

# GRI TABLE

2017

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# GRI TABLE

## INTRODUCTION

The GRI reporting framework is a generally accepted guideline for reporting on an organisation's economic, environmental and social performance. The framework can be found on the GRI website ([www.globalreporting.org](http://www.globalreporting.org)). NWB Bank reports on its sustainability performance in accordance with the GRI framework. In its 2017 Annual Report, NWB Bank reports on the basis of GRI 2017 Standards. EY has issued an assurance report on the CSR section for NWB Bank. An overview of the standard disclosures and specific disclosures (material issues, indicators, management approach) pertaining to the 'in accordance' core level is provided below. This table contains a GRI index with references to the 2017 Annual Report.

## ORGANISATIONAL PROFILE

### 102-1 Name of the organisation

Nederlandse Waterschapsbank N.V. (trade name: NWB Bank).

### 102-2 Products and/or services

NWB Bank is a leading financial services provider for the Dutch public sector. The bank arranges short-term and long-term loans for water authorities, municipal and provincial authorities, housing associations, the healthcare sector, education and activities in the field of water, the environment and the energy transition. As the principal bank of the water authorities, NWB Bank provides payment services.

In addition to ensuring a strong financial position and efficient business operations, NWB Bank focuses expressly on creating social value. We seek to contribute to a stable and robust financial sector, which in turn promotes a strong economy that serves mankind whilst causing the least possible harm to the environment. NWB Bank achieves this by providing finance to its clients on the most favourable terms possible to enable them to keep their financing costs as low as possible.

### 102-3 Location of headquarters

The Hague, Rooseveltplantsoen 3

#### 102-4 Location of activities

NWB Bank's lending operations are restricted to the Netherlands. Lending to the public sector relates mainly to local authorities, housing associations, healthcare institutions, education, PPP and utilities.

#### 102-5 Nature of ownership and legal structure

Shareholders: Water authorities 81%, State of the Netherlands 17% and provincial authorities 2%.

Legal structure: public limited liability company.

#### 102-6 Markets served

NWB Bank focuses its lending operations on the Dutch public sector and is active on the international capital markets for its funding. The bank's customers, investors and relevant markets are discussed in further detail on pages 24 to 29 inclusive of the annual report

2017 Long-term Debt Clients	2012	2013	2014	2015	2016	2017	2017 sources (amounts in millions of euros):
<b>Municipal authorities</b>	38.079	39.145	39.054	38.400	37.721	37.721	CBS Q4 2017 figures
provided by NWB Bank	6.969	6.604	6.679	6.268	5.932	5.932	NWB Bank's lending portfolio
market share	18%	17%	17%	16%	16%	16%	
<b>Provincial authorities</b>	610	561	516	485	447	447	CBS Q4 2017 figures
provided by NWB Bank	360	337	314	291	269	269	NWB Bank's lending portfolio
market share	59%	60%	61%	60%	60%	60%	
<b>Water authorities</b>	6.271	6.452	6.703	6.906	7.069	7.069	CBS Q4 2017 figures
provided by NWB Bank	5.157	5.393	5.593	6.025	6.187	6.187	NWB Bank's lending portfolio
market share	82%	84%	83%	87%	88%	88%	
<b>Joint schemes</b>	1.638	1.979	2.160	1.885	2.499	2.499	CBS Q4 2017 figures
provided by NWB Bank	235	224	218	219	706	706	NWB Bank's lending portfolio
market share	14%	11%	10%	12%	28%	28%	
<b>Drinking-water companies</b>	2.533	2.357	2.289	2.644	2.644	2.644	LWV in annual reports
provided by NWB Bank	279	293	344	340	380	380	NWB Bank's lending portfolio
market share	11%	12%	15%	13%	14%	14%	



2017 Long-term Debt Clients	2012	2013	2014	2015	2016	2017	2017 sources (amounts in millions of euros):
<b>Associations [Social Housing Guarantee Fund]</b>	86.200	85.100	83.800	82.200	81.100	81.100	Social Housing Guarantee Fund indicator guaranteed for 2017
provided by NWB Bank (Social Housing Guarantee Fund)	33.169	33.076	31.345	30.777	30.939	30.939	Lending portfolio (Social Housing Guarantee Fund-backed loans)
market share	38%	39%	37%	37%	38%	38%	
<b>Healthcare institutions [Guarantee Fund for the Healthcare Sector]</b>	8.695	8.506	8.279	7.914	7.572	7.571	Guarantee Fund for the Healthcare Sector guaranteed for 2017
provided by NWB Bank (Guarantee Fund for the Healthcare Sector)	2.356	2.445	2.379	2.224	2.163	2.163	Lending portfolio (Guarantee Fund for the Healthcare Sector-backed loans)
market share	27%	29%	29%	28%	29%	29%	

## 102-7/102-8 SCALE OF THE REPORTING ORGANISATION/EMPLOYEES

See the headline figures in the annual report.

The table below shows the total workforce, broken down by gender.

Year	2014	2015	2016	2017
<b>Number of employees</b>	53 (48.5 fte)	54 (49.6 fte)	57 (53.2 fte)	61 (57.17 fte)
<b>Number of men</b>	31 (30.7 fte)	34 (33.3 fte)	34 (33.4 fte)	37 (36.35 fte)
<b>Number of women</b>	22 (17.9 fte)	20 (16.3 fte)	23 (19.8 fte)	24 (20.83 fte)

Of these employees, 59 persons held office positions and 2 held facilities positions. NWB Bank does not engage the services of self-employed persons to any substantial degree.

The following table specifies the total workforce and the type of contract.

Number of temporary and permanent contracts	%	number
Employees on a permanent contract	95,08	58
Employees on a temporary contract	4,92	3
Cover	100.00	61

The breakdown of men and women is provided below:

Breakdown of men/women per department	Men	Women	Total
Back office	4	7	11
Managing Board	1	1	2
Managing Board Secretariat	0	2	2
Finance & control	4	2	6
HR & facility	1	5	6
IAD	2	1	3
ICT	8	0	8
Legal	1	4	5
Operational risk & safety management	2	0	2
Public Finance	4	1	5
Risk management	7	0	7
Treasury	3	1	4
<b>Total:</b>	<b>37</b>	<b>24</b>	<b>61</b>

Fifty-seven employees are covered by the collective labour agreement for the banking industry, whereas four employees, including the Managing Board members, are not. Most of the terms and conditions of employment ensuing from that collective agreement are nevertheless applied to the latter category.

