



NIBC GREEN BOND FRAMEWORK



FEBRUARY 2025

ABOUT NIBC

Founded in 1945, we financed the visionary entrepreneurs, who helped rebuild the Netherlands. Convinced that we would find ways to make things happen. Together, we have built our company on optimism and getting things done.

Closely collaborating while professionally supporting companies and individuals in realising their dreams and ambitions with a sustainable future in mind. From private housing to rental property, commercial real estate and infrastructure, we focus on financing assets for our clients to keep making a difference.

Assets have value which enables future benefits, including those beyond material wealth. This includes facilitating home-making, driving commercial growth, catalysing entrepreneurship, generating financial security and connecting people and businesses.

Anything is possible when we put our mind to it, empowering us to keep chasing progress and growth, to stubbornly refuse to take no for an answer and always "Think Yes". By financing assets, we are building our customers' future, impacting their businesses and lives and as specialists in our asset classes, we offer them smart asset financing solutions.

Forging ahead, our entrepreneurial spirit keeps NIBC adaptive. Exploring growth opportunities, while gaining expertise and by consciously choosing, which assets we finance, we aim to contribute to a sustainable, resilient and inclusive society for generations to come.

NIBC AND SUSTAINABILITY

We aim to support our clients in achieving their ambitions and enable them to build a better society for future generations. We take our obligations seriously, and look to build long-lasting client relationships based on products and services that are transparent, trustworthy and balanced. Sustainability goes beyond the responsibilities we have towards the next generation. By being a responsible company in the way we do business and the clients we service, we are also better suited to face future challenges and tap the most promising opportunities in our markets.

Our lending and investment decisions are important means through which we create value for the communities we are part of. In our investment process, environmental, human rights and governance are factors which are considered alongside financial factors. When considering lending to our clients, we assess possible sustainability risks and seek to have an open dialogue with our clients on these topics. We also work to ensure requirements are practical and achievable through industry initiatives such as the Partnership for Carbon Accounting Financials (PCAF), Energy Efficiency Mortgages Netherlands (EEM-NL), and the Dutch Bank Association (NVB).

CLIMATE CHANGE

Humankind is pushing the planet's ecological limits and impacting our natural capital. Commitments by country signatories to the Paris Climate Agreement aim to prevent global warming from rising above 2° and preferably no more than 1.5°.

NIBC recognises its corporate responsibility to respect the environment, protect biodiversity, and takes action to mitigate climate change in support of the Paris Climate Agreement and SDG13. The urgency and scale of the global impact also necessitate a substantial reduction in emissions by 2030. Our objective in our operations and financings is to make a contribution which helps to achieve these targets ahead of the deadlines.

NIBC has been an early-mover in pursuit of decarbonization ambitions within the financial sector. Since 2019, we have achieved substantial carbon reductions in reducing emissions related to our financings and investments. The EU Taxonomy aims to accelerate decarbonisation and has

embedded requirements within its Technical Screening Criteria (TSC). And through NIBC's Green Bond Framework we aim to support positive impact to mitigate the potential impacts of climate change.

NIBC has formulated a Climate Action Plan which sets out our ambition to support the transition to a sustainable economy with a goal of limiting global warming to 1.5° in line with the Paris Agreement. Despite continued increasing global emissions and the resulting global warming effects, we believe it is important to maintain this ambition and pursue an orderly transition. The Plan is published annually as part of the Sustainability Statement within NIBC's Annual Report (available at <https://nibc.com/investor-relations/annual-reports>). In this we also state NIBC's emission reduction targets and disclose our latest figures.

As part of our continued objective to support positive impact and achieve Net Zero by 2050 further actions are developed in relation to NIBC's core portfolios portfolios. This includes for example developing attractive product conditions of mortgages for energy efficient homes that are to be provided in the future by NIBC.

