



# NIBC HUMAN RIGHTS POLICY

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# HUMAN RIGHTS

NIBC recognises our corporate responsibility to respect human rights (incl labour rights). Respecting human rights is fundamental to NIBC's values and is reflected in our commitment to actively support our stakeholders in realising their human rights obligations.

Human rights due diligence is also part of good risk management, since severe human rights impacts may lead to reputational, operational or financial risks. Not respecting human rights can also have an impact on business continuity and financial performance through costs of strikes, litigation costs from lawsuits, brand image cost or lowered employee morale.

## Background

Human rights are basic rights aimed at securing dignity and equality for all, regardless of a person's race, religion, gender, age, or language.

They are written down in international agreements of which the most well-known is the Universal Declaration of Human Rights. This declaration was formally adopted in 1948 and forms the basis for many treaties, as well as national laws and regulations.

In 2008, the United Nations (UN) Human Rights Council adopted Protect, Respect, and Remedy: a Framework for Business and Human Rights. This framework has been developed under the mandate of UN Special Representative of the Secretary-General for Business and Human Rights, Professor Ruggie. The framework comprises three core principles:

- The State duty to protect against human rights abuses by third parties, including business;
- Corporate responsibility to respect human rights; and
- The need for more effective access to remedy.

In June 2011, the UN Human Rights Council unanimously endorsed the UN Guiding Principles on Business and Human Rights implementing the Ruggie framework.

Respect for human rights includes:

- Supporting and respecting internationally proclaimed human rights;
- Making sure that businesses are not complicit in human rights abuses;
- Avoiding causing or contributing to adverse human rights impacts in the context of business activities; and
- Seeking ways to prevent or mitigate adverse human rights impact directly linked to business operations, products or services by a business relationship.

Labour rights and protecting people in their work environment is another fundamental responsibility of governments and business, in line with respect for human rights. Fundamental principles and rights at work, include:

- Freedom of association and effective recognition of the right to collective bargaining;
- Elimination of all forms of forced, coerced and compulsory labour;
- Effective abolition of child labour;
- Elimination of discrimination in respect to employment and occupation;
- Zero tolerance for sexual exploitation and all forms of gender discrimination including verbal, physical and sexual harassment.

Business impact on human rights also extends to non-labour rights. These include among others:

- Right to life, liberty and security;
- The right to self-determination;
- The right to a fair standard of living;
- Freedom of movement and freedom of religion;
- Equal recognition and protection under the law and the right to a fair trial.

## Human Rights and the Sustainable Development Goals

Human rights are viewed by NIBC to be central to sustainable development and poverty alleviation.

On 25 September 2015, the 193 countries of the UN General Assembly adopted the 2030 Development Agenda “Transforming our world: the 2030 Agenda for Sustainable Development”. The main paragraph outlines 17 Sustainable Development Goals (**SDGs**) and their 169 associated targets.

The SDGs are an important and necessary next step from the Millennium Development Goals (MDGs), building important linkages to human rights that go beyond certain economic and social rights. The SDGs cover issues related to all human rights, including economic, civil, cultural, political, social rights and the right to develop.

## Core Principles

NIBC recognises that the scope of our responsibility to respect human rights is twofold.

- Direct impact of NIBC’s own activities on human rights; and
- Indirect impact on human rights through stakeholder relationships
  - *Direct contribution*; actions and decisions put pressure on business partners leading to human rights abuse (can be countered by changing our own behaviour)
  - *Indirect contribution*; relationship with a stakeholder that abuses human rights (can be stopped by change of behaviour of our stakeholder or by ending relationship)

NIBC’s *Sustainability Framework*, including this policy, is in place to manage our direct and indirect impact on human rights through stakeholder relationships. Our approach to human rights is in line with our commitment to take into account environmental & social criteria in every aspect of our business. Human rights due diligence is integrated into our business activities in a manner proportionate to the size, nature and context of operations and the severity of the risk of adverse human rights impacts.

