

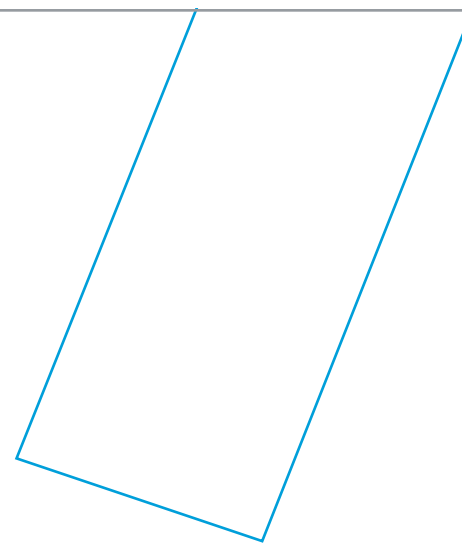
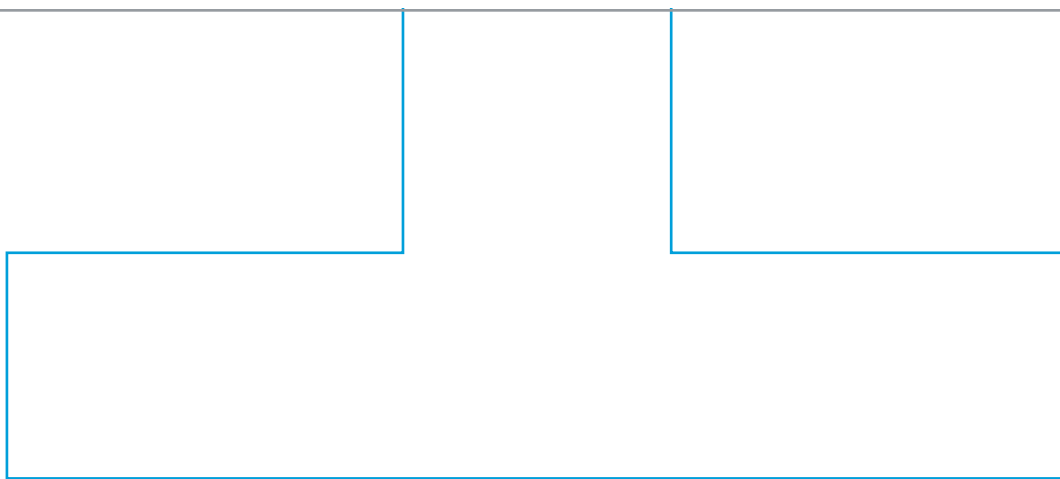
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# GRI Index

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# BNG Bank 2017

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In this document, BNG Bank will report in accordance with the Global Reporting Initiative (GRI) system. In accordance with the GRI Standards comprehensive approach, the table on the following pages includes all GRI indicators being reported – where applicable – with notes and/or references to the annual report and the pages and web pages containing the information concerned. This document forms an integral part of BNG Bank's 2017 Annual Report.

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#### **DISCLAIMER**

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This is an unofficial translation of the GRI Index BNG Bank 2017 (Dutch GRI-index BNG Bank 2017.pdf), which is provided for convenience purposes only. In the event of any ambiguity, the Dutch text will prevail.

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**GRI 102 GENERAL INFORMATION**

