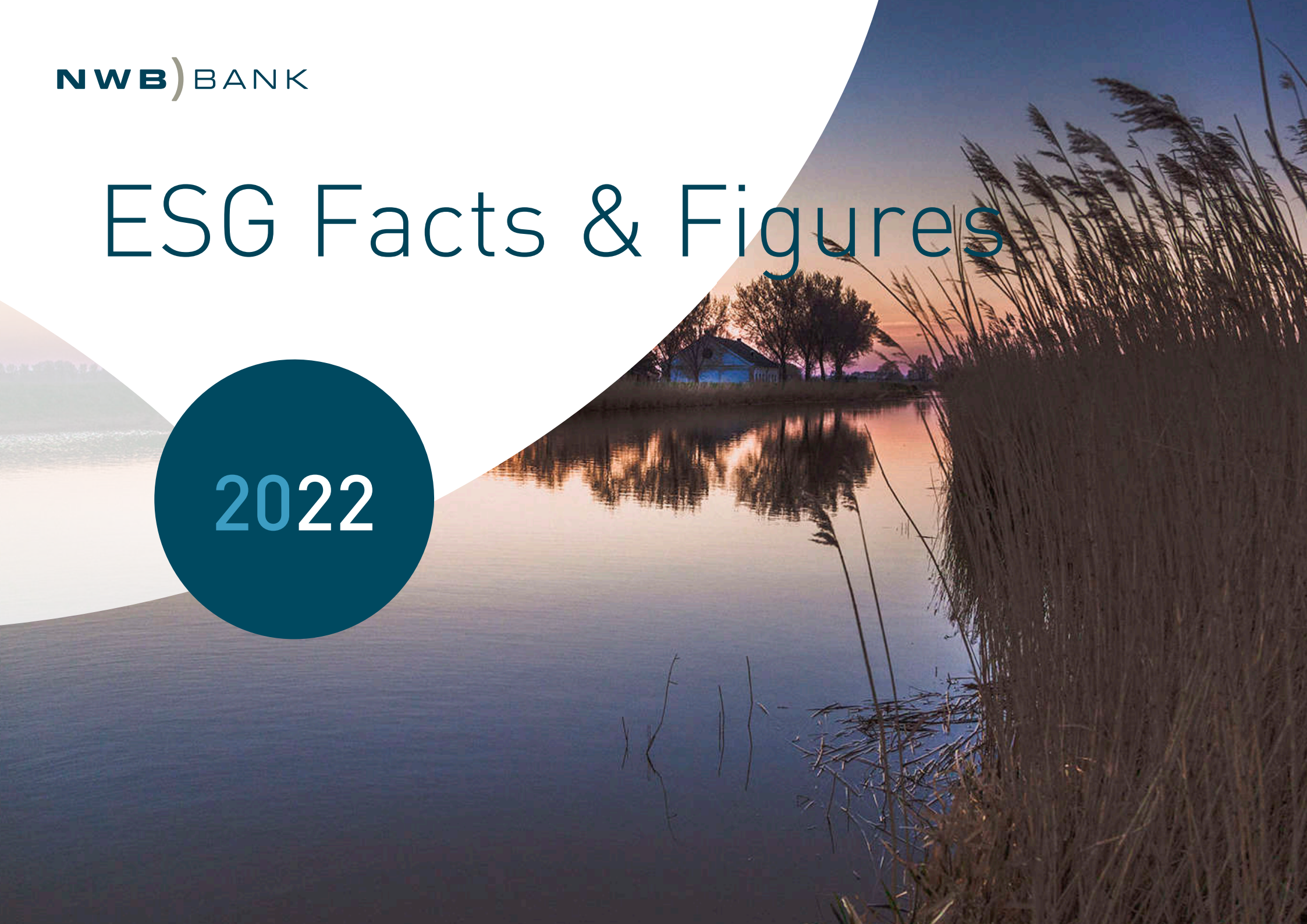


ESG Facts & Figures

2022



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EU GREEN TAXONOMY REPORT

EQUATOR PRINCIPLES

INTRODUCTION

This publication is intended to provide additional Environment, Social and Governance (ESG) disclosures and complements our 2022 annual report. In this publication, we discuss the figures we have presented in more detail and provide additional context. The content of this publication is driven by stakeholder inquiry (e.g. ESG rating agencies) and the commitments we have signed.

Our bank has a Sustainability Advisory Board (SAB) tasked with preparing, monitoring and amending plans and policies directly linked to sustainability. The SAB is also responsible for drawing up the bank's sustainability policy, which is published on our website.

We endorse the following externally developed economic, environmental and social charters, principles or other initiatives:

- Climate Statement of the Dutch Banking Association (NVB);
- UN Global Compact Principles;
- UN Guiding Principles on Business and Human Rights;
- UN SDGs;
- Finance for Biodiversity Pledge;
- Dutch Corporate Governance Code (voluntary application);
- Equator Principles (project finance);
- GRI guidelines (GRI is a binding principle for publicly held enterprises);
- Banking Code (binding principle);
- Green Bond Principles;
- Social Bond Principles;
- OECD guidelines;
- Delta Plan for Biodiversity Recovery;
- Transparency benchmark.

We have examined which international sustainability principles could be applicable and have added value for NWB Bank. As a result, we signed the Equator Principles and the UN Global Compact principles. The implementation of the UN Global Compact principles is incorporated in this report (pages 6, 11, 16 and 21). For human rights we use the UN Guiding Principles on Business and Human rights (page 17). These principles are also incorporated in this report.

This report is based on the ESG topics. In addition, the EU Green Taxonomy Report is included as the final chapter. The environmental and social impact of our business operations are classified as less material based on the materiality analysis in our annual report. However, we want to be transparent and account for our own impact as well as the impact of our financing activities. Therefore, we disclose the impact of our operations in this document.

ESG RATINGS

Our sustainability performance is regularly assessed by various independent Environmental Social Governance (ESG) rating agencies. This is expressed in an ESG rating or score. We value these ratings because they are an external reflection of the bank's sustainability vision, which we can use to identify areas that need improvement. We aim to report transparently on our sustainability performance. In addition to the ESG rating, our relative position in the rating compared to a peer group is also important to us.

The table below shows ratings by various rating agencies at year-end 2022.

ESG Rating Agency	Rating 12/31/2022	Relative position
ISS-ESG	B-	High relative performance
IMUG	BB	4th among the peer group
Sustainalytics	10.0	Negligible risk
VigeoEIRIS	57	

ENVIRONMENTAL

We have the following environmental goals:

	Result 2022	Result 2021	Target 2022	Target 2023	Target 2023	Target 2024
Greenhouse gas emissions from business operations p.p. (in tonnes CO ₂ (eq))	0.9	1.2	<2.0	<2.0	<2	<2
Energy label of office building (based on estimate by external expert)	A		C	A	A	A
Composition of car fleet	100% of car fleet emissions-free	Only purchased electric cars	80% of car fleet emissions-free	car fleet completely emissions-free	car fleet completely emissions-free	car fleet completely emissions-free

We have reduced the emissions from our business operations considerably in recent years, partly because we only buy electric cars. In addition, we have flown less in the past two years as a result of the pandemic.

All transport movements (commuting, cycling, car, train and air travel) are always weighed in the context of sustainability and environmental impact.

ANALYSIS OF THE ENVIRONMENTAL PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT (THE OTHER PRINCIPLES ARE COVERED WITH THE RELEVANT TOPIC)

Principle	Category	Risks	Impact	Opportunity	Goals (NWB/ Country Level)	Action
Principle 7 Businesses should support a precautionary approach to environmental challenges.	Environment	Physical, transitional and reputational risks	Medium	Focus on energy transition and environmental/ social impact	Climate action plan	Set and act on CO ₂ (eq) reduction targets
Principle 8 Undertake initiatives to promote greater environmental responsibility.	Environment	Reputational risk	Medium	Goals and training	Individual staff goals	Educative lunch sessions for employees about environmental and socially relevant topics.
Principle 9 Encourage the development and diffusion of environmentally friendly technologies.	Environment	Reputational risk	High	Earmarking lending to projects with environmentally friendly technologies	Impact lending (sustainability linked loans)	NWB Bank signed the climate agreement

OFFICE BUILDING

We have a compact office organisation (107 FTEs) located in an office building at Rooseveltplantsoen 3 in The Hague.