## Policy considerations

- In addition to the risks and standards mentioned in our Sustainability Policy and sector specific policies, NIBC considers the following:
- Human Rights due diligence and taking appropriate measures to manage human rights impacts, including policies, management systems, or supply chain criteria;
- Labour standards, such as non-living wages, gender pay inequity, forced relocation, excessive working hours, denial of freedom of expression or collective bargaining, violence, and other abuses;
- Impacts of products or production processes on health & safety of employees, consumers and communities;
- Continuous attention for and – where necessary – improvements of employee health & safety;
- The rights of and the risks faced by women, children, migrant workers, and indigenous peoples;
- Discrimination based on gender, ethnic or social background;
- Differentiation of human rights risks faced by women and men;
- Managing potential conflicts regarding land rights, physical resettlement or economic displacement of local communities;

- Respecting international humanitarian law and international human rights law;
- Accessibility of processes for handling complaints and effective grievance and remedy mechanisms in case of human rights (incl labour rights) violations.

### Gender-based risks

Public concern continues to rise in regard to diversity and inclusion. Our policies, processes and management systems are helping NIBC to differentiate the human rights risks faced by women and men.

In its own operations, NIBC has zero tolerance in regard to gender discrimination and other forms of discrimination with respect to employment and occupation. This is embedded in NIBC's *Code of Conduct*. We strive to avoid any discriminatory practices in our retail products. Management systems are in place to help manage pay equity in our own operations and provide transparency to stakeholders.

### Human Rights Defenders

Human rights defenders play an important role in promoting human rights and responsible business practices. At the same time they are facing increased physical, psychological, economic and social threats in carrying out their work. NIBC expects companies to not inhibit the lawful actions of defenders and to not restrict their freedom of expression, freedom of association, or right to peaceful assembly.

### Transparency

In our public reporting, NIBC aims to provide information relevant to our business, markets and focus sectors regarding human rights.

Our public disclosures include statements which are provided in accordance with EU and Dutch non-financial reporting directives, the *UK Modern Slavery Act* among others. These statements include the main human rights risks related to NIBC's financings and operations and the actions that we have undertaken to mitigate or address these risks.

We also report on elements of our own operations such as gender ratios and gender pay ratios at different functional levels. Women have equal access at senior level positions. NIBC aims to further increase gender participation. Our progress is evidenced by our published gender ratios.

## OUR POLICY

NIBC believes that respect for human rights is a basic responsibility; towards our own employees, but also towards those people who are affected directly or indirectly through our actions. NIBC is committed to respecting human rights in all of its activities and to support our stakeholders in realizing their human rights obligations. NIBC endorses human rights as formulated in the *Universal Declaration of Human Rights (UDHR)* and the *UN Guiding Principles on Business and Human Rights (UNGPs)*.

### Respect for Human Rights

NIBC is committed to respecting and encouraging good human rights and responsible business conduct practices. We endorse human rights as outlined in leading international human rights instruments including:

- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR)
- United Nations Global Compact (UNGC)
- OECD Guidelines for Multinational Enterprises (OECD MNEs)
- OECD Due Diligence Guidelines for Responsible Corporate Lending and Securities Underwriting

- International Bill of Human Rights (IBHR)
- Universal Declaration of Human Rights (UDHR)
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- United Nations International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights
- UNICEF Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- UN Declaration on the Rights of Indigenous Peoples

NIBC will not engage in direct business activities with countries (e.g. through sovereign debt) that are responsible for violations of international human rights including torture, genocide, crimes against humanity, or war crimes. A state's failure to implement human rights obligations or to enforce relevant domestic laws does not diminish the expectation that businesses respect human rights. In those countries, NIBC expects clients to honour internationally recognised human rights and labour standards to the fullest extent, which does not place them in violation of domestic law.

Human rights apply at sea equally as they do on land. We expect our stakeholders to respect and protect internationally recognised human rights and labour standards to the fullest extent whilst at sea.

