

NIBC UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

May 2022

About NIBC

Following World War II, on 24 October 1945, the United Nations was founded with the main objective of promoting peace, security and human rights in the world. Within a few weeks, NIBC was established to support similar objectives for the Netherlands, to instill societal resilience and self-reliance by financing the visionary entrepreneurs who helped rebuild the Netherlands after the war.

This rich history continues to be visible today. Our neighbors, the Peace Palace, house the International Court of Justice which remains the principal judicial body of the UN and have been officially designated SDG House by the Ministry of Foreign Affairs of the Netherlands.

NIBC continues to evolve as an enterprising bank offering asset-based financing and co-investing to entrepreneurial corporate and retail clients in north western Europe. Peace, security and human rights are integral to the Sustainable Development Goals (SDGs). Sustainability, the SDGs and instilling societal resilience and self-reliance are embedded in NIBC's business strategy. And in our shareholder Blackstone, we have found a strong partner to support our strategy as we look ahead and continue to seek growth.

NIBC has been a signatory to the UN Global Compact since 2010.

In this 2022 UN Global Compact Commitment on Progress, we therefore reiterate our commitment to continue our efforts to address human rights, the environment, peace, justice and security. This commitment is embedded in our 2021 Annual Report and endorsed by our CEO and Executive Committee.

UN Global Compact Topical 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.

This voluntary disclosure 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 ¹	Mapping to SDG Targets ²
Governance			
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
Human Rights & Labour			
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 Sustainability Framework	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,

¹ Mappings guided by the UN Global Compact Commitment on Progress Questionnaire Guidebook, working version, December 2021

² Mappings guided by the UN Global Compact Commitment on Progress Questionnaire Guidebook, working version, December 2021

			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
Environment			
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
Anti-Corruption			
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

UNGC Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

NIBC is committed to supporting and respecting human rights in all of NIBC's business practices.

Four core NIBC policies establish NIBC's approach in regard to human rights within our business context. These are our Code of Conduct, Sustainability policy, Human Rights policy and our Diversity and Inclusion policy. These policies are approved at the highest levels within our organisation – by our Executive Committee or at our Risk Management Committee.

Our approach in regard to human rights is guided by the UN Guiding Principles on Business and Human Rights, the UN Declaration on Human Rights, OECD Guidelines for Multinational Enterprises and ILO Conventions among others.

Our sustainability policies including our sector-specific sustainability policies, addressing additional human rights aspects in these updates. Our policy updates are informed by our regular and ongoing consultation with stakeholders. Policy revisions are approved by NIBC's Risk Management Committee (RMC), chaired by our Chief Risk Officer.

In our 2021 Annual Reports, we reported on the human rights aspects of our business, including our risk governance, our business strategy, potential salient adverse human rights risks in our business value chain and how we work to mitigate these risks.

A section on human rights aligned to the UNGP Reporting Framework is included in our Sustainability Report. We also publish a Modern Slavery Statement on our corporate website in accordance with UK regulations.

In our 2021 Sustainability Report, we published a Human Rights section which addresses the main requirements of the UNGP Reporting Framework, further building on our efforts from prior years. Perhaps this sets a practical example for other mid-sized businesses and helps to make UNGP RF reporting more approachable for more companies. We are committed to continue to share our lessons learned and to learn from others as we move forward.



UNGC Principle 2

Make sure that they are not complicit in human rights abuses

NIBC recognizes our responsibility to help ensure fair business practices in our overall value chain and direct and indirect supply chain.

During 2021, we engaged with corporate clients, suppliers and vendors on human rights. NIBC assesses human rights risks as part of its due diligence and monitoring for corporate transactions and suppliers. We offer a complaints and grievance process which is publicly available in the event that incidents occur. These processes are described in our Annual Report and in our Sustainability Report.

Our expectations are also embedded in our supplier code of conduct. We encouraged our corporate business partners to make their commitments to respect human rights more visible and to perform human rights due diligence in their value chains. Tools developed in NIBC's Innovation Lab helped to inform these engagements, enabling NIBC to analyze corporate websites and reports for human rights governance, policy commitments and performance. Certain companies strengthened their transparency as a result of these engagements.