<b>GRI 102-1</b>	Name of the organisation	N.V. Bank Nederlandse Gemeenten.
<b>GRI 102-2</b>	Activities, brands, products and services	See page 4 in the Annual Report.
<b>GRI 102-3</b>	Location of headquarters	The Hague, the Netherlands.
<b>GRI 102-4</b>	Countries where the organisation operates	The Netherlands.
<b>GRI 102-5</b>	Ownership structure and legal form	See page 4 in the Annual Report.
<b>GRI 102-6</b>	Markets served (geographical breakdown, sectors and types of clients)	See page 4 in the Annual Report.
<b>GRI 102-7</b>	Size of the organisation	See page 6 and the appendix on shareholders in the Annual Report and the Annual accounts 2017.
<b>GRI 102-8</b>	Information on employees and external workers	See page 50 in the Annual Report. No seasonal fluctuations occur. Omission: breakdown by region not applicable. BNG Bank has one branch.
<b>GRI 102-9</b>	Description of the supply chain	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> and page 21 in the Annual Report.
<b>GRI 102-10</b>	Changes regarding the organisation's size, structure, ownership and its supply chain	No substantial changes occurred in 2017.
<b>GRI 102-11</b>	Application of the precautionary principle	New products are subject to the product approval process. See the Risk Section in the Annual accounts 2017, Annual Report.
<b>GRI 102-12</b>	Externally developed economic, environment-related and social charters, principles endorsed by the company	The Dutch Corporate Governance Code; the Dutch Banking Code, the Dutch Banking Association's Climate Statement Banks; the International CSR Covenant.
<b>GRI 102-13</b>	Membership of associations	The Dutch Banking Association; the European Association of Public Banks (EAPB); the European Money and Finance Forum (SUERF); the International Capital Market Association (ICMA) and the Dutch Securities Institute (DSI).

**GRI 102 GENERAL INFORMATION**

<b>GRI 102-14</b>	Declaration by the most senior decision-maker on the relevance of sustainable development and the manner in which this aspect is incorporated in the strategy	See page 8 in the Annual Report.
<b>GRI 102-15</b>	Description of key impacts, risks and opportunities	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> and page 28 in the Annual Report.
<b>GRI 102-16</b>	Values, principles, standards and codes of conduct	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> , page 4, 48 and 62-79 in the Annual Report, and <a href="http://bngbank.com/about-bng-bank">bngbank.com/about-bng-bank</a> .
<b>GRI 102-17</b>	Mechanisms for seeking advice and reporting concerns on ethical behaviour	The Regulations concerning the reporting of suspected misconduct on <a href="http://bngbank.com">bngbank.com</a> , the Regulations concerning inappropriate behaviour and the Procedure for handling external complaints. These regulations are in accordance with the Dutch House for Whistleblowers Act (Wet Huis voor klokkenluiders).
<b>GRI 102-18</b>	Governance structure and committees responsible for decision-making on economic, environmental and social topics	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> .
<b>GRI 102-19</b>	Delegation of responsibilities by the Executive Board	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> .
<b>GRI 102-20</b>	Responsibilities of Executive Board members for economic, environmental and social topics	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> , corporate governance. See page 63 in the Annual Report.
<b>GRI 102-21</b>	Consulting stakeholders on economic, environmental and social topics	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> , dialogue with stakeholders. See page 19 in the Annual Report.
<b>GRI 102-22</b>	Composition of the highest governance body	See page 63 in the Annual Report.
<b>GRI 102-23</b>	Chair of the highest governance body	BNG Bank has a two-tier board, whereby management and supervision are segregated. See page 63 in the Annual Report.
<b>GRI 102-24</b>	Selection and appointment process for the Executive Board and the Supervisory Board	See Ownership and structure on <a href="http://bngbank.com">bngbank.com</a> , Executive Board and Supervisory Board sections.