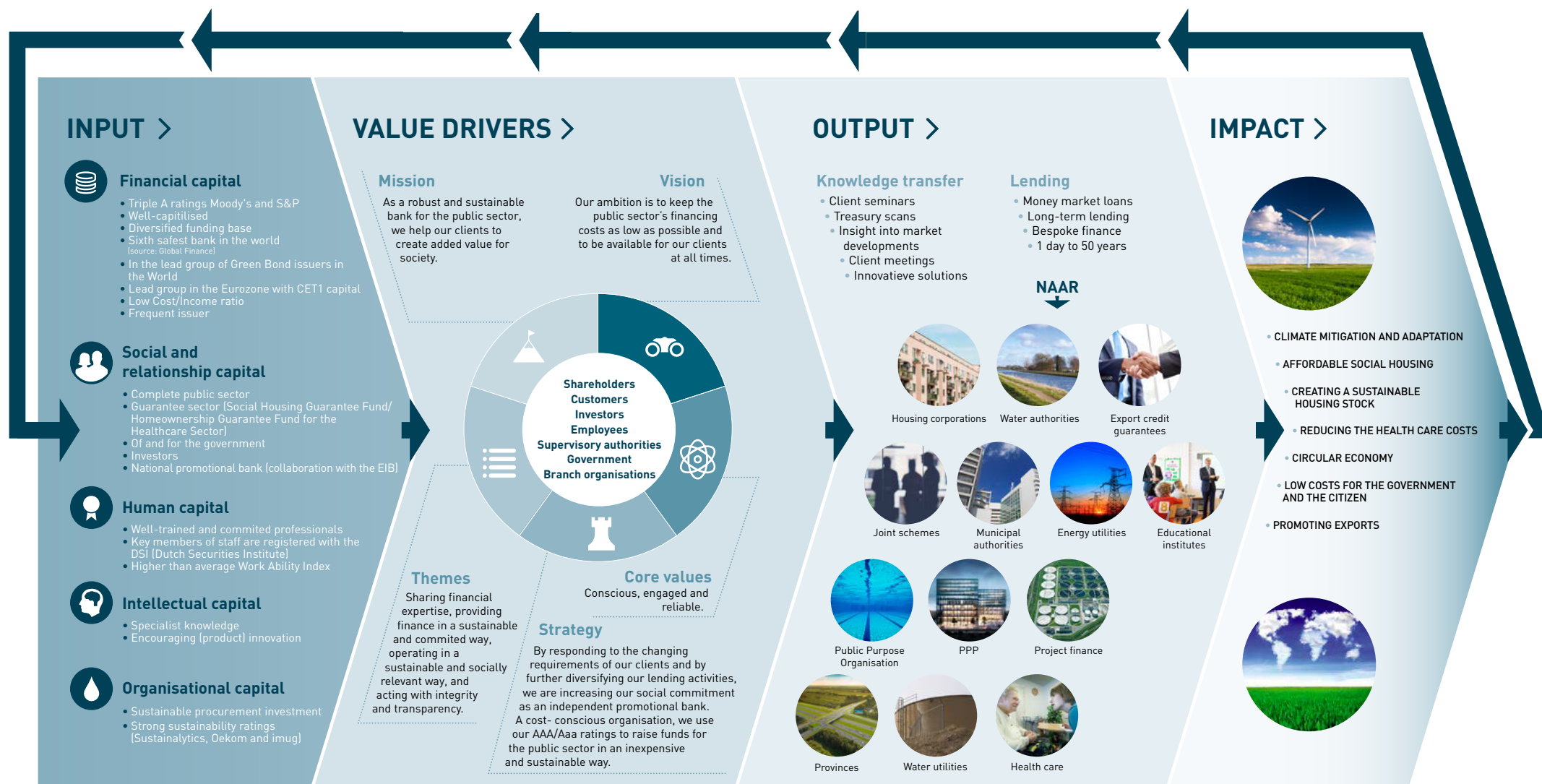
## 102-9 CHAIN

The options for reporting in the value chain are based on the Material Issues Plot (MIP). The issues are selected in terms of materiality in the MIP and the reporting is adjusted accordingly. Since NWB Bank's activities focus on the Dutch public sector, CSR reporting is likewise largely directed at issues relevant to that sector. Issues which do not feature in the MIP, for instance issues which are not, or not particularly, relevant to the public sector, are usually excluded from the reporting. The value chain is yet to be added

## 102-10 SIGNIFICANT CHANGES REGARDING SIZE, STRUCTURE OR OWNERSHIP

None.

## VALUE CHAIN



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## 102-11 DETAILS OF THE APPLICATION OF THE PRECAUTIONARY PRINCIPLE BY THE REPORTING ORGANISATION

In accordance with the precautionary principle, prior to marketing a product or starting up an activity, the potential risks for people and the public environment are assessed. This principle is frequently applied in the form of preliminary investigations. The various options are weighed up, for instance on accepting new clients, providing loans or developing products. In so doing, the bank applies the precautionary principle, as is reflected, for instance, in the product approval process (PARP).

Transfer pricing and the precautionary principle: clients may ask NWB Bank's Public Finance Department to provide indicative rates. The Financial Markets Overview, which is sent to clients every week, also contains indications where a distinction is made between the swap interest rate and credit spreads. This enables clients to base their investment decisions on sound knowledge regarding the rates applicable at the time.

## 102-12 EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES OR OTHER INITIATIVES ENDORSED BY THE BANK

- GRI guidelines (GRI is a binding principle for publicly held enterprises)
- (Revised) Banking Code (binding principle)
- Dutch Corporate Governance Code (voluntary application)
- Equator Principles (PPP projects)
- Green Bond Principles
- Social Bond Principles
- UN Global Compact Principles (see Appendix 2)
- Dutch Banking Association (NVB) Climate Statement (see Appendix 3)
- ISCR Agreement (see Appendix 4)
- UN SDGs (see Appendix 7)

Furthermore, the bank again participated in the Transparency Benchmark of the Dutch Ministry of Economic Affairs and Climate Policy in 2016. NWB Bank managed to improve its position as one of the front runners within this benchmark by climbing from 35th place to 27th place out of a total of 477 participants.

NWB Bank has examined which international CSR principles could be applicable and have added value for NWB Bank. As a result, the Equator Principles have been applied since then in PPP financing. The bank has also signed the UN Global Compact principles. Comparison of reporting by publicly-held enterprises:

	State interest	Shareholder	Sector	Assets (EUR million)	Equity (EUR million)	Profit (EUR million)	Dividend received by State (€ million)	RoE (Return on Equity)	Pay-out ratio	GRI	Transparency benchmark
Operational participations at Finance											
BNG Bank	50,0%	Finance	Financial services	154,000	3.753	360	46	9,9%	25%	G4	186
COVRA	100,0%	Finance	Radioactive waste management	242	-1	-5	0	-*	0%	Core	178
FMO	51,0%	Finance	Financial services	8.553	2.774	176	3	6,7%	4%	G4	187
Gasunie	100,0%	Finance	Energy	10.271	5.602	183	110	3,2%	60%	G4	192
HbR	29,2%	Finance	Infrastructure	4.216	2.575	222	27	8,9%	42%	Core	186
Holland Casino	100,0%	Finance	Games of chance	305	184	74	35	50,4%	47%	4 Core	120
KLM	5,9%	Finance	Transport	9.082	988	519	0	75,0%	3%	n.n.b.	184
De Munt	100,0%	Finance	Metalworking								
Nederlandse Loterij	100,0%	Finance	Games of chance	408	92	122	91	0,0%	122%	G4 Core	114
NIO	100,0%	Finance	Financial services	132	1	0	0	0,0%	0%	n.v.t.	N.v.t.
NS	100,0%	Finance	Transport	6.359	3.511	212	74	6,2%	35%	G4	197
NWB Bank	17,2%	Finance	Financial services	94.414	1.507	107	0	7,4%	0%	Core	178
Schiphol	69,8%	Finance	Infrastructure	6.426	3.860	306	104	8,1%	48%	G4	198
TenneT	100,0%	Finance	Energy	18.974	4.792	523	146	12,2%	35%	G4 Core	183
Thales	1,0%	Finance	Defence	517	200	26	0	13,9%	0%	N.v.t.	-

Source: annual report 2016 on publicly held enterprises by Ministry of Finance.

## 102-13 ASSOCIATIONS (E.G. SECTOR ASSOCIATIONS) OF WHICH THE BANK IS A MEMBER AND/OR OTHER SPECIAL-INTEREST ORGANISATIONS IN WHICH NWB BANK PARTICIPATES, SUCH AS:

- NVB (Dutch Banking Association)
- DSI (Dutch Securities Institute)
- EAPB (European Association of Public Banks)
- ISDA (International Swap Dealers Association)
- ICMA (International Capital Markets Association)
- ICLC (International Centre for Local Credit)
- SUERF (The European Money and Finance Forum)
- NWP (Netherlands Water Partnership)
- IPFA (International Project Finance Association)
- Dutch Foundation for the Maintenance of Nieuwspoor (Stichting Instandhouding Nieuwspoor)
- Public Sector Issuers Forum (PSIF)

Several times during the year, consultative meetings are held with the statutory supervisory authorities – the Dutch Central Bank (DNB) and the European Central Bank (ECB) – on such subjects as risk management, compliance and



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integrity. NWB Bank aspires to lend more structure to the dialogue with its stakeholders. The bank also participates in various regular meetings with government ministries, the Dutch Banking Association and the European Association of Public Banks.

In addition, any responses to social trends affecting NWB Bank and its stakeholders may be included in the bank's CSR policy. The responses to last year's annual report from, among other sources, the General Meeting of Shareholders will be considered in preparing this year's report.

## 102-14 STRATEGY AND ANALYSIS

On behalf of the Managing Board:

NWB bank is a promotional bank, which means that its interests and values differ from those of strictly commercial parties. In addition to ensuring a strong financial position and efficient business operations, NWB Bank focuses expressly on creating social value. We seek to contribute to a stable and robust financial sector, which in turn contributes to an economy that serves mankind whilst causing the least possible harm to the environment. NWB Bank achieves this by providing finance to its clients on the most favourable terms possible to enable them to keep their financing costs as low as possible.

Its excellent creditworthiness, reflected in the highest ratings AAA/Aaa (Standard & Poor's/Moody's), enable NWB Bank to keep the financing costs at so low a level for its clients. In 2017, NWB Bank again found itself in the top ten of the world's safest banks, taking sixth place to be precise. Thanks to its excellent credit ratings, the bank is able to raise funds inexpensively in the international money and capital markets. The bank passes this benefit on to its clients, taking them closer to achieving their joint ambitions, which include establishing a climate-neutral and circular economy, affordable social rent charges and affordable care costs.

The energy transition is a fascinating challenge and one to which NWB Bank is keen to contribute by providing finance. By signing the Paris Climate Agreement at the end of 2015, nearly every country, including the Netherlands, agreed to limit further global warming as far as possible, in any event to halt it below two degrees Celsius. This is essential if we are to succeed in bequeathing an inhabitable world to future generations. An increasing number of parties have realised that 'doing nothing' is not an option and will ultimately even prove more costly for those future generations. The transition to a climate-neutral and circular economy will require major steps and investments worldwide in the decades ahead - also in the Netherlands.