We also engaged and raised awareness in regard to potential adverse human rights risks with diverse stakeholders such as peer banks, civil society organisations, unions, national authorities, and investors. We engaged with civil society organisations and asked for their feedback on our human rights due diligence, assessment processes and tools which we are developing to enhance our human rights due diligence. This regular engagement helps us to continue to refine our approach.



An area that is currently difficult to comprehensively assess in terms of human rights is lower levels of corporate supply chains, for instance beyond the tier one level. This is particularly challenging for mid-sized and smaller corporates since they simply do not have the same resources as larger multinationals nor the same influence over their suppliers. We are continuing to work together with stakeholders to overcome these challenges.

UNGC Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Sound labor relations and constructive social dialogue are simply good common sense.

NIBC is committed to respecting labor rights in all of its activities and to support our stakeholders in realizing their labor rights obligations. The right to collective bargaining is recognised and embedded by NIBC within our Human Rights policy. We are guided in our approach by ILO conventions as well as other international and national guidelines. Our expectations are also explicitly stated in our supplier code of conduct.

In our own operations, our employees are represented in negotiations with management by our Works Council (NIBC's employee representative body) as described in our Annual Report. This provides a basis for collective agreements between management and employees in each of our geographic locations.

ESG aspects were discussed with representatives of our Works Council during 2021. Employability and skill development of our employees are among their priority areas in recent years. These aspects are reported on in NIBC's Annual Report and Sustainability Report.

Our expectations are also embedded in supplier contracts. We encouraged our corporate business partners to make their commitments to respect human rights more visible and to perform human rights due diligence in their value chains. Tools developed in NIBC's Innovation Lab helped to inform these engagements, enabling NIBC to analyze corporate websites and reports for human rights governance, policy commitments and performance.

UNGC Principle 4

The elimination of all forms of forced and compulsory labor

NIBC remains alert to the risk of forced and compulsory labor and is committed to eliminating it.

Authorities have found instances of modern slavery in the Netherlands, UK and Germany in recent years. This means that the risk of forced and compulsory labor exists within the main markets where NIBC and its corporate clients and our other business partners are operating. The risk of modern slavery is prevalent in global supply chains. Therefore NIBC has adopted a strong policy approach to mitigate and preferably fully eliminate all forms of forced and compulsory labor in our activities.

In our policies, we recognise our responsibility to support and respect human rights under the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinationals. This includes the responsibility to avoid and eliminate all forms of forced and compulsory labor. NIBC's risk management processes include due diligence which aims to ensure forced and compulsory labor and child labor are not present in our value chain. Our expectations are also explicitly stated in our supplier code of conduct.

We have a regular dialogue on labor issues with clients, unions and civil society organisations and authorities to discuss progress. These discussions help to ensure we are alert to any new areas of concern, including the specific risks that women, children, migrant workers or other groups may face. We also share knowledge with clients, peers, authorities and other stakeholder groups.

In addition to the disclosures in our Annual Reports and Sustainability Report, NIBC publishes a Modern Slavery Statement in line with requirements of the 2015 UK Modern Slavery Act, section 54. These disclosures provide a comprehensive overview of our approach, our findings and outcomes, and the next steps that we are taking.

UNGC Principle 5

The effective abolition of child labor

NIBC aims to ensure child labor is effectively abolished.

We recognise that women, children, migrant workers and other groups face different risks from different sources. Child labor may also be an outcome of other conditions or other human rights violations. These aspects are addressed in our business risk management practices, human rights due diligence and assessment processes, employee training, and engagement with diverse stakeholders.

We are guided in our practices by conventions such as the UN Guiding Principles on Business and Human Rights, the UNICEF Convention on the Rights of the Child and UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) which are embedded in our corporate policies. Our policy commitments in regard to child labour are visible and publicly available on our corporate website.

In our due diligence we aim to pay special attention to any particular impacts within our business context on individuals from groups or populations that may be at heightened risk of vulnerability or marginalization.

