greenhouse gas emissions. The urgency and scale of the global impact necessitate a substantial reduction in emissions by 2030.

## We can achieve the Paris Climate Agreement targets if we each do our part

Despite the challenges faced by the world today, we remain optimistic that together we can achieve the Paris targets if governments, businesses and consumers each do their part and take action today. Many steps have been taken already over the years by NIBC toward meeting our responsibilities under the Paris Climate Agreement.

NIBC's primary climate-related target is Paris-aligned, client-focused and follows the science. We aim to achieve zero greenhouse gas emissions in our lending and investment portfolio and in our operations before 2050. A second goal is to achieve substantial reductions to the extent that this is possible by 2030. Our 2030 target is aligned to the European target and recently revised Dutch ambition for a 55% reduction. We aim to support a just transition, to do our part to keep global warming below 1.5 degrees and together with our clients to take the practical steps necessary in support of these goals. NIBC is a signatory of the Climate Commitment of the Dutch Financial Sector.

Like most financials and particularly as one which does not have brick and mortar branches, the most material part of NIBC's emissions are not related to our operational footprint, but instead to the activities that we finance. Our climate and environmental strategy is to influence and support companies and people to transform, particularly in the way that they source and consume. Product life cycle analysis, eliminating emissions at source to contribute to global emission reduction targets is crucial.

Our progress is keeping pace with external developments and is ahead of many financial peers. For example, NIBC has exited fossil fuel exploration and production, a step which brings us much closer to realising our

climate target of a 55% reduction by 2030 and net zero by 2050. Based on calculations using current PCAF factors, the sale of our remaining fossil portfolio as part of our Focus and Accelerate strategy will reduce NIBC's financed emissions by about one third, a tangible result for NIBC and our stakeholders.

We recognize that not all of the technologies needed to achieve zero emissions exist as of today. Therefore NIBC's future portfolio emissions reductions are unlikely to be perfectly linear, but will involve step changes for our clients which are also influenced by technological and regulatory developments. We will continue to evolve our approach and work with clients and other business partners to help them achieve their transition to zero.

### Natural Capital & Innovation

NIBC is taking responsibility and has continued its support for innovation that contributes to a cleaner environment. As part of our commitment to make a contribution to a more sustainable society for future generations, NIBC supports clients in our chosen sectors in their transition to better environmental and social business practices.

For example, NIBC offers sustainable mortgages to retail customers who want to decarbonize and improve the energy efficiency of their homes. NIBC supports corporate clients to decarbonize and improve the energy efficiency of the assets that we finance – buildings, ships, infrastructure. We also encourage corporate clients and our other business partners to take steps in their own operations and value chain to decarbonize aligned to the Paris Climate Agreement, UN Guiding Principles on Business and Human Rights and other leading international standards.

Innovation and energy transformation are two themes which we will continue to see across our business. For example, zero emission fuel and propulsion technologies which are not commercially available today will be needed in the shipping sector. We currently estimate that these technologies may not be available on a widespread basis before 2030. At the same time we view the shipping sector as an activity which will continue to be need beyond 2050. Therefore our strategy is to support ship owners as they prepare for this transition and in the meantime take meaningful steps through the use of existing technologies such as use of low sulfur fuels, emissions scrubbers, and best operational practices such as regular hull cleaning.

### Zero Emissions

At the same time, it has to begin with us - in our own operations. NIBC has achieved its objective of 100% renewable electricity in its own operations since 2012. To further reduce greenhouse gas emissions, a geothermal system is in operation and have made substantial renovations in our headquarters in the Hague. These steps have contributed to an estimated 57% reduction in Scope 1 and 2 emissions since 2010, well ahead of the national and EU targets for companies.

## NIBC sources 100% of electricity used in our operations from renewables

One learning has been that actual emission reductions will not be linear despite our high ambition. Adaptation requires recalibration and optimisation in order to avoid unintended consequences. For example the groundwater system for heating and cooling of our headquarters has required fine-tuning in order to maximise its efficiency and reduce our reliance on gas for heating and cooling.



We believe that the development of clean, renewable power generation and increasing energy efficiency is essential in the transition towards a sustainable low carbon economy. This is needed to counter the increased threat of climate change and to sustain the economic development of emerging and industrialised markets.

**Carbon Pricing**

Previously according to the 2017 Report of the High-Level Commission on Carbon Prices, a minimum carbon price of US\$50 would be consistent with achieving the Paris temperature target. This is near the current pricing level of EU carbon certificates. Some NGOs and academics are now advocating for even higher carbon prices.

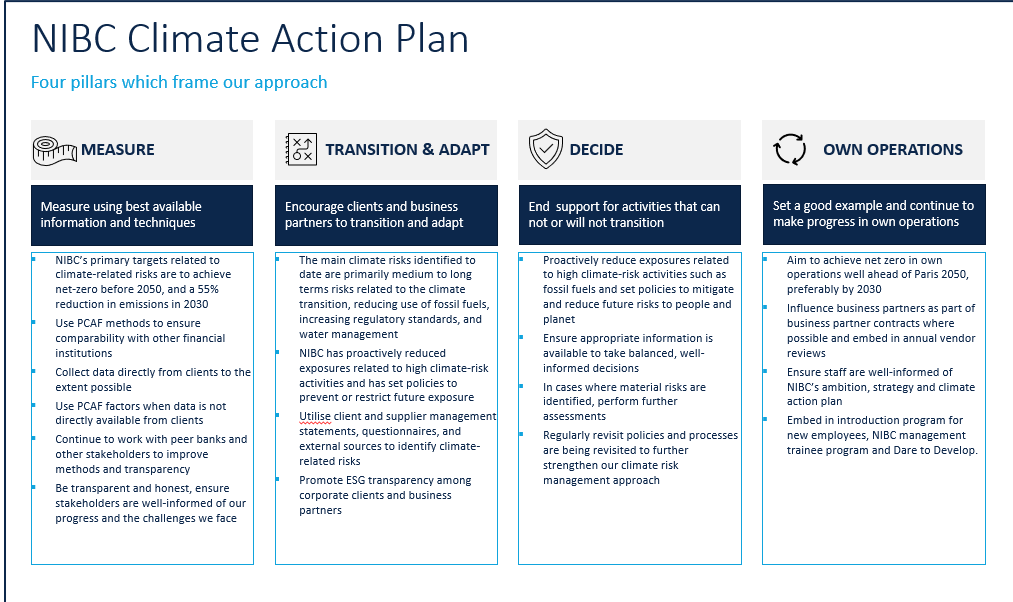
At the same time approximately 85% of global emissions currently are not priced and 75% of the priced emissions are priced below US\$10 per tonne of CO2. The pace and scale of greenhouse gas reductions that are needed may need to be complemented by global policies which address the shortcomings.

As financial markets price in climate risk, all companies must focus on their direct and indirect emissions in order to contribute to positive change.

**NIBC Climate Action Plan**

NIBC’s Climate Action Plan is a part of NIBC’s overall ESG Strategy. Our ESG strategy starts with a simple premise: sustainability and climate neutrality are everyone’s responsibility and must become our business as usual. They should be among the considerations which are embedded and consistently applied in all business activities of our organisation. They should be balanced across environmental, social and governance factors. They should also be balanced with other considerations, recognising that there are always trade-offs which we need to carefully weigh as part of any decision.

NIBC focuses on asset-based finance in several core asset classes. These include retail mortgages, commercial real estate, infrastructure, shipping and financial platform activities. Each of these sectors have their own pathway towards zero emissions. NIBC is guided by the UNFCCC climate action pathways for each of these sectors, recognising that each has a different timeline and will use different decarbonisation technologies.



Our actions to achieve climate neutrality are increasingly publicly visible. And we’ve worked hard to make sure that these actions are tangible and meaningful.

NIBC has ended its financing of fossil fuel exploration and production<sup>47</sup>. According to civil society stakeholders, this is the most meaningful step that a financial institution can take to reduce climate impacts. This followed the updates NIBC published during COP26 to its Sustainability Policy<sup>48</sup> and its Environment and Climate Policy<sup>49</sup> to exclude new financings of fossil fuel exploration and production. NIBC had already been reducing fossil exposures for several years to reduce risks related to cyclical exposures and climate impacts.

NIBC is enabling and promoting climate action. For example, we finance renovations that raise the energy performance of commercial and retail properties. We work with ship owners to reduce fuel consumption per km per tonne of cargo carried and to prepare for the capital investments that will be needed in new fuel and propulsion technologies. And we promote energy-efficient digital infrastructure and the efforts within this asset class to increase the sourcing of renewables. In some cases, KPIs have been embedded in “sustainability-linked” loans for corporate clients, requiring certain levels of performance tied to interest rate incentives.

We are taking steps to further increase transparency and quality. NIBC published Taxonomy tables, estimated emissions, emissions intensity ratios and resource consumption figures in our 2021 Annual Reports. Methods were discussed with our external auditors, peer banks and other stakeholders as we work together towards greater comparability of disclosures. The Allocation Report and Impact report for our inaugural EUR 750 mln senior green preferred issuance will be published in the coming weeks. The Allocation Report has been externally audited. The Impact Report has been prepared independently by a third party.

In our supplier contracts, we have embedded our expectation that suppliers and vendors take actions to reduce emissions aligned with Paris targets, respect human rights aligned with the UN Guiding Principles on Business and Human Rights, and ensure appropriate management structures are in place aligned with the OECD Guidelines<sup>50</sup>.

We continue to work to set the right example in our own operations. We have made significant progress over the last ten years to reduce our footprint. Consumption of office paper has been reduced by 98% since 2012, saving on related emissions and procurement costs. LED lighting and energy-efficient equipment are the standard in all NIBC locations. The most material remaining operational emissions are caused by heating & cooling of our office premises and business travel. We purchase WWF Gold-Standard carbon offsets<sup>51</sup> from NGOs each year to offset any residual operational (Scope 1 and 2) emissions to be operationally carbon neutral.

### Climate Risk Management

NIBC has a risk management approach in place with regard to ESG risks, including climate risk. This is supported by clear oversight, a robust sustainability risk management framework and increasing disclosures in support of our commitments, recognised standards, and regulatory requirements. We focus on the climate risks we face and that our clients face in the asset classes where we are active.

*Climate-related risks related to NIBC's current exposures (portfolio as of 31 December 2021)*

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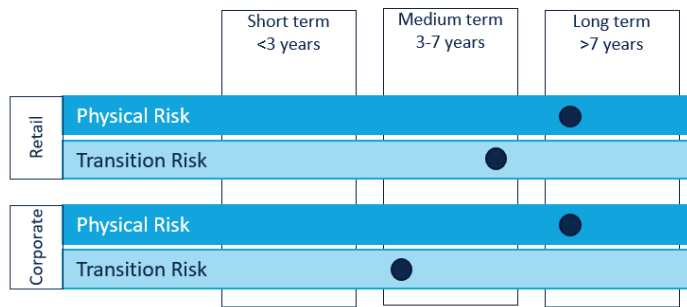
<sup>47</sup> NIBC announcement of the sale of its remaining Offshore Energy portfolio (July 2022): <https://www.nibc.com/about-nibc/newsroom/newsroom/nibc-sells-its-offshore-energy-portfolio-which-further-enhances-nibcs-esg-profile/>

<sup>48</sup> NIBC Sustainability Policy, p3: <https://www.nibc.com/media/3036/nibc-sustainability-policy.pdf>

<sup>49</sup> NIBC Environment and Climate Policy, p4: <https://www.nibc.com/media/3036/nibc-sustainability-policy.pdf>

<sup>50</sup> NIBC Supplier Code of Conduct, <https://www.nibc.com/media/2894/nibc-supplier-code-of-conduct.pdf>

<sup>51</sup> WWF Gold Standard, [https://wwf.panda.org/wwf\\_news/?126681/Go-with-Gold-for-quality-carbon-offsetting](https://wwf.panda.org/wwf_news/?126681/Go-with-Gold-for-quality-carbon-offsetting)



The image above provides a snapshot of our current assessment of the time-base likelihood of climate risks, based on our lending and investment portfolio as of year-end 2021.

As stated in our sustainability policies and Sustainability Report, NIBC avoids lending or investing in a number of activities. We exclude many of the activities which are viewed to cause climate risks to occur, including coal-fired power, extreme fossil fuels ( tar sands, fracking and liquefied coal ), and activities linked to deforestation. During 2021 we updates our sustainability policies were updated to also exclude new financings of fossil fuel exploration and production. And in July 2022, NIBC announced the sale of its remaining Offshore Energy portfolio.

