

Sustainability Risk Standard with Client Requirements

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1 Introduction

This Standard lists the Generic Principles which provide the foundation of the ESG assessment of the Bank's corporate lending clients and for verification that our clients comply with the [United Nations \(UN\) Guiding Principles on Business and Human Rights \(UNGPs\)](#) and the [Organisation for Economic Co-operation and Development \(OECD\) Guidelines for Multinational Enterprises \(MNEs\)](#) where relevant and as required under Article 18 of the [EU Taxonomy](#) Regulation.

The Generic Principles are operationalised through the Requirements in **Section 4** (for Corporate Bank), **Section 5** (for Personal and Business Banking) and **Section 6** (for Wealth Management). The Standard distinguishes between Generic Requirements which are mapped against the Generic Principles, and Module Requirements which are ordered by theme.

Some of the requirements as per this Standard apply only to clients of a certain relative size (typically 'Large' clients) and/or to clients in specific sectors.

The Standard also seeks to align with the terminology contained in the [Corporate Sustainability Reporting Directive \(CSRD\)](#) and related [European Sustainability Reporting Standards \(ESRS\)](#) reporting methodology. For this purpose, the requirements outlined in this Standard (including those related to [negative impact](#)) each relate to one or more of the ESRS topics. This is indicated in the respective Sections 5, 6 and 7.

The requirements set out how the Bank expects its clients to manage:

1. Risk of [negative impact](#) (inside-out risk);
2. [Transition risk](#) (outside-in risk);
3. [Physical risk](#) (outside-in risk).

2 Exclusions applicable to the Bank's Lending Clients

Notwithstanding the inclusive approach of the Bank and the strategy to support clients' sustainability transitions, there are activities that the Bank will not knowingly facilitate by providing any products or services to clients undertaking these activities. These activities are detailed on the Bank's [Exclusion List](#).

Activities listed below are excluded only and explicitly from lending products and services.

- O&G production (including upstream oil and gas and [Floating Production, Storage and Offloading \(FPSOs\)](#)) if
 - the credit facility's purpose is directly linked¹ to oil and gas expansion, i.e., production of oil and gas or assets specifically designed for the purpose of oil and gas production from fields licenced for development after 2023².
- Tobacco retail if
 - tobacco products represent more than 50% of the current consolidated group turnover,
 - the credit facility's purpose is directly linked to specialized tobacco retail³.

¹ A credit facility is considered 'directly linked' if the financing goes directly to the mentioned activity or asset or – in the case of general-purpose loans – is requested / increased in response to new or increased activities on the mentioned activity or asset.

² This date is based on the International Energy Agency Net Zero Pathway. IEA regularly updates its Net Zero Emissions (NZE) scenarios. Within three months after publication of an update, new scenarios will be reviewed, and exclusions will be amended where deemed appropriate.

³ In regard to diversified clients, a credit facility will not be provided when the main goal is to purchase inventory or invest in tobacco products and/or start a specialized tobacco retail shop.

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- Power generation if
 - client (also) generates electricity from **lignite coal**,
 - clients are involved in **thermal coal** expansion through the building or acquisition of coal-fired power plants,
 - client thermal coal-fired electricity generation represents more than 5% of their total electricity generation capacity.

The power generation sector in Germany relies more heavily on thermal coal than in other NW European countries. At the same time, the growth potential for renewables is also large in Germany. Therefore an exception will be made for Germany clients:

- German clients that (also) generates electricity from lignite coal and/or whose thermal coal-fired electricity generation represents more than 5% of their total electricity generation capacity will not be excluded under the following condition:
 - Clients have an externally communicated 2030 phase-out of thermal coal for all assets.

3 Generic Principles

The following 10 Generic Principles form the basis of our assessment of corporate lending and clearing clients:

1. Clients comply with applicable laws and regulations and are able to demonstrate transparency regarding their responsible **business conduct**.
2. Clients know the salient **human rights** risks of their own activities and business relationships and take measures to address these risks.
3. Clients have identified potentially affected groups and other relevant **stakeholders** and engage with them constructively and openly in assessing and mitigating human rights risks and addressing any grievances.
4. Clients monitor their **GHG emissions** and take measures to reduce them in line with the Paris climate goals.
5. Clients are aware what the transition to a **Net Zero** economy means for their business model and take appropriate measures to prepare for the transition.
6. Clients are aware of the **physical risks** of a changing climate for their business model and take appropriate measures to mitigate these risks.
7. Clients are aware what their impact is on **biodiversity**, water, air, and soil and take appropriate measures to prevent biodiversity loss and pollution.
8. Clients are aware of how their business model depends on **ecosystem services** (e.g., resources, pollination).
9. Clients take measures to promote **circularity** and reduce the use of virgin material and waste (e.g., through design, recycling, life time extension), if applicable.
10. Clients have a satisfactory **ESG track record**.