Impact results in a compact office organisation such as NWB Bank are relatively small. Nevertheless, environmental gains can be achieved with each individual measure. In each of these cases, the measures will have to be assessed in terms of economic feasibility, technical lifespan, energy savings, etc. Due to various sustainable measures and renovations in 2022, the building now has an A energy label.

Possible other savings measures include:

- Given the size of the roof, savings measures are limited. Installing PV panels is being investigated.
- Installing a heat pump.

ENERGY CONSUMPTION AND CARBON EMISSIONS

Our energy consumption (electricity) is sustainable. Below is an overview of the emissions (equivalents) for 2022, which totalled approximately 98 tonnes (2021: 110 tonnes). Electricity in 2022 came from renewable sources with no direct carbon emissions. The gas was supplied by the utility company including a carbon offset. For the whole of 2022, emissions for foreign travel and paper consumption were offset by 'Trees for all'. Compensation was also provided for those cars in our fleet that were not electric yet for the full year.

Scope 1	Amount	Factor	Unit	CO ₂ emissions (kg)
Total amount of gas (Nm ³)	28.4	1.782	kg CO ₂ e/nm ³	51
Total amount of petrol (litres) company cars	679	2.8	kgCO ₂ e/l	2
Total amount of diesel (litres) company cars	1831	3.3	kgCO ₂ e/l	6
Scope 2	Amount	Factor	Unit	CO ₂ emissions (kg)
Amount of 'green' electricity (solar, water, wind, hydro, wind, geothermal heat, biomass) (kWh)	281.645	0	kg CO ₂ /kWh	0
Amount of 'grey' electricity (other, including nuclear power) (kWh)	0	0.463	kg CO ₂ /kWh	0
Scope 3	Amount	Factor	Unit	CO ₂ emissions (kg)
Total amount of paper (kg)	675	1.2	kg CO ₂ e/kg	1
Short (zone 1) (amount) air travel (number of flights)	23		tCO ₂ e/flight	21
Medium (zone) (amount) air travel (number of flights)	8		tCO ₂ e/flight	15
Long (zone 3) (amount) air travel (number of flights)	1		tCO ₂ e/flight	2
Total air travel				38
Total CO₂ footprint				98

To report the greenhouse gas emissions associated with an organisation's activities, 'activity data' is collected from users, such as the distance travelled and the litres of fuel used.

The monetary value of the carbon footprint can be calculated by using the CO₂e price. This amounts to €80 (price of industrial emissions of a ton of CO₂e) per ton by the end of 2022, based on the above emissions (€7,840).

WASTE & USE OF MATERIALS

The waste processor has issued a certificate showing that a certain amount of carbon is offset annually through the Climate Neutral Group. We have a 750-litre container that is exchanged weekly. However, no insight into the quantity of waste can be given. The waste processor's information does not allow a distinction to be made by type of waste. All waste is processed by the same waste processor, which means that no waste is dumped

(not even in exceptional cases). Waste water is discharged into the sewage system. We are in dialogue with suppliers to further improve sustainability arrangements.

Given our banking activities, NWB Bank does not produce any hazardous waste.

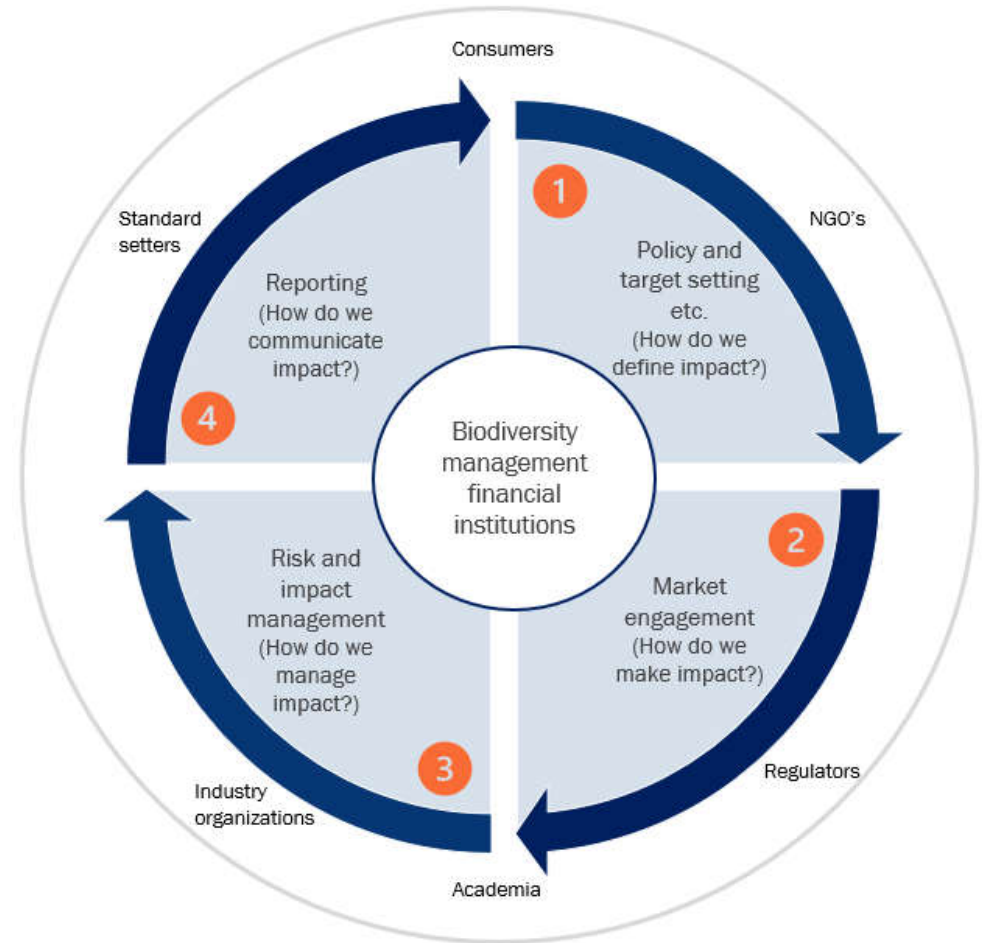
BIODIVERSITY

The Sustainable Finance Platform's Biodiversity Working Group has developed a road map to help financial institutions combat biodiversity loss. The road map offers guidance to institutions unfamiliar with the issue, as well as institutions that have already taken the first steps. We are the founder and sponsor of this financial sector-wide working group led by the bank's CEO Lidwin van Velden.

Financial institutions must put the loss of biodiversity on their agenda, in addition to climate change. In the meantime, a large number of Dutch financial institutions

(including NWB Bank) have made a commitment through the Finance for Biodiversity Pledge to chart their impact on biodiversity by 2024, setting targets for this impact, and then reporting on them.

Last year, we commissioned a pilot to map the biodiversity footprint of one of our clients. We will further map our impact in 2023.