It is precisely for a country such as the Netherlands, which is not rich in natural resources and therefore has to rely mainly on ideas and innovation, that the energy transition offers great opportunities in terms of new prosperity. More than forty organisations signed the Energy Agreement for Sustainable Growth in September 2013 and the new government, which took up office in October, has announced a new national Climate and Energy Agreement aimed at a 49% reduction in carbon emissions, compared with 1990 levels, by 2030. The new government has made available a total of nearly €4 billion to increase sustainability in the Netherlands. Among aspects of the coalition agreement that

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1) The list of the world's safest banks is published annually by the leading financial magazine Global Finance and compiled by comparing the long-term credit ratings and total assets of the top 500 banks worldwide. As in 2016, NWB Bank came 6<sup>th</sup> on this list.

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will be of interest to NWB Bank clients are the even greater emphasis to be placed on climate resilience and robust water defences, and the fact that the new government has devised various ways of encouraging housing associations to invest in enhancing sustainability.

NWB Bank clients often take the lead in realising goals that have been set, and in most cases have high aspirations in this area. For instance, the water authorities, besides playing a pioneering role in climate adaptation and mitigation, are also front runners in limiting their own energy consumption and generating their own sustainable energy. In 2016, they already provided 32.6% of their own energy needs by means of self-generated energy. Their aim is for this share to rise to 40% by 2020, and to become 100% energy-neutral by 2025. They also aspire to reduce their carbon footprint substantially. By purchasing green energy and producing biogas they already decreased their total carbon footprint by 15% in the period between 2013 and 2016.

The bank's other major client group, housing associations, also expressly acknowledge the importance of sustainability in the Netherlands. In the Housing Agenda drawn up by the Aedes Association of Housing Associations, housing associations agreed to take substantial additional steps towards enhancing the sustainability of existing housing stock. This involves investments in, among other things, energy savings and a sustainable housing stock, contributing to a better environment and lower housing costs for tenants. Tenants with sustainable dwellings have a clear advantage: they live in more comfortable conditions and their energy costs tend to be substantially lower, making affordability less of a challenge. The 'zero-energy' concept is gaining currency in new developments, and materials from demolished houses are reused. Even if investments in making the existing housing stock more sustainable are not always economically viable yet, energy consumption in housing association homes fell again in 2017. In line with the Housing Agenda, associations are aiming for an average 'B' energy label throughout the sector by 2021. As part of this approach, every association will formulate a plan in 2018 to ensure that their housing stock is carbon-neutral by 2050.

NWB Bank is one of the largest providers of finance for Dutch social housing: one in three social housing homes in the Netherlands is financed by NWB Bank (based on financing needs). This WSW-guaranteed financing, with the central government and municipal authorities acting as backup, not only ensures security of supply but also offers a considerable price benefit. Thanks to the mutual guarantees and backup, housing associations pay a lower interest rate than they would otherwise have been charged. According to some parties interviewed, the benefit lies in a range of between 80 and 160 basis points, which helps to keep public-sector rented accommodation affordable (source: 'Survey into the added value provided by the WSW guarantee system' conducted by Deloitte on 2 October 2015).

Based on its core values ('conscious, engaged and reliable'), NWB Bank has linked its CSR policy to four themes that are derived from, consistent with and conducive to its general objectives. This is reflected in the bank's chosen CSR themes:

- sharing financial expertise with the public sector;
- sustainable and engaged financing;
- sustainable and social operations;
- ethical and transparent activities.

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## 102-15 DESCRIPTION OF IMPORTANT CONSEQUENCES, RISKS AND OPPORTUNITIES

The description of important consequences, risks and opportunities based on the strategy is presented in the form of a SWOT analysis (analysis of strengths, weaknesses, opportunities and threats). This analysis is one of the sources used to determine the CSR policy and its objectives for each theme. The objectives are accounted for in the annual report. Below is a description of the SWOT analysis components:

### **Strength**

While, given its customer base and field of operations, NWB Bank's lending is inherently beneficial to society and sustainable, efforts have been made over the past few years to set out in further detail the bank's aspirations, policies and disclosure in the field of CSR. NWB Bank's particular strength lies in the added value it can provide to society through its lending and financing, social engagement and, to a lesser extent, the example it sets with its own office-based organisation.

### **Weakness/Strength**

The management approach to CSR and the bank's choices in the area of sustainability are based on the fact that the bank is a relatively small office-based organisation. Overall, the organisation has a limited social and environmental impact (weakness), but in its role as a financial services provider in the public sector, and in terms of effect per employee, it can achieve a greater impact (strength). This approach provides the best match with NWB Bank's compact organisational structure and is expected to continue to do so in the future.

### **Analysis of environment (opportunities and threats)**

#### **Opportunities**

CSR potentially contributes to a low risk profile. NWB Bank makes well-considered choices for certain products, clients and investments, and sets well-considered limits in its CSR policy based on its own Articles of Association. NWB Bank operates on the basis of its core values: 'conscious, engaged and reliable'. There are opportunities for the future in terms of devoting greater attention to enhancing the sustainability and environmental and social impact of the assets on NWB Bank's balance sheet. For specific clients (water authorities and housing associations) that impact has already been translated into NWB Bank's funding (through the issuing, respectively, of Green Bonds and Social Bonds to finance the abovementioned client groups). In addition, governments (International Climate Agreement, National Energy Agreement and ICSR agreement) and intergovernmental organisations (UN: UNGC and SDGs) have concluded international agreements on sustainability (environmental and social) to which NWB Bank can contribute through its core duties.

#### **Threats (Risks)**

In the area of CSR, the following risks are the most relevant to NWB Bank:

- Reputational risk
- Supply chain risk
- Knowledge level
- Climate risk
- Integrity risk
- Environmental risks
- CSR covenants

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The CSR-related subjects of governance, compliance and integrity and associated policies (see the governance documents on the website: [www.nwbbank.com/corporate-governance](http://www.nwbbank.com/corporate-governance)) are particularly important to NWB Bank's reputational risk. The compliance role was designed to promote and supervise, or arrange for supervision of, compliance with laws and regulations and with internal procedures and rules of conduct that are relevant to the organisation's integrity and associated reputation. NWB Bank has assigned the compliance role, which relates to the bank's primary process, i.e. providing financing within the Dutch public sector, to its Legal and Compliance Department. Furthermore, the assurance EY provides further limits the reputational risk in respect of CSR-related disclosure. Signing CSR covenants enhances disclosure and reputation, but could also involve compliance risks if certain components of covenants are not or cannot be complied with.

NWB Bank's supply chain risk is twofold. First, NWB Bank is part of a chain of more than 120 European banks under ECB supervision within the framework of the European Single Supervisory Mechanism (SSM). As a result, the chain of banks is a system with its own risks over which NWB Bank, as one element, has only very little influence, unlike the institutions considered to be banks of systemic importance. Added to that is the value chain of which NWB Bank forms part (see the value chain on [page 6](#)). This is a clear illustration of how NWB Bank uses its organisation to influence social and environmental aspects concerning its clients, is able to limit associated risks and is transparent in how it does so through its disclosure.

Climate-related risks feature indirectly in the loan portfolio, whilst housing associations, for example, enhance the sustainability of their housing stock (reducing risks) and water authorities contribute to the climate adaptation and mitigation activities required (reducing risks). NWB Bank is responding to such risks by means of specific funding, i.e. Green Bonds issued so that loans can be granted to water authorities. In collaboration with Arcadis, the water authorities also publish their environmental impact in terms of carbon emissions (disclosure) [see: [www.uvw.nl/wp-content/uploads/2017/12/Klimaatmonitor-Waterschappen-verslagjaar-2016.pdf](http://www.uvw.nl/wp-content/uploads/2017/12/Klimaatmonitor-Waterschappen-verslagjaar-2016.pdf)]

Social risks include the integrity of staff (Code of Conduct) and training and knowledge levels. These risks are largely controlled by holding external and in-house training sessions, as well as biannual job appraisal and career development interviews, and by sharing knowledge on an ongoing basis. In addition, integrity risks are mitigated by submitting new recruits to pre-employment screening and ensuring that employees who work in commercial or integrity-sensitive positions are listed in the public DSI register.

Being a small office-based organisation, only a small number of environmental indicators apply to NWB bank and, accordingly, the impact can be considered to be limited. NWB Bank believes, however, that it should act as a role model for its stakeholders, which is why it attaches importance to reporting on environmental factors. Digitisation and energy reduction efforts limit the environmental impact of the office-based organisation. An additional risk is the accuracy of the reports on such environmental indicators as carbon emissions. That risk is mitigated by the assurance EY provides on the text and figures in the CSR report accompanying the annual report.

The annual report also explains the impact of developments in the banking environment on NWB Bank's growth and its continuity.