4 Requirements for Corporate Banking

The Generic Principles are operationalized in Generic and Module Requirements for Corporate Bank clients.

| Generic Principle 1 – Business Conduct <i>Clients comply with applicable laws and regulations and are able to demonstrate transparency regarding their responsible business conduct.</i> | | | | |
|--|---|------------------------|----------------------------|-------------------------|
| | Requirement | Type of requirement | Applicability ⁴ | Reference to ESRs topic |
| 1.1 | Clients comply with all national laws and regulations, as well as international conventions and legislation applicable to them, and obtain, maintain and ensure compliance with all requisite permits and licenses. *) | Generic | All | G1 – Business conduct |
| 1.2 | Clients have an anti-corruption and anti-bribery policy or statement in place, and/or otherwise demonstrate business ethics. *) | Generic | All | G1 – Business conduct |
| 1.3 | Clients report about their environmental and social performance on topics identified by the client as material, e.g., GHG emissions, environmental impact, human rights and health & safety statistics. | Specific – client size | 'Large' clients | G1 – Business conduct |

| Generic Principle 2 – Human Rights <i>Clients know the salient human rights risks of their own activities and business relationships and take measures to address these risks.</i> | | | | |
|--|---|---------------------|---------------|--|
| | Requirement | Type of requirement | Applicability | Reference to ESRs topic |
| 2.1 | Clients have a policy and processes in place to address the human rights impacts and risks in the own operation and/or supply chain, that they have identified as material, in accordance with the UN Guiding Principles. | Generic | All | S2 – Workers in the value chain S3 – Affected communities |

| Generic Principle 3 – Stakeholders <i>Clients have identified potentially affected groups and other relevant stakeholders and engage with them constructively and openly in assessing and mitigating human rights risks and addressing any grievances.</i> | | | | |
|--|---|---------------------|---------------|---|
| | Requirement | Type of requirement | Applicability | Reference to ESRs topic |
| 3.1 | Clients have a stakeholder engagement plan ensuring their open and constructive engagement with the key affected stakeholders they have identified (e.g., local communities, workers, non-governmental organizations (NGOs) , local authorities). | Generic | All | G1 – Business Conduct S2 – Workers in the value chain S3 – Affected communities |

⁴ For definition and scoping client activities and sectors see Appendix III

| | | | | |
|-----|---|------------------------|-----------------|---|
| 3.2 | Clients have, or participate in, effective operational-level grievance mechanism for stakeholders who may be adversely impacted by their operations. | Specific – client size | ‘Large’ clients | G1 – Business Conduct S2 – Workers in the value chain S3 – Affected communities |
|-----|---|------------------------|-----------------|---|

Generic Principle 4 – GHG emissions

Clients monitor their GHG emissions and take measures to reduce them in line with the Paris climate goals.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|----------------------------|-----------------|---|
| 4.1 | Clients monitor their scope 1 and scope 2 greenhouse gas (GHG) emissions (e.g., CO ₂ , methane) against time-bound intermediate (2030) reduction targets in line with the Paris Climate goals. | Generic | All | E1 – Climate Change – Climate change mitigation E1 – Climate Change – Energy |
| 4.2 | Clients monitor and aim to reduce their scope 3 emissions they have identified as material. | Generic | ‘Large’ clients | E1 – Climate Change – Climate change mitigation |
| 4.3 | Clients monitor their methane emissions resulting from leaking, venting and flaring against time-bound reduction targets. | Specific – client activity | Oil & Gas (O&G) | E1 – Climate Change – Climate change mitigation |

Generic Principle 5 – Transition to Net Zero

Clients are aware what the transition to a Net Zero economy means for their business model and take appropriate measures to prepare for the transition.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|----------------------------|---|---|
| 5.1 | Clients have a strategy in place defining their role in the transition to a Net Zero economy . The strategy may also include, but not limited to, business model adjustment, investment in low-carbon initiatives, and climate action acceleration within own company and sector. | Generic | All | E1 – Climate Change – Climate change mitigation |
| 5.2 | Clients have a phase-out commitment in place for thermal coal by 2030 as part of their transition strategy. | Specific – client activity | Fossil electricity production | E1 – Climate Change – Climate change mitigation |
| 5.3 | Clients have a time-bound phase-out commitment in place for thermal coal as part of their transition strategy. | Specific – client activity | Mining and quarrying, Coal trade ⁵ | E1 – Climate Change – Climate change mitigation |

⁵ Coal trade is part of NACE/SBI 4671 "Wholesale of solid, liquid and gaseous fuels and related products", which is part of the ISR sector "Remaining wholesale".

| | | | | |
|-----|---|----------------------------|-----|---|
| 5.4 | Clients have a time-bound phase-out commitment in place for unconventional oil and gas , including at least tar sands / shale oil & gas. | Specific – client activity | O&G | E1 – Climate Change – Climate change mitigation |
|-----|---|----------------------------|-----|---|

Generic Principle 6 – Physical Climate Risks

Clients are aware of the physical risks of a changing climate for their business model and take appropriate measures to mitigate these risks.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|---------------------|---------------|---|
| 6.1 | Clients take measures to mitigate the physical risks they have identified (e.g., in their assets, supply chains and transportation routes). | Generic | All | E1 – Climate Change – Climate change adaptation |

Generic Principle 7 – Biodiversity

Clients are aware what their impact is on biodiversity, water, air, and soil and take appropriate measures to prevent biodiversity loss and pollution.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|----------------------------|-------------------------------|--|
| 7.1 | Clients minimize and mitigate their impacts on (where relevant): water and marine resources (through use of water) and biodiversity and ecosystems; through - land-use change, freshwater-use change and sea-use change - pollution of air, water, soil- other drivers (e.g., invasive species, noise and light disturbance) | Generic | All | E2 – Pollution E3 – Water and marine resources E4 – Biodiversity and ecosystems |
| 7.2 | Clients invest in Ballast Water Treatment (BWT) system on their vessels in line with the International Maritime Organization (IMO) Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) | Specific – client activity | Deep Sea | E3 – Water and marine resources – Water discharges E4 – Biodiversity and ecosystems |
| 7.3 | When using the Arctic Route , clients are committed not to use in line with the IMO ban as it applies to them. | Specific – client activity | Deep Sea | E 2 – Pollution E4 – Biodiversity and ecosystems |
| 7.4 | Clients are committed to zero deforestation or degradation of high conservation value (HCV) and high carbon stock (HCS) forests and other sensitive areas. | Specific – client activity | Agri & Forest, Mining, Animal | E1 – Climate Change – Climate change mitigation E4 – Biodiversity and ecosystems |