For NIBC, the greatest risks may be deep in the value chain of our corporate clients where it is impossible for us to be in direct consultations with potential affected stakeholders. Therefore we follow alternative methods which are reasonable, such as consultations through NGOs and other credible independent expert resources.

Although no specific instances of child labour related to NIBC and its financings were reported during 2021, we remain alert to this possibility. From time to time we participate in value chain studies together with peers and other stakeholders to further our understanding of both the impacts and possible solutions. These types of activities have the added benefit that collectively we increase our leverage and perhaps prevent or mitigate future impacts.

UNGC Principle 6

The elimination of discrimination in respect of employment and occupation.

Human capital is integral to NIBC's ability to attract and retain a workforce that will help us to grow, innovate and responsibly deliver financial services to our clients.

NIBC supports equality and is devoted to creating a safe workplace and stimulating work environment for people from all backgrounds. We have zero-tolerance for discrimination (by gender, age, religion, ethnic origin, or nationality) in respect of employment and occupation.

NIBC recognises the sustainability benefits of having a highly diverse workforce, and therefore continue to take steps to increase diversity across the company, during recruitment and promote processes by considering candidates irrespective of gender, age, religion, ethnic origin, or nationality.

Improved diversity is an opportunity for NIBC and its corporate clients. During 2021, NIBC discussed diversity with certain corporate clients with a goal of influencing increased senior management opportunities for women..

NIBC publishes figures in regard to the diversity of its workforce in our Annual Report. We report additional details in our Sustainability Report. In our 2021 Annual Report, we reported the steps that we are taking in terms of improving diversity within our organization, including setting requirements to ensure gender balance in our recruitment processes.

We had taken steps a number of years ago already to ensure gender pay equity and we report on this aspect in our Annual Report and Sustainability Report. An outcome is that fairness has been consistent over the past few years. People are paid equally for equal work and experience. NIBC's Diversity and Inclusion Committee meets regularly with members of our Executive Committee to discuss our progress on improving diversity, increasing inclusion and to identify additional steps to take.

NIBC offers several communications channels to ensure they have the ability to raise their concerns if and when needed. For example, Trusted Representatives are available to support and guide employees and confidentially discuss situations. Other possibilities are mentioned in our Code of Conduct guidance, Whistleblowing procedures, and during introductions for new employees. We also participate in external grievance processes when asked.

UNGC Principle 7

Businesses should support a precautionary approach to environmental challenges

NIBC applies the precautionary principle through its risk management and compliance approach in regard to potential environmental and human rights risks. Our sustainability framework and related policies govern our approach toward environmental and human rights concerns.

Environmental aspects are considered in our policies, client and supplier assessments and risk management process. This helps to ensure well informed decision-making and that our financings do not harm society or the environment.

During 2022, NIBC committed to end any new financings of fossil fuel exploration and production. We were one of only two Equator Principles banks to have made such a commitment to date. This commitment is embedded publicly in our Sustainability Policy and our Environment and Climate Policy. The results are visible in the balances and financial figures reported in our Annual Report.

Climate risk, loss of biodiversity, extreme weather, increased water scarcity and other potential environmental risks are likely to create challenges for NIBC's corporate and retail customers. NIBC is working with our customers to support their climate adaptation strategies, increase energy efficiency, and mitigate any material environmental risks.

Environmental challenges are also opportunities. NIBC aims to help increase resilience to climate change where we can and support climate adaptation strategies of our commercial and retail clients. For example we have developed innovative mortgages which include energy efficiency assessments and upgrades.

Our efforts help to make the solutions approachable and affordable. By supporting these improvements, we also are contributing indirectly to improved resilience to climate hazards such as economic growth and ecosystem degradation.



UNGC Principle 8

Undertake initiatives to promote greater environmental responsibility

NIBC employees receive training on environmental & social risks, developments and NIBC's sustainability framework.

NIBC continued to purchase offsets for Scope 1 and 2 emissions that we could not eliminate. This will ensure that NIBC is carbon neutral in its own direct operations in support of international commitments under the Paris COP21 climate agreement.