Reaching Net Zero is a collective effort, therefore our actions focus on multiple parties across the value chain, the impact we can have on the governing or regulatory bodies and our clients that we wish to support in their transition. In parallel, we urge our external stakeholders to follow-up on their commitments to mitigate the previously described risks and uncertainties. Decarbonisation levers are a component of the Plan that NIBC discloses each year.

Mobilizing clients to make the decision to invest is an important factor in the transition towards sustainable homes, businesses and real estate. This is fostered by engaging with clients to understand the best way to provide support and financing of those investments.

NIBC offers products and services which aim to attract customers who are buying a home with a sustainable footprint. We aim to stimulate other mortgage customers to take meaningful steps to make sustainability improvements which have a tangible impact. Together with our business partners, advice on potential meaningful improvements is also offered.

HUMAN RIGHTS

NIBC recognises its corporate responsibility to respect human rights. Respecting human rights is fundamental to NIBC's values and is reflected in our commitment to actively support our stakeholders in realizing their human rights obligations.

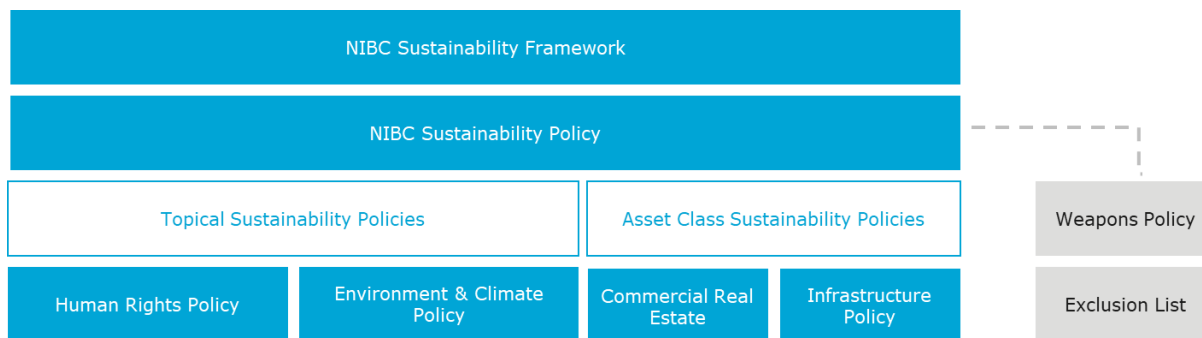
The UN Guiding Principles on Business and Human Rights (UNGPs) are a set of guidelines for States and companies to prevent, address and remedy human rights harms committed in business operations.

They were proposed by UN Special Representative on business & human rights John Ruggie and endorsed by the UN Human Rights Council in June 2011. In the same resolution, the UN Human Rights Council established the UN Working Group on business & human rights.

NIBC recognises its corporate responsibility to respect human rights. Respecting human rights is fundamental to NIBC's values and is reflected in our commitment to actively support our stakeholders in realizing their human rights obligations. Human rights comprise an important component of obligations embedded in the Do No Significant Harm (DNSH) and Minimum Safeguards (MS) criteria of the EU Taxonomy.

SUSTAINABILITY FRAMEWORK AND POLICIES

To guide our business activities and client interactions NIBC apply a number of established principles, policies and procedures. These include our Code of Conduct, Business Principles, Compliance Framework and Sustainability Framework.



Our sustainability governance revolves around a system of checks and balances to ensure stakeholders can be part of decision-making processes. Processes, roles and responsibilities are defined and shared across several levels of the organisation. These are described in NIBC's Sustainability Framework (available at <https://nibc.com/sustainability/sustainability-policies>).

NIBC employs a comprehensive approach to manage Environmental, Social, and Governance (ESG) impacts risks as part of its overall risk management strategy. These practices are designed to identify, assess, mitigate, and monitor ESG risks to ensure sustainable and responsible business operations.

NIBC's Sustainability Framework defines processes, roles and responsibilities to manage sustainability risks and take a precautionary approach. Under this Framework NIBC performs sustainability due diligence and assessments of relevant and material social risks related to the activities we finance. This Framework operates alongside and within our overall Risk Management Framework which guides our approach across the enterprise.

