

Rapport 2020 mensenrechten BNG Bank

UN GUIDING PRINCIPLES REPORTING FRAMEWORK

BNG Bank heeft haar mensenrechtenbeleid gedefinieerd volgens de UN Guiding Principles on Business and Human Rights. Volgens de Principles dienen instellingen jaarlijks publiekelijk te rapporteren over aspecten van mensenrechten in hun bedrijfsactiviteiten. Onderstaande rapportage is opgesteld volgens het UN Guiding Principles Reporting Framework. Dit raamwerk gaat uit van het "Protect, Respect and Remedy"-raamwerk van de Verenigde Naties. Het Framework bestaat uit 3 delen, elk met vragen om te kunnen bepalen in hoeverre de Guiding Principles worden nageleefd.

Part A: Governance of respect for Human Rights

Policy commitment

What does the company say publicly about its commitment to respect human rights?

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| 1.1 | How has the policy commitment been developed? | The human rights policy has been discussed in the Sustainability Committee and is approved in 2019 by the Executive Board. Evaluation takes place on a regular base. BNG Bank has adapted its strategy by focusing on creating positive impact on 4 SDG's: Health and Safety, Education, Energy transition and Sustainable cities and communities. |
| 1.2 | Whose human rights does the public commitment address? | It addresses the potential human rights issues related to BNG Bank itself and its customers, suppliers and its own employees. |
| 1.3 | How is the public commitment disseminated? | The policy is published on the website of BNG Bank. |

Embedding respect for human rights

How does the company demonstrate the importance it attaches to the implementation of its human rights commitment?

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| 2.1 | How is day-to-day responsibility for human rights performance organized within the company, and why? | The Public Finance department has regular contacts with clients and applies the CDD-policy of BNG Bank. The Executive Committee takes responsibility through monitoring and adoption of policy and procedures. |
| 2.2 | What kinds of human rights issues are discussed by senior management and by the Board, and why? | Potential Human Rights issues of any kind that are related to project finance are being discussed between account manager and risk reviewer and can ultimately be discussed in the Credit Committee. |
| 2.3 | 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, new employees are made aware of the existing policies and procedures in place. For employees in the bank's credit processes, this includes the CDD policy and other client-related policies that include human rights topics. |
| 2.4 | How does the company make clear in its business relationships the importance it places on respect for human rights? | BNG Bank stresses the importance and relevance of human rights through dialogue with its customers. For project finance the framework of the Equator Principles is obligatory. |

- 2.5 What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?
- It is important to create awareness that human rights risks are not always far away risks, related to third world countries. Although human rights in the Netherlands are protected by national laws, they can still come under pressure (albeit mostly to a lesser extent). During 2020, this was made clear by the COVID-19 pandemic, for example in the field of safe labour circumstances.

Part B: Defining the focus of reporting

1. State the salient human rights issues associated with the company’s activities and business relationships during the reporting period.

A human rights risk assessment was performed end 2019 and revealed that potential moderate risks may occur in some project finance activities, like equal treatment of employees (labour immigrants), health issues, degrading of living environment. In reviews of the relevant projects, no actual issues have so far been determined in direct relation with the bank’s activities and business relationships.
2. Describe how the salient human rights issues were determined, including any input from stakeholders.

BNG Bank uses a high risk assessment scheme, that has been discussed with stakeholders. It is incorporated in the credit process in 2020. No issues have arisen so far.
3. If reporting on the salient human rights issues focuses on particular geographic areas, explain how that choice was made.

Not applicable. BNG Bank’s direct credit activities are restricted to the Netherlands.
4. 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.

BNG Bank is mainly active in the Dutch public sector and for social institutions in the sphere of social housing, health care and education that are closely related to the Dutch public sector. No substantial adverse impacts occurred during the reporting period.

Part C: Management of salient human rights issues.

1. How does the company make clear the relevance and the significance of the policy of addressing salient human rights issues to those who need to implement them?

The bank discusses and explains the relevance of the human rights policy and procedures, including the policy and procedures in the context of the Equator Principles, with employees working in the credit process. Where relevant, human rights themes are included in the sector policy papers.

What is the company’s approach to engagement with stakeholders in each salient human rights issue?

- 2.1 How does the company identify which stakeholders to engage with in each salient issue, and when and how to do so?

When issues occur, this will be done mainly on a case by case approach.
- 2.2 During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?

No salient issues were reported.

2.3 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? See 2.2. Not applicable.

How does the company identify any changes in the nature of each salient human rights issue over time?

3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue, and if so, what were they? See 2.2 Not applicable.

3.2 During the reporting period, did any severe impacts occur that were related to a salient issue, and if so, what were they? See 2.2 Not applicable.

How does the company integrate its findings about each salient human rights issue into its decision making processes and actions?

4.1 How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions? In case of salient issues, the Executive Committee will be informed and will where relevant decide on a suitable solution.

4.2 When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed? Should tensions occur, the Executive Committee will be informed and will where relevant decide on a suitable solution.

4.3 During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue? No salient issues were reported. Not applicable.

How does the company know if its efforts to address each salient human rights issue are effective in practice?

5.1 What specific examples from the reporting period illustrate whether each salient issue is being managed effectively? Not applicable.

How does the company enable effective remedy if people are harmed by its actions or decisions in relation to a salient human rights issue?

6.1 Through what means can the company receive complaints or concerns related BNG Bank. The procedure is explained on the website of the bank. A

to each salient issue?	whistleblower procedure is in force and accessible, in accordance with the Dutch Whistleblower Act.
6.2 How does the company know if people feel able and empowered to raise complaints or concerns?	On its website BNG Bank explains the procedure and the willingness to find a solution for complaints. For internal affairs, for example undesirable behavior, two Persons of Trust are in place, who can take appropriate actions. A employee survey has been performed, in order to detect subjects for improvement of labour circumstances.
6.3 How does the company process complaints and assess the effectiveness of outcomes?	Complaints are taken care of by the complaints manager. Stakeholders which submitted complaints will be informed in three working days how the complaint will be solved. A quarterly report of complaints received and how they are dealt with is shared with the Executive Committee.
6.4 During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?	No complaints concerning human rights issues were received in 2020.
6.5 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?	Not applicable.