NIBC has developed a climate risk heatmap which is specific to the asset classes we finance, the clients we serve and the locations of these assets and their supply chains. To develop our view, we have considered inputs and insights from external sources including scientific research, financial research, peer banks, banking supervisors including central banks. When they materialise, climate and environmental risks are most likely to manifest themselves as financial risks in the areas of credit risk and operational risk. Market risk or liquidity risk may become material over time, but we do not view this as material as of today.

## NIBC views climate risks and other sustainability risks as potential drivers of financial risk

Most public research to date has been done on large-cap listed multinationals and listed companies. No significant publicly-available studies have been done on unlisted and mid-sized companies, nor are independent ESG ratings and research widely available for this segment. This is guiding our approach and where we are putting our efforts in regard to quantifying climate risk, biodiversity risk and other sustainability-related risk themes for mid-sized corporates.

To date very few of NIBC's corporate clients have published an NFRD disclosure or equivalent which explicitly mention climate risk. This is not surprising since most are unlisted mid-sized corporates and family-owned businesses which have limited sustainability reporting or are otherwise not obliged to make an NFRD disclosure. In cases where sustainability reporting is available, the disclosures meet regulatory requirements but are limited in terms of ESG risk insights. We expect these reporting practices will evolve in the coming years with the introduction of the EU CSRD and other reporting requirements.

NIBC itself has been an early adopter and published its third TCFD climate risk report in August 2022. This provides a detailed view of our estimated financed emissions and gives transparency to stakeholders on climate risks. We are continuing to build on this work each year.

NIBC has developed experimental tools in our Innovation Lab to help develop quantitative metrics. We use these tools to analyse the public reports, websites and policies of corporate clients, listed small cap corporates

in north west Europe, and NIBC's vendors and suppliers. We have also analysed midcaps and large caps active in our sectors of interest. We search for mentions of physical and transition climate risks, biodiversity risks, and other environmental risks to enhance our understanding in each sector activity. We look for public policy commitments and other evidence of actions taken by corporates to align with Paris targets. We also look for mentions of climate, biodiversity and environmental risks related to corporate supply chains.

### Physical Climate and Environmental Risks

Climate risk and certain other sustainability risks are increasingly becoming financial risks, while in the past these were seen primarily as non-financial and reputational risks. For NIBC, we currently assess physical climate risk to be a medium to long term financial risk as related to our lending portfolios.

There are no indications of material acute or chronic physical climate impacts to date in our Retail Portfolio. A long term physical risk which may arise is related to water levels relative to homes in the Netherlands. Land subsidence, damage to wooden pilings used as foundations or even floods are each examples of impacts which can occur from changing water levels. One example is the flooding events which occurred in the Limburg region of the Netherlands & Belgium and in parts of Germany during July 2021.

The Netherlands has a national action plan in place<sup>52</sup> to help address and mitigate these risks at the national level. The plan was renewed during 2021 to cover the period 2022 to 2027. The plan and the water management ecosystem which are in place around it proved effective relative to the event. The people and businesses impacted had access to the resources they needed to recover. This also meant that the impacts of the event on the Dutch financial system was limited. For NIBC itself, the event was not material.

We have made some progress to develop tools to analyse certain portfolios for potential water impacts. Land subsidence<sup>53</sup> is a growing physical risk in the medium term to real estate and certain types of infrastructure. Land subsidence typically occurs near rivers, low-lying delta areas or other water sources where groundwater sinks or is excessively withdrawn<sup>54</sup>. This water stress may be caused by drought or may be human-induced, for instance by extraction of water for agriculture. NIBC is analysing and monitoring these risks. It is too early to say that we have quantified these risks, but we are taking steps to collect data and making progress toward risk quantification.

We have not yet seen significant physical risk impacts on corporate clients' operations and only isolated disruptions in corporate client supply chains. We have also not seen physical risk impacts which have affected our retail mortgage clients. Acute risks such as extreme weather events, flooding, heatwaves, drought or dangerous storms due to rising global temperatures will occur more frequently, reach additional regions and more visibly impact the supply chains of our clients. Flooding, drought, heat stress or water stress could also become chronic risks over time. These changes increase the risk of other chronic environmental impacts such as loss of biodiversity and habitat. At the same time our corporate clients are increasingly aware of these risks and are developing climate adaptation strategies to make their supply chains and processes more climate resilient.

While most of the physical climate risks currently seem to be longer term for NIBC's corporate clients, our corporate portfolio is medium term in duration overall. Most of our corporate portfolio has a facility end date of 2028 or sooner. Many of these will be repaid or refinanced even sooner. This provides flexibility and will allow NIBC to adjust the portfolio and our risk appetite ahead of any significant financial implications. We also continue to try to influence positive outcomes in the longer term to the extent that we can.

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<sup>52</sup> The Netherlands National Water Plan 2022-2027, <https://www.helpdeskwater.nl/onderwerpen/wetgeving-beleid/nationaal/nationaal-water-programma-2022-2027/>

<sup>53</sup> Het Financieele Dagblad, 11 August 2022, "Door de droogte dreigen huizen te verzakken" <https://fd.nl/samenleving/1448299/door-de-droogte-dreigen-huizen-te-verzakken-llh2ca1x4T8Z>

<sup>54</sup> Mapping the global threat of land subsidence <https://science.sciencemag.org/cgi/doi/10.1126/science.abb8549>

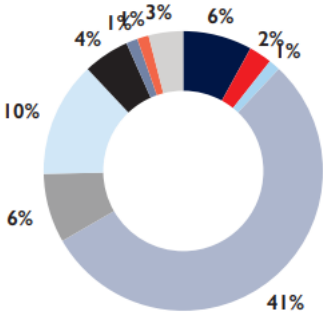
Water stress is a growing risk, though the financial impact may only be seen in the medium to long term. According to recent reports, up to 7 million people in the Meuse river basin<sup>55</sup> may be impacted by water scarcity in future years. Water is needed by our retail customers in their homes for drinking and cleaning. Data centers often use water for cooling, therefore water usage efficiency ( WUE ) is an increasingly important metric within this asset class.

**Transitional Climate Risks**

Transitional climate risks related to our portfolios are increasing in likelihood and may materialize in the medium to long-term.

Transitional climate risk related to regulation continues to increase. During 2021 the amount of regulatory change related to climate aspects was high. Recent regulatory developments often lack consideration in regard to proportionality for non-listed companies and non-multinationals. Compliance with these regulatory requirements can be a resource, expertise and data challenge for mid-sized and smaller companies.

**CRE exposures (incl OIMIO) by Energy Label**

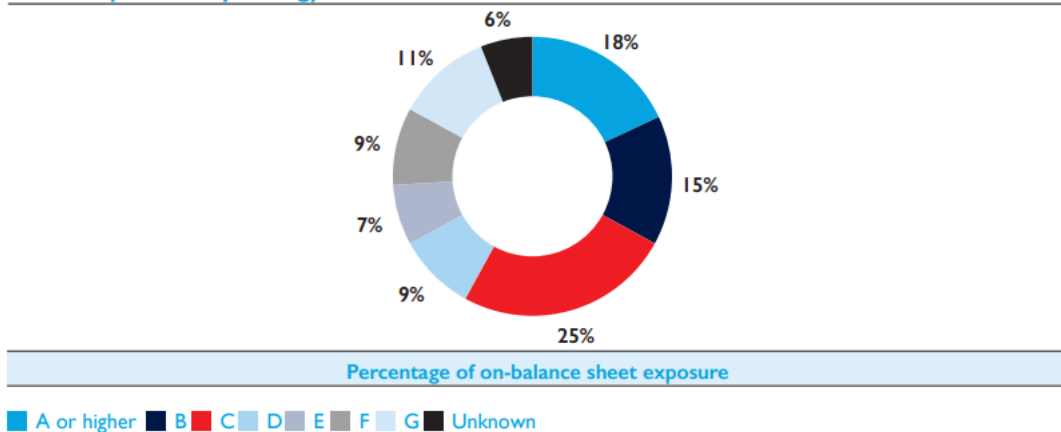


Legend: A+++ A++ A+ A B C D E F G

We continue to make significant progress in regard to the enabling the greening of Dutch residential and commercial real estate. As of year end 2021, more than 60% of our total real estate portfolio (retail and CRE combined) is estimated to have an energy label of EPC C or higher. Unknown labels are also a part of the normal course of business. In these cases, they are usually either new to the portfolio (labels have not entered our collateral systems), haven't received a label yet, or are ineligible for an energy label.

<sup>55</sup> Drought Governance in Transition: a Case Study of the Meuse River Basin in the Netherlands, Brockhoff, Biesbroek, & van der Bolt, May 2022: <https://link.springer.com/article/10.1007/s11269-022-03164-7>

## Retail exposures by Energy Label



For NIBC retail clients, the main transitional climate risks are related to energy cost, source and efficiency. NIBC is able to gather and report energy label data for its retail portfolio, but transition risks remain a challenge to quantify. But there are data challenges beyond this in part due to GDPR. Although increased energy and food costs are impacting disposable income, housing demand remains high for residential real estate across all energy labels. At the same time concerns are rising in regard to housing prices, affordability, and increasing energy poverty.

Energy labels are an indirect and imprecise way of measuring the financially-related climate transition risks related to mortgage loans. Actual energy use, energy source, cost and other factors would be more useful to assess the potential impact across different time horizons on traditional financial risk measures such as loan to income ratios ( LTI ), value at risk ( VAR ), probability of default ( PD ) or loss given default ( LGD ). In future years we hope that actual energy data will become public data, available to banks and less restricted by GDPR.

Transitional climate risks are highly interconnected with other sustainability and financial risk categories. For example, retail clients employed in fossil fuel-related activities may face social impacts such as job loss. Reports suggest that for every worker employed in the fossil fuel sector in the Rotterdam harbor area, as many as six additional jobs are involved in support services, logistics and distribution across the Netherlands. If the transition is well-organised at the national level, these risks can be minimized.

Environmental risks and human risks are often intertwined. Our approach should help to reduce potential human rights risks (unemployment, safety) which may occur if the transition for mid-sized energy service companies is not well-supported. The main risk to NIBC is where the transition measures are implemented without consideration for societal impacts, therefore resulting in disruptions. For example if carbon pricing is introduced without social considerations, it could impact those who can typically least afford the steps to increase energy efficiency, such as starters, lower income households, fixed income households or the elderly.

According to the IEA in its World Energy Investment 2022 report<sup>56</sup>, “... if countries get on track for a 1.5°C cap on global warming, then the case for committing capital to new fossil fuel projects becomes very weak.” This aligns with previous views stated in their May 2021 Roadmap to Net Zero Emissions by 2050 which indicated threat there was no need for new oil & gas fields or coal mines. This scenario depends on a significant clean energy push, led by renewable power, widespread implementation of energy efficiency measures and the transition to zero emission vehicles.

In July 2022 NIBC announced that it agreed to sell our remaining energy portfolio. By responsibly ending NIBC’s financing to the fossil energy sector, this eliminates the transition risks that are likely to occur as the sector adjusts to rapidly changing and decarbonised energy demand. This decreases the likelihood of stranded assets

<sup>56</sup> IEA World Energy Investment 2022, p28: <https://www.iea.org/reports/world-energy-investment-2022/overview-and-key-findings>



as a credit or valuation risks which may materialise in the longer term. It also allows NIBC to focus on the core assets classes which we have made the strategic choice to pursue.

Climate transition related litigation risk has likely been reduced by the preemptive actions which NIBC has already taken in relation to our portfolio exposures mentioned above. NIBC's long-standing policy approach to avoid "extreme fossil fuels" such as tar sands, coal and lignite, or shale and our efforts to provide transparent reporting also are seen as mitigants. Litigation impacts to the financial sector have been highest in relation to involvement in financings of extreme fossil fuel exploration and production, greenwashing and duty of care. Any legal actions will most likely target the largest multinational producers, a segment where NIBC has not been active, the largest financiers, and those whose marketing is greater than their actions. Legal cases tracked by *climatecase.com* brought against non-US corporates doubled in the last year<sup>57</sup>.

