

# NIBC INDIRECT INVESTMENTS SUSTAINABILITY POLICY

December 2020

## Indirect Investments

NIBC's Sustainability Policy and sector specific Sustainability Policies are designed to provide both a framework and human rights and environmental (ESG) criteria to take into account in all decision-making. The Policy framework is intended to be applied to direct financing and investments.

In addition to direct financing and investments, NIBC indirectly invests (through funds, CDO, CLO, CMBS), in companies that may not be compliant with the bank's Policies. The risk therefore exists that we might unknowingly be supporting unsustainable activities. These investments may have additional sustainability standards, due diligence criteria and/or exclusions which are applied in addition to this policy.

### Our Policy

We believe that both the influence we have, and the sustainability impacts we are exposed to, through our indirect investments is significantly less than those resulting from direct financing or investments since the bank often has an anonymous relationship with the underlying investments.

Where NIBC is given sight of the underlying corporate names of an indirect investment and where there is scope for us to decide whether to accept a portfolio, or where we are either responsible for managing a portfolio or for writing guidelines for a third-party portfolio manager, we accept a greater degree of responsibility.

NIBC uses a transparent screening process for individual portfolios, which seeks to limit rather than to totally eliminate the risk that NIBC indirectly supports unsustainable activities. Where applicable, the results are shared with other investors.

This policy applies to all new indirect investments made by NIBC. We acknowledge that legacy issues may arise from continuing investments entered into before the implementation of this policy. Although the policy is not to be applied to indirect investments retrospectively, NIBC endeavours to address potentially material legacy issues within the limits of the particular indirect investment upon its renewal or as it becomes due for periodic review.

When NIBC works with a third party fund or asset manager, in order to satisfy itself that it does not indirectly support unsustainable activities, NIBC will assess the sustainability framework of the fund or asset manager against the standards described in NIBC sustainability policy.

NIBC is guided by the UN Principles for Responsible Investment (UNPRI) as the appropriate standard to manage ESG impacts for investors and asset managers.

Where the sustainability framework of the fund or asset manager does not meet NIBC's standards, we assess the underlying assets of an indirect investment (when possible and when given access to underlying names).



## Updates

NIBC reviews and updates its policies on a regular basis. Our sustainability policies are reviewed at least annually. Reviews do not always result in policy changes. Therefore policy documents will be updated if and when changes are made and have been approved according to NIBCs agreed procedures.

## Feedback Welcome

NIBC welcomes feedback on its policies and practices from its stakeholders. We believe that dialogue on issues and dilemmas is an opportunity for NIBC to not only improve its practices and strengthen its 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](mailto:csr@nibc.com)

**Grievances:** <https://www.nibc.com/about-nibc/contact-nibc/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