| | | | | |
|------|--|----------------------------|---------------|--|
| 7.5 | Clients are committed to zero peatland degradation. | Specific – client activity | Agri & Forest | E1 – Climate Change – Climate change mitigation E4 – Biodiversity and ecosystems |
| 7.6 | Clients have implemented zero burning practices and fire prevention measures. | Specific – client activity | Agri & Forest | E1 – Climate Change – Climate change mitigation E2 – Pollution E4 – Biodiversity and ecosystems |
| 7.7 | Clients are committed to responsible manure management . | Specific – client activity | Animal | E2 – Pollution E4 – Biodiversity and ecosystems |
| 7.8 | Clients are committed to close their aquaculture systems as much as possible in terms of freshwater use, broodstock and disease prevention. | Specific – client activity | Aquaculture | E3 – Water and marine resources E4 – Biodiversity and ecosystems |
| 7.9 | Clients' farms are Aquaculture Stewardship Council (ASC) certified or equivalent. | Specific – client activity | Aquaculture | G1 – Business Conduct – Animal Welfare S2 – Workers in the value chain E3 – Water and marine sources E4 – Biodiversity and ecosystems |
| 7.10 | Clients aim to use plant-based feed or ASC/Marine Stewardship Council (MSC) certified feed products as much as possible | Specific – client activity | Aquaculture | E4 – Biodiversity and ecosystems |

Generic Principle 8 – Ecosystem Services

Clients are aware of how their business model depends on ecosystem services (e.g., resources, pollination).

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|---------------------|---------------|---|
| 8.1 | Clients have identified the ecosystems services that their business model depends on – e.g., the provision of fresh water or pollination. If possible clients take measures to adapt (i.e. take measures to reduce dependency) and/or mitigate (i.e. take measures to preserve ecosystem services). | Generic | All | E4 – Biodiversity and ecosystems – Impact on and dependencies of ecosystem services |

Generic Principle 9 – Circularity

Clients take measures to promote circularity and reduce the use of virgin material and waste (e.g., through design, recycling, life time extension), if applicable.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|-------------------------|
| 9.1 | Clients take measures to promote circularity in line with the 9R principles if applicable. | Generic | All | E5 – Circular economy |

Generic Principle 10 – ESG Track Record

Clients have satisfactory ESG track record.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|------|---|---------------------|---------------|-------------------------|
| 10.1 | Clients have a good track record, in terms of: <ul style="list-style-type: none">- Incident rates (e.g., spills, fires, injuries, fatalities, human rights violations) are low or show consistent decline over time;- capacity in comprehensive and transparent response management. (e.g. no significant shortcomings in the company's management of environmental and social risks as reported by inspection authorities.) | Generic | All | N/A |

Module requirements

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|----------------------------|--|---|
| | Labour | | | |
| M.1 | Clients have a health, safety and security management system in place to minimize occupational hazards. | Specific – Client size | 'Large' clients | S2 – Employees in the value chain – Working conditions |
| M.2 | Clients refrain from all forms of forced or child labour and allow workers, including vulnerable groups such as migrant and temporary workers, women and youth, to exercise their right to freedom of associations and collective bargaining as laid down in the core conventions of the International Labour Organization (ILO) . | Specific – Client activity | Animal, Aqua, Agri & Forest, Mining, Diamonds, Manufacturing, Deep Sea, Road, Leisure, T&L | S2 – Employees in the value chain – Other work-related rights |
| M.3 | Clients promote that workers receive a living wage . | Specific – Client activity | Animal, Aqua, Agri & Forest, Mining, Manufacturing, Deep Sea, Leisure, T&L | S2 – Employees in the value chain – Working conditions |
| | Diversity & Inclusion | | | |
| M.4 | Clients address diversity and inclusion e.g. through policies, training & education and/or key performance indicators (KPI's) . | Specific – client size | 'Large' clients | S2 – Employees in the value chain |

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|------|---|----------------------------|---|--|
| | | | | – Equal treatment and opportunities for all |
| | Communities | | | |
| M.5 | Clients are committed to the process of obtaining Free Prior and Informed Consent of Indigenous communities and other vulnerable communities when operations may impact their (land) rights. | Specific – client activity | Animal, Aqua, Agri & Forest, Mining, Oil & Gas, Power, Dredging | S3 – Affected communities |
| M.6 | Clients have a community development plan in place which ensures benefits for affected communities through employment opportunities and community services (e.g., health & education). | Specific – client activity | Animal, Aqua, Agri & Forest, Mining, Oil & Gas, Power, Dredging | S3- Affected communities |
| | Supply chain | | | |
| M.7 | Clients apply environmental and social criteria to the selection of service providers, suppliers and contractors. | Specific – client size | ‘Large’ clients | G1 – Business conduct – Management of relationship with suppliers |
| M.8 | Clients source responsibly using clear ESG criteria and/or certification schemes. | Specific – Client activity | Agri & Forest, Manufacturing, Diamonds | G1 – Business conduct – Management of relationship with suppliers |
| | Antibiotics | | | |
| M.9 | Clients involved in the production or use of antibiotics take appropriate measures to address the risks of antibiotics resistance | Specific – Client activity | Animal, Pharma | S3 – Affected communities |
| | Animal Welfare | | | |
| M.10 | Clients have an animal welfare policy in place that addresses the protection of the Five Animal Freedoms and describes the management of key risks to infringement of these freedoms during all phases of the production process, if applicable. | Specific – Client activity | Animal, Chemicals, Pharma | G1 – Business conduct – Animal welfare |
| M.11 | Clients have an animal welfare monitoring system in place. | Specific – Client activity | Animal, Chemicals, Pharma | G1 – Business conduct – Animal welfare |
| | Impact Assessment & Emergency preparedness | | | |
| M.12 | Clients have a policy that requires performing Environmental and Social (E&S) Impact Assessments , with participation of affected communities, for new operations and/or expansions that are expected to have a material E&S impact. | Specific – Client activity | O&G, Power, Mining, Aqua, Dredging | E2 – Pollution E3 – Water and marine resources E4 – Biodiversity and ecosystems S3 – Affected communities |
| M.13 | Clients have a system for emergency preparedness & response in place in case of spills, fires, natural hazards etc. | Specific – Client activity | O&G , Animal, Power, Mining, Chemicals, Pharma, Deep Sea, Short Sea , Dredging | E2 – Pollution E3 – Water and marine resources S3 – Affected communities |
| | Hazardous substances | | | |
| M.14 | Clients have a system in place to ensure appropriate identification, labelling and documentation of hazardous substances in | Specific – Client activity | Chemicals, Pharma, Oil & Gas, Mining | E2 – Pollution |