SUSTAINABLE PRODUCTS AND SERVICES

2022		In millions of euros
Green loans	Green loans are loans to water authorities provided by NWB Bank that comply with NWB Bank's green bond framework. (90% of the total, in accordance with the framework).	4,410
Sustainable project finance	Sustainable project financing refers to all sustainable energy projects financed in the field of wind and solar. This includes financing to the Climate Fund.	909
Sustainable loans	Sustainable loans are loans to housing associations, provided by NWB Bank that comply with NWB Bank's social bond framework. (80% of the total, in accordance with the framework)	14,384
Sustainable mortgages	Residential mortgages financed by NWB Bank through the Green pass-through NHG RMBS.	2,229
Sustainable financing	Sustainable finance refers to products and services that finance sustainable sectors, asset classes or certified companies that have a net positive impact.	21,932

2022		In millions of euros
NWB Bank Green Bonds	Green bonds that are issued and ring-fenced and whose framework complies with the corresponding guiding principles.	575
NWB Bank Social Bonds	Social bonds that are issued and ring-fenced and whose framework complies with the corresponding guiding principles.	4,100
Sustainable funding	Sustainable funding refers to products and services that have a net positive impact.	4,675

CO₂ FOOTPRINT

SCOPE COVERAGE

Market segment	Sector	Scope 1	Scope 2	Scope 3
Social housing	Social housing associations	X	X	¹⁾
Public sector	Municipalities	X	X	X
	Provinces	X	X	X
	Water authorities	X	X	X
	Joint regulations	X	X	
	Others			
Healthcare	Healthcare	X	X	X
Education	Educational institutions	X	X	
Networks	Drinking water companies	X	X	X
Others	Others			

- 1) Scope 3 is not covered because data to calculate Scope 3 was not available. More specifically in regard to social housing, it is still a point of discussion whether to take Scope 3 into account. At the moment, this is not a requirement under the PCAF methodology. In general, Scope 3 emissions are considered immaterial when spread over the full life cycle of a social dwelling. Therefore, in addition to the data not being available, we do not take Scope 3 emissions into account for our social housing portfolio.

Science-based targets

We have submitted our science-based targets commitment letter to the Science Based Targets initiative and will be seeking approval of our targets in the coming months. Our CO₂e reduction targets are currently set by using tools from the SBT initiative and adjusted for sector targets. We have also set engagement targets to encourage our clients to set their own science-based targets. These two approaches ensure that our targets science-based.

	Scope 1+2	Scope 3	Engagement target
Social housing associations	<ul style="list-style-type: none"> 2018-2035: Science-based Targets Setting Tool V2.0 – 1.5 degree scenario 2035-2050: Linear 	N/A	All clients have science-based targets by 2030
Water authorities	<ul style="list-style-type: none"> 2018-2020: Linear 2020-2030: Corrected for sector targets; 80% reduction CH4 an 50% reduction N2O 2030-2050: Linear 	<ul style="list-style-type: none"> 2018-2050: Linear 	
Drinking water companies	<ul style="list-style-type: none"> 2018-2050: Linear 	<ul style="list-style-type: none"> 2018-2050: Linear 	
Municipalities	<ul style="list-style-type: none"> 2018-2050: Linear 	<ul style="list-style-type: none"> 2018-2050: Linear 	
Healthcare	<ul style="list-style-type: none"> 2018-2035: Science-based Targets Setting Tool V2.0 – 1.5 degree scenario 2035-2050: Linear 	<ul style="list-style-type: none"> 2018-2035: Science-based Targets Setting Tool V2.0 – 1.5 degree scenario 2035-2050: Linear 	

SOCIAL

ANALYSIS OF THE SOCIAL PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT (THE OTHER PRINCIPLES ARE COVERED UNDER THE RELEVANT TOPIC)

Principle	Category	Risks	Impact	Opportunity	Goals (NWB/ Country Level)	Action
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Labour	Reputational	Low	Be more transparent about country performance	Current: NWB Bank adheres to the 'CAO Banken'	-
Principle 4 The elimination of all forms of forced and compulsory labour.	Labour	-	Low	Be more transparent about country performance	Country level	Refer to the WJP Rule of Law Index, The Netherlands ranking (http://worldjusticeproject.org) > Global Rank 6.
Principle 5 The effective abolition of child labour.	Labour	-	Low	Be more transparent about country performance	Country level	Refer to the WJP Rule of Law Index, The Netherlands ranking (http://worldjusticeproject.org) > Global Rank 6.
Principle 6 The elimination of discrimination in respect of employment and occupation.	Labour	Lack of transparency	Medium	Transparent about company and/or country standards	Current: As required by law and the collective bargaining agreements in place and NWB Bank's own ambitions, NWB Bank approaches its employees respectfully and with due care, without in any way discriminating.	diversity day

SCALE & COMPOSITION OF WORKFORCE

WORKFORCE COMPOSITION BY GENDER

Year	2022	2021	2020
Number of employees	99 (96.32 FTE)	84 (81.0 FTE)	75 (71.7 FTE)
Of which male	59 (58.18 FTE)	52 (51.24 FTE)	46 (45.2 FTE)
Of which female	40 (38.14 FTE)	32 (29.95 FTE)	29 (26.5 FTE)

In 2022, 97 employees held office positions and 2 worked in facilities. 87% of the employees has a fulltime contract (13% parttime).

COMPOSITION OF THE MANAGEMENT TEAM

Year	2022	2021
Number on management team	13	13
Of which male	9	9
Of which female	4	4
Number on Managing board	4	4
Of which male	3	3
Of which female	1	1

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT

	2022		2021		2020	
	%	Number	%	Number	%	Number
Employees with a permanent contract	76.8	76	86.9	73	81.3	61
Employees with a temporary contract	23.2	23	13.1	11	18.7	14
Coverage	100,0	99	100	84	100	75

EMPLOYEES ACCORDING TO AGE CATEGORY

	2022		2021		2020	
	Number	%	Number	%	Number	%
Employees 60 to 70 years	6	6.1	3	3.6	2	2.7
Employees 50 to 60 years	27	27.3	27	32.1	23	30.7
Employees 40 to 50 years	25	25.3	22	26.2	22	29.3
Employees 30 to 40 years	25	25.3	22	26.2	17	22.7
Employees 20 to 30 years	16	16.2	10	11.9	11	14.7

We do not make a distinction based on minority group membership or ethnic background.

EMPLOYEE WELFARE

Our bank aims to provide a healthy and safe working environment at the office and at home. We want to be a modern employer that offers employees, with the exception of those involved in operational transaction processes, the opportunity to work anywhere and anytime. We have a hybrid working arrangement that enables optimal work performance through the combination of working at the office and from home. In addition, we also focus on optimising the organisation of the working week in terms of activities and consultation structures. The fact that many of our employees had to work from home last year was a challenge. With the introduction of the hybrid working arrangement, we devoted attention to our employees' physical and mental health. We have made a budget available for equipping workplaces in employees' homes with health and safety-certified furniture, and employees can request a workplace survey by an occupational health expert. In addition, employees can use the schemes

for (special) leave for their personal situation, such as the statutory regulations for parental leave and care leave. Additional agreements have been made in the collective labour agreement (CLA) for the Dutch banking industry. Employees can also purchase additional leave, and there is a special scheme for unpaid leave.

HEALTH & SAFETY MANAGEMENT

	Result 2022	Result 2021	Target 2022	Target 2023	Target 2024
Absenteeism	5.80%	4.70%	<2%	<2%	<2%
Spent training budget p.p.	€ 3,453	€ 3,647	3-year rolling/moving average	3-year rolling/moving average	3-year rolling/moving average
Completed internships	3	3	>2	>2	>2

Our goal is to keep absenteeism due to illness below 2%. There were no physical accidents/injuries in the workplace last year. Absenteeism in 2022 was higher due to a number of long-term illnesses and a general increase in illness on a national level.

Health and safety management system

We are committed to promoting the mental and physical health of our employees by providing a safe environment and encouraging healthy behaviour. Health and safety at our bank is addressed in several programmes, such as the programmes for undesirable behaviour and absenteeism, but also in various activities. Our bank provides weekly fruit for employees, and to keep fit, they can use the bank's gym and bicycle scheme. There is also a company emergency service in the office.

The bank's occupational health and safety policy brings together all the measures in place to ensure a healthy and safe workplace. We are supported in health and safety matters by an external health and safety service. In this way, the bank provides good advice on absenteeism and reintegration support. The Gatekeeper Act is followed in

this respect. All employees can use the company doctor's preventive and anonymous consultation hours to ask questions about their health and performance. Employees are offered the opportunity to have a periodic medical examination carried out on a voluntary basis. This health check is linked to personal health advice that employees can use in their personal situation.

Attention is also paid to mental well-being, and managers have regular discussions with their employees. When it comes to development or personal situations, we offer the opportunity to follow a development and/or coaching pathway. In addition, a prevention officer will be appointed in 2023 to work continuously on creating a healthy working environment within the bank that promotes well-being and reduces stress. through these activities, the bank is proactively contributing to the health of its employees.