CSR Risk Matrix			
Themes/targets	Risks	Management	Monitoring results
1/2	Reputational risk	Policy and Assurance	Continuously
	Supply chain risk	Transparency and dialogue	Continuously
	Climate risk	Specific funding/lending	Continuously
	Knowledge level	Education and development	Continuously
3	Environmental impact	Compensation, digitisation and reduction	Regularly
	Energy wastage	Reduction	Regularly
4	Integrity risk	Training sessions and provision of information	Regularly
	CSR covenants	Monitoring contribution and obligations	Regularly

The extent to which NWB Bank is prepared to accept the abovementioned risks is reflected in its risk appetite. With regard to the labour, environmental and social risks, this is also included in the formulation of the CSR policy published on the NWB Bank website. The risks referred to above are related for the most part to the themes and targets in the CSR policy. Theme 2 'Sustainable and engaged financing' is related to the 'Economic' category and is where NWB Bank's strategic priority lies. Theme 3 'Sustainable and social operations' is connected with the 'Social' and 'Environmental' categories and, in a CSR context, is associated with some more risks that can both directly affect the office-based organisation and indirectly emerge in the bank's core duties or at borrowers. Theme 4 'Ethical and transparent activities' can be seen as a 'hygienic factor', as it is a self-evident requirement in a good relationship with all stakeholders which is monitored by, among others, stakeholders through various CSR covenants, benchmarks and CSR ratings. The results are monitored continuously, especially with regard to targets and future expectations. This can lead to short and/or long-term actions.

## INTEGRITY AND ETHICS

### 102-16 Values, Principles, Standards and Code of Conduct

NWB Bank attaches great value to its reputation as a solid and respectable bank for the public sector. For this reason, compliance and integrity play an important role in the bank's control mechanism. The bank wishes to ensure that its clients and investors can be completely confident in using its 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 forms part of the employment contract. In addition, the Code of Conduct has been posted both on the Intranet and on the bank's website. All employees (including the members of the Managing and Supervisory Boards) and all external staff who work in the banking sector for more than three months have taken the banker's oath. Lastly, all of the bank's new recruits are subject to Pre-Employment Screening, regardless of their positions. In addition, all employees in commercial roles and management team members must be listed in one of the registers of the Dutch Securities Institute (DSI).

NWB Bank has assigned some of the compliance-based duties to the Legal & Compliance Department and the supervision of compliance with the Insider Regulations to an external party. The external supervisory authority

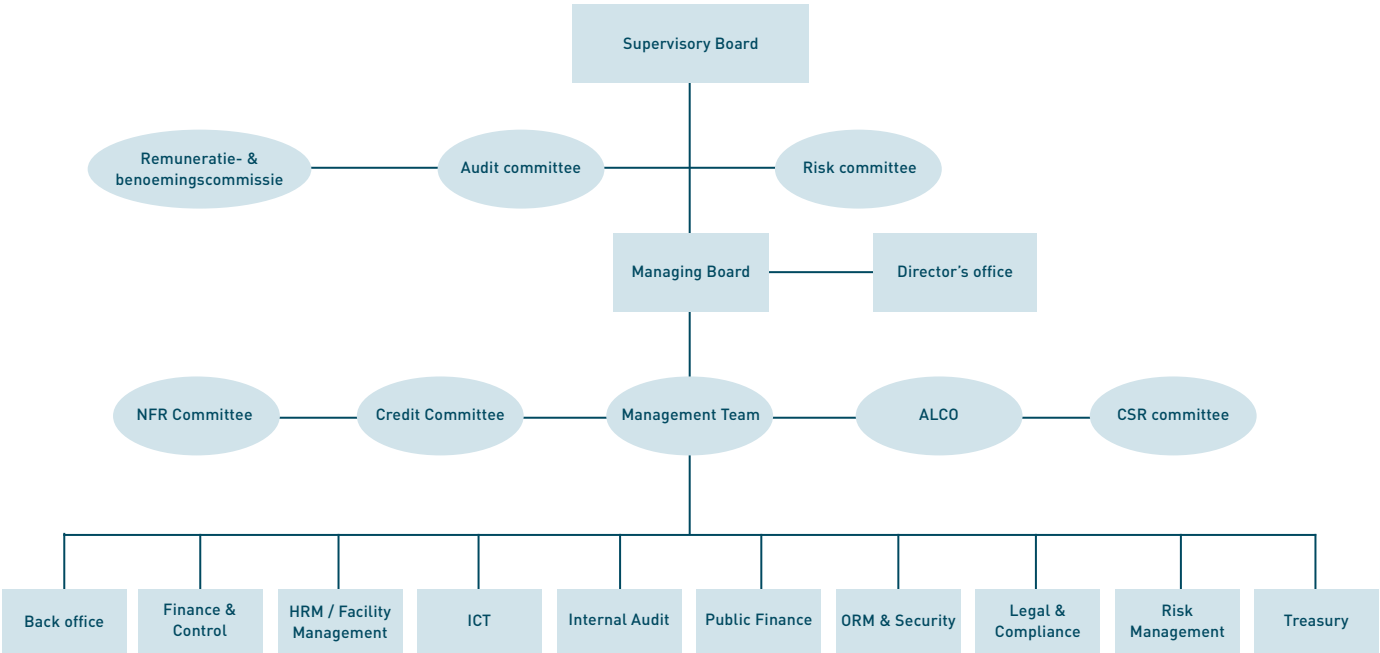


reports to the Managing Board and the Supervisory Board, while the internal Compliance Officer reports directly to the Managing Board. These reporting lines confirm the value that the bank attaches to internal supervision and to the work of both Compliance Officers. The supervision-based rules and rules of conduct are an important element of the compliance role.

## GOVERNANCE

### 102-18 Governance structure

NWB Bank is a public limited liability company. The company has a 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 on the Supervisory Board is included in the annual report and on the website. 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 corporate movie ([www.nwbbank.com/home#corporate-movie](http://www.nwbbank.com/home#corporate-movie)).



### 102-19 Governance structure

#### Governance structure

The Managing Board bears responsibility for CSR and discusses the associated policy and strategy with the Supervisory Board and other parties. The Managing Board is assisted by the various departments and by a CSR Committee. In addition, a CSR Coordinator has been appointed within the organisation.

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**Chair of highest governance body/ independence:**

Where 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 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, i.e. including those involving conflicting interests of Managing Board members, are conducted on terms customary in the sector. In cases in which NWB Bank has a conflict of interest with the Managing Board or one of its members, the bank is represented by one of the Supervisory Directors designated for that purpose by the Supervisory Board.

**Independence of members of unitary board structure:**

Not applicable.

**102-20 Responsibilities for ESG (environmental, social and governance) subjects**

There is a CSR Committee within the bank whose specific task is to draw up, check and amend plans and policy changes directly related to CSR. The CSR Committee consists of staff members from various departments, a Managing Director and the CSR Coordinator. The CSR Committee reports to the Managing Board, which is responsible for policy-making, the management approach and the evaluation of the material social aspects of business. The CSR Committee members each have joint operational responsibility for their specific area of the themes, goals and associated reporting. The Managing Board bears final responsibility for CSR.

**102-21 Stakeholder dialogue with regard to ESG subjects**

NWB Bank communicates with its stakeholders on a regular basis to find out what is going on in the public domain in which our clients operate, and in the banking arena relevant to the bank itself. All individuals and organisations that the bank works with, or that attach importance to the social role it fulfils as a promotional bank, qualify as major shareholders. In any event, the bank regards shareholders, customers, investors, employees, supervisory authorities and the government as stakeholders. To coordinate and step up contact with all those different groups of stakeholders and to expand its network, the bank appointed a Secretary to the Managing Board (one additional FTE) in 2017.

The European Commission has proposed an 'Anti Tax Avoidance Directive' containing legal measures to combat the most widely-used tax avoidance arrangements. In the 'Recommendation on Tax Treaties', European Member States are advised on how best to provide protection against tax abuse. NWB Bank adheres to these measures and does not aid tax evasion in any way whatsoever.

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## 102-22 Composition of highest governance body

The bank is managed by a Managing Board which, in accordance with the Dutch Financial Supervision Act, is comprised of at least two members. Management Board members are appointed by the General Meeting of Shareholders for a term of four years on nominations by the Supervisory Board. Since the end of 2017, the Managing Board has consisted of two members one of whom has been appointed interim Chair.

### **L.M.T. van Velden (b. 1964)**

Joined NWB Bank in October 2008, and has been a member of the Managing Board since January 2010. Interim Chair of the Managing Board as from the end of 2017.

Primary areas of focus: finance, risk management, back office, security management, tax, strategy, communication, legal affairs and compliance, Internal Audit Department.

### **F.J. van der Vliet RBA (b. 1967)**

Joined NWB Bank in January 2012 as a member of the Managing Board.

Primary areas of focus: lending, financing, ICT, HRM, asset and liability management, facility management and investor relations.