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|------|---|----------------------------|---------------------------------|--|
| | all stages of the production process with the objective to prevent any harm to human health or the environment in line with precautionary principle. | | | E3 – Water and marine resources S3 – Affected communities |
| | Ship recycling | | | |
| M.15 | Clients are committed to responsible ship recycling . If the client is selling a vessel end-of-life, only cash-buyers committed to the Hong Kong Convention or responsible scrapping facilities compliant with the Hong Kong Convention, are considered. | Specific – Client activity | Deep Sea, Short Sea, Dredging | E2 – Pollution E3 – Water and marine resources S2 – Employees in the value chain |
| | Environmental & Social Management System | | | |
| M.16 | Clients are expected to have a corporate Environmental and Social Management System (ESMS) in place. The ESMS is in line with international standards such as ISO:14001 or OHSAS:18001 . | Specific – Client size | ‘Large’ clients | G1 – Business conduct |
| | Conflict & Security | | | |
| M.17 | When making use of security arrangements , clients ensure that they operate in accordance with the Voluntary Principles on Security and Human Rights (in as far they are applicable). E.g. by hiring private security providers that have committed to the International Code of Conduct for Private Security Service Providers (ICOCA) . | Specific – Client activity | O&G, Mining, Deep Sea, Dredging | S3 – Affected communities – Communities’ civil and political rights |
| M.18 | Clients active in (or sourcing from) conflict areas and/or fragile states ⁶ have performed heightened due diligence to ensure that they respect human rights and do not contribute to conflict, following internationally accepted standards for due diligence such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas . | Specific – Client activity | ‘Large’ clients | S2 – Workers in the value chain S3 – Affected communities – Communities’ civil and political rights |
| | Gambling | | | |
| M.19 | Clients can present a good 2-year track record, meaning that they have not received a sanction (sanctiebesluit) from the Kansspel Autoriteit (so-called warnings (waarschuwingen) are not included in this rule).*) | Specific – Client activity | Gambling | N/A |
| M.20 | Clients shall have a robust system in place to prevent problematic gambling . This system shall include 1) mechanism for client identification and monitoring 2) mechanism for constraining availability of gambling 3) mechanism for signaling problematic gambling 4) intervention protocol including training of personnel 5) annual reporting on 1 - 4. *) | Specific – Client activity | Gambling | S3 – Affected communities |
| M.21 | Clients offering online/remote gambling activities, shall also have a significant presence in land-based gambling. | Specific – Client activity | Gambling | S3 – Affected communities |
| | Finance | | | |

⁶ For the purpose of this requirement we refer to the countries listed on the Defence Sensitive Country List as defined in the Sustainability Risk Standard for Defence.

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|------|---|----------------------------|-----------|-----------------------|
| M.22 | Clients have in place an ethical framework - including a position on activities considered unacceptable from an ESG perspective and in particular controversial weapons. | Specific – Client activity | Financial | G1 – Business conduct |
| M.23 | Clients apply the Equator Principles when providing Project Finance. | Specific – Client activity | Financial | All |

5 Requirements for Personal & Business Banking

The Generic Principles are operationalized in Generic and Module Requirements for Personal and Business Banking clients.

The requirements in this Section are to a large extent the same as the requirements for Corporate Banking clients (Section 4). To show the overlap, the numbering of requirements in Section 4 is used in this Section as well.

Generic Principle 1 – Business Conduct

Clients comply with applicable laws and regulations and are able to demonstrate transparency regarding their responsible business conduct.

| | Requirement | Type of requirement | Applicability ⁷ | Reference to ESRS topic |
|-----|--|---------------------|----------------------------|-------------------------|
| 1.1 | Clients comply with all national laws and regulations, as well as international conventions and legislation applicable to them, and obtain, maintain and ensure compliance with all requisite permits and licenses.*) | Generic | All | G1 – Business conduct |
| 1.2 | Clients have an anti-corruption and anti-bribery policy or statement in place, and/or otherwise demonstrate business ethics.*) | Generic | All | G1 – Business conduct |

Generic Principle 2 – Human Rights

Clients know the salient human rights risks of their own activities and business relationships and take measures to address these risks.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|--|
| 2.1 | Clients have a policy and processes in place to address the human rights impacts and risks in the own operation and/or supply chain, that they have identified as material, in accordance with the UN Guiding Principles. | Generic | All | S2 – Workers in the value chain S3 – Affected communities |