TRAINING AND DEVELOPMENT

	2022	2021	2020
Average training costs	€ 3,453	€ 3,647	€ 4,105
Number of training hours	4,455	3,780	3,825
Average number of training hours per employee	45	45	51

DIVERSITY AND INCLUSION

The bank is an inclusive organisation that embraces the diversity of its employees and strives for a balanced mix of employees who complement each other. Respect for each other is the foundation of a healthy working environment. Discrimination and other undesirable behaviour do not fit in with this. For example, we have a 'Regulation on undesirable behaviour' that aims to give employees who are personally the victims of undesirable behaviour in any way the opportunity to submit a complaint or approach the bank's confidential adviser. This function is currently assigned internally and will be externalised and updated in 2023.

In 2022, there were no reports of discrimination within the organisation. As the organisation grows, attention to culture and onboarding is becoming increasingly important. To ensure that new employees get off to a good start, they attend two onboarding days at NWB Bank.

In addition, extensive attention is paid to the 'three lines of defence' model, risk awareness and compliance. This gives new employees an unambiguous and general insight into the bank. The creation of the bank's 'vision quadrant' during the 'NWB Together Days' in September is a reflection of the bank's core values and core qualities. In this way, all employees involved recognise and contribute to our culture. We also pay attention to diversity and inclusion when recruiting new employees and are open to everyone regardless of gender, age, religion, cultural background, occupational disability and sexual orientation. We aim to create a working environment that maximises everyone's talents, with an explicit focus on sustainable employability. We are committed to providing equal opportunities for all.

We emphasise the inclusiveness of our organisation when recruiting new employees and in our vacancy ads, and candidates who do not meet all the requirements are still encouraged to apply. To provide cultural insight and awareness during employment, an annual diversity day is held with a bank-wide presentation on the aspects of inclusive cooperation. An employee satisfaction survey (MTO) is also planned, so we can monitor the working experience at our bank. Endorsing the SER diversity charter in 2023 will further contribute to the bank's diversity and inclusion policy. In the charter, we will describe concrete challenges and objectives in the area of diversity and inclusion in the workplace.

INTERNSHIPS

Last year, we filled three internship positions for students in ICT and Finance & Control. We thus met our internal target (of at least two internships per year).

SPONSORING

We are involved in the activities of our clients and Dutch society. That is why the bank supports social, cultural and environmental projects that clearly have a positive impact on society. We do this by providing sponsorships in the form of money and/or time and by encouraging employees to work as volunteers. Employees are involved in a variety of social projects including NL Doet, World Cleanup and Banks in the Classroom, where the bank's employees and Managing Board members act as guest teachers in primary schools. Projects and/or activities associated with water also qualify for a financial contribution from the bank. Our annual sponsorship budget is €125,000.

EQUAL REMUNERATION

Our remuneration policy is intended to reflect the social role we play as a bank of and for the public sector. It is a moderate and clear remuneration policy that corresponds with our bank's strategy, risk profile and risk appetite. We adhere to the collective labour agreement for the banking industry and comply with national and international laws and regulations. The policy fully applies to all employees, regardless of position, gender and level. We give equal remuneration to employees working in comparable positions. Our remuneration policy thus helps to attract and retain qualified and expert staff, enabling us to achieve our bank's long-term objectives aimed at long-term value creation.

In 2022, we conducted a study into possible gender pay gaps. The results show that the bank pays men and women equally. Attention to equal pay remains important and therefore has our structural attention.

TRAINING AND DEVELOPMENT

We attach great importance to training and development. Department managers monitor employee development at an individual level, giving due consideration to our bank's objectives and making no distinction in terms of gender. Employees also have their own responsibility where their employability is concerned.

	2022	2021	2020
Average training costs	€ 3,453	€ 3,647	€ 4,105
Number of training hours	4,455	3,780	3,825
Average number of training hours per employee	45	45	51

Personal development and training

We encourage our employees to continue to develop their knowledge and skills. Departmental managers and employees monitor their development together, taking into account the necessary core competencies associated with the bank and the position. The performance management cycle, i.e. the assessment, target-setting and evaluation interview between employee and manager, is one of the ways in which this is done. We ask employees to think actively about their own development and to provide input on their own performance. We also offer scope for internal promotion and always make vacancies available to internal employees.

We also use HR tools such as strategic personnel planning (SPP) and the '9 grid'. These tools provide insight into the long-term needs and development potential of employees. This contributes to the targeted guidance and support of talent within the organisation.

Thanks to a training budget of €300,000, we offer ample opportunity for training and development. In 2022, an average of €3,453 was spent per employee on training (including in-company training). Furthermore, 100% of the training budget was spent.

In addition, learning on the job is an important part of learning and development at our bank. In addition to this individual development, last year we also organised in-company training courses on home office ergonomics, Customer Due Diligence, integrity and the Terrorist Financing Prevention Act (Wwft).

Furthermore, we provide opportunities for internal advancement and open positions for internal employees. In 2022, 8% of employees moved on to another position and/or department. Finally, in collaboration with an external party, we offer a traineeship for recent graduates, in which the trainee can experience the activities of several departments over the course of a year.

Employee feedback

To obtain feedback from employees, we conduct employee satisfaction and work experience surveys. These surveys focus on employees' job performance and work experience. Employees are guided through a questionnaire based on various topics such as satisfaction, involvement, influence, work pressure and safety. The results of the survey are discussed internally and an action plan is drawn up to further improve specific areas.

At the end of 2021, we started an extensive study into Psychosocial Workload (PSA) in the context of the Risk Inventory & Evaluation. Based on the results, an action plan was drawn up and measures are taken to improve matters.

HUMAN RIGHTS AND SUPPLY CHAIN MANAGEMENT

There were no cases of misconduct in 2022. Policy commitments are always approved by the Managing Board.

ANALYSIS OF THE HUMAN RIGHTS PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT (THE OTHER PRINCIPLES ARE COVERED WITH THE RELEVANT TOPIC)

Principle	Category	Risks	Impact	Opportunity	Goals (NWB/ Country Level)	Action
<p>Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.</p>	Human rights	Reputational risk to the bank, risk to affected stakeholders and risk of non-compliance with future legislation on human rights due diligence	Low	Be more transparent about relevant human rights aspects	Compliance with future (EU or Dutch) legislation on human rights due diligence	NWB Bank adheres to existing international guidelines on human rights and is monitoring the development of legislation on human rights due diligence closely.
<p>Principle 2 Make sure that they are not complicit in human rights abuses.</p>	Human rights	Risk to affected stakeholders and risk of non-compliance with future legislation on human rights due diligence	Low	Be more transparent about relevant human rights aspects	Compliance with future (EU or Dutch) legislation on human rights due diligence	NWB Bank adheres to existing international guidelines on human rights and is monitoring the development of legislation on human rights due diligence closely.

PART A, PART B AND PART C OF THE UN GUIDING PRINCIPLES REPORTING FRAMEWORK

	UN Guiding Principles Reporting Framework	The NWB Bank approach
Part A		
Governance of respect for human rights		
A1: policy commitment	What does the company say publicly about its commitment to respect human rights?	
	A1.1 How has the public commitment been developed?	The public commitment is developed by the SAB of NWB Bank on the basis of relevant covenants (including UN GP Reporting Framework).
	A1.2 Whose human rights does the public commitment address?	It addresses the potential human rights issues related to NWB Bank and its clients.
	A1.3 How is the public commitment disseminated?	Our policy commitment on human rights is part of our sustainability policy that has been published on our website.
A2: embedding respect for human rights	How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?	
	A2.1 How is day-to-day responsibility for human rights performance organised within the company, and why?	The lending departments have day-to-day contact with clients and applies the CDD policy of NWB Bank. In our CDD policy, there is an increased importance of including ESG aspects (such as social risks). The SAB takes responsibility through policy and procedures (Equator Principles and sustainability policy).
	A2.2 What kinds of human rights issues are discussed by senior management and by the company. And why?	In 2022 the results of our social and governance risk assessment were discussed.
	A2.3 How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	At the start of their employment, employees are made aware of the policy and procedures in place.
	A2.4 How does the company make clear in its business relationships the importance it places on respect for human rights?	NWB Bank stresses the importance and relevance of human rights through stakeholder engagement and via its website.
	A2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	With the increasing attention on the 'S' in ESG and the inclusion of social risks into supervisory guidelines and proposed legislation, NWB Bank is increasingly focusing on the social risks that we are connected to in our banking activities.