In performing their duties, the Managing Board members take economic, social and environmental indicators into account. Given the bank's size, it is difficult to make direct allocations.

## 102-23 Chair of the Managing Board

L.M.T. van Velden has been interim Chair of the Managing Board since 26 October 2017.

## 102-24 Nomination and selection of the highest governance body

The bank is managed by a Managing Board which, in accordance with the Dutch Financial Supervision Act, is comprised of at least two members. Management Board members are appointed by the General Meeting of Shareholders for a term of four years on nominations by the Supervisory Board. One of the Managing Board members is the Chair of the Managing Board.

Shareholders are convened by the Managing Board or the Supervisory Board by written notice stating the topics to be addressed. Shareholders representing at least 1% of the issued capital may submit topics to be placed on the agenda in writing.

The General Meeting of Shareholders adopts the financial statements and grants discharge to the members of the Managing Board for their management and to the members of the Supervisory Board for their supervision.

A delegation of employees who have been elected to the Works Council (OR) is involved in the bank's business operations.

## 102-25 Conflicts of interest

The Code of Conduct sets out the principles which NWB Bank employees should apply in their daily activities.

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Preventing conflicts of interest is an important aspect of the Code. Non-compliance with the Code may result in measures under employment law. The Code of Conduct can be consulted on the bank's website.

Where Managing Directors hold other positions or carry out transactions, conflicts of interest may arise. The Supervisory Board has been informed of all ancillary positions held by Managing Directors. As in previous years, no transactions took place during the year under review that involved a conflict of interest.

## STAKEHOLDER DIALOGUE

### 102-40 List of stakeholder groups engaged

The stakeholders identified by NWB Bank as part of its CSR efforts are shareholders, customers, investors, employees, the government and supervisory authorities.

### 102-41 CLA

The vast majority of the employees is covered by the CLA. Fifty-seven employees are covered by the collective labour agreement for the banking industry, whereas four employees, including the Managing Board members, are not. Most of the terms and conditions of employment ensuing from that collective agreement are nevertheless applied to the latter category.

### 102-42 Selection of stakeholders

As part of its CSR efforts, NWB Bank qualifies shareholders, customers, investors, employees, the government and supervisory authorities as its stakeholders. The interests of the stakeholders are evaluated regularly with the CSR Committee members.

### 102-43 Dialogue with stakeholders

As in previous years, a materiality assessment was made in 2017 of the CSR issues that are of relevance to the bank, also assessing how our stakeholders experience them. Those issues were identified based on discussions held with these stakeholders and, where possible, on the policies they pursue with respect to both generally social and sector-specific issues. This resulted in the Material Issues Plot (MIP) below, which was extensively debated with the CSR Committee members. Governance, supervision, compliance/integrity and transparency, in particular, are highly relevant issues affecting both the stakeholders and NWB Bank. Their relevance is apparent from such aspects as supervisory policies, discussions with shareholders, the focus on credit ratings in the financial markets and the bank's own policies. This analysis served as input for the annual report and this GRI table.

Throughout the year, the Managing Board visits clients and investors to explain half-year and annual figures and other trends. The Managing Board convenes a General Meeting of Shareholders once a year to render account of the objectives, corporate strategy, policies and financial results. Several times during the year, consultative meetings are held with the supervisory authority (De Nederlandsche Bank) and the European Central Bank on such subjects as risk management, compliance and integrity.

The response to last year's annual report was considered in preparing this year's report. The bank's CSR policy was also a discussion item at the General Meeting of Shareholders. The bank's shareholders are also its clients.

Employees are represented by the Works Council as of 1 January 2016.

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## 102-44 Key subjects and findings from the stakeholder dialogue

The bank uses information and suggestions from stakeholders to complete and perfect its CSR policy.

Being a publicly held enterprise, NWB Bank also participated in the Transparency Benchmark. The ensuing information and outcome were considered in fleshing out the bank's CSR policy. In addition, the CSR policy and CSR report were discussed at the General Meeting of Shareholders in 2017 and with the members of the Supervisory Board.

As in previous years, in 2017 NWB Bank again issued a Green Bond, the Water Bond. By doing so, NWB Bank has attracted new investors and enlarged the market for Green Bonds. In addition, the bank issued its first Social Bond, an Affordable Housing Bond, in 2017.

The principal relevant and current issues and NWB Bank's response to them are discussed primarily in the context of the Material Issues Plot.

## REPORT

### 102-45 Entities involved in the reporting

NWB Bank has no subsidiaries; the data in the annual report concern all the divisions of NWB Bank.

### 102-46 Content of reports and demarcation of the subjects

#### Report content

NWB Bank's core values were the starting point for setting the bank's CSR themes. The themes selected are derived from, and are consistent with, the bank's overall objectives. NWB Bank has identified the following CSR themes:

1. Sharing financial expertise with the public sector;
2. Sustainable and engaged financing;
3. Sustainable and social operations;
4. Ethical and transparent activities.

The themes are the result of a dialogue with the stakeholders. In this way, NWB Bank seeks to account for its social performance, in addition to accounting for its financial performance. Specific issues are addressed in the Material Issues Plot, which is updated annually.

#### Target group

The report is intended for all our stakeholders, including clients, investors, employees, shareholders, supervisory authorities and the government.



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## Assessment

The information for the report was provided by several organisational divisions. Report content was assessed internally by the Internal Audit Department (IAD). EY provided external assurance with respect to the CSR section.

## Demarcation

The annual report covers the period from 1 January 2017 up to and including 31 December 2017. NWB Bank's base currency is the euro and it therefore reports in euros. Its core activities are lending to or guaranteed by the Dutch public sector and funding in the national and international capital markets. The reporting in the annual report and the GRI table, as well as in publications on the website, is aligned with the scope of those activities.

NWB Bank has no subsidiaries. At the end of 2006, NWB Bank, in close collaboration with its shareholders and in consultation with the Dutch Association of Regional Water Authorities, founded Stichting NWB Fonds ([www.nwbfonds.nl](http://www.nwbfonds.nl)), an independent foundation to which the bank makes donations (see also Supply chain responsibility).

The materiality assessment forms the basis for the demarcation of the annual report and the CSR report specifically. In its CSR report and this GRI table NWB Bank reports mainly on the material topics, for which purpose the decisions in terms of depth and demarcation have been discussed in the CSR Committee and in the Managing Board meetings. In its lending operations, NWB Bank focuses primarily on the Dutch public sector; hence, topics and social themes outside that sector automatically receive less attention and/or may be less material (demarcation).

NWB Bank's impact (through financing) is most evident in seven sub-areas:

## NWB BANK'S IMPACT (THROUGH FINANCING) IS MOST EVIDENT IN SEVEN SUB-AREAS:



Climate change adaptation and mitigation: the proceeds from Water Bonds are earmarked for the financing of projects of the Dutch water authorities (64 for further details). These authorities ensure that, despite rising sea levels and river discharge volumes, the Netherlands remains a place where we can live, work and relax in safety. Water authorities adopt innovative solutions in order to perform their work more effectively, intelligently, sustainably and affordably. The utilisation of solar panels, wind turbines, self-generated energy and the useful application of residual heat and recovered raw materials have become integral to the work of the water authorities.



Affordable social housing: the social housing guarantee system, whereby the government provides surety (through the Social Housing Guarantee Fund) for loans to housing associations, provides an interest rate advantage (63). NWB Bank is a major provider of guaranteed loans and thereby contributes to this interest rate advantage, which ultimately benefits the social housing tenant.



Greening of housing stock: housing associations own roughly one third of the total housing stock in the Netherlands. The 'zero-energy' concept is gaining currency in new developments, and materials from demolished houses are reused. The objectives for the migration of energy labels are also being monitored.



Reduce healthcare costs: the social added value of the Healthcare Sector Guarantee Fund (and the lenders involved) is estimated to amount to approximately 1.5% in interest rate advantages. Historically, NWB Bank has a market share of approximately 25% in guaranteed lending to the healthcare sector.



Circular economy: NWB Bank fulfils approximately 90% of the external financing needs of the water authorities, which have made strenuous efforts to limit their own energy consumption, to recycle materials and to generate their own sustainable energy. Their ambition is for this share to rise to 40% by 2020 and to become 100% energy-neutral by 2025.



Low costs for government and citizens: NWB Bank's goal as a promotional bank is to provide financing to its clients on the most favourable terms possible and to take full advantage of its innovative capability to minimise the socio-economic costs of public facilities in the Netherlands. This includes the costs of the energy transition envisaged by the central government.



Promote export: to promote national exports, the Dutch government grants export credit insurance and guarantees to companies which, because of the nature of the buyer of the export product combined with the term and scale of projects, are unable or find it difficult to obtain financing. NWB Bank is active in financing and structuring such export credits.