Technology risks are the most prevalent transitional climate risk in the transportation sector and NIBC's shipping portfolio. Improvements once a ship is built are costly, therefore the age of a vessel is a significant factor. NIBC currently applies a policy restriction based on a vessels age, set at 14 years of age or younger. The typical life of a vessel can be as much as 25-30 years, depending on the vessel type. This restriction one that we revisited in 2021 and continue to closely monitor, since the zero-emission technologies needed for offshore shipping will likely only become commercially available in future years.

#### Operational Emissions

	2021 Emissions	Unit
Scope 1 (direct emissions, energy)	176	tonnes CO <sub>2</sub> e
Scope 2 (indirect emissions, purchased electricity)	0	tonnes CO <sub>2</sub> e
Scope 3 (other indirect emissions)	2,361	tonnes CO <sub>2</sub> e
Total operational emissions	2,537	tonnes CO <sub>2</sub> e

Operational emissions were calculated using a CO<sub>2</sub> calculator from *co2emissiefactoren.nl*. These figures are updated to include Scope 3 data which was not available at the time of publication of our Annual Report. For transparency to our stakeholders, operational emissions shown are before application of WWF Gold Standard offsets later purchased from NGOs. The annual purchase of carbon offsets by NIBC is voluntary and helps to ensure that we are net carbon neutral in our own operations.

#### Estimated Financed Emissions

Asset Class	2021 Emissions	Unit	Exposure 31-12-2021	Unit
Owner-occupied & Buy to Let Mortgages	584,291	tonnes CO <sub>2</sub> e	11,665	mIns
Commercial Real Estate (incl Oimio)	391,308	tonnes CO <sub>2</sub> e	1,379	mIns
Shipping	1,271,940	tonnes CO <sub>2</sub> e	914	mIns
Infrastructure	69,716	tonnes CO <sub>2</sub> e	1,190	mIns
Offshore Energy	1,508,900	tonnes CO <sub>2</sub> e	297	mIns
Other asset classes	708,207	tonnes CO <sub>2</sub> e	971	mIns
Subtotal	4,534,363	tonnes CO <sub>2</sub> e	16,416	mIns
Other – not attributed	-	tonnes CO <sub>2</sub> e	6,306	mIns
Total financed emissions	4,534,363	tonnes CO <sub>2</sub> e	22,722	mIns

#### Emissions Intensity

Intensity/mln total balance sheet assets	200	tonnes CO <sub>2</sub> e/mln	
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<sup>57</sup> Figure based on website checks July 2022 & July 2021. <http://climatecasechart.com/non-us-climate-change-litigation/>

Intensity/mln attributed portfolio	276	tonnes CO <sup>2</sup> e/mln	
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2021 estimated financed emissions are calculated for 16.4 bln of NIBC's on-balance sheet total 22.7 bln euros. The primary source were latest available NACE-based factors from PCAF, accessed by NIBC February 2022.

Emissions figures presented above exclude lease receivables and other assets for which it is more difficult to attribute emissions and NIBC's share of emissions. Therefore in total our financed emission estimates represent 82% of NIBC's relevant on-balance sheet lending and equity investment activities. No off-balance sheet assets are included in the totals presented.

In prior years NIBC had used data from CBS, the Dutch statistical bureau, to calculate the financed emissions. As indicated in our prior TCFD and Sustainability reports these most likely excluded scope 3 emissions and therefore aren't directly comparable to these 2021 figures.

Most of the assets financed for NIBC's corporate clients are related to mid-sized and smaller corporates which are not required to disclose under NFRD and likely will not be in scope for CSRD. Therefore as we move forward, we expect to be able to source more data from clients in regard to the assets we finance to further improve data quality. But we will need to continue to rely on PCAF and/or other 3<sup>rd</sup> party sources in cases where this is not possible. We continue to work with peer banks and a variety of stakeholders to strengthen data sourcing, improve quality and comparability of emission and other ESG-related figures.

#### Total Operational and Financed Emissions

	2021 Emissions	Unit
Scope 1 (direct emissions, energy)	176	tonnes CO <sup>2</sup> e
Scope 2 (indirect emissions, purchased electricity)	0	tonnes CO <sup>2</sup> e
Scope 3 (indirect operational + financed emissions)	4,536,725	tonnes CO <sup>2</sup> e
Total operational and financed emissions	4,536,901	tonnes CO <sup>2</sup> e

We recognise that global emissions are continuing to rise, despite reports from many multinationals of substantial emissions reductions. Therefore we are cautious and estimate our overall data quality as 3 on the PCAF data quality scale. This is primarily because we believe that it is likely that scope 3 corporate emissions are well under-reported and do not yet include full upstream and downstream value chain emissions. We also do not label these using the term "absolute emissions" for the same reason.

#### It Begins with Us: Own Operations

A theme within NIBC is that it begins with us and how we act in our own operations. We learn quite a lot about the challenges involved in improving operational efficiency and reducing climate risk and environmental risks as we undertake initiatives in our own operations. The lessons that we learn help to inform our approach in regard to our financings and investments.

Improvements in NIBC's operational emissions are part of an Environmental Management System led by NIBC's talented Facilities Services team. The continuous improvement programme within our EMS has significantly cut the use of gas for heating and cooling. These efforts benefit both the environment (reduced emissions) and NIBC's shareholders (reduced ongoing costs).

#### NIBC office locations, energy label and electricity source (as of 31 December 2021)

Location	Energy Label	Electricity Source	Size (sqm)	Status
The Hague	A	Wind	24,513	Owned
Frankfurt	Leed Platinum	Renewable Mix	2,362	Leased
London	D	Renewable Mix	493	Leased
Brussels	n/a	Renewable Mix	270	Leased
Beequip	C	Wind	400	Leased
yesqar	E	Renewable Mix	200	Leased
Lendex	B	Wind	400	Leased
Total		100% renewables	28,808	

Most office facilities used by NIBC have energy efficiency labels or ratings assigned that we can monitor. NIBC's office in the Hague occupied by NIBC Bank is easily the most material space occupied by any subsidiary of NIBC Holding.

From time to time, second party energy audits are performed on NIBC-owned facilities to optimize this installation and ensure it is running as efficiently as possible.

According to some sources, up to 40% of all carbon emissions are related to the "built" environment in the Netherlands. This includes energy to heat, cool or operate equipment from homes, offices, schools, industrial buildings and hospitals. This also means that some of the quickest gains can be made by companies in their own direct operations by sourcing responsibly and through continuous improvement programmes and/or environmental management systems.

NIBC has embraced this approach and focused on steadily and substantially improving the efficiency of our own facilities, well ahead of national and EU climate targets.

### Electricity

	2021	2020	2019	Unit
Fossil Fuel Electricity	0	0	0	kWh
Renewable Electricity	2,717,346	2,813,065	3,523,194	kWh
% Renewable Electricity	100%	100%	100%	kWh

Baseline: 3,072,872 kWh (2017)

### Intensity

kWh per sqm	94.34	97.67	118.8	
kWh per FTE	3,687	3,875	4,955	

Our 2021 electricity consumption total is about 3% lower than 2020 and 12% lower than the total of 3,072,872 kWh reported for 2017.

Renewable electricity is used in all NIBC offices. Our locations in the Netherlands use 100% wind power. In other locations a mix of renewable electricity sources are used. In our emissions calculations, we assume zero greenhouse gas emissions for renewables and have made conservative assumptions on usage in leased locations. Leased locations are about 15% of our total office space.

NIBC has continuously invested in efficiency improvements of facilities across all locations to LED lighting, energy star-rated office equipment, and taken other actions to improve energy efficiency in our operations.

New electric car charging points were installed in NIBC’s guest parking and garage, facilitated by Colectric. Figures from the Hague include (external) commercial and civil society tenants of NIBC’s facility.

At our facility in the Hague about half of the space is leased by other occupants including the civil society organisations operating in the NIBC NGO Boulevard, the Zone and commercial tenants. This means that these other organisations are also benefitting from NIBC’s responsible sourcing and investments in energy efficiency.

**Heating and Cooling**

	2021	2020	2019	Unit
Gas	93,169	66,613	59,679	m3
Calculated CO2 for heating/cooling	176	197	163	tCO <sub>2</sub> e

Baseline: 156,567 m3 (2017)

**Intensity**

m3 per sqm	3.2	2.3	2.0	
m3 per FTE	126.42	91.75	83.9	

To further reduce greenhouse gas emissions related to heating and cooling , a geothermal system is in operation and substantial renovations continue to be made at our headquarters in the Hague. The geothermal system makes use of groundwater beneath our building for heating in the winter and cooling in the summer. This has helped to substantially reduce our use of gas to heat and cool the complex.

This also is to the benefit of the other tenants of the complex including the NGOs which operate from NIBC’s NGO Boulevard. For clarity tenants are not included in the FTE, and intensity calculations, even though they are substantial users of the space within our complex in the Hague.

Our facility in the Hague is more than 85% of the total office space occupied by NIBC. For heating/cooling, we have used actual figures for the Hague and have conservatively calculated estimates for leased locations based on energy label and following the precautionary principle. CO2 has been calculated using a calculator provided by Carbon Neutral Group. Overall gas for heating and cooling is a 60% reduction from our 2017 baseline figure of 156,567 m3.

From time to time, NIBC optimises the groundwater system at its offices in the Hague. Typically this also involves a second party independent energy audit to help us prioritise where and when to make further improvements. By rebalancing the system, we’ve managed to improve our energy efficiency performance. Other actions to improve efficiency in our facilities such as improved insulation and glass replacement have also been part of recent renovations. These supplement earlier steps such as our green roof and shading.

These actions allowed NIBC to reduce its dependency on gas for heating and cooling despite the increase in extreme temperatures. At the same time the severity of weather and extreme periods of summer heat and winter freezing play a key role in the amount of heating and cooling required in our operations.

Figures from the Hague include (external) commercial and civil society tenants of NIBC’s facility. This means that these other organisations have also benefited from NIBC’s geothermal system and efficiency gains.

**Water usage**

	2021	2020	2019	Unit
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Water usage <sup>3</sup>	1,740	1,158	6,925	m <sup>3</sup>
Water source	Municipal mains	Municipal mains	Municipal mains	

Baseline: 6,925 m<sup>3</sup> (2019)

#### Water Intensity

Intensity: m <sup>3</sup> per sqm	0.06	0.04	0.23	
Intensity: m <sup>3</sup> per FTE	2.4	1.6	9.7	

Actual water usage is currently only reported for our main office in the Hague. Estimates are used for leased NIBC locations.

During 2021, water usage increased by comparison to 2020. We believe the increase is related to higher usage of NIBC facilities as employees and tenants increased their working days in the office.

In all locations, NIBC's offices are supplied from connections to municipal mains, the main local water supply. Figures from the Hague include (external) commercial and civil society tenants of NIBC's facility. The decrease in usage is likely due to decreased occupancy due to the pandemic.

NIBC does not withdraw from groundwater or surface water in its own operations. No known discharges of pollutants to water were made in NIBC's operations during 2021.

#### Office Paper Consumption

	2021	2020	2019	Unit
Standard office paper	0	0	0	kg
Responsibly sourced office paper	552	1,238	5,103	kg
% from responsible sources	100%	100%	100%	

Baseline: 25,855kg standard office paper (2012)

#### Paper Intensity

kg per FTE	0.7	1.7	8.1	
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NIBC continues to strive for a paperless office. Over the past few years we have significantly reduced the use of paper within our offices. In most years employees receive a regular update on the amount of paper used for printing and copying and were encouraged to further reduce the amount of paper.

In 2021 total paper usage totaled 552 kg, a decrease of 55% from 2020. This change is due both to employee awareness and the pandemic. Our 2021 total also represents a 98% reduction since we first began to measure. When we began to measure this aspect in 2012 NIBC's paper usage totaled 25,855 kg of standard office paper, 0kg of recycled office paper.

Since 2015, paper that is used within NIBC offices is responsibly sourced, either recycled or Forest Stewardship Council (FSC) certified in order to minimize harmful environmental impacts and the potential harmful impacts of deforestation in our supply chain. Reduction in the consumption of paper has also influenced a reduction in office paper waste for NIBC, therefore helping to control the financial cost of buying paper and the financial cost of recycling paper.

WWF has reported <sup>58</sup>that there are measureable benefits to the local environment and local communities due to FSC. These include reduced air pollution, reduced soil erosion, and fewer respiratory diseases among workers and nearby residents.