	UN Guiding Principles Reporting Framework	The NWB Bank approach
Part B		
Defining the focus of reporting		
	B1 Statement of salient issues: State the salient human rights issues associated with the company's activities and business relationships during the reporting period	As a Dutch public sector bank, our exposures are geographically located in the Netherlands. Therefore, our list of salient issues might differ from the list of issues identified by commercial banks that finance projects in third countries. We have not identified severe salient issues during the reporting period. With the increased attention on the 'S'in ESG, we are developing our approach to human rights due diligence in line with existing standards and possible future legislation.
	B2 Determination of salient issues: Describe how the salient human rights issues were determined, including any input from stakeholders.	So far, the bank has not encountered any risk issues in relation with the bank's activities and business relationships nor has any input been received from stakeholders.
	B3 Choice of focal geographies: If reporting on the salient human rights issues focuses on particular geographies, explain how that choice was made.	NWB Bank only operates in the Netherlands.
	B4 Additional severe impacts: Identify any severe impacts on human rights that occurred or were still being addressed during the reporting period, but which fall outside of the salient human rights issues, and explain how they have been addressed.	Not applicable.
Part C		
Management of salient human rights issues		
C1: Does the company have any specific policies that address its salient human rights issues and, if so, what are they?	C1.1 How does the company make clear the relevance and significance of such policies to those who need to implement them?	The bank shares and discusses its human rights policy and procedures and their relevance with relevant employees.
C2: What is the company's approach to engagement with stakeholders in relation to each salient human rights issues?	C2.1 How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio. Stakeholder engagement will be taken aboard in developing such approach.
	C2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio.
	C2.3 During the reporting period, how have the views of stakeholders influenced the company's understanding of each salient issue and/or its approach to addressing it?	We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio.

	UN Guiding Principles Reporting Framework	The NWB Bank approach
C3: How does the company identify any changes in the nature of each salient human rights issue over time?	C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they? C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio. We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio.
C4: How does the company integrate its findings about each salient human rights issue into its decision-making processes and actions?	C4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues involved in finding and implementing solutions? C4.3 During the reporting period, what actions has the company taken to prevent or mitigate potential impacts related to each salient issue?	Stakeholder engagement, social risk, governance risk and CDD are mainly on a case-by-case approach with regard to human rights. If salient issues were to be identified, all relevant departments would be involved (front office, the Managing Board, SAB, Sustainability Officer, Legal team). We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio.
C5: How does the company know if its efforts to address each salient human rights issue are effective in practice?	C5.1 What specific examples from the reporting period illustrate whether each salient issue is being managed effectively?	We are currently developing our approach to human rights due diligence, suitable for our specific (Dutch public sector) portfolio.
C6: How does the company enable effective remedy if people are harmed by its actions or decisions in relation to salient human rights issue?	C6.1 Through what means can the company receive complaints or concerns related to each salient issue? C6.2 How does the company know if people feel able and empowered to raise complaints or concerns? C6.3 How does the company process complaints and assess the effectiveness of outcomes? C6.4 During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons had the company learned? C6.5 During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?	Information about the bank's complaint procedure is published on our website, where there is also an email address that can be used for submitting complaints. Clients and stakeholders are encouraged to open up about any potential concerns in client meetings and/ or stakeholders engagement meetings. Complaints are discussed at Managing Board level with involvement of the bank's Compliance Officer. No complaints were received in 2022. Not applicable

Indigenous peoples and local activities

All of our clients are Dutch and operate in the Netherlands. They comply with Dutch laws and regulations, and partly as a result of this, the local activities we finance comply with Dutch laws and regulations.

PRIVACY AND DATA PROTECTION

Privacy and data protection involves the risk of damaging the privacy, confidentiality, integrity and/or availability of information as a result of inadequate internal (IT) security and/or cyberattacks. Our bank's information security policy has been drawn up in accordance with the internationally recognised code for information security ISO-27002 (NEN).

COLLECTIVE LABOUR AGREEMENT

At year-end 2022, 91 employees were covered by the CLA for the banking industry. Eight employees, including four Managing Board members, were not covered by the CLA for the banking industry. Most of the terms and conditions of employment ensuing from the CLA for the banking industry are applied to the latter category.

Flexible working

Our workplace automation project has enabled more employees to work from home. Currently, all employees have received a laptop. From a security perspective, employees involved in the core processes cannot work from a different location. This applies to employees in the Back Office, Treasury and Lending departments.

Employees can use short- or long-term parental leave as determined by the government. Supplemental agreements in the CLA for the banking industry also apply.

We do our utmost to facilitate a flexible work situation in which care and studies can be combined with performing one's duties, regardless of the type of position.

SOCIAL AND GOVERNANCE RISKS

As the focus of both regulators and key stakeholders moves beyond the climate agenda, there is increasing attention on corporate performance on human rights and good governance. Financial institutions are required to contribute to the advancement of human rights and good governance through appropriate due diligence, as embedded in the UNGPs and OECD Guidelines.

We identified the most salient S&G risks for the four main sectors that NWB Bank provides loans to (see figure below). In line with international guidelines, risks are identified from a human perspective. Subsequently, these risks have been prioritized based on saliency: the severity of the risk and the likelihood of it occurring. The prioritised risks are further explained in this slide deck. NWB Bank manages risk through its engagement with clients. This means that the bank can and should hold its clients accountable for the way they conduct their due diligence and manage ESG risks.

As a main financier of the Dutch public sector, NWB Bank plays an important role in Dutch society. The bank is a key contributor to sustainable development by promoting responsible business conduct among our clients and by financing projects that can have a positive impact on sustainability. NWB Bank wants to uphold international standards as specified in the OECD Guidelines and upcoming legislation. The bank has therefore initiated a process to better integrate environmental, social and governance risks within our due diligence process. A review of environmental risks was performed prior to this assessment. The outcomes of the prioritisation led to several issues that were both serious and likely per sector. NWB Bank specifically indicated wanting to focus on those sectors where we have the most leverage, as they represent the most significant part of our portfolio.

These four sectors are:

- Housing associations
- Water authorities
- Municipalities
- Healthcare institutions

MAIN ISSUES AT NWB'S FOUR MOST SIGNIFICANT CLIENT GROUPS



HOUSING ASSOCIATIONS

1. Housing shortage
2. Equal opportunity
3. Climate change



WATER AUTHORITIES

1. Community health and safety
2. Climate change
3. Diversity



MUNICIPALITIES

1. Community engagement
2. Good governance
3. Climate change



HEALTHCARE INSTITUTIONS

1. Community health and safety
2. Access to healthcare
3. Good governance

GOVERNANCE

BRIBERY AND CORRUPTION

We organise bank-wide training courses, such as the bank-wide training on integrity. We also organise in-house training courses, such as the Customer Due Diligence (CDD training) and the Workshop TM (transaction monitoring) Alert Handling from Compliance. These training courses are intended for the entire staff (including Managing Board). The anti-corruption policy has been discussed in the management team and Managing Board.

No incidents of corruption relating to NWB Bank have been reported or identified. We have taken various preventive measures to combat corruption, the most important of which are as follows: Pre-Employment Screening and In-Employment Screening, the Insider Regulation, the Code of Conduct and the Whistle-blower Procedure.