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## .102-47 List of material issues

### **Putting the client's interests first**

NWB Bank responds to the need for support and serves as a sparring partner in the field of finance among its borrowers. For example, NWB Bank sends out a newsletter (the NWB Bank Public Sector Update) with news concerning our clients as reported in the media. A Financial Markets Overview is also distributed among clients every week, enabling them to closely monitor market developments and rates. Upon request, NWB Bank gives presentations to clients on a wide range of subjects to enable their employees, management boards and supervisory bodies to augment their knowledge of treasury-related issues and recent developments. The Treasury Scan provides clients with further insight into their loans portfolio, by means of comparison with the sector average and by quantifying financial risks. Finally, the Public Finance Department organises a number of educational client events each year, which aim to enhance clients' financial knowledge and help improve their financial processes.

By means of these initiatives, NWB Bank shares its information and insights with the public sector. In addition to their CSR relevance, this also ties in with the bank's duty of care and its policy aimed at putting clients' interests first and operating transparently. They cater for a great need, given the turbulent times many of our clients are going through. This testifies to the fact that the involvement NWB Bank demonstrates as a sector bank exceeds that shown by commercial banks under similar circumstances. The derivatives-related problems experienced by clients is a key issue at the present time. The bank fulfils its public tasks by enabling clients to convert those derivatives into fixed-interest loans.

As a bank of and for the Dutch (local and regional) authorities, NWB Bank aims to provide a 'counter service' to regular borrowers within the public sector. For regular borrowers (including the guarantee sector) it is important that NWB Bank always issues a price immediately, regardless of the extent, structure and term of the capital requirement. The bank's policy is geared to being able to do just that.

### **Sustainability impact - environmental**

NWB Bank successfully issued two Water Bonds (Green Bonds) in 2017, one 6-year benchmark bond for SEK 3 billion and one 4-year benchmark bond for USD 500 million. The former transaction is NWB Bank's first Green Bond in Swedish krona, following the earlier issues of Green Bonds in euros and US dollars: a 5-year bond of EUR 500 million in 2014, a 10-year bond of EUR 1 billion in 2015 and a 10-year bond of USD 1.25 billion in 2016. The issue in Swedish krona allows NWB Bank to attract more investors and enlarge the market for Green Bonds. The bonds were purchased by a group of Swedish investors seeking to facilitate the transition to a low-carbon world and a sustainable society. The bond issued in the USD transaction also went to SRIs (Socially Responsible Investors) for the main part.

These Water Bonds serve to underline NWB Bank's role as a robust and sustainable financing partner for the Dutch public sector. NWB Bank is a national promotional bank with AAA/Aaa ratings whose lending, given its client base and field of operations, is sustainable and inherently beneficial to society.

NWB Bank is also active in the area of financing PPP projects, including long-term accommodation and infrastructure projects. Examples include government buildings, motorways and water infrastructure which have been put out to contract by national, regional or local Dutch government authorities. In this context, the government authority acts as the client and transfers the responsibility for the construction and maintenance of the project during a specific lifespan to a private contractor consisting of a consortium of private parties. Through

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this alternative form of finance, NWB Bank aims to provide further support to its client groups. One of the aspects considered in the assessment of these projects is sustainability (environmental and social risks), through application of the Equator Principles.

The Netherlands Investment Agency (NIA) and NWB Bank have signed a letter of intent in which they seek to promote the achievement of social and government objectives by strengthening social investment and financing capacity. In this partnership, NWB Bank shares its financial knowledge and expertise of the banking sector, as well as any additional financing options via NWB Bank's balance sheet.

The government is working with local authorities, associations, network companies and other organisations on a programme aimed at enhancing the sustainability of the built environment. Given that approximately one third of the Dutch housing stock consists of social rented accommodation and NWB Bank holds a market share in that segment of approximately one third, roughly one in nine dwellings in the Netherlands is financed by NWB Bank. Since the funds required to make the existing social housing stock more sustainable are provided under the Social Housing Guarantee Fund, NWB Bank is making its contribution by supplying inexpensive, long-term financing.

#### **Sustainability impact – social**

2017 saw the successful issue of two 7-year and 15-year benchmark Affordable Housing Bonds of, respectively, EUR 1.5 billion and EUR 500 million. A 30-year benchmark Affordable Housing Bond of EUR 600 million was issued as well; never before has NWB Bank issued a bond with such a lengthy term. Indeed, it is the longest Social Bond in the international capital market, making NWB Bank a front runner among Social Bond issuers. The proceeds from the Affordable Housing Bond will be used exclusively for the financing of social housing. Both NWB Bank and the market need bonds with longer terms. The 30-year Affordable Housing Bond was substantially over-subscribed, proof of SRI investors' great interest in the market. NWB Bank has thus reaffirmed its role as a robust and sustainable financing partner for the public sector, enabling investors to use their money for projects having an impact on society.

NWB Bank ensures that housing associations have access to long-term financing at the lowest possible costs. In this way, the bank helps create affordable rented accommodation for the social sector. The government facilitates this by acting as a backup for WSW-guaranteed loans to housing associations. The WSW guarantee is embedded in a security structure which is aimed to ensure that sufficient financial resources are available to solve potential financial problems at one or several WSW participants without jeopardising the guarantee system itself. It is becoming increasingly important to measure the impact of loans on the environment and in the social sphere. The social added value of the Social Housing Guarantee Fund is estimated to amount to approximately €80 billion based on an interest rate advantage for the entire guaranteed loan portfolio of the housing association sector. NWB Bank has provided around 39% of the total guaranteed debt.

In a cooperation agreement, the European Investment Bank (EIB) and NWB Bank have agreed to exchange knowledge and experience in order to better support public projects in the Netherlands. The EIB provides funds to NWB Bank, which will invest them in public-sector projects in the fields of social housing, the environment, the knowledge economy and the water sector.

The social added value of the Healthcare Sector Guarantee Fund is estimated to amount to an interest-rate advantage of approximately €100 million a year for healthcare institutions. This concerns the impact as described in the value creation model within NWB Bank's CSR policy, with NWB Bank's market share in Healthcare Sector

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Guarantee Fund financing amounting to approximately 28%.

### **Governance (sound management)**

The Dutch Banking Association (NVB) issued the Dutch Banking Code (including disciplinary law) in 2010. Under the Code, employees are personally responsible for compliance with the rules of conduct and may be called to account for non-compliance with reference to the banker's oath. Moreover, the Dutch Central Bank (DNB) expects the boards of financial institutions to operate with expertise, integrity and effectiveness. Among other things, they must promote a culture in which sufficient attention is devoted to risk awareness, understanding and control, and in which the clients' interests are put first and harmful and illegal activities are not tolerated.

### **Conduct and culture (integrity)**

Society and the supervisory authorities require greater integrity in the conduct of financial institutions. Soft controls include measures aimed at encouraging employees and management to behave with integrity in the form of shared standards and values. Within the culture of NWB Bank, it is important that employees challenge one another so as to bring about countervailing power. The organisation's success depends in part on a healthy and balanced culture in which the bank's core values and social objectives are firmly established. Besides an effectively formulated mission, the conduct of its people is at least equally important. The 'family culture' which characterises the bank accounts for many favourable aspects that are aimed at ethical business operations.

DNB carried out a systematic integrity analysis (SIRA) in the banking sector, including at NWB Bank. As from 2018, major changes will be implemented in privacy legislation, especially within the context of the new Personal Data Protection Act.

### **Supervision and Compliance**

Legislation on supervision for the financial sector has been revised comprehensively in recent years. According to DNB, this has created the basis necessary to increase the solidity of financial institutions. At the same time, the quantity, degree of detail and complexity of laws and regulations have increased sharply. The interaction between rules can have unintended consequences and encourage high-risk behaviour not previously encountered. Rules may also conflict with one another, and announced revisions potentially create uncertainty among financial institutions. For innovative and small institutions, in particular, a rise in the regulatory burden could increase compliance risk and jeopardise viability. These trends call for proportionality within existing regulations, without resulting in any relaxation of the requirements.

### **Long-term employability**

It is the joint responsibility of employers and employees to ensure well-qualified and broadly employable staff. Continuous adaptation of knowledge and skill sets is called for in a rapidly changing economy. Employees must be flexible and remain up-to-date, not only in the interest of business continuity, but to achieve the ambitions for the future and also, importantly, for the employees' personal development. Accordingly, long-term employability is a priority in the collective labour agreement for banks.

The HRM policy is aimed at attracting and retaining competent personnel for NWB Bank and promoting their development in a way that benefits both the organisation and the employee. As such, the HRM policy aims to facilitate the objectives of the organisation. Long-term employability is one of the spearheads of HRM policy.



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NWB Bank stimulates long-term employability and a pleasant working climate through a range of different instruments. Examples include intensive and personal support for our employees in their present and future performance and personal development, an ample training budget to keep their professional knowledge and skills at the desired level and achieve future ambitions, and the flexibility of individual employees in finding the right work-life balance. This was confirmed in the employee engagement survey (MBO) conducted in the autumn of 2016 (which is periodically repeated), with exceptionally high scores achieved on the Work Ability Index, work satisfaction and satisfaction with immediate supervisors.