Generic Principle 3 – Stakeholders

Clients have identified potentially affected groups and other relevant stakeholders and engage with them constructively and openly in assessing and mitigating human rights risks and addressing any grievances.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|---------------------|---------------|--|
| 3.1 | Clients have a stakeholder engagement plan ensuring their open and constructive engagement with the key affected stakeholders they have identified (e.g. local communities, workers, non-governmental organizations (NGOs), local authorities). | Generic | All | G1 – Business Conduct S2 – Workers in the value chain |

⁷ For definition and scoping client activities and sectors see Appendix III

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|--|--|--|--|---------------------------|
| | | | | S3 – Affected communities |
|--|--|--|--|---------------------------|

Generic Principle 4 – GHG emissions

Clients monitor their GHG emissions and take measures to reduce them in line with the Paris climate goals.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|---|
| 4.1 | Clients monitor their scope 1 and scope 2 greenhouse gas (GHG) emissions (e.g. CO ₂ , methane) against time-bound intermediate (2030) reduction targets in line with the Paris Climate goals. | Generic | All | E1 – Climate Change – Climate change mitigation E1 – Climate Change – Energy |

Generic Principle 5 – Transition to Net Zero

Clients are aware what the transition to a Net Zero economy means for their business model and take appropriate measures to prepare for the transition.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|---------------------|---------------|---|
| 5.1 | Clients have a strategy in place defining their role in the transition to a Net Zero economy . The strategy may also include, but not limited to, business model adjustment, investment in low-carbon initiatives, and climate action acceleration within own company and sector. | Generic | All | E1 – Climate Change – Climate change mitigation |

Generic Principle 6 – Physical Climate Risks

Clients are aware of the physical risks of a changing climate for their business model and take appropriate measures to mitigate these risks.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|---|
| 6.1 | Clients take measures to mitigate the physical climate risks they have identified (e.g. in their assets, supply chains and transportation routes). | Generic | All | E1 – Climate Change – Climate change adaptation |

Generic Principle 7 – Biodiversity

Clients are aware what their impact is on biodiversity, water, air, and soil and take appropriate measures to prevent biodiversity loss and pollution.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|-------------------------|
| 7.1 | Clients minimize and mitigate their impacts on (where relevant): water and marine | Generic | All | E2 – Pollution |

| | | | | |
|-----|--|----------------------------|---|---|
| | resources (through use of water) and biodiversity and ecosystems; through - land-use change, freshwater-use change and sea-use change - pollution of air, water, soil- other drivers (e.g. invasive species, noise and light disturbance) | | | E3 – Water and marine resources E4 – Biodiversity and ecosystems |
| 7.7 | Clients are committed to responsible manure management . | Specific – client activity | Raising of cattle, Raising of poultry and swine | E2 – Pollution E4 – Biodiversity and ecosystems |

Generic Principle 8 – Ecosystem Services

Clients are aware of how their business model depends on ecosystem services (e.g. resources, pollination).

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|---|
| 8.1 | Clients have identified the ecosystems services that their business model depends on – e.g. the provision of fresh water or pollination. If possible clients take measures to adapt (i.e. take measures to reduce dependency) and/or mitigate (i.e. take measures to preserve ecosystem services). | Generic | All | E4 – Biodiversity and ecosystems – Impact on and dependencies of ecosystem services |

Generic Principle 9 – Circularity

Clients take measures to promote circularity and reduce the use of virgin material and waste (e.g. through design, recycling, life time extension), if applicable.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|---------------------|---------------|-------------------------|
| 9.1 | Clients take measures to promote circularity in line with the 9R principles if applicable. | Generic | All | E5 – Circular economy |

Generic Principle 10 – ESG Track Record

Clients have satisfactory ESG track record.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|------|---|---------------------|---------------|-------------------------|
| 10.1 | Clients have a good track record, in terms of: - Incident rates (e.g. spills, fires, injuries, fatalities, human rights violations) are low or show consistent decline over time; - capacity in comprehensive and transparent response management.(e.g. no significant shortcomings in the company's management of environmental and social risks as reported by inspection authorities.) | Generic | All | N/A |

Module requirements

| | Requirement | Type of requirement | Applicability | Reference to ERSR topic |
|------|--|----------------------------|---------------------------|--|
| | Antibiotics | | | |
| M.9 | Clients involved in the production or use of antibiotics take appropriate measures to address the risks of antibiotics resistance | Specific – Client activity | Animal, Pharma | S3 – Affected communities |
| | Animal Welfare | | | |
| M.10 | Clients have an animal welfare policy in place that addresses the protection of the Five Animal Freedoms and describes the management of key risks to infringement of these freedoms during all phases of the production process, if applicable. | Specific – Client activity | Animal, Chemicals, Pharma | G1 – Business conduct – Animal welfare |
| | Gambling | | | |
| M.19 | Clients can present a good 2-year track record, meaning that they have not received a sanction (sanctiebesluit) from the Kansspel Autoriteit (so-called warnings (waarschuwingen) are not included in this rule).*) | Specific – Client activity | Gambling | N/A |
| M.20 | Clients shall have a robust system in place to prevent problematic gambling . This system shall include 1) mechanism for client identification and monitoring 2) mechanism for constraining availability of gambling 3) mechanism for signaling problematic gambling 4) intervention protocol including training of personnel 5) annual reporting on 1 - 4.)* | Specific – Client activity | Gambling | S4 – Consumers and end-users – personal safety of consumers and-or end-users |

6 Requirements for Wealth Management

The Generic Principles are operationalized in Generic and Module Requirements for Wealth Management clients in high or moderately high risk sectors.