ANALYSIS OF THE ANTI-CORRUPTION PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT (THE OTHER PRINCIPLES ARE COVERED WITH THE RELEVANT TOPIC)

Principle	Category	Risks	Impact	Opportunity	Goals (NWB/ Country Level)	Action
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-corruption	No training or dated policy, non compliance with anti-corruption guidelines and legislation.	Low	Training and policy update	Current: biannual anti- corruption/ integrity training	<ul style="list-style-type: none"> • Biannual training • Customer due diligence policy has been updated

Social results of benchmarks

The **World Justice Project (WJP) Rule of Law Index®** provides original, impartial information on how the public experiences the rule of law in everyday life in 139 countries around the globe. The Netherlands is one of those countries and features in the top 10.

TAXES

Our bank's mission and vision are the foundation of our tax strategy. The tax strategy ensures compliance with local and international tax laws/regulations in accordance with relevant (inter)national standards. Our strategy takes into account long-term considerations, risk management and careful consideration of the interests of all stakeholders, while at all times respecting our values.

The Managing Board oversees our tax policy. We endorse the importance of an open and constructive public debate, especially on tax ethics. In such a discussion, it is important that existing rules and principles of (inter)national taxation are taken as a starting point. We believe that a productive discussion about a socially responsible tax policy is best conducted on the basis of principles such as transparent communication, respect for the intentions of the law and consistent application of our own tax policy.

We have a low tax risk appetite with respect to our own tax position and never give tax advice or facilitate tax evasion by our clients. The tax is reported in the annual report.

ETHICS

We attach great value to our reputation as a solid and respectable bank for the public sector. For this reason, compliance and integrity play an important role in our bank's control mechanism. We wish to leave no doubt in our clients and investors' minds that they can be completely confident about using our services, and secure in the knowledge that their funds are safe.

Following on from the Banking Code, the members of the Managing Board have signed the declaration of moral and ethical conduct. The principles of this declaration apply to all employees and have been further elaborated in a Code of Conduct, which is part of the employment contract. In addition, the Code of Conduct has been posted on our intranet and on the bank's website. All employees (including the members of the Managing Board and Supervisory Board) and all external staff who work in the bank for more than

three months have taken the banker's oath. Lastly, all the bank's recruits are subject to Pre-Employment Screening, regardless of their position. In addition, all employees in commercial roles and management team members must be listed in one of the registers of the Dutch Securities Institute.

The compliance function is aimed at promoting and (ensuring) compliance with laws and regulations, and with internal procedures and rules of conduct that are relevant to the integrity and corresponding reputation of the organisation. In 2021, the compliance function was placed organisationally under the CRO and is therefore part of the broader risk and compliance team. This allowed the synergies between the different disciplines in managing the bank's risks to be exploited even more explicitly within these second-tier functions. Furthermore, the compliance function reports directly to the Managing Board and has an escalation line to the Supervisory Board. The Risk Committee receives reports regularly. The duties of the compliance function are laid down in the Compliance Charter, which is updated annually.

INVESTING RESPONSIBLY

We have determined the sustainability score of our bank's liquidity portfolio on the basis of public ESG scores/ratings.

As at 31 December 2022, the liquidity portfolio contains the following sustainable bonds:

in millions of euros	
Notional of thematic (ESG) bonds in portfolio	210
Hurdle minimum investment amount ESG achieved	Yes

As a promotional bank, we also indirectly contribute to the financing and affordability of residential mortgages. We do this by investing in Green pass-through NHG RMBS (Residential Mortgage-Backed Securities based on residential mortgages with a National Mortgage Guarantee). Last year, we successfully closed a first investment

in a RMBS, which had been launched in 2020. In the meantime, a second one has been launched. The underlying mortgages have longer maturities and thus contribute to the need that exists in the market. In addition, there is a favourable rate for that part of the mortgage that is used to make the home more sustainable. At year-end, our portfolio amounted to approximately €2,229 million (2021: €1,329 million). In the coming years, we want to continue to contribute in this way to the affordability of owner-occupied homes for starters and lower-income households, among others.

GOVERNANCE STRUCTURE

We are a public limited liability company. We have an Managing Board and a Supervisory Board, the latter having all the powers granted by law to a company's supervisory board. More information on the Managing Board and the Supervisory Board is included in the annual report. The overview below provides an insight into the bank's organisational structure (organisation chart). Further details of the business model may also be found in the annual report.

ORGANISATIONAL STRUCTURE

CEO	CCO	CFO	CRO
executive secretariat	treasury	finance & control	ALM risk management
hr & facility management	public finance	back office	credit risk management
internal audit		ICT	operational risk & security management
legal & corporate affairs		business change management	compliance

Chair of the highest governance body/independence

When Managing Board members hold ancillary positions or carry out transactions, conflicts of interest may arise. An overview of important relevant ancillary positions and supervisory directorships held by members of the Managing Board must be submitted to the Supervisory Board for approval. The relevant Managing Board or Supervisory Board member will not partake in discussions about a subject or transaction in respect of which the company has a conflict of interest with that member. All transactions, including those involving conflicting interests of Managing Board members, will be conducted on terms customary in the sector. In cases in which NWB Bank has a conflict of interest with the Managing Board, the bank will be represented by one of the Supervisory Board members designated for that purpose by the Supervisory Board.

Independence of members of one-tier board structure

Not applicable since NWB Bank does not have a one-tier board.

Precautionary principle

The precautionary principle means assessing the potential risks for people and the environment before marketing a product or starting an activity. This principle is frequently applied in the form of preliminary investigations. The various options are weighed up, for instance when accepting new clients, providing loans or developing new products. In doing so, the bank applies the precautionary principle, which is reflected in processes such as the product approval and review process (PARP).

Transfer pricing and the precautionary principle: clients may ask NWB Bank to provide indicative rates through the lending departments. This enables clients to base their investment decisions on sound knowledge regarding the rates applicable at the time.

As was the case in 2021, there were no acquisitions and/or disposals in 2022.

POLITICAL CONTRIBUTION AND LOBBYING

We operate in a regulated environment: We traditionally maintain good relations with political and social stakeholders. We do this at the local and regional levels and at the national and EU levels. We want to use our expertise to contribute to informed political decision-making in the interests of our clients and our bank. We invest in relationships with politicians and government officials on a wide range of issues.

NWB Bank does not and will not donate to political parties.

EU GREEN TAXONOMY REPORT

QUANTITATIVE REPORTING OF KPI'S FOR CREDIT INSTITUTIONS

Until the Non-Financial Reporting Directive (NFRD) is amended such that it is mandatory for our bank, we will report voluntarily under the Taxonomy Regulation. For the time being, the voluntary reporting under the Taxonomy Regulation is in line with our strategy of being a 'sustainable water bank' and maintaining a leading position in the area of sustainability. The voluntarily reported information distinguishes between 'mandatory' disclosures in the first table and 'voluntary' disclosures in the second table.

Taxonomy indicator	Results 2022
% of assets that are eligible for the taxonomy	19
% of assets that are not eligible for the taxonomy	81
% of total assets are exposures to central governments, central banks and supranational institutions	71
% of total assets are derivatives	7
% of total assets are organisations that are not required to meet the reporting obligations of the NFRD	3

The percentage of assets that qualifies for the taxonomy includes collateral posted in relation to derivatives transactions.

The majority of our exposures are included in the category exposure to central governments, central banks and supranational institutions. We have aligned this with the supervisory reports. In the supervisory reports, however, the term general government is used. This also includes municipalities, provinces and funding under government guarantee. Our financing to water authorities and social housing corporations is placed under local government financing as we consider this to be specialised financing to local governments. For municipalities and provinces we do not know the exact purpose of the financing since these are used for their general purposes.