**GRI 102 GENERAL INFORMATION**

<b>GRI 102-25</b>	Procedures to avoid conflicts of interest	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> , corporate governance. See the list of shareholders in the Annual accounts 2017.
<b>GRI 102-26</b>	Role of the highest governance body in the adoption of the mission, strategy, policy and objectives	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> .
<b>GRI 102-27</b>	Executive Board and Supervisory Board education programme	See page 90 in the Annual Report.
<b>GRI 102-28</b>	Evaluating the highest governance body's performance	See the sustainability policy and the corporate governance page on <a href="http://bngbank.nl">bngbank.nl</a> . See the Supervisory Board regulations on <a href="http://bngbank.nl">bngbank.nl</a> . See the Report of the Supervisory Board in the Annual Report.
<b>GRI 102-29</b>	Role of the Executive Board in the identification and management of economic, environmental and social topics	See the sustainability policy, Management Approach to Sustainable Business Practices and Corporate Governance sections on <a href="http://bngbank.nl">bngbank.nl</a> . See Annual Report, the Risk Section in the Annual accounts 2017.
<b>GRI 102-30</b>	Role of the highest governance body in reviewing the effectiveness of the risk management processes	See Annual Report, the Risk Section in the Annual accounts 2017.
<b>GRI 102-31</b>	Frequency of the assessment of economic, environmental and social risks	See Annual Report, the Risk Section in the Annual accounts 2017.
<b>GRI 102-32</b>	Role of the highest governance body in sustainability reporting	The sustainability policy is determined by the Executive Board and the report on material aspects is approved by the Supervisory Board.
<b>GRI 102-33</b>	Risk reporting process	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> , the Annual Report and the Risk Section in the Annual accounts 2017.
<b>GRI 102-34</b>	Number of substantial risks reported	See page 37 in the Annual Report and the Risk Section in the Annual accounts 2017.
<b>GRI 102-35</b>	Remuneration policy for the Executive Board and senior management	See page 73 in the Annual Report.

## GRI 102 GENERAL INFORMATION

<b>GRI 102-36</b>	Procedure for determining the level of remuneration	See page 73 in the Annual Report. The external auditor examines whether this procedure is applied correctly but does not have an advisory role in determining
<b>GRI 102-37</b>	Stakeholder involvement in remuneration policy	See page 73 in the Annual Report.
<b>GRI 102-38</b>	Ratio of the remuneration of the Executive Board Chair to the average salary of employees	See page 76 in the Annual Report.
<b>GRI 102-39</b>	Ratio of percentage increase in the remuneration of the Executive Board Chair to the average salary increase for employees	See page 76 in the Annual Report.
<b>GRI 102-40</b>	List of stakeholder groups engaged by the organisation	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> , see page 19 in the Annual Report.
<b>GRI 102-41</b>	Percentage of employees covered by the collective labour agreement (CLA)	95%.
<b>GRI 102-42</b>	Basis for selection of stakeholders	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> .
<b>GRI 102-43</b>	Approach to stakeholder engagement in the organisation, including as part of the report preparation process	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> . See page 19 in the Annual Report.
<b>GRI 102-44</b>	Key themes raised by stakeholders	See pages 19 and 35 in the Annual Report.
<b>GRI 102-45</b>	List of associates included in the consolidated financial statements, and entities included in the consolidated financial statements but not included in the report	See Annual accounts 2017.
<b>GRI 102-46</b>	Process for defining the content and aspect boundaries of the Annual Report	See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> . See page 20 in the Annual Report.
<b>GRI 102-47</b>	List of material topics	See page 20 in the Annual Report.

**GRI 102 GENERAL INFORMATION**

<b>GRI 102-48</b>	The effect of any restatements of information provided in previous reports and the reasons for such restatements	The CO <sub>2</sub> emissions for 2016 were recalculated on the basis of the emissions factor applied by the external supplier of district heating. See page 61.
<b>GRI 102-49</b>	Significant changes in the scope and aspect boundaries	The GRI Standards are applied with effect from this Annual Report. Based on the results of the materiality assessment, energy and water consumption as well as waste produced are no longer reported.
<b>GRI 102-50</b>	Reporting period	The 2017 calendar year.
<b>GRI 102-51</b>	Date of previous report	April 2017.
<b>GRI 102-52</b>	Reporting cycle	Annual.
<b>GRI 102-53</b>	Contact person for the Annual Report	See the colophon in the Annual Report.
<b>GRI 102-54</b>	The type of 'in accordance' option that the organisation has chosen	The GRI Standards, comprehensive option.
<b>GRI 102-55</b>	Position of the GRI Index	See bngbank.com.
<b>GRI 102-56</b>	External assurance	See the Assurance Report in the Annual accounts 2017.

