



# FINANCIAL INSTITUTIONS

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At NIBC, we recognise that we operate in a complex world, where natural resource constraints, climate change, human rights risks, and the often conflicting needs of a range of different stakeholders are rapidly changing the global business environment. In this context, we believe that financial institutions can make an important contribution to the promotion of both sustainable development and the delivery of responsible financial services.

We are therefore committed to taking criteria for responsible financial services into account in our relationships with other financial institutions. We will work with clients who meet or aim to meet our sustainability standards and will review our commitment to any client or transaction where such standards are not or no longer met.

This financial institutions policy outlines NIBC's overall approach and criteria underpinning what we believe to represent the responsible provision of financial services and the sustainability criteria we use when engaging with clients in this sector.

## Responsible business and financial services

Financial institutions operate in an increasingly global business environment and offer a variety of financial services. Financial institutions have a direct environmental and human rights (E&S) impact. Yet, through investments and financing relations with clients, financial institutions also have an indirect E&S impact.

Potential sustainability issues include:

- Money-laundering and terrorism finance;
- E&S risks management of investments, asset management or other financing transactions;
- Economic participation and financial inclusion;
- Disproportional risk-taking;
- Responsible business and integrity;
- Duty of care;
- Transparency regarding products or payments.

NIBC recognises that the financial industry has developed approaches to address the direct and indirect E&S impacts resulting from its activities. These constitute of international conventions, codes of conduct and industry best practices. NIBC will be guided by the standards listed below when assessing our client's approach to manage E&S impacts:

- United Nations Global Compact;
- OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business & Human Rights;
- UNEP Finance Initiative;
- Equator Principles;
- United Nations Principles for Responsible Investment (UNPRI);
- Dutch Banking Code;
- IFC Performance Standards;
- Financial Actions Task Force (FATF) recommendations;
- Wolfsberg Principles.

These standards provide the overarching principles and standards that form the basis for the E&S framework used by NIBC to consider its involvement with its clients. Central to the assessment of E&S risks is an understanding of the E&S impacts associated with a financial institution's activities and their commitment and capacity to manage their direct and indirect E&S impacts. We also look at a client's track record to ensure that they are operating in line with the commitments they have set.

NIBC supports transparency and expects clients to provide insight into their human rights, environmental and governance performance. NIBC recognises the standards of the **Global Reporting Initiative (GRI)**, including various sector supplements, as the world's most commonly used framework for reporting.

## Scope

The policy applies to all new financial transactions executed by NIBC's Treasury department. We acknowledge that legacy issues may arise from continuing engagements entered before the implementation of this policy. Although the policy is not intended to be applied to financing agreements and investments retrospectively, NIBC endeavours to address potentially material legacy issues relevant to a particular engagement whenever a specific issue arises. In addition, clients are assessed against these policies as part of the periodic review process or as they become due for renewal.

This policy applies to the following financial transactions executed by NIBC's Treasury department:

- Debt investments;
- Cash management;
- Derivative counterparties.

This policy applies to our clients and the financial services we provide to them. We assess their commitment, capacity and track-record in managing E&S risks and their approach to managing sustainability risks in their supply chain and actions of their relationships. We do not assess the commitment and capacity of our client's clients directly.

## Approach

As part of our commitment to promote sustainable development and responsible financial services, NIBC integrates the assessment of E&S issues into its decision-making processes. Whilst accepting the limitations of our influence over our clients' behaviour, we nonetheless need to understand how they address and manage E&S issues within their activities. We will engage with clients whose business practices are in line with appropriate industry E&S best practices. NIBC will refrain from doing business/ not engage with clients who have consistently demonstrated to violate the sustainability standards mentioned in our policies and do not provide any level of commitment to improve.

In principles, the E&S risk assessment is carried out for all business activities as part of NIBC's Know Your Customer process, whereby an increased assessment is performed based on the risks associated with the sector, country and supply chain. The type of assessment of E&S risks will depend on the type of products or financial services that NIBC offers and the resulting exposure to E&S risks.

With regard to our indirect or portfolio investments we believe that both the influence we have and the sustainability impacts we are exposed to are significantly less than those resulting from our direct financing or investments. More specifically, with regard to our interest and liabilities management, we intend to act consistently with our sustainability policy providing we have sufficient information. However, this may not always be the case prior to closing a trade. In case we become aware of conflicting issues or non compliance with our sustainability policy, we will review our commitments. Our approach regarding indirect investments is further outlined in our Indirect Investment Policy.



## 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 NIBC's agreed procedures.



### BANKIERSEED NIBC

Ik beloof binnen de grenzen van mijn functie die ik op bij NIBC vervul:

- dat ik mijn functie integer en zorgvuldig zal uitoefenen;
- dat ik een zorgvuldige afweging maak tussen de belangen van de partijen die bij de onderneming betrokken zijn, te weten die van de klanten, de aandeelhouders, de werknemers en de samenleving waarin de onderneming opereert;
- dat ik in die afweging het belang van de klant centraal zal stellen;
- dat ik mij zal gedragen naar de wetten, de reglementen en de gedragscodes die op mij van toepassing zijn;
- dat ik geheim zal houden wat mij is toevertrouwd;
- dat ik geen misbruik zal maken van mijn kennis;
- dat ik mij open en toegankelijk zal opstellen en mijn aansprakelijkheid voor de samenleving ken;



## 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