QUANTITATIVE REPORTING OF KPI'S OF CREDIT INSTITUTIONS - MANDATORY DISCLOSURES

in millions of euros	2022	
	a Total gross carrying amount	b Of which towards taxonomy relevant sectors (Taxonomy-eligible)
1 GAR - Covered assets in both numerator and denominator	13,565	7,352
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13,565	7,352
3 Financial corporations	6,344	1,160
4 Credit institutions	4,056	
5 Loans and advances	3,508	1,160
6 Debt securities, including UoP	548	
7 Equity instruments		
8 Other financial corporations	2,288	1,992
9 of which investment firms		
10 Loans and advances	296	
11 Debt securities, including UoP	1,992	1,992
12 Equity instruments		
13 of which management companies		
14 Loans and advances		
15 Debt securities, including UoP		
16 Equity instruments		
17 of which insurance undertakings		
18 Loans and advances		
19 Debt securities, including UoP		
20 Equity instruments		
21 Non-financial corporations		
22 NFCs subject to NFRD disclosure obligations		
23 Loans and advances		
24 Debt securities, including UoP		
25 Equity instruments		
26 Households		
27 of which loans collateralised by residential immovable property		
28 of which building renovation loans		
29 of which motor vehicle loans		

in millions of euros	a	b
	2022	2022
	Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)
30 Local governments financing	7,221	4,200
31 Collateral obtained by taking possession: residential and commercial immovable properties		
32 Other local government financing	7,221	4,200
33 Other assets excluded from the numerator for GAR calculation (covered in the denominator)	7,824	
34 Non-financial undertakings	2,508	
35 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations		
36 Loans and advances	2,508	
37 of which loans collateralised by commercial immovable property		
38 of which building renovation loans		
39 Debt securities		
40 Equity instruments		
41 Non-EU country counterparties not subject to NFRD disclosure obligations		
42 Loans and advances		
43 Debt securities		
44 Equity instruments		
45 Derivatives	5,244	
46 On demand inter-bank loans		
47 Cash and cash-related assets		
48 Other assets (e.g. goodwill, commodities, etc.)	72	
49 Total GAR assets	21,389	7,352
50 Other assets not covered for GAR calculation	51,896	
51 Sovereigns	43,278	
52 Central banks exposure	8,618	
53 Trading book		
54 Total assets	73,285	7,352
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations		
55 Financial guarantees	5	
56 Assets under management		
57 Of which debt securities		
58 Of which equity instruments		

QUANTITATIVE REPORTING OF KPIS OF CREDIT INSTITUTIONS - VOLUNTARY DISCLOSURES

in millions of euros	2022	
	a Total gross carrying amount	b Of which towards taxonomy-relevant sectors (Taxonomy-eligible)
1 GAR - Covered assets in both numerator and denominator	46,787	34,805
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	46,787	34,805
3 Financial corporations	6,344	1,160
4 Credit institutions	4,056	
5 Loans and advances	3,508	1,160
6 Debt securities, including UoP	548	
7 Equity instruments		
8 Other financial corporations	2,288	1,992
9 of which investment firms		
10 Loans and advances	296	-
11 Debt securities, including UoP	1,992	1,992
12 Equity instruments		
13 of which management companies		
14 Loans and advances		
15 Debt securities, including UoP		
16 Equity instruments		
17 of which insurance undertakings		
18 Loans and advances		
19 Debt securities, including UoP		
20 Equity instruments		
21 Non-financial corporations	33,222	26,578
22 NFCs subject/not subject to NFRD disclosure obligations	33,222	26,578
23 Loans and advances	33,222	26,578
24 Debt securities, including UoP		
25 Equity instruments		
26 Households		
27 of which loans collateralised by residential immovable property		
28 of which building renovation loans		
29 of which motor vehicle loans		

	a	b
	2022	
in millions of euros	Total gross carrying amount	Of which towards taxonomy-relevant sectors (Taxonomy-eligible)
30 Local governments financing	7,221	4,200
31 Collateral obtained by taking possession: residential and commercial immovable properties		
32 Other local government financing	7,221	4,200
33 Other assets excluded from the numerator for GAR calculation (covered in the denominator)	7,824	876
34 Non-financial undertakings	2,508	876
35 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations		
36 Loans and advances	2,508	876
37 of which loans collateralised by commercial immovable property		
38 of which building renovation loans		
39 Debt securities		
40 Equity instruments		
41 Non-EU country counterparties not subject to NFRD disclosure obligations		
42 Loans and advances		
43 Debt securities		
44 Equity instruments		
45 Derivatives	5,244	
46 On demand inter-bank loans		
47 Cash and cash-related assets		
48 Other assets (e.g. goodwill, commodities, etc.)	72	
49 Total GAR assets	54,611	34,805
50 Other assets not covered for GAR calculation	18,674	
51 Sovereigns	10,056	
52 Central banks exposure	8,618	
53 Trading book		
54 Total assets	73,285	34,805
Off-balance sheet exposures - undertakings subject to NFRD disclosure obligations		
55 Financial guarantees	5	
56 Assets under management		
57 Of which debt securities		
58 Of which equity instruments		

QUALITATIVE REPORTING LINKED TO QUANTITATIVE KPI'S¹⁾

Until the Non-Financial Reporting Directive (NFRD) is amended, we will report voluntarily under the Taxonomy Regulation²⁾. For the time being, the voluntary reporting under the Taxonomy Regulation is in line with our strategy of being a 'sustainable water bank' and maintaining a leading position in the area of sustainability.

Below, we provide the qualitative information required by the Taxonomy Regulation in support of the quantitative information provided on the preceding pages.

Contextual information to support the quantitative indicators, such as the scope of assets and activities covered by the KPI's, information on data sources and constraints

In the first two years (2022 and 2023), the Taxonomy Regulation requires only limited reporting. Although this reporting can be provided in free format, the European Commission is recommending the use of the template for KPIs of credit institutions that becomes mandatory in 2024. We follow this advice by using the template to report the information. The European Commission has also indicated that estimates in the form of voluntary disclosures may be used for the reporting, provided that the voluntary reporting is not part of the mandatory disclosures. We make use of this possibility by including the template twice in the ESG Facts & Figures, using estimates in the second template.

The need to report voluntary information stems from our bank's special position as a public sector bank (promotional bank) and its distinctive portfolio. More than 80% of our portfolio consists of public sector clients (or institutions guaranteed by local authorities) that obtained balance sheet financing. These clients are not required to report under the NFRD, which means that we will not be able to include most of these exposures in the KPIs for the green asset ratio (GAR) in the future - even though public

sector clients undertake many activities that are 'green' according to the Taxonomy Regulation. Consider, for example, the loans to housing associations. These clients are not required to report under the NFRD either, even though they are working hard to make their properties more sustainable. We note that, as a promotional bank, we finance many 'green' activities but that these exposures do not qualify as such under the mandatory reporting section of the Taxonomy Regulation. The voluntary reporting section is therefore a welcome and valuable addition.

Below is the contextual information for the template for **mandatory reporting:**

Credit institutions (row 5)

A number of credit institutions have already reported under the Taxonomy Regulation. Based on these reports, we reported the eligibility under the Taxonomy Regulation of EU Banks.

Other financial undertakings (row 11)

Here we include all RMBSs as eligible, since residential mortgages are 100% eligible under the Taxonomy Regulation.

Few 'non-financial corporations that are subject to NFRD reporting' (rows 22)

As a promotional bank, our portfolio consists almost entirely of lending to (local) governments and other public sector parties. The number of clients that are subject to NFRD reporting (listed undertakings, banks and insurers) is negligible. This is an important difference with commercial banks.

The successor to the NFRD – the CSRD – will probably not generate much change. The CSRD will cover all 'large' private undertakings but not public legal entities such as water authorities and municipalities. Moreover, housing associations will probably not be subject to the CSRD.

1) See Annex XI to Delegated Regulation (eu) 2021/2178 L_2021443NL.01000901.xml (europa.eu) (NL) / EUR-Lex - 32021R2178 - EN - EUR-Lex (europa.eu).

2) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 EUR-Lex - 32020R0852 - EN - EUR-Lex (europa.eu).

Local government financing (row 30)

This row is intended for 'specialised lending' to local governments. We classified the water authorities under specialised lending, as they use our funding for their legal mandates in the field of climate mitigation and adaptation. In the Netherlands, however, public housing is not provided by municipalities but by housing associations (guaranteed by central and local governments).