## Waste

	2021	2020	2019	Unit
Paper & cardboard	23,068	22,214	52,681	kg
Plastics	1,128	912	5,558	kg
Glass	140	350	963	kg
Other waste	14,313	19,320	48,977	kg
Total	38,649	42,796	108,178	kg

## Waste Intensity

kg per FTE	52.44	58.95	152.1	
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Total waste for 2021 represented a 10% reduction from 2020, despite the increasing number of employees who chose to return to the office. The reduction is likely a result of internal initiatives which aim to increase awareness and reduce waste.

NIBC is able to gather the actual waste data for its facility in the Hague, but not for most of its leased locations. Therefore we have made conservative estimates for leased locations.

Figures from the Hague include (external) commercial and civil society tenants of NIBC's facility. In the Hague, additional food-related waste streams exist due to the catering facilities which do not exist in our other locations.

Paper and cardboard waste are the largest waste stream within NIBC's operations. Efforts are made to separate paper, plastic and glass in order to recycle these materials. Internal awareness campaigns have been organized in order to increase employee awareness of the need to separate waste. This has created a healthy dialogue, where employees have contribute ideas and input to further reduce waste and improve waste collection.

## Business Travel

	2021	2020	2019	Unit
Car	132	94	499	tCO <sub>2</sub> e
Air	110	47	358	tCO <sub>2</sub> e
Public Transport (train / tram /bus)	21	34	59	tCO <sub>2</sub> e
Bicycle / Walk	0	0	0	tCO <sub>2</sub> e
Total	262	175	972	tCO <sub>2</sub> e

## Travel Intensity

kg tCO <sub>2</sub> e per FTE	0.4	0.2	1.3	
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<sup>58</sup> WWF – What is FSC certification and is it working <https://www.worldwildlife.org/stories/what-is-fsc-certification-and-is-it-working>



Emissions figures for car and air travel are provided by our travel partners. For both car travel and air travel, total travel increased, reflecting the return to offices for both NIBC and its business partners. No deduction was made for private use of leased cars.

NIBC calculates estimates for public transport. Public transportation providers such as NS in the Netherlands and Deutsche Bahn in Germany increasingly source green electricity and focus on circular business operations.

An internal survey has revealed that about 25% of NIBC employees travel to work by bicycle. We have assumed no emissions related to this form of business travel.

## UN Global Compact Index

To assist readers, NIBC has prepared a mapping aligned with the 2021 UNGC Communication on Progress questionnaire to meet the increasing interest by stakeholders of the UN Global Compact. Our full UN Global Compact COP report is published on the NIBC website and on the UN GC website.

This voluntary disclosure index provides links across our policies and disclosures and mappings to the relevant UN Global Compact Principles and to the relevant Sustainable Development Goal targets:

Topic	Report	UNGC Principle <sup>59</sup>	Mapping to SDG Targets <sup>60</sup>
<b>Governance</b>			
Policy Framework	Purpose & Values Code of Conduct Corporate Governance Policies Compliance Policies Sustainability Policies	Principle 1 Principle 7 Principle 10	5.2, 5.5, 8.1, 8.3, 8.5, 8.7, 8.8, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7
Prevention Processes	Annual Report, p58-87 Sustainability Report	Principle 1 Principle 7 Principle 10	5.2, 5.5, 8.1, 8.3, 8.5, 8.7, 8.8, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7
Concerns and Grievances	Annual Report, p49 Whistleblowing Policy Public Concerns & Grievances	Principle 1 Principle 3 Principle 7 Principle 10	5.2, 5.5, 8.1, 8.3, 8.5, 8.7, 8.8, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7
Executive Pay	Annual Report, p111-116	Principle 1 Principle 7 Principle 10	
Board Composition	Website: Executive Committee Website: Supervisory Board Annual Report, p100-108	Principle 1 Principle 6	5.5, 8.5, 8.7, 8.8, 16.7
Data Assurance	Annual Report, p58, 117, 293-296 Sustainability Report	Principle 10	16.1, 16.6
<b>Human Rights &amp; Labour</b>			
Materiality & Saliency	Annual Report, p22, 48, 53-54 Sustainability Report	Principle 1 Principle 2	1.1, 1.2, 1.3, 1.4, 1.5, 1.a, 1.b, 2.1, 2.3, 2.5, 2.a., 2.c., 4.1, 4.4, 4.5, 4.7, 5.1, 5.2, 5.4, 5.6, 6.1, 6.2, 8.7, 8.8, 9.1, 10.2, 10.3, 10.7, 11.1, 16.1, 16.2, 16.3
Policies & Commitment	Website: Sustainability Governance Annual Report, p48-51 Sustainability Report Sustainability Framework Sustainability Policy Human Rights Policy	Principle 1 Principle 2 Principle 3	1.1, 1.2, 1.3, 1.4, 1.5, 1.a, 1.b, 2.1, 2.3, 2.5, 2.a., 2.c., 3.2, 3.3, 3.4, 3.7, 3.8, 4.1, 4.3, 4.4, 4.5, 4.7, 5.1, 5.2, 5.4, 5.6, 6.1, 6.2, 8.7, 8.8, 9.1, 10.2, 10.3, 10.7, 11.1, 16.1, 16.2, 16.3
Human Rights Due Diligence	Website: Sustainability Governance Annual Report, p50-51, 55 Sustainability Report	Principle 1 Principle 2	1.1, 1.2, 1.3, 1.4, 1.5, 1.a, 1.b, 2.1, 2.3, 2.5, 2.a., 2.c., 4.1, 4.4, 4.5, 4.7, 5.1, 5.2,

<sup>59</sup> Mappings guided by the UN Global Compact Commitment on Progress Questionnaire Guidebook, working version, December 2021

<sup>60</sup> Mappings guided by the UN Global Compact Commitment on Progress Questionnaire Guidebook, working version, December 2021

	Sustainability Framework		5.4, 5.6, 6.1, 6.2, 8.7, 8.8, 9.1, 10.2, 10.3, 10.7, 11.1, 16.1, 16.2, 16.3
Outcomes & Reporting	Website: Annual Reports Website: Sustainability Annual Report, p41-43, 51-57, 89-92 Sustainability Report	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	1.1, 1.2, 1.3, 1.4, 1.5, 1.a, 1.b, 2.1, 2.3, 2.5, 2.a., 2.c. 3.2, 3.3, 3.4, 3.7, 3.8, 4.1, 4.3, 4.4, 4.5, 4.7, 5.1, 5.2, 5.4, 5.6, 6.1, 6.2, 8.5, 8.7, 8.8, 9.1, 10.2, 10.3, 10.7, 11.1, 16.1, 16.2, 16.3
<b>Environment</b>			
Policies & Commitment	Website: Sustainability Annual Report, p48-51, 55-56 Sustainability Report TCFD Climate Risk Report Sustainability Framework Sustainability Policy Environment & Climate Policy	Principle 7 Principle 8 Principle 9	1.5, 2.1, 2.3, 2.4, 3.2, 3.4, 3.8, 3.9, 6.1, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 7.3, 8.4, 9.4, 11.3, 11.5, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 13.1, 13.2, 13.3, 13.a, 13.b, 14.1, 14.2, 14.3, 15.1, 15.2, 15.3, 15.4, 15.5, 15.a, 15.b
Environment, Climate and Biodiversity Due Diligence	Website: Sustainability Governance Annual Report, p50-51, 55 Sustainability Report TCFD Climate Risk Report Sustainability Framework	Principle 7 Principle 8	1.5, 2.1, 2.3, 2.4, 3.2, 3.4, 3.8, 3.9, 6.1, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 7.3, 8.4, 9.4, 11.3, 11.5, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 13.1, 13.2, 13.3, 13.a, 13.b, 14.1, 14.2, 14.3, 15.1, 15.2, 15.3, 15.4, 15.5, 15.a, 15.b
Energy & Resources	Website: Sustainability Annual Report, p42, 53 Sustainability Report TCFD Climate Risk Report	Principle 7 Principle 8 Principle 9	1.5, 2.1, 2.4, 6.1, 6.3, 6.4, 6.5, 6.6, 9.4, 11.3, 12.4, 13.1, 13.2, 13.3, 13.a, 13.b, 14.3
Outcomes & Reporting	Website: Sustainability Annual Report, p41-43, 51-57 Sustainability Report TCFD Climate Risk Report	Principle 7 Principle 8	1.5, 2.1, 2.4, 6.1, 6.3, 6.4, 6.5, 6.6, 9.4, 11.3, 12.4, 13.1, 13.2, 13.3, 13.a, 13.b, 14.3
<b>Anti-Corruption</b>			
Policies & Commitment	Website: Compliance Purpose & Values Code of Conduct Corporate Governance Policies Compliance Policies Anti-Bribery and Corruption Policy Summary Annual Report, p41-43, 51-57 Sustainability Report	Principle 10	16.4, 16.5, 16.6
Response & Reporting	Website: Annual Reports Annual Report, p41-43, 51-57 Sustainability Report	Principle 10	16.4, 16.5, 16.6

# UN PRB Disclosure Index

## Principles for Responsible Banking

The Principles for Responsible Banking (UN PRB) are an international framework that embeds sustainability at the strategic, portfolio and transactional levels and across all business areas. Although NIBC is not a signatory of PRB, we offer this UN PRB disclosure for interested stakeholders.

Principle	Self Assessment	Disclosure References
<p><b>Principle 1: Alignment</b></p> <p>NIBC will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Business Model Description</p> <p>1.2 Business Strategy Alignment</p>	<p>NIBC is a retail and commercial bank headquartered in the Hague serving retail and mid-sized corporate customers in selected sectors across Northwest Europe. We are present in four countries – the Netherlands, Germany, the UK and Belgium. Our business model is differentiated from peers by the fact that we do not operate a brick and mortar branch network, nor do we offer retail or corporate current accounts.</p> <p>Sustainability is a core part of our business strategy. Responsible business frameworks such as the UN Global Compact, SDGs, and Paris Climate Agreement are embedded in our sustainability policies, guide our decisioning processes and are described in our management reporting.</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p5-7</li> <li>• NIBC Sustainability Report, p5-6</li> <li>• NIBC GRI Content Index, p2-3</li> </ul> <ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p23,25,60</li> <li>• NIBC Sustainability Report, p13-14</li> </ul> <p><u>Website:</u></p> <ul style="list-style-type: none"> <li>• NIBC Sustainability Framework</li> <li>• NIBC Sustainability Policies</li> </ul>
<p><b>Principle 2: Impact and Target Setting</b></p> <p>NIBC will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1 Impact Analysis</p> <p>2.2 Target Setting</p> <p>2.3 Plan or Target Implementation &amp; Monitoring</p>	<p>NIBC summarises its material environmental impacts and salient human rights impacts in its Annual Report. This includes physical and transition climate risks and potential developments. Further details are disclosed in our Sustainability Report TCFD Report and Modern Slavery Statement.</p> <p>Quantitative targets are set where possible and practical for our most material aspects. Otherwise qualitative descriptions are provided which demonstrate our commitment and progress. For example, NIBC has a net zero emissions before 2050 target for its financings and operations.</p> <p>Current targets are monitored internally on a regular basis and reported annually in our disclosures. Where possible, these are aligned to international reporting standards.</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p62-64</li> <li>• NIBC Sustainability Report</li> <li>• NIBC Modern Slavery Statement</li> <li>• NIBC TCFD Report</li> </ul> <ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report</li> <li>• NIBC Sustainability Report</li> <li>• NIBC TCFD Report</li> </ul> <ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report</li> <li>• NIBC Sustainability Report</li> <li>• NIBC TCFD Report</li> <li>• NIBC GRI Content Index</li> </ul>