The requirements in this Section are to a large extent the same as the requirements for Corporate Banking clients (Section 4). To show the overlap, the numbering of requirements in Section 4 is used in this Section as well.

| Generic Principle 1 – Business Conduct <i>Clients comply with applicable laws and regulations and are able to demonstrate transparency regarding their responsible business conduct.</i> | | | | |
|--|--|------------------------|------------------------------|-------------------------|
| | Requirement | Type of requirement | Applicability ⁸ | Reference to ESRS topic |
| 1.1 | Clients comply with all national laws and regulations, as well as international conventions and legislation applicable to them, and obtain, maintain and ensure compliance with all requisite permits and licenses.*) | Generic | All | G1 – Business conduct |
| 1.2 | Clients have an anti-corruption and anti-bribery policy or statement in place, and/or otherwise demonstrate business ethics.*) | Generic | All | G1 – Business conduct |
| 1.3 | Clients report about their environmental and social performance on topics identified by the client as material, e.g. GHG emissions, environmental impact, human rights and health & safety statistics. | Specific – client size | 'Large' ⁹ clients | G1 – Business conduct |

| Generic Principle 2 – Human Rights <i>Clients know the salient human rights risks of their own activities and business relationships and take measures to address these risks.</i> | | | | |
|--|---|---------------------|---------------|--|
| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
| 2.1 | Clients have policy and processes in place to address the human rights impacts and risks in the own operation and/or value chain, that they have identified as material (e.g. working conditions, health and safety, labour rights, community rights, diversity), in accordance with the UN Guiding Principles. | Generic | All | S2 – Workers in the value chain S3 – Affected communities |

| Generic Principle 3 – Stakeholders <i>Clients have identified potentially affected groups and other relevant stakeholders and engage with them constructively and openly in assessing and mitigating human rights risks and addressing any grievances.</i> | | | | |
|--|--|--|--|--|
|--|--|--|--|--|

⁸ For definition and scoping client activities and sectors see Appendix III

⁹ See section 1.3 for the definition of Large client

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|------------------------|-----------------|---|
| 3.1 | Clients have a stakeholder engagement plan ensuring their open and constructive engagement with the key affected stakeholders they have identified (e.g. local communities, workers, non-governmental organizations (NGOs), local authorities). Where relevant, clients are committed to FPIC. | Generic | All | G1 – Business Conduct S2 – Workers in the value chain S3 – Affected communities |
| 3.2 | Clients have, or participate in, effective operational-level grievance mechanism for stakeholders who may be adversely impacted by their operations. | Specific – client size | ‘Large’ clients | G1 – Business Conduct S2 – Workers in the value chain S3 – Affected communities |

Generic Principle 4 – GHG emissions

Clients monitor their GHG emissions and take measures to reduce them in line with the Paris climate goals.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|-----------------|---|
| 4.1 | Clients monitor their scope 1 and scope 2 greenhouse gas (GHG) emissions (e.g. CO ₂ , methane) against time-bound intermediate (2030) reduction targets in line with the Paris Climate goals. | Generic | All | E1 – Climate Change – Climate change mitigation E1 – Climate Change – Energy |
| 4.2 | Clients monitor and aim to reduce their scope 3 emissions they have identified as material. | Generic | ‘Large’ clients | E1 – Climate Change – Climate change mitigation |

Generic Principle 5 – Transition to Net Zero

Clients are aware what the transition to a Net Zero economy means for their business model and take appropriate measures to prepare for the transition.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|----------------------------|-------------------------------|---|
| 5.1 | Clients have a strategy in place defining their role in the transition to a Net Zero economy . The strategy may also include, but not limited to, business model adjustment, investment in low-carbon initiatives, and climate action acceleration within own company and sector. | Generic | All | E1 – Climate Change – Climate change mitigation |
| 5.2 | Clients have a phase-out commitment in place for thermal coal by 2030 as part of their transition strategy. | Specific – client activity | Fossil electricity production | E1 – Climate Change – Climate change mitigation |

Generic Principle 6 – Physical Climate Risks

Clients are aware of the physical risks of a changing climate for their business model and take appropriate measures to mitigate these risks.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|---|
| 6.1 | Clients take measures to mitigate the physical climate risks they have identified (e.g. in their assets, supply chains and transportation routes). | Generic | All | E1 – Climate Change – Climate change adaptation |

Generic Principle 7 – Biodiversity

Clients are aware what their impact is on biodiversity, water, air, and soil and take appropriate measures to prevent biodiversity loss and pollution.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|--|---------------------|---------------|---|
| 7.1 | Clients minimize and mitigate their impacts on (where relevant): water and marine resources (through use of water) and biodiversity and ecosystems (especially sensitive areas); through - land-use change, freshwater-use change and sea-use change (e.g. deforestation, peatland degradation) - pollution of air, water, soil (e.g. through manure) - other drivers (e.g. invasive species, noise and light disturbance) | Generic | All | E2 – Pollution E3 – Water and marine resources E4 – Biodiversity and ecosystems |

11.

Generic Principle 8 – Ecosystem Services

Clients are aware of how their business model depends on ecosystem services (e.g. resources, pollination).

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|-----|---|---------------------|---------------|---|
| 8.1 | Clients have identified the ecosystems services that their business model depends on – e.g. the provision of fresh water or pollination. If possible clients take measures to adapt (i.e. take measures to reduce dependency) and/or mitigate (i.e. take measures to preserve ecosystem services). | Generic | All | E4 – Biodiversity and ecosystems – Impact on and dependencies of ecosystem services |

Generic Principle 9 – Circularity

Clients take measures to promote circularity and reduce the use of virgin material and waste (e.g. through design, recycling, life time extension), if applicable.