**THEME: A SAFE BANK****THE TEXT BELOW RELATES TO BNG BANK AND BNG GEBIEDSONTWIKKELING****GRI 103-1/3**

A safe bank means that safeguarding business continuity in the area of financing as well as compliance with laws and regulations is of paramount importance to the bank. BNG Bank's performance and actions in this regard are not only crucial for the bank itself, they also have a considerable impact on the financial system and on the confidence of society as a whole in the financial sector.

The value for money for clients and the return for shareholders are expressed under the 'A Safe Bank' theme. Both elements are important for the effective performance of the bank's public service role. The bank's level of success in delivering these elements can be measured in terms of actual economic performance: market shares and return on equity. BNG Bank aims to achieve substantial market shares in solvency-free lending and a reasonable return that at least meets the required return of the Ministry of Finance. To BNG Bank, risk management is a business interest that is crucial to generating added value for Dutch society and serves to safeguard the



high credit ratings underpinning its business model. BNG Bank has a Risk Appetite Statement describing various risks and the risks which are considered acceptable. Equally important is the perception of the bank's integrity as well as its compliance with legislation, regulations and corporate governance standards among investors, rating agencies, financial counterparties and regulatory authorities. BNG Bank applies a zero-tolerance policy to corruption in the form of conflicts of interest and/or bribery. BNG Bank has no connections with and does not provide donations or non-financial support to political parties or any organisations affiliated to them.

From a regulatory perspective, BNG Bank regards the majority of its clients as non-professional counterparties. The duty of care, acting in the client's interests, has priority in the bank's services. Clients need to be confident that the bank will not abuse differences in knowledge of financial products; product security – transparent and understandable products, with a clear explanation of how they work – is the underlying principle. Products whose risks cannot easily be assessed by clients are not offered. BNG Bank therefore avoids complex, exotic products, such as derivatives or loans with implicit option-style elements and products carrying risks which the bank considers too high for its clients. If services or products attract external criticism, they are adjusted or withdrawn. The bank pays considerable attention to providing clear information to clients and warning them of the risks associated with certain products. The duty of care towards guarantors for loans granted is set out in policy. Conflicts of interest are avoided or managed in line with BNG Bank's obligations under the Financial Supervision Act (Wet op het financieel toezicht, Wft).

Clients also need to be confident that the bank handles the client data entrusted to it with due care and that the bank's systems are properly secured. Client security therefore is an underlying principle. Clients' opinions on BNG Bank's products and financing arrangements and the degree to which the bank meets their needs are reflected in customer satisfaction. This equally is a business interest. The bank regularly conducts customer satisfaction surveys.

The management cycle begins with the Executive Board, which is responsible for strategy, the objectives, content and implementation of policy and the related models. The senior management members are responsible for achieving the objectives (in accordance with the policy frameworks) and performance measurement. The Executive Board monitors policy implementation and the achievement of objectives on the basis of quarterly reports prepared by senior management and the internal control functions. Where necessary, adjustments are made on the basis of progress against the objectives. The bank has set out a separate procedure for handling complaints. It also has a procedure for reporting misconduct (the whistleblower policy). Any such reports are included in the Annual Report.

New policy and procedures are assessed in terms of coherence with existing policy and procedures and implemented by means of work meetings and publication on the intranet. The policies, procedures and support systems of the bank and its subsidiaries are subject to audits by the internal control bodies. The head of the Compliance department reports directly to the Chair of the Executive Board and the Risk Committee, thereby safeguarding the objectiveness of the function.

Performance against the objectives set is reported externally in the Annual Report and assessed internally for compliance with the GRI standards as well as by the external auditor. The Supervisory Board assesses the performance of the Executive Board each year.

In turn, the Executive Board and senior management evaluate policy as well as the objectives set in preparation for the annual management cycle. The lessons drawn from the evaluation are incorporated into the following management cycle and reported to the Supervisory Board.

<b>GRI 201</b>		<b>ECONOMIC PERFORMANCE</b>
<b>GRI 201-1</b>	Direct economic value generated and distributed	See page 6 in the Annual Report.
<b>GRI 201-3</b>	Defined benefit plan obligations	See the Annual accounts 2017 and pages 73 and 76 in the Annual Report.
<b>GRI 201-4</b>	Financial assistance received from the government	The Dutch State, almost all Dutch municipalities and provinces in the Netherlands as well as a water board are BNG Bank shareholders. BNG Bank receives no other form of financial assistance or financial benefit from the government.