### Non-Discrimination

NIBC is committed to the principles of non-discrimination and equal opportunity in employment, pay, conditions, recruitment, and supply chain management. We are committed to promote a diverse and inclusive corporate culture. We will not discriminate on any grounds, including race, color, sex, religion, national origin, disability, age, sexual orientation, or any other characteristic protected by law. We also will not tolerate any form of discrimination or exploitation of people in our business, operations or supply chain.

### Freedom of Association and Collective Bargaining

NIBC respects the rights of staff and all workers in our value chain to form, join, and participate in trade unions or other labor associations, and to bargain collectively. We will not interfere with, restrain, or coerce employees in the exercise of their rights to organize and bargain collectively.

### Working Conditions

NIBC offers a healthy and safe workplace where discrimination and unfair treatment are not tolerated. Merit and the ability to do a job, not irrelevant characteristics, are our guide. We promote the personal and professional growth of our employees by providing excellent primary and secondary benefits and development opportunities.

NIBC is committed to providing a safe workplace and healthy work environment and we will comply with all applicable laws and regulations concerning occupational health and safety. We are committed to ensuring all staff receive at minimum a fair living wage. We will not use any form of forced, compulsory, or child labor, nor do we tolerate such practices in our supply chain.

### Corporate Client, Supplier and Vendor Conduct

NIBC is committed to assess the commitment, capacity and track-record of our corporate clients in the field of environmental and social standards, including human rights and labour standards. This includes an assessment of their approach to manage human rights risks in their operations and supply chain.

NIBC expects that suppliers and contractors respect human rights and adhere to good responsible business conduct practices in accordance with all applicable social laws and regulations as well as the international human rights instruments and good practices mentioned earlier in this policy. This includes ensuring non-discrimination in their business environment, enabling freedom of association, providing fair living wages and safe work environment and working conditions.

NIBC encourages these business partners to include clauses on compliance with human rights, economic and environmental criteria in their contracts with subcontractors and suppliers. These should be evidenced by the companies concerned where practicable via certifications, site visits, and/or audits to help ensure responsible practice throughout their supply chains. Our processes and procedures are further elaborated within NIBC's Sustainability Policy Framework. In cases where business partners do not meet with such standards, NIBC will seek to work with them to improve over time, provided the right level of commitment is demonstrated.

### Monitoring and Compliance

NIBC is committed to monitoring and enforcing our Human Rights Policy. We will take appropriate action in regard to any staff member, representative or supplier who is found to be in violation of this policy.

NIBC has integrated the assessment and due diligence of human rights and labour standards issues into our decision-making processes for the provision of financial, advisory and other services. We will refrain from doing business with stakeholders who have consistently demonstrated to violate the human rights and labour standards mentioned in our policies and do not provide any commitment to improve.

### Complaints and Grievances

NIBC is committed to maintain a complaints mechanism where stakeholders and their legitimate representatives may register and pursue their grievances and any need for remedy. The mechanism is available via NIBC's corporate website.

NIBC is committed to promote a speak up culture amongst its workforce. NIBC's *Whistleblower policy*, compliance policies and human resources policies provide additional channels for our workforce to raise and pursue grievances.

### Application

This Human Rights policy is applicable to NIBC Bank's products services and operations in all geographies as stated in our *Sustainability Framework*. This policy is applied in addition to the NIBC *Sustainability policy* and *Environment and Climate policy*.

NIBC's *Sustainability Framework* also includes policies for specific asset classes where NIBC Bank is active. This Human Rights policy is an overarching policy which is applied in addition to the existing policies and provides further guidance on environmental issues in our interactions with stakeholders.

NIBC applies our sustainability policies with reasonableness and proportionality, taking into account the size and capacity of a company, the complexity of its operations and supply chain, and the likelihood and materiality of potential adverse impacts.

### Transparency

NIBC is committed to monitor the human rights and social performance of our financings and investments as well as our own operations. We are committed to regularly and transparently report on social and human rights impacts and findings, risks, and opportunities.