Other local government financing (row 32)

This row is intended for specialised lending to local governments. We classified the water authorities under specialised lending, as they use our funding for their mandates in the field of change mitigation and adaptation. As a result of rising sea levels, extreme rainfall and prolonged drought, they need to invest in climate adaptation and climate mitigation measures, for which they obtain financing from our bank. Based on an analysis of NWB Bank's green bond framework, we concluded that 72.7% of the 80% qualify for eligibility under the Taxonomy Regulation. For the other local governments, the percentage of 'green' activities has not been determined yet.

The following is the contextual information for the **voluntary reporting template**:

Credit institutions (row 5)

A number of credit institutions have already reported under the Taxonomy Regulation. Based on these reports, we reported the eligibility under the Taxonomy Regulation of EU Banks.

Other financial undertakings (row 11)

Here we include all RMBSs as eligible, arguing that retail mortgages are 100% eligible under the Taxonomy Regulation.

More 'non-financial corporations that are subject to NFRD reporting' (rows 22)

Here we include lending to all housing associations, arguing that the financing of public housing in the Netherlands (with a guarantee from the Social Housing Guarantee Fund) is not handled by municipalities (row 30) but by private parties. Our bank's SDG Housing Bond Framework shows that 80% of the financing to housing associations is used for social housing. This percentage is used for the eligibility under the Taxonomy Regulation. We argue that residential mortgages are also 100% eligible under the Taxonomy Regulation.

More 'other local government financing' (rows 30 + 32)

Here we include lending to water authorities, for example, but not to housing associations because we include them in the categories above. Subsequently, we have to use estimates: what percentage of their spending is 'green'? Our bank's Green Bond Framework shows that 80% of the financing to water authorities is used by these water authorities on 'green' activities. Of the 80%, part goes to planning, roads, waterways and other items. Based on an analysis of NWB Bank's green bond framework, we concluded that 72.7% of the 80% qualify for eligibility under the Taxonomy Regulation. For the other local governments, the percentage of 'green' activities has not been determined yet.

SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations (row 36)

For NWB Bank, this includes a number of client groups. We have assumed that the wind farms and solar parks are eligible under the Taxonomy Regulation. The other non-financial undertakings are not regarded as eligible. This includes the drinking water companies.

Explanation of the nature and objectives of taxonomy-aligned economic activities and the evolution of taxonomy-aligned economic activities over time, from the second year of implementation, distinguishing between business-related and methodological and data-related elements

This requirement refers to information on 'economic activities aligned with the taxonomy'. In the first two years, credit institutions are only required to report on 'taxonomy-aligned economic activities'.

Description of compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and client and counterparty relationships

The provision of information by clients is extremely important for the correct compliance with and implementation of the Taxonomy Regulation. This information will enable us to analyse how many economic activities we finance that qualify for and are in line with the Taxonomy Regulation. To be able to disclose this information, we will enter into a dialogue with clients. This information will also be contractually secured in the loan agreements.

Although we are the largest issuer of ESG bonds in the Netherlands, the Taxonomy Regulation – in its current form – still seems to be of little use for the issuance of ESG bonds. As a promotional bank, we finance many 'green' activities that are in line with the Taxonomy Regulation. However, these loans do not qualify as such because they are provided as balance sheet financing to parties that are not subject to NFRD reporting requirements, usually local governments. We consider our balance sheet lending to water authorities as 'specialised lending' and taxonomy aligned, due to the specific legal mandates that water authorities have. But for other lending exposures to the public sector, we expect it will be challenging to issue an EU Taxonomy aligned green bond, as it constitutes balance sheet financing to parties that are not subject to NFRD reporting requirements. Our business model is not designed for project-based financing of local

governments whereby a separate 'SPV' entity must be established. Local governments are not equipped for this either. We are in favour of bringing all balance sheet financing to local governments within the scope of the Taxonomy Regulation. This would enable us to continue to properly exercise our role as a promotional bank and channel funds to 'green' public sector activities.

Additional information to support the strategies of the financial undertaking and the share of financing of economic activities aligned to the taxonomy as a proportion of its total activities

We are a bank of and for the public sector (promotional bank). As a logical consequence of the government's climate ambitions, the entire Dutch public sector is rapidly becoming more sustainable. Financing traditionally obtained by the public sector from our bank in the form of balance sheet financing, will increasingly be used for 'economic activities qualifying for the taxonomy'. As mentioned above, our application of the Taxonomy Regulation is challenging. Not all of our balance sheet financing to non-NFRD obliged entities (such as local governments) can be considered 'eligible' under the Taxonomy Regulation. For these exposures to fall within the scope of the Taxonomy Regulation, we would need to serve these clients through project financing. However, our public sector clients are not equipped for this. We are in favour of bringing balance sheet financing to local authorities within the scope of the Taxonomy Regulation. This would enable us to continue to properly exercise our role as a promotional bank and channel funds to 'green' public sector activities. We would need our public sector clients to qualify as NFRD reporting entities.

EQUATOR PRINCIPLES

EQUATOR PRINCIPLES IMPLEMENTATION REPORTING

In October 2020, NWB Bank has officially adopted the Equator Principles (EP). As part of this commitment, we have implemented the Equator Principles in our policies, procedures and standards for project financing, and we will not finance projects and loans in scope of the Equator Principles where the client will not, or is unable to, comply with these principles.

Our reporting in the context of the Equator Principles will be in two phases:

- Implementation reporting;
- Transaction data and project names.

In our first report, NWB Bank reported on the implementation for the period from October 2020 to December 2021. In our next report (as per December 31, 2022), the transaction data and project names will be reported.

This Implementation Reporting has been approved by our SAB and our Managing Board.

IMPLEMENTATION OF THE EQUATOR PRINCIPLES

Details of internal preparation and staff training

Environmental, social and governance issues are regularly discussed with stakeholders and NWB Bank staff. An Equator Principles course and other sustainability courses are included in our development offerings for employees. Through newsletters, sustainability presentations and/ or specific training, relevant updates on the Equator Principles are communicated to the Specialised Finance department within the bank.

Internally, a working group has been established to implement the Equator Principles. In this committee, there are representatives from the front office, risk management, finance and control and legal and corporate affairs. This group also monitors the developments around the EP and submits the reports.

The mandate and role of the Equator Principles reviewers

In line with NWB Bank's Customer Due Diligence (CDD) process and Credit Risk Management (CRM) Policy Framework, all new and existing clients and transactions are subject to a credit analysis and CDD assessment, which is executed in the first line by the lending departments. NWB Bank has a dedicated Sustainability Officer who supports the lending departments and Risk Management staff in managing and mitigating potential risks. Both the lending departments and the Risk Management department have dedicated staff members who are specifically responsible for sustainability. The final decision making regarding project finance lies with NWB Bank's Credit Committee (including the Managing Board), where social, climate-related and environmental risks, as well as compliance with the EP, are part of the credit proposal (by lending

department), independent risk assessment (by Credit Risk Management department) and decision making.

The Legal department monitors the loan documentation for EP compliance. The Sustainability Officer provides support in case of any sustainability issues, including environmental and social risks. The Finance & Control department is responsible for the annual EP reports.

The incorporation of the Equator Principles in credit and risk management policies

When financing public-private partnerships (PPP), renewable energy projects and other similar financing, the Equator Principles are applied to gauge potential social and environmental risks in our regular transaction review and approval process. As part of the due diligence for each project finance transaction, we require an independent technical advisor who is engaged on behalf of the lenders to prepare an independent technical report. This report includes a specific review of the Equator Principles, and having a satisfactory report is a requirement prior to financial close of the transaction.

Following from our relevant policies, all project financing transactions should adhere to international conventions and guidelines to respect human rights and the environment. Our sustainability policy sheds light on the way sustainability is embedded and organised at NWB Bank. It also set out how the bank wants to differentiate itself in the area of sustainability, both internally and externally through our clients. Our Credit Risk Management policy includes adherence to the Equator Principles management framework for projects or project-related corporate loans in scope. Social, climate and environmental risks are considered in the origination of new project finance transactions and in the monitoring of existing transactions. These risks are also assessed and embedded in our internal scorecard models that calculate a credit risk score for each client.