Principle	Self Assessment	Disclosure References
2.4 Progress on Implementing Targets	<p>Additional efforts to develop new monitoring tools and potentially implement additional targets are also described.</p> <p>NIBC monitors its progress on the implementation of targets on a regular basis. Efforts are well-described in our disclosures.</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report</li> <li>• NIBC Sustainability Report</li> <li>• NIBC 2021 TCFD Report</li> <li>• NIBC GRI Content Index</li> </ul>
<p><b>Principle 3: Clients and customers</b></p> <p>NIBC will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Policies and practices to ensure sustainable and responsible relationships with clients and customers</p> <p>3.2 How sustainable practices are encouraged with clients and customers to enable economic activities that create shared prosperity</p>	<p>Our day-to-day business decisions and interactions with clients are guided by established principles and policies set out in our Code of Conduct, Business Principles, Corporate Values, Compliance Framework and Sustainability Framework. These documents are available on our website. For many years, we have steadily developed our sustainability agenda in close consultation with our stakeholders.</p> <p>During 2020, NIBC launched a new mortgage label focused on sustainability, Lot Hypotheken. NIBC brought the first CLO which is fully compliant with best ESG practices to the market. In addition, we developed a new Green Bond Framework.</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p62-63</li> <li>• NIBC Sustainability Report, p24-25</li> <li>• NIBC Code of Conduct</li> <li>• NIBC Sustainability Policies</li> </ul> <ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p60, 68-69</li> <li>• NIBC Sustainability Report, p27-28</li> </ul> <p><u>Website</u></p> <ul style="list-style-type: none"> <li>• NIBC Sustainable Finance Framework</li> <li>• NIBC Green Bond Framework</li> </ul>
<p><b>Principle 4: Stakeholders</b></p> <p>NIBC will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
4.1 Stakeholder engagements and partnerships	<p>Engaging with stakeholders in a proactive way and on a continuous basis is central to our strategy and ambition to achieve sustainable growth. We define stakeholders as any group or individual affected directly or indirectly by our activities.</p> <p>We have identified our main stakeholders to include clients, institutional investors, shareholders, regulators, employees and civil society organisations.</p> <p>NIBC is committed to raise awareness about environmental issues, human rights and responsible business conduct with our stakeholders.</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p65-67</li> <li>• NIBC Materiality Assessment</li> <li>• NIBC Sustainability Report, p10-11</li> </ul>
<p><b>Principle 5: Governance and Culture</b></p> <p>NIBC will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>		
5.1 Governance Structure	<p>Our Code of Conduct, corporate governance and sustainability governance provide a strong foundation for effective governance. Our mantra is "to do as we say we will". This means being</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report, p61-62</li> <li>• NIBC Sustainability Report, p14-16</li> <li>• NIBC TCFD Report, p1-3</li> </ul>

Principle	Self Assessment	Disclosure References
<p>5.2 Initiatives and Measures</p> <p>5.3 Governance structure for implementation of the principles</p>	<p>accountable, getting the basics right and adhering to best practices in corporate governance, compliance and ESG. In turn this approach forces us to carefully consider our corporate commitments and to avoid overstating our achievements.</p> <p>During 2021 we reviewed all of our sustainability policies, updating where necessary to reflect improvements, best practices and relevant societal developments. All new employees of NIBC Bank are informed of our approach to sustainability as part of employee introduction sessions. These sessions include reflections on current topics in the world around us such as climate risks, modern slavery, money laundering, whistleblowing and ethical business conduct.</p> <p>Other subsidiaries of NIBC Holding have adopted the compliance policies and sustainability policies developed for NIBC Bank, adapted these to their businesses and applied these in their operations and client interactions.</p> <p>NIBC's sustainability governance and corporate governance structure are well aligned to the implementation of the Frameworks which guide us.</p>	<ul style="list-style-type: none"> <li>• NIBC Code of Conduct</li> <li>• NIBC Sustainability Policies</li>   <li>• 2021 NIBC Holding Annual Report, p61-62</li> <li>• NIBC Sustainability Report, p18,24,35</li> <li>• NIBC TCFD Report</li>   <li>• 2021 NIBC Holding Annual Report, p61-62</li> <li>• NIBC Sustainability Report, p16-18</li> <li>• NIBC TCFD Report</li> </ul>
<p><b>Principle 6: Transparency and Accountability</b></p> <p>NIBC will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Progress on implementing the Principles for Responsible Banking</p>	<p>This is the first disclosure index for UN PRB that NIBC has published.</p> <p>At the same time, most of the elements required for PRB have already been in place for a number of years at NIBC and disclosed in our Annual Reports, Sustainability Reports and other disclosures.</p>	<ul style="list-style-type: none"> <li>• 2021 NIBC Holding Annual Report</li> <li>• NIBC Sustainability Report</li> <li>• NIBC TCFD Report</li> </ul>

## TCFD Index

### Taskforce for Climate-related Financial Disclosures

For interested readers, we have prepared a TCFD Index which summarises NIBC's approach across the TCFD recommended disclosures. This Index also provides references to find additional information in regard to each recommended element.

Recommended TCFD Disclosure <sup>61</sup>	NIBC's approach in brief
<b>Governance</b>	
a) Describe the board's oversight of climate-related risks and opportunities.	<p>NIBC operates a two tier board structure consisting of our Executive Committee (NIBC's statutory and non-statutory Managing Board) and our Supervisory Board.</p> <p>NIBC's ExCo oversees climate-related risks and opportunities as well as ESG-related risks and opportunities. Climate matters are discussed regularly with NIBC's Supervisory Board, which advises NIBC's ExCo. NIBC Supervisory Board's Risk Policy &amp; Compliance Committee (RPCC) monitors and periodically discusses sustainability matters.</p>
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>NIBC's ExCo discuss and advise on climate strategy, targets, planning and budget. NIBC's Risk Management Committee (RMC) chaired by our Chief Risk Officer, is responsible for approving NIBC's Sustainability Framework and its underlying policies, including NIBC's Environment and Climate Policy. NIBC's Asset &amp; Liability Committee, chaired by our Chief Financial Officer, approved the first issuance under our Green Bond Framework. NIBC's Transaction and Investment committees approve corporate deals, including climate-related aspects, plans and margin incentives.</p>
For additional details regarding a+b, please refer to the <i>Governance section</i> of this TCFD Report.	
<b>Strategy</b>	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>The primary climate-related risks identified by NIBC are climate risk as a driver of credit risks and operational risks and largely in the medium to long-term. The climate-related credit risks are seen to be related to our clients' ability to repay loans given fluctuations in energy prices, food prices and other macroeconomic changes. Also given NIBC's focus on asset-based finance, collateral values may be impacted in the medium to long term.</p> <p>Climate related operational risks include reputational risk, litigation risk and business continuity risk. Reputational risk and litigation risk have likely lessened in the short, medium and long term in part due to changes implemented as part of NIBC's <i>Focus and Accelerate</i> strategy<sup>62</sup>. Climate risk as a driver of liquidity risk and market risk are not currently assessed to be material, but this may change over time as more data becomes available and our insights grow.</p> <p>Climate-related opportunities are likely in terms of corporate and retail product development. Sustainable mortgages provided to retail customers by Lot Hypotheken<sup>63</sup> and NIBC Direct<sup>64</sup> are two examples. Sustainability-linked lending in each of the corporate asset-classes is also increasing and may even become the norm. NIBC's award-winning North Westerly ESG CLO program<sup>65</sup> shows that NIBC is identifying and successfully growing business opportunities related to ESG. There are also opportunities for NIBC in terms of funding. NIBC's first issuance under a new Green Bond Framework<sup>66</sup> was well received and helped to broaden NIBC's debt investor base<sup>67</sup>.</p>

<sup>61</sup> Taskforce for Climate related Financial Disclosures (TCFD) recommendations, <https://www.fsb-tcf.org/recommendations/>

<sup>62</sup> NIBC to focus on asset based financing, November 2021: <https://www.nibc.com/about-nibc/newsroom/newsroom/nibc-to-accelerate-growth-by-focusing-on-asset-backed-financing/>

<sup>63</sup> Lot Hypotheken sustainable mortgages: <https://www.lothypotheke.nl/>

<sup>64</sup> NIBC Direct sustainable mortgages: <https://www.nibcdirect.nl/hypotheke/verduurzamen/>

<sup>65</sup> North Westerly VII ESG CLO awarded Global Capital Securitisation ESG Deal of the Year, April 2022: <https://www.nibc.com/about-nibc/newsroom/newsroom/esg-deal-of-the-year-for-clo-north-westerly-vii/>

<sup>66</sup> NIBC Green Bond Framework, <https://www.nibc.com/media/2942/nibc-green-bond-framework-june-2021.pdf>

<sup>67</sup> NIBC enters green bond market, September 2021: <https://www.nibc.com/about-nibc/newsroom/newsroom/nibc-enters-green-bond-market/>



<p>b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.</p>	<p>Climate risks and opportunities are among the many drivers of financial and non-financial risk which are considered as part of NIBC's business strategy and financial planning.</p> <p>For example, in November 2021, NIBC announced its updated <i>Focus and Accelerate</i> business strategy. As part of this strategic update, NIBC updated its Sustainability Policy to exclude the financing of new fossil fuel exploration and production companies and projects<sup>68</sup>, an activity that NIBC had been involved for a number of years. In July 2022 NIBC announced the sale of its remaining Offshore Energy portfolio<sup>69</sup>.</p> <p>Exiting this activity arguably reduces credit risk and operational risks related to climate. For example, it eliminates the risk of stranded assets related to oil &amp; gas. It also presents an opportunity for NIBC to redeploy our balance sheet to accelerate growth in core asset classes in which we can help clients on their pathway to net zero.</p>
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<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Currently we assess that the potential impact of a 2°C or lower scenario on NIBC is limited and that recent actions taken as part of NIBC's <i>Focus and Accelerate</i> strategy may further reduce the sensitivity of our loan portfolio to transitional climate risks in a 2 degree or lower scenario.</p> <p>We also expect rising sea levels and other physical climate risks such as land subsidence and inland flooding to be countered by extra investments by the Dutch government in water defense measures. Physical climate risks are among the subjects analysed in NIBC's business continuity management tests. NIBC's has outsourced its IT infrastructure which also allowed our workforce to operate remotely throughout the Covid-19.</p> <p>We also recognise climate-related impacts are accelerating. The financial impact of climate-risk when combined with the Covid-19 pandemic, supply chain disruptions, a war in Ukraine and rising inflation creates complexities which are difficult to fully analyze and attribute.</p> <p>We continue to be vigilant, to share our learnings and to grow our understanding of the possible impacts.</p>
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For additional details regarding a+b+c, please refer to the *Strategy section* of this TCFD Report.

## Risk Management

<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>Climate-related risks are identified and assessed as part of NIBC's integrated risk management framework. Within our risk management framework, a dedicated Sustainability Framework has been established to help NIBC identify, assess and mitigate potential ESG risks including climate-related risks.</p>
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<p>b) Describe the organization's processes for managing climate-related risks.</p>	<p>Management of climate-related risks follows NIBC's three line of defense risk management structure as described in our comprehensive Risk Management Framework.</p> <p>The processes for managing and assessing climate-related and other ESG risks are described in our Sustainability Framework<sup>70</sup>. NIBC also maintains a Sustainability Policy and an Environment and Climate Policy. For corporate transactions, these involve due diligence, assessment and monitoring by the 1<sup>st</sup> line of defense, review and monitoring by the second line of defense.</p> <p>The purpose of due diligence and the assessment are to ensure that any material or salient risks are identified, discussed and mitigation measures taken. These processes also help to ensure that all pertinent information is presented to NIBC's approval bodies to reach well-informed decisions.</p> <p>Climate-related risks are managed at a portfolio level for retail exposures following the same three line of defense model. NIBC's Retail Risk Team monitors and reviews portfolio development including climate-related aspects.</p> <p>New products and significant changes to existing products are analysed for climate-related and ESG risks and potential impacts.</p>
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<sup>68</sup> NIBC Sustainability Policy, p3: <https://www.nibc.com/media/3036/nibc-sustainability-policy.pdf>

<sup>69</sup> NIBC announcement of sale of remaining Offshore Energy portfolio: <https://www.nibc.com/about-nibc/newsroom/newsroom/nibc-sells-its-offshore-energy-portfolio-which-further-enhances-nibcs-esg-profile/>  
 Watson Farley & Williams announcement: <https://www.wfw.com/press/wfw-advises-nibc-on-sale-of-its-originally-e1-5bn-offshore-energy-portfolio/>

<sup>70</sup> NIBC Sustainability Framework, <https://www.nibc.com/media/1440/nibc-sustainability-framework.pdf>