### **CSR Reporting and Communication**

NWB Bank uses the GRI Standards for reporting. Its reason for choosing GRI is that the bank strives to promote international comparability with other institutions, such as other banks and publicly held enterprises in the Netherlands, also in the long term. GRI launched the GRI Standards developed by the Global Sustainability Standards Board in 2016. NWB Bank will apply these new standards in its annual report and/or the GRI table. The GRI Standards have an increased focus on materiality and place greater emphasis on the management approach.

The Transparency Benchmark of the Ministry of Economic Affairs and Climate Policy remains a key topic for publicly-owned enterprises and the financial sector. The bank has set itself the target of scoring within the top 10% of participants in the Transparency Benchmark.

CSR Reporting serves a range of purposes, one of which is the need to inform stakeholders. Rating agencies use the CSR reporting data to form an opinion on the sustainability of NWB Bank. This makes it important to provide a balanced and comprehensive view of the organisation and its value chain.

### **Social engagement**

Water authorities are regularly involved in water projects in developing countries, with financial backing from the NWB Fonds set up for that purpose in 2016. NWB Bank has donated a total of €20.5 million to the NWB Fonds to date.

Lending more substance to its role in society is important to NWB Bank. Participating in CSR projects such as 'NLdoet', and 'Money week/The Classroom Bank' (Week van het geld / Bank voor de klas), is in line with NWB Bank's core values. 'Ride for the Roses' is another project in which the bank participates. The sponsorship it provides in the form of money and/or time encourages employees to take part in volunteer projects. Another example is the bank's partnering with people with a physical or mental disability, an initiative for which it has formulated specific targets.

Within the context of its role as a financier, NWB Bank aims to encourage its borrowers in a wider sense, tying in with developments seen in the public sector. Together with the Dutch Association of Regional Water Authorities, NWB Bank awards a Water Innovation Prize every year. In so doing, the bank intends to extend its role as a promoter of sustainability and corporate social responsibility.

### **Environmental impact (of the office organisation)**

The government uses its own procurement criteria as an instrument to influence social and environmental aspects. As NWB Bank believes it is important to lead by example, it wishes to join these efforts. Even though this topic is not material given its small office-based organisation, the bank wishes to limit its environmental impact and has formulated the following objectives to this end:

- the sustainable purchasing of energy (gas and electricity) and paper;
- carbon offsetting for business trips and company cars;
- structural application of procurement criteria (PIANOO) for government authorities when purchasing other facilities products and services;
- digitising business operations.

### **Climate change**

Climate change is a major long-term risk for the financial sector. However, the physical risks associated with climate change also offer opportunities for new business models and products. In addition, transition risks may arise if climate policy leads to downward revaluations on the financial markets and thus indirectly influences the capital position of institutions. The credit risk related to financing carbon-intensive sectors could also increase as a result.

### **CSR covenants**

#### **Human rights**

NWB Bank is a signatory to the ICSR agreement, which aims to reduce the risks of human rights violations in international value chains. This concerns aspects such as working conditions, the freedom to belong to a trade union, child labour and land rights. Banks will themselves provide greater transparency on how they comply with their responsibilities concerning human rights, on their investment portfolios, on the screening of their clients and on their dialogue with clients should the latter become involved in human rights violations.

#### **Equator Principles**

The Equator Principles provide a framework and a set of guidelines which can be used to evaluate social and environmental risks in financial projects. These principles provide NWB Bank with social and environmental standards to manage those risks in global project development financing. NWB Bank applies the Equator Principles for PPS financing.

#### **UN Global Compact Principles**

The UN Global Compact comprises ten principles in the areas of human rights, labour laws, the environment and anti-corruption. It requires companies to endorse and support those values and to promote them within their sphere of influence. The bank has also signed the UN Global Compact principles (see Appendix 2.)

#### **Climate statement**

Together with the other Dutch banks, NWB Bank acknowledges the risks of climate change. The banks are jointly taking further steps. That is the background to the climate statement, comprising ten points, which the Dutch banks presented to the Dutch government authorities and NGOs working on issues relating to climate change. Climate change is one of the most important challenges of our time (see Appendix 3).

#### **Sustainable Development Goals (SDGs)**

The Sustainable Development Goals are an important source of inspiration for the sustainability policy of the Dutch banking sector. Each of the SDGs concerns one or more Dutch banks. NWB Bank decided to select a number of relevant themes from among them to enable it to highlight its specific contribution to their implementation. Based on the discussions within the Sustainability Platform and with external banking experts, the bank opted to focus on 7 of the 17 SDGs (and 169 sub-goals). See Appendix 7 for a table containing the mapping of the SDGs.

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## 102-48 Restatement of information provided in previous reports

Not applicable.

## 102-49 Change in scope

The introduction of the GRI Standards has resulted in more extensive and detailed reporting on material issues. The performance indicators for CSR reporting have remained unchanged.

## 102-50 Reporting period

1 January 2017 to 31 December 2017 inclusive.

## 102-51 Date of most recent report

The report's publication date is 20 April 2017.

## 102-52 Reporting cycle

Annual.

## 102-53 Contact point for report

[mvo@nwbbank.com](mailto:mvo@nwbbank.com)

## 102-54 Reporting in accordance with GRI standards

This report has been drawn up in line with the GRI Standards' 'core' option.

## 102-55 GRI Content index

In its CSR policy reports, the bank applies the Global Reporting Initiative (GRI) guidelines (GRI: [www.globalreporting.org](http://www.globalreporting.org)). The report in the 2017 Annual Report is based on the GRI Standards. According to NWB Bank, the GRI reporting level is 'core'.

EY has provided external assurance on the Corporate Social Responsibility report. This Content Index includes references to the relevant pages in the 2017 Annual Report for the GRI Disclosures and GRI Performance Indicators.

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## 102-56 External assurance

EY has provided external assurance on the CSR report. EY provides reasonable assurance as to whether the information in the CSR report is presented in all material respects in accordance with the Global Reporting Initiative standards and supplementary internal guidelines. EY is NWB Bank's present external auditor, which is appointed by the General Meeting of Shareholders. EY's reports are also provided to the Supervisory Board.

## 103 MANAGEMENT APPROACH

### 103-1 Details on material issues and demarcation

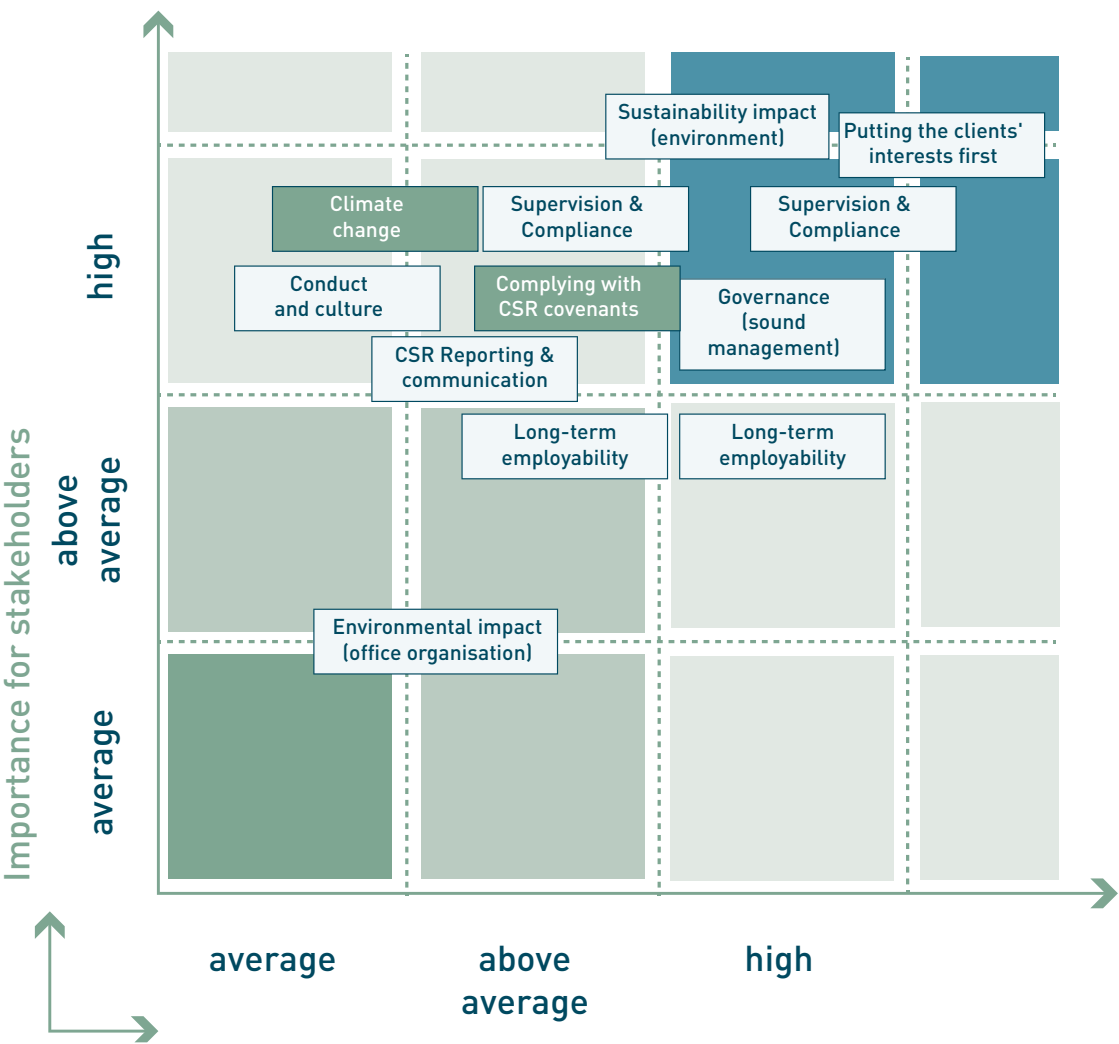
NWB Bank engages in dialogue with its stakeholders on a regular basis. Within a CSR context, NWB Bank qualifies its shareholders, clients, investors, employees, the supervisory authorities and the government as its stakeholders. As in previous years, a materiality assessment was made in 2017 of the CSR issues that are of relevance to NWB Bank. The topics emerged from desk research, discussions within the CSR Committee, discussions with stakeholders and, where possible, from their policies and monitoring with regard to general social and sector-specific issues. The dialogue resulted in the Material Issues Plot (MIP) set out below, which was extensively debated with the CSR Committee. The topics 'putting the clients' interests first' and 'sustainability impact' in particular have a considerable effect on stakeholders and their assessment and decisions and have an impact on NWB Bank. That effect is apparent from such aspects as supervisory policies, discussions with clients and shareholders, the focus on CSR ratings in the financial markets and the bank's own CSR policy.