Underpinning NIBC's Sustainability Framework is our Sustainability Policy, thematic policies for Environment & Climate and Human rights, and asset class policies. Our sustainability policies are reviewed and approved by NIBC's Risk Management Committee (RMC) and maintained in accordance with NIBC policy standards. NIBC is guided in its policy-setting by leading international standards and conventions such as UN Global Compact, UN PRI, UNEP FI, UN Guiding Principles of Business and Human Rights, OECD Guidelines for Multinationals and ILO Conventions. Over recent years NIBC has divested fossil-fuel related portfolios and committed to avoid future financing of fossil fuels.

Each sustainability policy is reviewed annually by Group Sustainability. NIBC's sustainability policies are publicly available for all stakeholders on our corporate website and are also published internally for our workforce on our intranet.

Each business unit within NIBC is responsible for managing sustainability risks and opportunities as part of their regular activities within NIBC's three line of defence internal control model. Our commercial teams are the first line of defence. Risk management, legal and compliance monitor activities as the second line of defence, and internal audit operates as our third line of defence. Our three line of defence model is further described in our Sustainability Framework.

Sustainability criteria are considered in NIBC's due diligence and risk assessment processes which inform our decision making. Where practical, these are supported by external experts who conduct independent assessments and valuations. These are among the inputs used to ensure well-informed balanced decision making when considering approvals of corporate transactions by NIBC's Transaction Committee (TC) or Investment Committee (IC). Sustainability is an integrated component of NIBC's know your client (KYC), know your vendor and supplier (KYS), new product approval and review (NPARP), and significant change and approval (SCARP) processes.

NIBC GREEN BOND FRAMEWORK

This Green Bond Framework ("Framework") supersedes and replaces the prior version established in June 2021. NIBC is updating its Framework with the goal of aligning it with the current market practice and voluntary process guidance, specifically with the International Capital Market Association 2021 Green Bond Principles (with June 2022 Appendix) ("ICMA GBP").

The Framework aims to contribute to the EU Environmental Objectives with a focus on Climate Change Mitigation whereby NIBC aims to align to the extent possible and on a best effort basis, the eligibility criteria of the Framework with the relevant Technical Screening Criteria and Minimum Social Safeguards of the EU Taxonomy Climate Change Mitigation Delegated Act.

The Framework is intended to accommodate the issuance of transactions in various currencies and formats including public or private placements, unsecured issuances and covered bonds.


As recommended by the ICMA GBP, the Framework follows the four components of alignment:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

This Framework has also received pre-issuance external review, aimed at assessing the level of compliance with the ICMA GBP.

USE OF PROCEEDS

NIBC will allocate an amount equivalent to the net proceeds of the green bonds issued under this framework to finance or refinance Green Eligible Assets. The Green Eligible Assets are assets that satisfy the following Eligibility Criteria:

ICMA Green Bond Principles	EU Taxonomy Economic Activity	Eligibility Criteria	EU Environmental Objective	UN SDG Contribution
Green buildings	7.7 Acquisition and ownership of buildings	<p>For buildings built before 31 December 2020:</p> <p>the building has at least an Energy Performance Certificate class A, or the building is within the top 15 % of the national or regional building stock expressed as operational Primary Energy Demand¹</p> <p>For buildings built after 31 December 2020:</p> <p>the Primary Energy Demand (PED) is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures</p>	Climate change mitigation	

¹ NIBC may engage external consultants to define the top 15% and NZEB-10% in the context of the national building stock.

PROCESS FOR PROJECT EVALUATION AND SELECTION

Projects financed and/or refinanced using this Green Bond Framework are evaluated and selected based on compliance with the Eligibility Criteria. When identifying eligible assets and their non-financial impacts NIBC may rely on external consultants and their data sources.