<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>NIBC operates a 'three lines of defense' risk management model. In this model, the first line comprises the business units; the second line is risk management and the other control functions and the third line is Internal Audit.</p> <p>The three lines of defense model is used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision-making, risk and control, and to achieve effective governance, risk management and assurance. All three lines are dedicated to maintaining a strong internal control framework which manages material and salient risks to protect NIBC and its stakeholders.</p> <p>The three lines of defense model is embedded in NIBC's Risk Management Framework. NIBC also maintains a Risk Appetite Framework which establishes risk tolerances for each category of risk. Risk tolerance may be quantitative or qualitative, depending on the type of risk, our assessment, the timeframe, the possible impact and data available. NIBC maintains a heatmap of physical and transitional climate risks across three time horizons. This approach is specific to NIBC, our operating model, the asset classes that we finance, the locations of our clients, and the risks specific to these dimensions.</p> <p>NIBC is currently working to meet ECB and supervisory expectations in regard to climate-related risk. To meet these expectations, we are involved in regular discussions with our financial peers in regard to best practices and other learnings regarding climate-related risks as drivers of financial risk. One such fora is the Dutch Banking Association's ESG Risk working group, which NIBC currently chairs.</p>
<p>For additional details regarding a+b+c, please refer to the <i>Risk Management section</i> of this TCFD Report.</p>	
<p><b>Metrics &amp; Targets</b></p>	
<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>NIBC's main business activities are related to asset-based lending and platform finance. Therefore our main metric used to measure and manage (potential) climate-related risks is estimated financed carbon emissions.</p> <p>We use other metrics such as energy labels of our retail and commercial real estate portfolios to supplement financed carbon emission estimates. Our recent EU Taxonomy tables provide additional metrics which provide further insights into these business activities.</p> <p>Additional metrics are used to measure resource and usage such as water, energy, waste management and business travel. The raw amounts are relatively less material, but are important to show that we also walk the talk. The climate is everyone's responsibility, so we must also pay attention to the details and make progress in our own operations.</p> <p>To assess the opportunities, we are developing further metrics. For example, NIBC has contracted a third party to calculate the impact of the green bond for investors.</p>
<p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<p>NIBC has been monitoring and working to reduce our scope 1, 2 and 3 greenhouse gas emissions resulting from our operations. Although we are proud of the good progress we have made to date toward both our long term and intermediate emissions targets, there is more work to do.</p> <p>Our 2021 totals are as follows:</p> <p>Scope 1: 170 tonnes;</p> <p>Scope 2: 0 tonnes;</p> <p>Scope 3 including financed emissions: 4,536,725 tonnes</p> <p>The full details and explanation are provided in the <i>Metrics and Targets section</i> of this report.</p> <p>For clarity in regard to our actions and next steps, we have disclosed our Climate Action Plan as part of this TCFD report.</p> <p>As with most finance and professional services organisations, the main risks are related to our financings and the emissions of our clients. The risks related to our own operations are minimal. Climate risk mitigation efforts are most material relative to our financings, but try to lead by example in our own operations, providing as much transparency as is useful and practical.</p>
<p>c) Describe the targets used by the organization to manage climate-related risks</p>	<p>NIBC has set high level targets to manage its climate-related risks. Our overall target is net zero emissions before 2050. We have also set an interim target of a 55% reduction by 2030. These targets apply to our financings (lending and investment portfolios) and to our own operations. We intend to set</p>

<p>and opportunities and performance against targets.</p>	<p>further interim targets in the near future, balancing climate-related risks with other ESG aspects aligned with our ambition for a just transition.</p> <p>For our financings, we measure using industry standard methodologies such as PCAF. For our 2021 reporting, we utilised the latest factors available via PCAF as of February 2022 and applied these to our retail and corporate lending portfolios.</p> <p>NIBC has been measuring emissions related to its own operations since 2010 and has made significant progress in reducing emissions and managing the resources we use. For example, our headquarters in the Hague is now an average energy label A across the building complex. We have sourced 100% renewable energy across all locations since 2017. Our use of paper has been reduced by 98% by comparison to 2012. Today the biggest sources of emissions in our operations are use of gas for heating/cooling and business travel. Since 2015, we have purchased WWF Gold Standard offsets from NGOs to compensate for our operational emissions to ensure that operationally we are carbon neutral.</p>
<p>For additional details regarding a+b+c, please refer to the <i>Metrics &amp; Targets section</i> of this TCFD Report.</p>	

## GRI Content Index, core requirements

### Taskforce for Climate-related Financial Disclosures

NIBC is pleased to provide this Content Index as part of NIBC's commitment to the Global Reporting Initiative (GRI). This index has been prepared in accordance with the GRI Standards: Core option. Additional GRI topics are disclosed in NIBC's full GRI Content Index Report, including most of the requirements to meet the GRI Standards: comprehensive option.

GRI	Disclosure Title	Core	NIBC Disclosure (specific annual report page references refer to the NIBC Holding NV annual report)	Omissions
102-1	Name of the organization	Core	NIBC Holding N.V. - Report cover page - Acknowledgements p315	
102-2	Activities, brands, products, and services	Core	Annual Report - At a Glance, p5-7 - Letter from the CEO, p15-17 - Report of the Managing Board, p20-26  Brands include NIBC Bank, NIBC Direct, OIMIO, Lot Hypotheken, Lendex and Beequip. An aspect which differentiates NIBC from many peer banks is that NIBC's business model does not provide current accounts.	
102-3	Location of headquarters	Core	The Hague, Netherlands - Acknowledgements p356	
102-4	Location of operations	Core	Annual Report, - At a glance, p5-7  NIBC has operations in the Netherlands, Germany, the United Kingdom, and Belgium. An aspect which differentiates NIBC from many brick and mortar universal banks is that NIBC does not have physical brick and mortar retail offices.	
102-5	Ownership and legal form	Core	Annual Report - Our Heritage, p5  NIBC's legal form is N.V. ("Naamloze Vennoootshap"), a type of public company which is the common form for corporates in the Netherlands.	
102-6	Markets served	Core	Annual Report - At a Glance, p6  NIBC serves markets in north-western Europe.	
102-7	Scale of the organization	Core	Annual Report - At a Glance, p6 - Key Figures, p12-14	
102-8	Information on employees and other workers	Core	Annual Report - At a Glance, p5-7 - Key Figures, p14 - Our People, p89-92 Website - Sustainability (nibc.com/about-nibc/sustainability//)  Our 2021 Sustainability Report on our corporate website provides additional details on our employees and other workers. Figures are compiled from NIBC's management systems.  102-8d is not applicable	
102-9	Supply chain	Core	Annual Report: - Creating long term value, p21 - Supply Chain & Business Partners, p55-56 Website	

			<ul style="list-style-type: none"> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- Our Value Chain (<a href="http://nibc.com/about-nibc/sustainability/our-value-chain/">nibc.com/about-nibc/sustainability/our-value-chain/</a>)</li> </ul> <p>NIBC's strategic business partners and suppliers are largely professional services organisations providing legal, audit, communications, technology, and other specialised services. Most of these suppliers are located in the same operating geographies as NIBC. Examples are provided throughout our Annual Report.</p>	
<b>102-10</b>	Significant changes to the organization and its supply chain	Core	<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Letter from the CEO, p15-17</li> <li>- Supply Chain &amp; Business Partners, p55-56</li> <li>- Business review and strategic choices, p23</li> </ul>	
<b>102-11</b>	Precautionary Principle or approach	Core	<p>Annual Report:</p> <ul style="list-style-type: none"> <li>- Risk Management, p58-88</li> <li>- Outcomes and next steps p51-54</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Corporate Governance (<a href="http://nibc.com/about-nibc/corporate-governance/">nibc.com/about-nibc/corporate-governance/</a>)</li> <li>- Sustainability Governance (<a href="http://nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</li> </ul> <p>NIBC applies the Precautionary Principle through its risk management and compliance approach toward potential environmental and social risks. Our sustainability framework and related policies govern our approach toward environmental and social concerns.</p> <p>New products and significant changes to existing products are assessed for their social (e.g., human rights) and environmental impact as part of NIBC's new product (NPARP) and significant change (SCAP) procedures, approval and review processes.</p>	
<b>102-12</b>	External initiatives	Core	<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Sustainability, p41-57</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Corporate Governance (<a href="http://nibc.com/about-nibc/corporate-governance/">nibc.com/about-nibc/corporate-governance/</a>)</li> <li>- Sustainability Governance (<a href="http://nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</li> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>Externally developed economic, environmental and social charters, principles, and other initiatives which NIBC endorses and applies include:</p> <ul style="list-style-type: none"> <li>Dutch Banking Code</li> <li>Equator Principles (member institution)</li> <li>UN Global Compact (signatory)</li> <li>Dutch IMVO/SER banking sector covenant (signatory)</li> <li>Universal Declaration of Human Rights (by policy)</li> <li>UN Guiding Principles for Business and Human Rights (by policy)</li> <li>OECD Guidelines for Multinational Enterprises (by policy)</li> <li>ILO Core Conventions (by policy)</li> <li>UN PRI (by policy)</li> <li>UNEP FI (by policy)</li> <li>UN Convention on the Elimination of All Forms of Discrimination against Women (by policy)</li> <li>UN Declaration on the Rights of Indigenous Peoples (by policy)</li> <li>UNICEF Convention on the Rights of the Child (by policy)</li> <li>Wolfsberg Principles (by policy)</li> <li>FATF recommendations (by policy)</li> <li>Responsible Ship Recycling Standards (by policy)</li> <li>PCAF Partnership for Carbon Accounting Financials (signatory)</li> </ul>	

			Additional external principles and charters applied by NIBC are stated in our corporate governance, compliance and sustainability policies.	
102-13	Membership of associations	Core	<p>NIBC is a member of the Dutch Banking Association (NVB) and Dutch Association of Covered Bond Issuers (DACB).</p> <p>Paulus de Wilt is board member of the Dutch Banking Association (NVB). Herman Dijkhuizen is member of the Commission Supervision of the Dutch Banking Association (NVB). Around 40 NIBC employees are members of committees or expert pools at these associations.</p>	
102-14	Statement from senior decision-maker	Core	<p>Annual Report, - Letter from the CEO, p15-17</p>	
102-16	Values, principles, standards, and norms of behavior	Core	<p>Annual Report, - At a glance, p5-7 - CEO Letter, p15-17 - Vision &amp; Strategy, p20-26 - Our People / Banking and Trust Programme, p89 Website, - Our purpose and corporate values (<a href="https://www.nibc.com/about-nibc/general/our-purpose-and-corporate-values/">https://www.nibc.com/about-nibc/general/our-purpose-and-corporate-values/</a>) - Code of Conduct (<a href="https://www.nibc.com/about-nibc/corporate-governance/">nibc.com/about-nibc/corporate-governance/</a>)</p> <p>As part of their employment contract, each staff member has agreed to adhere to the NIBC Code of Conduct. Dutch staff sign the Bankers Oath, which is also displayed prominently in NIBC's offices in the Hague and Amsterdam. Trainings on NIBCs values, ethics, and Code of Conduct are provided regularly to all staff. Compliance and integrity training is also obligatory for all new employees when they join NIBC.</p> <p>During 2021, all employees received training on NIBC's Code of Conduct and other key compliance and sustainability topics. The Code of Conduct applies NIBC's internal policy structure which requires a defined owner within the organisation, version management, and other standard aspects.</p>	
102-18	Governance structure	Core	<p>Annual Report: - Report of the Supervisory Board, p100-106 - Corporate Governance, p108-110 - The four Supervisory Board committees, p102-106</p> <p>Website: - Corporate Governance (<a href="https://www.nibc.com/about-nibc/corporate-governance/">nibc.com/about-nibc/corporate-governance/</a>) - Sustainability Governance (<a href="https://www.nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</p> <p>NIBC maintains a two-tier board structure consisting of a Managing Board and a Supervisory Board. The Managing Board is responsible for day-to-day management, which includes, among other things, formulating NIBC's strategy, policies and setting and achieving NIBC's objectives. The Supervisory Board supervises and advises the Managing Board.</p>	
102-40	List of stakeholder groups	Core	<p>Annual Report: - Purpose and corporate values, p20-22 - Accountability and reporting standards, p304</p> <p>Website: - Materiality Assessment (<a href="https://www.nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>) - Stakeholders: (<a href="https://www.nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/">nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/</a>)</p> <p>We define stakeholders as any group or individual affected directly or indirectly by our activities. We have identified our main stakeholders to</p>	

			include clients, institutional investors, shareholders, regulators, employees and civil society organisations.	
102-41	Collective bargaining agreements	Core	<p>Annual Report:</p> <ul style="list-style-type: none"> <li>- NIBC Works Council, p90-91</li> <li>- Meetings of the Supervisory Board, p102</li> </ul> <p>Website</p> <ul style="list-style-type: none"> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>NIBC's employees are represented in formal discussions with management by our main representative body, the NIBC Works Council. The Works Council formally represents Dutch employees, but its agreements also benefit employees in other locations.</p> <p>As mentioned in our Human Rights policy, NIBC also supports the right of workers to collective bargaining in our financings and investments and with suppliers. We regularly engage with representatives of international labor unions to discuss developments.</p>	
102-42	Identifying and selecting stakeholders	Core	<p>Annual Report:</p> <ul style="list-style-type: none"> <li>- Purpose and corporate values, p20-22</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> <li>- Stakeholders: (<a href="http://nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/">nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/</a>)</li> </ul> <p>We define stakeholders as any group or individual affected directly or indirectly by our activities.</p> <p>We have identified our main stakeholders to include clients, institutional investors, shareholders, regulators, employees and civil society organisations. We actively seek these connections to the world around us to ensure we reflect on our business, understand our impact and to continue to innovate.</p>	
102-43	Approach to stakeholder engagement	Core	<p>Annual Report:</p> <ul style="list-style-type: none"> <li>- Purpose and corporate values, p20-22</li> <li>- Creating long-term value, p21</li> <li>- Sustainability, p41, p44, p46, p47, p49, p51, p54 p55</li> <li>- Composition of the Supervisory Board and changes in 2021, p101-105</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> <li>- Stakeholders: (<a href="http://nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/">nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/</a>)</li> </ul> <p>NIBC recognises its responsibilities towards stakeholders, regularly engages with them and considers their interests in its day-to-day decisions and activities. Engaging with stakeholders proactively and continuously is central to our strategy and ambition to achieve sustainable growth.</p>	
102-44	Key topics and concerns raised	Core	<p>Annual Report:</p> <ul style="list-style-type: none"> <li>- Purpose and corporate values, p20-22</li> <li>- Sustainability, p41, p44, p46</li> <li>- Remuneration report, p111-116</li> <li>- Materiality Assessment, p304</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> <li>- Stakeholders: (<a href="http://nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/">nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/</a>)</li> </ul>	