<b>GRI 205</b>		<b>OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION</b>
<b>GRI 205-1</b>	Number and percentage of business units assessed for risks related to corruption	All BNG Bank business units undergo a periodic integrity risk assessment by the Compliance department, which includes the risk of conflicts of interests and corruption. The most recent assessment took place in 2015 and did not reveal any special risks. The next assessment will be conducted in 2018.
<b>GRI 205-2</b>	Communication and training on anti-corruption policies and procedures	All employees (including management) have received a copy of the Company Code of Practice. By signing the employment contract, they confirm that they will abide by the agreement. The Code is published on <a href="http://bngbank.nl">bngbank.nl</a> . All employees have taken the Dutch bankers' oath. The bank's CDD policy is available on the bank's website. Omissions: breakdown by region not applicable. BNG Bank has one branch. The percentage of Board members and employees who have received training on anti-corruption is not available. This information will be provided from the 2018 financial year.
<b>GRI 205-3</b>	Confirmed incidents of corruption and actions taken	See page 36 in the Annual Report.

## **GRI 206**      **LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST AND MONOPOLY PRACTICES**

<b>GRI 206-1</b>	Number of legal actions initiated for anti-competitive behaviour or violations of anti-trust and monopoly legislation	See page 36 in the Annual Report.
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## **GRI 415**      **PUBLIC POLICY**

<b>GRI 415-1</b>	Contributions to political parties, politicians and related institutions	None.
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## **GRI 418**      **CUSTOMER PRIVACY**

<b>GRI 418-1</b>	Number of complaints regarding breaches of customer privacy and losses of customer data	See page 36 in the Annual Report.
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## **GRI 419**      **COMPLIANCE WITH LAWS AND REGULATIONS**

<b>GRI 419-1</b>	Significant fines and non-monetary sanctions for non-compliance with laws and regulations	See page 36 in the Annual Report.
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### **THEME: RESPONSIBLE GROWTH**

#### **THE TEXT BELOW RELATES TO BNG BANK AND BNG GEBIEDSONTWIKKELING**

#### **GRI 103-1/3**

Client partnership is an important aspect of BNG Bank's public role. This is expressed under the theme of responsible growth. The key indicator long-term lending to the core client sectors, is particularly relevant, including the financing of sustainable investments, with which the bank

facilitates and stimulates environmentally conscious business operations among clients. BNG Bank promotes the pursuit of sustainability among municipalities and housing associations, while it responds to the interest among investors in sustainable investment opportunities by issuing SRI-bonds and Social Housing Bonds. It then uses the proceeds to fund the most sustainable municipalities or housing associations. The financing (which includes continuing the loan following the change in interest rates) must be arranged and paid up in the year in which the SRI bond is issued. This is how the theme of responsible growth is articulated in the bank's mission. The bank's policy is to support the public authorities proactively in implementing their sustainability ambitions. The democratic decision-making process and monitoring by public institutions generally constitutes a strong line of defence against non-sustainable investments. Nevertheless, the bank reserves the right to reject a loan application if it is to be used for activities that will clearly have a negative overall effect on the three pillars of sustainability. Obviously, BNG Bank has no desire to do business with parties who may damage the bank's reputation. The bank has set out a number of procedures and guidelines aimed at preventing the bank from doing business with inappropriate parties in an unethical manner. These documents are available on the bank's website. The bank has identified a number of sectors, business processes and business practices with which it has no desire to be associated in the context of lending activities, even if this would be possible within the limited scope of its Articles of Association. This applies unless there is an explicit government policy in this area. Furthermore, businesses that are demonstrably associated with the following activities, processes and business practices are in principle excluded from doing business with the bank. In providing services, BNG Bank has set itself the ambition of making a further contribution towards sustainable client investments. Based in part on a dialogue about related dilemmas with clients, shareholders and employees, the bank has decided on the policy directions explained in the Annual Report.