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|--|-------------|---------------------|---------------|-------------------------|
|--|-------------|---------------------|---------------|-------------------------|

| | | | | |
|-----|--|---------|-----|-----------------------|
| 9.1 | Clients take measures to promote circularity in line with the 9R principles if applicable. | Generic | All | E5 – Circular economy |
|-----|--|---------|-----|-----------------------|

Generic Principle 10 – ESG Track Record

*Clients have satisfactory ESG track record**

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|------|--|---------------------|---------------|-------------------------|
| 10.1 | Clients have a good track record, in terms of: <ul style="list-style-type: none"> - Incident rates (e.g. spills, fires, injuries, fatalities, human rights violations) are low or show consistent decline over time; - capacity in comprehensive and transparent response management.(e.g. no significant shortcomings in the company's management of environmental and social risks as reported by inspection authorities.) | Generic | All | N/A |

Module requirements

| | Requirement | Type of requirement | Applicability | Reference to ESRS topic |
|------|---|----------------------------|------------------------------------|--|
| | Supply chain | | | |
| M.7 | Clients apply environmental and social criteria to the selection of service providers, suppliers and contractors. | Specific – client size | 'Large' clients | G1 – Business conduct – Management of relationship with suppliers |
| | Antibiotics | | | |
| M.9 | Clients involved in the production or use of antibiotics take appropriate measures to address the risks of antibiotics resistance | Specific – Client activity | Animal, Pharma | S3 – Affected communities |
| | Animal Welfare | | | |
| M.10 | Clients have an animal welfare policy in place that addresses the protection of the Five Animal Freedoms and describes the management of key risks to infringement of these freedoms during all phases of the production process, if applicable. | Specific – Client activity | Animal, Chemicals, Pharma | G1 – Business conduct – Animal welfare |
| | Impact Assessment & Emergency preparedness | | | |
| M.12 | Clients have a policy that requires performing Environmental and Social (E&S) Impact Assessments , with participation of affected communities, for new operations and/or expansions that are expected to have a material E&S impact. | Specific – Client activity | O&G, Power, Mining, Aqua, Dredging | E2 – Pollution E3 – Water and marine resources E4 – Biodiversity and ecosystems S3 – Affected communities |

| | | | | |
|------|---|----------------------------|---|--|
| M.13 | Clients have a system for emergency preparedness & response in place in case of spills, fires, natural hazards etc. | Specific – Client activity | O&G , Animal, Power, Mining, Chemicals, Pharma, Deep Sea, Short Sea, Dredging | E2 – Pollution E3 – Water and marine resources S3 – Affected communities – Communities' economic, social and cultural rights |
| | Hazardous substances | | | |
| M.14 | Clients have a system in place to ensure appropriate identification, labelling and documentation of hazardous substances in all stages of the production process with the objective to prevent any harm to human health or the environment in line with precautionary principle. | Specific – Client activity | Chemicals, Pharma, Oil & Gas, Mining | E2 – Pollution E3 – Water and marine resources S3 – Affected communities |
| | Ship recycling | | | |
| M.15 | Clients are committed to responsible ship recycling . If the client is selling a vessel end-of-life, only cash-buyers committed to the Hong Kong Convention or responsible scrapping facilities compliant with the Hong Kong Convention, are considered. | Specific – Client activity | Deep Sea, Short Sea, Dredging | E2 – Pollution E3 – Water and marine resources S2 – Employees in the value chain |
| | Environmental & Social Management System | | | |
| M.16 | Clients are expected to have a corporate Environmental and Social Management System (ESMS) in place. The ESMS is in line with international standards such as ISO:14001 or OHSAS:18001. | Specific – Client size | 'Large' clients | G1 – Business conduct |
| | Conflict & Security | | | |
| M.17 | When making use of security arrangements , clients ensure that they operate in accordance with the Voluntary Principles on Security and Human Rights (in as far they are applicable). E.g. by hiring private security providers that have committed to the International Code of Conduct for Private Security Service Providers (ICOCA). | Specific – Client activity | O&G, Mining, Deep Sea, Dredging | S3 – Affected communities – Communities' civil and political rights |
| | Gambling | | | |
| M.19 | Clients can present a good 2-year track record, meaning that they have not received a sanction (sanctiebesluit) from the Kansspel Autoriteit (so-called warnings (waarschuwingen) are not included in this rule).*) | Specific – Client activity | Gambling | N/A |
| M.20 | Clients shall have a robust system in place to prevent problematic gambling . This system shall include 1) mechanism for client identification and monitoring 2) mechanism for constraining availability of gambling 3) mechanism for signaling problematic gambling 4) intervention protocol including training of personnel 5) annual reporting on 1 - 4. *) | Specific – Client activity | Gambling | S4 – Consumers and end-users – personal safety of consumers and/or end-users |

7 Additional Requirements for Nuclear Power Generation

In line with the [Intergovernmental Panel on Climate Change \(IPCC\)](#) and [International Energy Agency's Net Zero Emissions Pathway \(IEA NZE\)](#) and consistent with the Bank's [Strategic Risk Appetite \(SRA\)](#), the Bank acknowledges the role of nuclear power in the global energy transition to net zero. Nuclear power is perceived as a carbon-free energy source, it can serve as a base load energy source (notably replacing coal fired power plants) and offers the highest output per land area (0.3 m²/MWh) out of all energy sources.