			Key topics and concerns raised by stakeholder groups are catalogued in our annual Materiality Assessment and summarized in our Annual Report.	
102-45	Entities included in the consolidated financial statements	Core	Annual Report - Principal subsidiaries and associates, p259-266  NIBC Holding N.V. is the direct or indirect holding company for NIBC's subsidiaries.	
102-46	Defining report content and topic Boundaries	Core	Annual Report: - Corporate Responsibility Reporting Scope, p303-304  Website: - Materiality Assessment ( <a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a> ) - Stakeholders: ( <a href="http://nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/">nibc.com/about-nibc/sustainability/our-value-chain/stakeholders/</a> )  NIBC aims to be inclusive to all its stakeholders, providing Sustainability Report content which is material and complete and for which the context is well described.	
102-47	List of material topics	Core	Annual Report: - 2021 Material themes, p22  Website: - Materiality Assessment ( <a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a> )  A list of material topics is provided in NIBC's Materiality Assessment report. This is further supported through regular stakeholder dialogues, both formal and informal.	
102-48	Restatements of information	Core	Any restatements of information are noted in our Annual Report.	
102-49	Changes in reporting	Core	No material changes from 2020 have been made in terms of our reporting.	
102-50	Reporting period	Core	This GRI Content Index is for the full year 2021, from 01-01-2021 until 31-12-2021.	
102-51	Date of most recent report	Core	Our prior report was published March 2021, for the period 01-01-2020 until 31-12-2020	
102-52	Reporting cycle	Core	Annual from 1 January to 31 December.	
102-53	Contact point for questions regarding the report	Core	Annual Report - Contact information, p312  Questions and feedback regarding NIBC's GRI Content Index and our approach towards sustainability, corporate social responsibility (CSR), ESG, environmental issues or social issues may also be addressed to <a href="mailto:csr@nibc.com">csr@nibc.com</a>	
102-54	Claims of reporting in accordance with the GRI Standards	Core	Annual Report: - Corporate Responsibility Reporting Scope, p303-304  NIBC has prepared its report in accordance with the latest GRI Standards, core option. For 2021 we have continued to provide additional disclosures beyond GRI's base requirement for "core" in order to provide greater transparency for interested readers and stakeholders.	
102-55	GRI content index	Core	NIBC's GRI Content Index is updated and published annually, following the publication of our Annual Report.  For each element, we provide direct answers, page and section references to our Annual Report, and links to other online resources and documents.	

102-56	External assurance	Core	<p>Annual Report - Corporate responsibility reporting scope, p303-304</p> <p>The non-financial key figures for this report were confirmed by the departments that are responsible for the data. The reported non-financial key figures were reviewed by IA. IA confirmed that nothing has come to the attention that causes them to believe that the reported non-financial key figures for NIBC Holding N.V. are inadequately presented, in all material respects, in accordance with the reporting criteria.</p> <p>Our carbon footprint (Scope 1 and 2) estimates have been independently calculated for NIBC using tools provided by Climate Neutral Group, a social venture that was established in 2002 by Stichting Doen. Calculation of scope 3 estimates for financed GHG emissions follows methodologies developed in the Partnership for Carbon Accounting Financials (PCAF).</p>	
103-1	Explanation of the material topic and its Boundary	Core	<p>Material Topic: Business Ethics</p> <p>Annual Report: pages 14, 22, 46, 49, 53-54, 63, 89, 117</p>	
103-2	The management approach and its components	Core	<p>Annual Report: pages 14, 22, 46, 49, 53-54, 63, 89, 117</p>	
103-3	Evaluation of the management approach	Core	<p>:</p> <p>Annual Report: Quantitative measures</p> <ul style="list-style-type: none"> <li>• Fines or sanctions for non-compliance with laws &amp; regulations, 2021: 0 (2020: 0) , p14, 42</li> <li>• % of new corporate loans screened against sustainability policy, 2021: 100% (2021: 100%), p14, 42</li> </ul> <p>Qualitative measures</p> <ul style="list-style-type: none"> <li>• In Control Report, p117</li> <li>• Anti-corruption, p49</li> <li>• Supply chain &amp; Business Partners, p55</li> <li>• Conformity with the Code of Conduct on Mortgage Credits of the Dutch Bankers Association, p63</li> <li>• Banking on Trust, p89</li> </ul>	
103-1	Explanation of the material topic and its Boundary	Core	<p>Material Topic: Climate Resilience</p> <p>Annual Report: pages 16,44-45, 48-49, 51-56</p> <p>Website: - Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>) - Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>) - TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</p>	
103-2	The management approach and its components	Core	<p>Annual Report: pages 16,44-45, 48-49, 51-56</p> <p>Website: - Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>) - Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>) - TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</p> <p>NIBC's Sustainability Framework and its policies are based on internationally recognised conventions, standards and best practices such</p>	

			<p>as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the Paris Climate Agreement.</p> <p>NIBC's policies commit us to performing ESG due diligence and assessments of relevant and material environmental risks, climate risks, biodiversity risks, human rights risks and governance risks for all corporate clients and transactions.</p> <p>During 2021, we reviewed all our sustainability policies, updating where necessary to reflect improvements, best practices and relevant societal developments. Policy updates reflected ongoing dialogue and regular consultation with our stakeholders.</p>	
<b>103-3</b>	Evaluation of the management approach	Core	<p>Annual Report:</p> <p>Quantitative KPIs</p> <ul style="list-style-type: none"> <li>• % of new corporate loans screened against sustainability policy, 2021: 100% (2021: 100%), p14, 42</li> <li>• Scope 1, 2 &amp; 3 Emissions, p42</li> <li>• Emissions Intensity, p42</li> <li>• Resource Consumption, p42</li> <li>• Retail &amp; Commercial Real Estate exposures by energy label, p52-53</li> </ul> <p>Qualitative KPIs</p> <ul style="list-style-type: none"> <li>• Carbon Neutral own operations, p53</li> <li>• Review of strategic business partners, suppliers &amp; vendors, p55</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> <li>- NACE Supplement (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>During 2021, no material environmental incidents related to NIBC's financings, own operations or supply chain were reported. At the same time, we recognise that physical and transitional climate risks are present and impacts will continue to become more visible in future years.</p> <p>NIBC published its inaugural EU Taxonomy disclosure in its 2021 Annual Report. NIBC first published a TCFD Report in 2020 and has continued to do so, evidence of our commitment to be transparent, measure estimated emissions, and report on our progress. Lack of access to actual energy and emissions data of clients is a constraint for NIBC and peer financial institutions. We will continue to work with stakeholders to improve access to detailed data in order to further develop our insights. New reporting standards are regularly proposed, a signal that existing sustainability accounting and reporting methodologies will continue to evolve over the coming years.</p>	
<b>103-1</b>	Explanation of the material topic and its Boundary	Core	<p>Topic: Data Security</p> <p>pages 49-50, 55, 89, 103-104</p>	
<b>103-2</b>	The management approach and its components	Core	<p>Annual Report:</p> <p>pages 49-50, 55, 89, 103-104</p>	
<b>103-3</b>	Evaluation of the management approach	Core	<p>Annual Report:</p> <p>Quantitative KPIs</p> <ul style="list-style-type: none"> <li>• Information security incidents, 2021: 45 incidents, no material impact for NIBC or clients; p55</li> </ul>	

			<ul style="list-style-type: none"> <li>Information security &amp; data privacy training, 2021: 100% of employees (2020: 100%), p55</li> </ul> <p>Qualitative KPIs</p> <ul style="list-style-type: none"> <li>Review of strategic business partners, suppliers &amp; vendors, p55</li> </ul>	
<b>103-1</b>	Explanation of the material topic and its Boundary	Core	<p>Topic: Regulatory Change</p> <p>Annual Report pages 15, 21, 26, 29, 44, 46, 49, 55, 59, 65, 88, 95, 96, 102, 111, 113, 114, 115, 117</p>	
<b>103-2</b>	The management approach and its components	Core	<p>Annual Report pages 15, 21, 26, 29, 44, 46, 49, 55, 59, 65, 88, 95, 96, 102, 111, 113, 114, 115, 117</p>	
<b>103-3</b>	Evaluation of the management approach	Core	<p>Annual Report</p> <p>Quantitative KPIs</p> <ul style="list-style-type: none"> <li>Fines or sanctions for non-compliance with laws &amp; regulations, 2021: 0 (2020: 0) , p14, 42</li> <li>% of new corporate loans screened against sustainability policy, 2021: 100% (2021: 100%), p14, 42</li> <li>EU Taxonomy Mandatory &amp; Voluntary tables, p43</li> </ul> <p>Qualitative KPIs</p> <ul style="list-style-type: none"> <li>In Control Report, p117</li> <li>EU Taxonomy process description, p43-44</li> <li>Tax, p55</li> <li>CRR/CRD, p65</li> <li>BRRD 2, p88</li> <li>Default &amp; forbearance, p95</li> <li>Remuneration, p111, 113-115</li> <li>IFRS 13, p142</li> </ul>	

## Additional GRI financial sector-specific disclosures

GRI	Disclosure Title	Core	NIBC Disclosure (specific annual report page references refer to the NIBC Holding NV annual report)
<b>GRI-FS1</b>	Policies with specific environmental and social components applied to business lines.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Business Review, p23</li> <li>- Sustainability, p41-57</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Corporate Governance (<a href="http://nibc.com/about-nibc/corporate-governance/">nibc.com/about-nibc/corporate-governance/</a>)</li> <li>- Sustainability Governance (<a href="http://nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</li> </ul> <p>Environmental and human rights standards that apply to our corporate clients are described in our Sustainability Framework and Sustainability policies.</p>
<b>GRI-FS2</b>	Procedures for assessing and screening environmental and social risks in business lines.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Sustainability, p41-57</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Sustainability Governance (<a href="http://nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</li> <li>- TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>Our procedures for managing environmental, human rights and governance risks are described in our Sustainability Policy Framework.</p>
<b>GRI-FS3</b>	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements of transactions.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Business Review, p23</li> <li>- Policies and Due Diligence, p48-51</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Sustainability Governance (<a href="http://nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</li> <li>- TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>Our processes for monitoring client's implementation of and compliance with environmental and social compliance are described in our Sustainability Policy Framework.</p>
<b>GRI-FS4</b>	Process(es) for improving staff competency to implement the environmental and social policies and procedures.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Sustainability, p41-57</li> </ul> <p>Website:</p> <ul style="list-style-type: none"> <li>- Sustainability Governance (<a href="http://nibc.com/about-nibc/sustainability/sustainability-governance/">nibc.com/about-nibc/sustainability/sustainability-governance/</a>)</li> <li>- TCFD Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>During 2021, NIBC undertook mandatory trainings, workshops and e-learnings for all staff in regard to our Code of Conduct, compliance, anti-fraud, anti-corruption and whistleblowing policies. Training on sustainability trends and developments are offered on a regular basis. Topical workshops which focus on specific issues and/or sectors are also held frequently and help to keep staff up to date on new findings, new solutions, and areas of stakeholder concern.</p> <p>On an ongoing basis, team meetings are visited by the experts of NIBC's Sustainability team for general or specific sustainability presentations/ discussions.</p>