The management cycle begins with the Executive Board, which is responsible for strategy, the objectives, content and implementation of policy and the related models. The senior management members are responsible for achieving the objectives (in accordance with the policy frameworks) and performance measurement. The Executive Board monitors policy implementation and the achievement of objectives on the basis of quarterly reports prepared by senior management and the internal control functions. Where necessary, adjustments are made on the basis of progress against the objectives. The bank has set out a separate procedure for handling complaints. It also has a procedure for reporting misconduct (the whistleblower policy). Any such reports are also reported in the Annual Report.

New policy and procedures are assessed in terms of coherence with existing policy and procedures, and implemented by means of work meetings and publication on the intranet. The policies, procedures and support systems of the bank and its subsidiaries are subject to audits by the internal control bodies. The head of the Compliance department reports directly to the Chair of the Executive Board and the Risk Committee, thereby safeguarding the objectiveness of the function.

Performance against the objectives set is reported externally in the Annual Report and assessed internally for compliance with the GRI standards as well as by the external auditor. The Supervisory Board assesses the performance of the Executive Board each year.

In turn, the Executive Board and senior management evaluate policy as well as the objectives set in preparation for the annual management cycle. The lessons drawn from the evaluation are incorporated into the following management cycle and reported to the Supervisory Board.

<b>GRI 201 ECONOMIC PERFORMANCE</b>		
<b>GR 201-2</b>	Financial implications and risks and opportunities due to climate change	See pages 28-30 and 41 in the Annual Report.

<b>GRI 203 INFRASTRUCTURE INVESTMENTS AND SERVICES PROVIDED</b>		
<b>GRI 203-1</b>	Development and impact of infrastructure investments and services provided	See <a href="http://bngbank.nl/duurzaam">bngbank.nl/duurzaam</a> , see page 39-42 in the Annual Report. The majority of financing provided by BNG Bank concerns balance sheet financing, for the application of which no further substantiation is requested. For this reason, it is not possible to specify the precise impact.
<b>GRI 203-2</b>	Significance of the indirect economic impacts	See pages 21, 31-34 and 38-42 in the Annual Report.

<b>SECTOR-SPECIFIC TOPICS</b>		
<b>G4-FS6</b>	Portfolio breakdown	See page 39 in the Annual Report.
<b>G4-FS7</b>	Loans advanced with social significance	See pages 39-42 in the Annual Report and Annual accounts 2017.
<b>G4-FS8</b>	Value of products and services of each business unit with added value for the environment	See pages 39-42 in the Annual Report. The majority of financing provided by the bank concerns balance sheet financing, for the application of which no further substantiation is requested. For this reason, it is not possible to specify the precise extent of the financing provided for this purpose.

**ACTIVE OWNERSHIP**

<b>G4-FS10</b>	Percentage and number of businesses in the portfolio with which there has been communication about environmental and social aspects	BNG Bank strives to discuss financing sustainable investments during regular contacts with clients. BNG Bank has a limited number of clients, all of whom are established in the Netherlands. BNG Bank does not separately register actual communication about environmental and social aspects. Telos, Tilburg University's Centre for Sustainable Development, measures the sustainability performance of municipalities and housing associations on behalf of BNG Bank. The results of the measurement are provided to these clients. At the end of 2017, loans in an amount of EUR 69 billion had been provided to these client groups out of a total loan portfolio of EUR 80 billion (86%).
<b>G4-FS11</b>	Percentage of assets in the portfolio screened for positive and negative environmental and social criteria	This does not apply to BNG Bank.