NIBC's Green Bond Working Group ("GBWG"), consisting of representatives of NIBC's Sustainability Department, NIBC's Corporate Client Offering, NIBC's Retail Client Offering and NIBC's Treasury, will manage any future updates to the Framework, including expansions to the list of Eligible Categories, and oversee its implementation. Changes to the Framework will be subject to the approval of NIBC's Asset & Liability Committee.

Guided by this Framework, the GBWG selects and evaluates Eligible Assets. It is part of NIBC's transaction due diligence and approval process to ensure, that all its loans comply with internal compliance and sustainability (Environment and Human Rights) policies including those financed with the proceeds of Green Bonds. These eligibility criteria and minimum requirements as well as sustainability related matters are continuously developed and renewed in its external and internal policy frameworks.

Eligible Assets are subject to a climate risk assessment, as part of NIBC's assessment of climate related risk of its portfolios. Next to the Eligibility Criteria the asset selection under this framework is guided by environmental do no harm and social safeguards as described in NIBC's sustainability policies which can be found on our corporate website:
<https://nibc.com/sustainability/sustainability-policies>.

MANAGEMENT OF PROCEEDS

The Green Bond proceeds will be managed by NIBC on a portfolio basis. The composition and amount of Green Eligible Assets will be monitored by NIBC Treasury which will keep track of redemptions, repayments and prepayments of Green Eligible Assets through a dedicated account or an internal tracking process. NIBC will strive to allocate an amount equivalent to net proceeds of the Green Bonds outstanding within 2 years after the issuance date to a portfolio of Green Eligible Assets which meet the Eligibility Criteria and the other minimum environmental and social criteria as described in the Framework.

The GBWG will monitor the portfolio of Eligible Assets and the allocation of the net proceeds of issued green finance instruments on at least an annual basis. If an Eligible Asset is divested or does no longer meet the eligibility criteria as outlined in this document, NIBC will remove this asset from the portfolio and will strive to replace it with another Eligible Asset as soon as reasonably practicable.

Pending the allocation of the net proceeds of issued green finance instruments to the portfolio of Eligible Assets, or in case insufficient Eligible Assets are available, NIBC will invest unallocated proceeds in cash and/or liquid instruments.

REPORTING

NIBC commits to publish on its website allocation and impact reports on an annual basis starting no later than a year from the issuance and as long as there are green bonds outstanding. NIBC will report the allocation and impact on an aggregate basis at category level.

The allocation report will show:

- The total amount of Green Bonds Outstanding
- The total amount of the Green Bond proceeds allocated
- An overview of geographical distribution of allocated assets
- The balance of unallocated proceeds (if any)
- The share of new financing² and refinancing

The impact report will provide estimated annual avoided emissions in t CO₂e.

NIBC may also provide information on the financed emissions of the green bond portfolio.

The reports will, to the extent possible, provide an overview of key assumptions and methodologies used to evaluate the environmental impact. The reports will be made available via the NIBC corporate website:

<https://www.nibc.com/about-nibc/sustainability/>

EXTERNAL REVIEW

SECOND PARTY OPINION (Pre-issuance)

This NIBC Green Bond Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion (SPO). The SPO is aimed at assessing the Framework's compliance with the ICMA GBP and the EU Taxonomy Climate Change Mitigation Delegated Act³.

The Second Party Opinion as well as the Green Bond Framework is made available to NIBC investors on <https://www.nibc.com/about-nibc/sustainability/>

VERIFICATION (Post-issuance)

NIBC will appoint an independent verifier to provide a post-issuance review addressing the allocation of an equivalent amount to the net proceeds of issued green bonds on an annual basis, or in case of significant changes in the allocation of proceeds.

These reviews will be made available to investors via the website:

<https://www.nibc.com/about-nibc/sustainability/>

² In the context of a portfolio approach, 'new financing' is meant as loans provided in the year of issuance or later.

³ Assessment of Substantial Contribution (SC), Do No Significant Harm (DNSH) and Minimum Social Safeguards (MSS). For further detail please refer to the SPO on this Framework.