<b>GRI-FS5</b>	Interactions with clients/ investors/ business partners regarding environmental and social risks and opportunities.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Sustainability, p41-57</li> <li>- Materiality Assessment, p304</li> </ul> <p>Website</p> <ul style="list-style-type: none"> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> <li>- Materiality Assessment (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> </ul> <p>NIBC interacts with its stakeholders in regard to environmental and social risks and opportunities on a regular basis. These interactions are well-described in our Annual Report, on our website, and in our Sustainability Report.</p>
<b>GRI-FS6</b>	Percentage of the portfolio for business lines by specific region, size and by sector.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Portfolio, p13</li> <li>- Corporate Loan Distribution, p73-74</li> </ul> <p>Website</p> <ul style="list-style-type: none"> <li>- NACE supplement, (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> </ul> <p>Detailed figures are stated throughout our annual report, pillar III report, and in our NACE supplement. Interim figures are available in investor presentations on our corporate website. Further information is also provided in our capital markets updates.</p>
<b>GRI-FS8</b>	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.		<p>Website:</p> <ul style="list-style-type: none"> <li>- Renewable Energy, NACE supplement (<a href="http://nibc.com/about-nibc/investor-relations/annual-reports/">nibc.com/about-nibc/investor-relations/annual-reports/</a>)</li> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>Our NACE supplement gives a detailed view into our corporate loan portfolio, the most material aspects of NIBC's business from an environmental perspective.</p> <p>In this report, we also provided an initial assessment of the alignment of our portfolio with the EU Green Taxonomy including a preliminary Green Asset Ratio (GAR) and total Taxonomy-aligned exposures.</p>
<b>GRI-FS9</b>	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Corporate Responsibility reporting scope, p303-311</li> </ul> <p>Internal audits are performed on key figures and the underlying environmental and social (sustainability) risk processes. Internal Audit confirmed that nothing has come to the attention that causes them to believe that the reported nonfinancial key figures for NIBC Holding N.V. are inadequately presented, in all material respects, in accordance with the reporting criteria. For 2021, third party assurance is also being arranged for the Allocation Report for NIBC's Green Bond.</p>
<b>GRI-FS10</b>	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.		<p>Annual Report</p> <ul style="list-style-type: none"> <li>- Key Figures, p14</li> <li>- Sustainability, p41-57</li> <li>- Materiality Assessment, p303</li> </ul> <p>Website</p> <ul style="list-style-type: none"> <li>- Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</li> </ul> <p>Partially reported.</p> <p>By policy, 100% of corporate clients and transactions are subject to sustainability screening, NIBC also reports the number of higher sustainability risk transactions the bank has considered during the year as a non-financial key figure.</p> <p>However, we do not report the overall number of companies or the percentage where further interaction has taken place.</p> <p>In cases where potential issues are identified, NIBC interacts with clients to mitigate or avoid harm. For certain sectors, additional measures are implemented. For example, for potential financings in the shipping sector, we interact on environmental and social issues with clients of all potential financings as per our commitments under the Responsible Ship Recycling Standards (RSRS).</p>

<b>GRI-FS11</b>	Percentage of assets subject to positive and negative environmental or social screening.		<p>Annual Report - Key Figures, p14</p> <p>Website - Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</p> <p>By policy, all corporate clients and corporate transactions (100%) are subject to a positive and negative screening by mean of a sustainability assessment. This process includes environmental, human rights and governance aspects.</p>
<b>GRI-FS15</b>	Policies for the fair design and sale of financial products and services		<p>Annual Report - Business Review, p23 - Policies and Due diligence, p48-51</p> <p>Website - Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</p> <p>All new products are required by policy to go through NIBC's new products approval and review procedure (NPARP). Changes to existing products are required to go through NIBC's significant product change procedure (SCAP).</p> <p>These operational risk management include checks to ensure fairness to clients (duty of care) and that sustainability aspects (environment, social, governance) are well-considered as part of the approval processes. Additional testing is performed from time to time to ensure our high standards are maintained.</p>
<b>GRI-FS16</b>	Initiatives to enhance financial literacy by type of beneficiary		<p>Annual Report - Community Engagement, p56-57 - NIBC NGO Boulevard, p56</p> <p>Website - Sustainability Report (<a href="http://nibc.com/about-nibc/sustainability/">nibc.com/about-nibc/sustainability/</a>)</p> <p>NIBC and its employees are involved in initiative to enhance financial literacy of children, participating annually in Global Money Week/Week van het Geld. Typically around 700 students participated in money lessons led by an NIBC employee.</p>



## Sustainability Accounting Standards Board ( SASB ) Index

### Standards for commercial banks

NIBC publishes a Sustainability Accounting Standards Board (SASB) Index to provide structured ESG information determined by SASB to be material for commercial banks. Therefore we create transparency for our stakeholders across the key sustainability dimensions of economic, ecological, and social performance.

Disclosure Topic	Accounting Metric	Code	Disclosure reference
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB550a.1	NIBC is not categorised as a globally systemic important bank.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB550a.2	NIBC Risk Management disclosures: 2021 NIBC Holding Annual Report: - Value Creation & strategy, p21-26 - Risk Management, p58-88  2021 NIBC Pillar III Report 2021 NIBC Sustainability Report 2021 NIBC TCFD Report
Incorporation of ESG Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB410a.1	2021 NIBC Holding Annual Report, Risk Management, p58-88 2021 NIBC Pillar III Report 2021 NIBC TCFD Report
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB4101a.2	2021 NIBC Holding Annual Report, Sustainability, p46-51 2021 NIBC TCFD Report 2021 NIBC Sustainability Report NIBC Sustainability Framework
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB230a.1	2021 NIBC Holding Annual Report - Data Privacy & Security p55
	Description of approach to identifying and addressing data security risks	FN-CF230a.2	2021 NIBC Holding Annual Report, p49-50, 55, 89, 103-104 2021 NIBC Sustainability Report NIBC Corporate Information Security Policy NIBC Data Protection Policy
Financial Inclusion and Capacity Building	-(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB240a.1	Not relevant.  These activities are outside of the asset classes served by NIBC
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB240a.2	Not relevant.  These activities are outside of the asset classes served by NIBC
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB240a.3	Not relevant.  Unlike most commercial banks, NIBC does not offer current account (checking accounts) or transaction banking services
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB240a.4	2021 NIBC Holding Annual Report, - Financial Education p56-57 - Risk governance and arrears management, p63-64
Business Ethics	Total amount of monetary losses as a result of legal proceedings	FN-CB510a.1	Not material.  2021 NIBC Holding Annual Report, - Claims, investigations, litigation or other proceedings p250-1
	Description of whistleblower policies and procedures	FN-CB510a.2	2021 NIBC Holding Annual Report, Anti-corruption, p49

			Culture & Business Ethics, p53 2021 NIBC Sustainability Report NIBC Whistleblower Policy NIBC Complaints Procedure
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### Cautionary statement

The figures presented in this report are unaudited. Most are estimates and apply methods and principles which are at an early stage and still being developed.

Certain statements in this report are not historical facts and are 'forward-looking' statements that relate to, among other things, NIBC's business, risks, plans, objectives, goals, strategies, future events, future performance, plans or intentions, as well as assumptions thereof. These statements are based on NIBC's current view with respect to future events and performance. By their very nature, forward-looking statements involve uncertainties and are subject to certain risks. NIBC's view may change. The risks and uncertainties as addressed in this report, the occurrence of which could cause NIBC's actual results and/or performance to differ from those predicted in such forward looking statements and from past results.

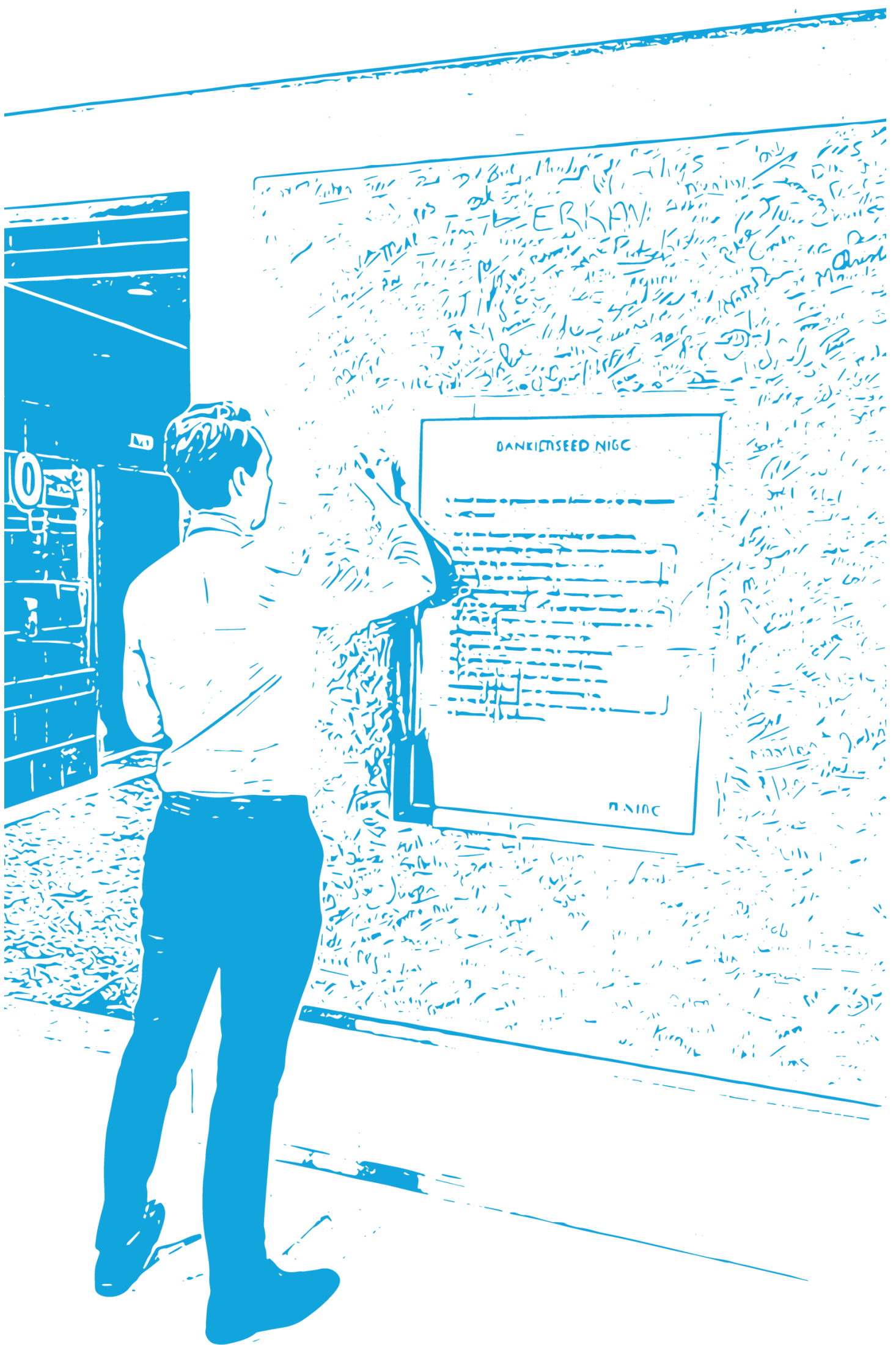
The forward-looking statements speak only as of the date hereof. NIBC does not undertake any obligation to update or revise forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. Neither do NIBC nor any of its directors, officers, employees do make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

### Feedback Welcome

NIBC welcomes feedback on this Sustainability Report from our stakeholders. We intend to further improve and strengthen our sustainability-related disclosures in future years.

We believe that dialogue on the risks issues and dilemmas that we face is an opportunity for NIBC to not only improve its practices and strengthen its disclosures, but importantly to create value for our clients, investors and other stakeholders.

Please submit any feedback, ideas and suggestions to [csr@nibc.com](mailto:csr@nibc.com)



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