**THEME: SOCIAL ENGAGEMENT****THE TEXT BELOW RELATES TO BNG BANK AND BNG GEBIEDSONTWIKKELING****GRI 103-1/3**

Under the theme of 'social engagement', BNG Bank serves the public interest by adopting positions in the relevant consultations with policy developers and interest groups, and brings these to the attention of the respective members of government. In addition, the bank makes contributions to society through BNG Cultuurfonds, more specifically for art and cultural activities that are important to municipalities. The bank moreover contributes to raising young people's awareness with regard to managing money. In view of the framework for lending activities set out in the bank's Articles of Association, the sub-theme of human rights in granting loans plays a limited role, given the limited group of clients as well as the limitation of lending activities to clients in the Netherlands to whom Dutch laws and regulations apply. The theme of human rights has not emerged as material in the materiality assessment. In raising funding (private placements), the bank adheres to the United Nations' sanctions policy, while the bank's goods and services procurement procedure includes screening larger suppliers for sustainability aspects in general.

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<b>GRI 413</b>		<b>LOCAL COMMUNITIES</b>
<b>GRI 413-1</b>	Percentage of operations with implemented local community engagement, impact assessments and development programmes	See pages 46-48 in the Annual Report.
<b>GRI 413-2</b>	Operations with significant actual or potential negative impacts on local communities	N/A.

## **▣ THEME: COMMITTED EMPLOYEES**

### **THE TEXT BELOW RELATES TO BNG BANK AND BNG GEBIEDSONTWIKKELING**

#### **GRI 103-1/3**

Motivated employees are instrumental in ensuring effective and efficient business operations, thereby serving the public interest. Sufficient employee training and development opportunities constitute the basis for a strong workforce. The bank endeavours to offer competitive terms of employment. Employee remuneration is based on the salary scale corresponding to the position, irrespective of the employee's gender. The bank pursues an open culture and workforce diversity, including in management roles.

BNG Bank has an employee-elected Joint Works Council (Gemeenschappelijke Ondernemingsraad, GOR), which regularly consults with the Executive Board. Almost all BNG Bank employees are formally represented by the Joint Works Council, which holds regular meetings with the Executive Board (six meetings a year). Each year, three consultation meetings are attended by representatives of the Supervisory Board. A meeting is held between the plenary Joint Works Council and the Supervisory and Executive Boards once a year. Further information on the Joint Works Council can be found in the Annual Report and on [bngbank.nl](http://bngbank.nl).

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<b>GR 401</b>		<b>EMPLOYMENT</b>
<b>GRI 401-1</b>	New employees and turnover	See pages 50-51 in the Annual Report. Omission: region not applicable. BNG Bank has one branch.
<b>GRI 401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	No such benefits exist.
<b>GRI 401-3</b>	Parental leave	See page 52 in the Annual Report. The right to parental leave is regulated in the Collective Labour Agreement.



**GRI 402 LABOUR/MANAGEMENT RELATIONS**

<b>GRI 402-1</b>	Notice periods regarding major operational changes	In the Netherlands, this aspect is regulated under Section 25 of the Works Councils Act (Wet op de ondernemingsraden, Wor).
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**GRI 403 OCCUPATIONAL HEALTH AND SAFETY ASPECTS**

<b>GRI 403-1</b>	Percentage of total workforce represented by formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	The Occupational Health and Safety Committee forms part of the Works Council, consists of five employees and represents the entire workforce.
<b>GRI 403-2</b>	Accidents, sickness and lost days	See page 53 in the Annual Report. Omission: fatal work-related accidents, type of injury, occupational diseases not applicable in view of the nature of the business.
<b>GRI 403-3</b>	Employees with a high risk of diseases related to their occupation	Omission: not applicable in view of the nature of the business.

**GRI 404 TRAINING AND EDUCATION**

<b>GRI 404-1</b>	Average hours of training per year per employee by gender and employee category	Omission: BNG Bank only reports on the costs of training. See page 52 in the Annual Report.
<b>GRI 404-2</b>	Competence-based management and other training programmes	See page 52-54 in the Annual Report.
<b>GRI 404-3</b>	Percentage of employees receiving regular performance and career development reviews	Periodic performance reviews are conducted with all employees. See page 52 in the Annual Report.