We manage our direct impact on the environment through an environmental sustainability programme. This includes measures such as reducing our carbon footprint, reducing our water footprint, reducing waste, using responsibly sourced paper, and further increasing energy efficiency. Our approach has resulted in a significant decrease in Scope 1 & 2 emissions (related to our direct operations) since 2010. At the same time, we recognise that there is much more progress that we need to be make, both to ensure our full footprint is addressed and get to net zero emissions.

An example related to our financings is that NIBC has taken steps with peer banks and clients to develop the Responsible Ship Recycling Standards (RSRS) Initiative which aims to improve sustainability practices in the shipping value chain. Since 2014, all of NIBC's new financings of ships have adhered to RSRS. This should result in long term contributions to SDG12 and SDG14, since pollution into local waters should be at least significantly reduced and preferably fully eliminated. It also should lead to a safe working environment, professional training, and improved conditions for workers in shipyards and dismantling facilities.

UNGC Principle 9

Encourage the development and diffusion of environmentally friendly technologies

The development and diffusion of environmentally-friendly technologies is supported by NIBC in our financings and investments as well as in our own operations.

We recognise the importance of our role in helping to facilitate and finance the transition to a resource efficient, net-zero carbon economy. Our aim is to reduce susceptibility to negative effects of climate change and to increase the resilience of communities that we serve.

NIBC provides financing in the form of loans and investments promote energy efficiency in commercial real estate and support energy efficient digital infrastructure financings and investments. We also provide consumer mortgages which include the possibility of renovations which improve energy efficiency.

We support clients in other sectors through our financings to improve their environmental footprint, protect biodiversity and transition toward a circular economy and more sustainable ways of doing business.

In our own operations, we continue to make investments in our offices to improve energy efficiency and minimize any negative environmental impacts. LED lighting, energy-star certified equipment, and improved insulation are among the improvements made at our headquarters in the Hague and in other locations.

UNGC Principle 10:

[Businesses should work against corruption in all its forms, including extortion and bribery](#)

NIBC continues to work against corruption in all its forms. We do not accept nor tolerate any instance of bribery, corruption or fraud.

NIBC supports the UNGC Call to Action regarding Anti-Corruption and was represented in recent years in the UNGC Anti-Corruption Working Group.

We are guided in the way we do business and interact with our clients by our Code of Conduct, Anti-Fraud, Bribery & Corruption policy (published internally), Business Principles, Risk Control Framework and Sustainability policies. Issues such as extortion and bribery are seen as an operational risk and monitored within our risk control framework.

During 2021, NIBC all staff received refresher trainings regarding anti-corruption, anti-bribery, and anti-money laundering to increase awareness. Compliance & integrity training is obligatory for all new employees when they join NIBC. Our Whistleblower policy was reviewed and updated to adopt the latest best practices.



Summary

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](#).

To learn more about NIBC and how we and our stakeholders are working to promote the 10 principles of the UN Global Compact, visit www.nibc.com

We welcome your feedback on this Communication on Progress, on our policies and practices, or any other suggestions. Contact us at [csr \(@\) nibc.com](mailto:csr(@)nibc.com).



Feedback Welcome

NIBC welcomes feedback on its reports, policies and practices from its stakeholders. We believe that dialogue on issues and dilemmas is an opportunity for NIBC to not only improve our disclosures and strengthen our policies, but importantly to create value for our clients, investors and other stakeholders.

Even with the best policies and practices in place, NIBC may cause or contribute to an adverse impact that was not foreseen or prevented. If it is identified that NIBC is responsible for such an impact, we will endeavour to remedy or co-operate in the remediation of the situation through legitimate processes. Any person or party who believes that the NIBC has not acted in accordance with this policy, has suggestions on how we can strengthen our policies or has other feedback relating to our sustainability policies is invited to contact us.

Feedback: csr@nibc.com

Grievances: nibc.com/about-nibc/contact/complaints-form/

Alternatively, you may also write a letter to NIBC at the following address:

NIBC Bank N.V.
For the attention of: The Complaints Commission
PO Box 380
2501 BH The Hague