However, there are also important sustainability risks associated with nuclear energy, including:

- Ionising radiation and radioactive waste has potential adverse impacts on human health and the environment, especially in case of accidents;
- Risks of terrorist attacks at nuclear power plants or at input (uranium) and waste transportation and storage locations;
- Impacts on people and nature in areas where uranium is sourced, such as displacement of communities, encroachment or destruction of indigenous sites, local pollution;
- Security concerns related to the sourcing of uranium from defence sensitive countries;
- Physical risks associated with climate change such as water availability and/or rising sea levels.

In addition, the role of nuclear energy in the energy transition should be considered on a global or regional scale. Nuclear energy is particularly relevant when it replaces fossil energy, most notably energy from coal. Nuclear energy should not compete with investments in renewables like wind and solar energy, nor with investments that are crucial for the energy transition such as grid capacity. This means that nuclear power, although being part of the global transition, may not be part of every national transition strategy.

Client will be assessed against all applicable requirements listed in Section 4 (CB requirements) of this Standard. For some of these requirements the expected maturity level for nuclear energy clients is however different than for other (fossil or non-fossil) power generation clients, while for others additional remarks are made.

| | Requirement | Expected maturity level or additional |
|-----|--|---|
| 1.1 | Clients comply with all national laws and regulations, as well as international conventions and legislation applicable to them, and obtain, maintain and ensure compliance with all requisite permits and licenses.*) | In addition, it must be assessed whether the client can evidence that the Do No Significant Harm (DNSH) principles as defined in the EU Taxonomy ¹⁰ are met (see section glossary for further details). |
| 2.1 | Clients have policy and processes to address the human rights impacts and risks in the own operation and/or value chain, that they have identified as material/salient, in accordance with the UN Guiding Principles. | The client has identified material (risks to company) and salient (risks to people) human rights risks and seeks to prevent an mitigate these risks through policy and processes and providing access to remedy in accordance with the UN Guiding Principles. |
| 3.2 | Clients have, or participate in, effective operational-level grievance mechanism for stakeholders who may be adversely impacted by their operations. | There is a documented system and process in place for dealing with complaints and grievances from internal and external stakeholders. The client explains how it ensures this grievance mechanism is aligned with the UNGP effectiveness criteria. |

¹⁰ For UK clients the UK Green Taxonomy is being based on the EU Taxonomy on a case by case basis. The EU Taxonomy will be applied until the UK Green Taxonomy is ratified.

| | | |
|------|---|---|
| 5.1 | Clients have a strategy in place defining their role in the transition to a Net Zero economy . For nuclear energy the assessment focuses on the role of nuclear in the regional and national transition strategy. | The role of nuclear energy in the regional and national transition strategy (see considerations above) must be assessed. |
| 6.1 | Clients take measures to mitigate the physical climate risks they have identified (e.g. in their assets, supply chains and transportation routes). | The client has identified physical climate risks (e.g. flooding, droughts, extreme weather) and how these risks may impact its business activities. The client is taking measures to mitigate these risks and the assessment of its exposure to physical climate risks informs the client's long term strategy. |
| 7.1 | Clients minimize and mitigate their impacts of their own operation and/or value chain on (where relevant): - biodiversity - land-use change - pollution of air, water, soil - use of water | The client has identified its impact on - where relevant - biodiversity; land-use change; pollution of air, water, soil; use of water, and has taken measures to minimize and mitigate any negative impacts. The client has integrated these topics in its business strategy. <i>Specific attention (substantiation) is required in relation to (nuclear) waste management and (where relevant) end of life of the site</i> |
| M.1 | Clients have a health, safety and security management system in place to minimize occupational hazards. | The client has a health, safety and security management system in place which is certified in line with OSHAS 18001 or ISO 45001 |
| M.3 | Clients promote that workers receive a living wage . | The client promotes a living wage for workers in its own operations. |
| M.5 | Clients are committed to the process of obtaining Free Prior and Informed Consent of Indigenous communities and other vulnerable communities when operations may impact their (land) rights. | For this sector FPIC is most relevant in the supply chain, therefore we expect clients to request from their suppliers that FPIC principles are applied. This closely related to requirement M.7. |
| M.7 | Clients apply environmental and social criteria to the selection of service providers, suppliers and contractors. | The client has a process in place to identify the environmental and social risks associated with its service providers, suppliers and contractors, performs environmental and social screening on them and conducts audits on its value chain partners as part of its due diligence and monitoring processes. <i>The focus of this should be on the sourcing of uranium.</i> |
| M.12 | Clients have a policy that requires performing Environmental and Social (E&S) Impact Assessments , with participation of affected communities, for new operations and/or expansions that are expected to have a material E&S impact. | The client has a policy in place in which they commit to undertake E&S Impact Assessments for new operations and/or expansions that are expected to have a material E&S impact. They are committed to involve affected communities in the process and the E&S Impact Assessment is publicly disclosed |
| M.13 | Clients have a system for emergency preparedness & response in place. | The client is aware of possible emergencies, has identified those and established a system for emergency preparedness & response. The system is being coordinated with surrounding communities and first emergency responders and tested periodically. |

8 Management of exceptions (Non-compliance management)

Clients will be assessed against the requirements as defined in the Standard. At all times, the Bank applies the 'comply or explain' principle. This means that companies are expected to comply, but if there are acceptable reasons for not complying, they can still be accepted (risk acceptance).

In case of actual risk, meaning that the performance of the client is not adequate to address the inherent risk¹¹ in its sector, the Bank will engage with the client by means of a structured and documented dialogue. As a transition Bank with an inclusive approach, underperformance of clients is not an immediate reason for exclusion, but it is reason for engagement. Clients' willingness and ability to improve is crucial in that respect.

¹¹ As defined in the Inherent Sustainability Risk Sector Classification (ISR).