**GRI 405 DIVERSITY AND EQUAL OPPORTUNITY**

<b>GRI 405-1</b>	Composition of employees and management by gender and age	See pages 50 and 71-72 in the Annual Report.
<b>GRI 405-2</b>	Ratio of basic salary and remuneration of women to men	BNG Bank applies the comparative job ranking method. See the sustainability policy on <a href="http://bngbank.com">bngbank.com</a> .

**GRI 406 NON-DISCRIMINATION**

<b>GRI 406-1</b>	Reported incidents of discrimination and corrective actions taken	In 2017, no discriminatory incidents were reported.
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**■ THEME: SUSTAINABLE BUSINESS OPERATIONS****THE TEXT BELOW RELATES TO BNG BANK AND BNG GEBIEDSONTWIKKELING****GRI 103-1/3**

BNG Bank pursues sustainable internal business practices guided by the principle of achieving the lowest possible CO<sub>2</sub> footprint and compensating for the remaining emissions. BNG Bank procures sustainably, where possible. The bank has imposed requirements (based on certification) on the sustainable business practices of its larger suppliers. The bank's policy is to use sustainable products and to procure within a circular economy. Although the bank's office organisation is small, it seeks to be transparent about its own responsibility under the theme of sustainability.

Facility Services is the organisational unit responsible for coordinating the internal business operations. Various departments are involved in implementing these operations, depending on the topic.

The management cycle begins with the Executive Board, which is responsible for strategy, the objectives, content and implementation of policy and the related models. The senior management members are responsible for achieving the objectives (in accordance with the policy frameworks) and performance measurement. The Executive Board monitors policy implementation and the achievement of objectives on the basis of quarterly reports prepared by senior management and the internal control functions. Where necessary, adjustments are made on the basis of progress against the objectives. The bank has set out a separate procedure for handling complaints. It also has a procedure for reporting misconduct (the whistleblower policy). Any such reports are included in the Annual Report.

New policy and procedures are assessed in terms of coherence with existing policy and procedures and implemented by means of work meetings and publication on the intranet. The policies, procedures and support systems of the bank and its subsidiaries are subject to audits by the internal control bodies. The head of the Compliance department reports directly to the Chair of the Executive Board and the Risk Committee, thereby safeguarding the objectiveness of the function.

Performance against the objectives set is reported externally in the Annual Report and assessed internally for compliance with the GRI standards as well as by the external auditor. The Supervisory Board assesses the performance of the Executive Board each year.

In turn, the Executive Board and senior management evaluate policy as well as the objectives set in preparation for the annual management cycle. The lessons drawn from the evaluation are incorporated into the following management cycle and reported to the Supervisory Board.

<b>GRI 305 EMISSIONS</b>	
<b>GRI 305-1-4</b>	Direct Scope 1 emissions; Energy consumption outside of the organisation (Scope 2 emissions); Other (Scope 3 emissions); Energy intensity
	See page 56 in the Annual Report. Emission factors and standards applied: see page 61 in the Annual Report. Omissions: biogenic CO <sub>2</sub> emissions not applicable; reference year not applicable; for consolidation of data, see 103-1/3.
<b>GRI 305-5</b>	Measures to reduce greenhouse gas emissions
	See page 56-57 in the Annual Report. Omission: cannot be specified for each measure.
<b>GRI 305-6</b>	Emissions of ozone-depleting substances
	Omission: not applicable given the type of organisation.
<b>GRI 305-7</b>	Other significant emissions
	Omission: not applicable given the type of organisation.

**GRI 414 SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY**

<b>GRI 414-1</b>	New suppliers that were screened using social criteria	No new suppliers were contracted.
<b>GRI 414-2</b>	Significant actual and potential negative impacts on society in the supply chain	BNG Bank uses four large suppliers, which jointly account for 96% of the total procurement budget. Three have ISO 14001 and Eco Vadis certification. Sustainability aspects have been discussed with the fourth supplier. Omission: number and percentage of suppliers with significant potential or actual negative impacts on society not applicable in view of the nature and size of the organisation.

## COLOPHON

Editorial: BNG Bank

Design & production: Ron Goos, Rotterdam

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