A comparison was made with the relevant themes of DNB and NVB, and the input of investors in Green Bonds and Social Bonds was examined, in order to validate the material issues. The MIP was also discussed with key client groups at a client event.

Climate change and CSR covenants are new topics which did not feature in the MIP in 2016. Furthermore, the topic of 'balanced remuneration policy' was removed because NWB Bank's remuneration policy is no longer a point of discussion among stakeholders now that it has been amended to take account of stakeholders' wishes.

The MIP is primarily based on a stakeholder perspective. Discussions were held with stakeholders, desk research was carried out and peer comparison benchmarks were used to establish the issues that stakeholders consider important. Based on their feedback, an estimate of the effect of each of the topics on their assessment and decisions was made for the various shareholders. Not all stakeholders have the same interests. The impact on NWB Bank was then established by the CSR Committee, in which the Managing Board is also represented. A number of issues were considered less material and have not been included, or appear in the low/middle range of the plot. The CSR Committee mainly designated as 'material' the topics 'putting clients' interests first' and 'sustainability impact'. 'Governance', 'conduct and culture' and 'supervision and compliance' were the issues that have been qualified as material by the Managing Board in particular. As a small organisation, NWB Bank's environmental impact is limited and its stakeholders are aware of this, but its aim to lead by example remains a matter of some importance.

NWB Bank’s impact on the environment is reflected in the value creation model included above. The material issues are covered in more detail in the CSR report, theme by theme. The link to the GRI table can also be seen in the GRI Index (102-55). The topic of environmental impact (office organisation) has been included in the GRI table but not in the CSR report owing to its limited materiality.



## 103-2 Management approach

NWB Bank has a CSR Committee comprising members of several of the bank's departments, members of the Managing Board and the CSR Coordinator. The CSR Committee is accountable to the Managing Board and has the following objectives:

- to design the policy/strategy;
- to monitor social and environmental risks;
- to structure input from stakeholders and specific target groups;
- to discuss topical CSR themes in relation to the bank's CSR policy;
- to monitor CSR policy action items;
- to formulate targets and objectives;
- to debate challenges (obstacles) the bank faces;
- to report on CSR.

Stakeholder	Material issue	Theme and CSR policy
<b>Clients</b>	Putting clients' interest first	Sharing financial expertise with the public sector
	Social engagement	Sustainable and engaged financing
<b>Shareholders</b>	Social engagement	Sustainable and engaged financing
	Governance (sound management)	Ethical and transparent activities
<b>Investors</b>	Sustainability impact (environmental and social)	Sustainable and engaged financing
	CSR Reporting and Communication	Ethical and transparent activities
	Governance (sound management)	Ethical and transparent activities
<b>Employees</b>	Long-term employability	Ethical and transparent activities
	Conduct and culture	Ethical and transparent activities
	Social engagement	Sustainable and engaged financing
<b>Supervisory authorities</b>	Conduct and culture	Ethical and transparent activities
	Climate change	Sustainable and engaged financing
	Supervision and Compliance	Ethical and transparent activities
<b>Government</b>	CSR covenants	Sustainable and social operations

The subject is periodically addressed during Supervisory Board meetings. On those occasions, the Supervisory Board discusses a number of material aspects with regard to the current strategy and the future. In addition, the exclusion criteria for lending are discussed with the Supervisory Board.

The CSR Committee meets every month. The members concerned have the opportunity to spend some of their time working for the CSR Committee in addition to performing the duties inherent to their respective positions.

The CSR Committee's budget comprises, at a minimum, the Water Innovation Award, sponsoring, any environmental measures, assurance costs and allocated hours of employees.

Major CSR performance objectives (POs) and minimum preconditions (MPs) have been defined for the next three to five years, broken down by theme. As the performance objectives are measurable and can be influenced, they represent a challenge for the bank. The minimum preconditions are based on, for instance, applicable laws and

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regulations, governance codes and internal codes and rules of conduct.

### **Reporting process**

Each individual member of the CSR Committee bears operational responsibility for their share in reporting. The reporting process has been integrated into the internal control structure, which includes social and environmental risk monitoring. Risk management (comprising CSR aspects) is an integral part of NWB Bank's internal processes.

The Internal Audit Department monitors reporting quality, testing all the bank's key processes at least once every two years and the CSR Report every year. The carbon matrix, for example, is subject to both an internal audit and an external assurance review for the methods used to measure (consumption), estimate (measure in the event of uncertainty) and calculate (Defra conversion factors). The involvement of the Risk Management Department and the Internal Audit Department safeguards the quality of the CSR data. In addition, it is verified whether the processes other departments use in providing information are in accordance with the formalised internal control structure. In this context, it is established whether the input from stakeholders and specific target groups is included in the report.

No changes were implemented in 2017 in the definitions and measurement methods for the reported data compared with prior reporting periods.

In the annual report, NWB Bank has included an explicit disclosure concerning any changes in the CSR policies and targets compared with prior the reporting period. The targets have remained the same in terms of their content (interest calculator has been discontinued, and a carbon emission target per employee has been included). The bank now reports more extensively on its impact, which was one of the elements highlighted in the materiality assessment (MIP).

### **The Managing Board bears final responsibility for CSR.**

Shareholders may respond to the CSR Report during the General Meeting of Shareholders. Minutes are drawn up of those meetings and, to the extent possible, recommendations made by shareholders are followed up. In addition, clients are asked for input during client meetings; their input is discussed periodically in a consultative body.

The strategy and strategic priorities of NWB Bank, and the resulting annual plans and policy amendments, are discussed in Managing Board meetings and subsequently within the management team. Implementation of the annual plans is monitored internally by the Managing Board based on periodic reports, which are also placed on the management team and departmental meeting agendas. Plans, policy changes and results directly related to CSR are also discussed by the CSR Committee, which gives rise to CSR targets that are discussed in the CSR Committee every six months. The CSR targets are included in the objectives of the various departments and staff members involved. The extent to which NWB Bank is prepared to accept the above-mentioned risks is reflected, with regard to the economic risks, in the bank's risk appetite, and, with regard to the labour, environmental and social risks, in the formulation of CSR policy. The short-term and long-term actions arising from the CSR policy and associated targets are primarily discussed in the CSR Committee and are included in the half-year monitoring on the CSR targets. This approach provides the best match with NWB Bank's compact organisational structure and is expected to continue to do so in the future.

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The above management approach applies to all material issues, nor is any distinction in terms of approach made within the material issues. The environmental impact of the bank's office organisation is accounted for in the GRI table rather than the CSR report.

**Other observations regarding stakeholders:**

- NWB Bank invites its stakeholders to submit any suggestions they may have with respect to the bank's CSR policy and reports. They can send their input to a dedicated email address ([mvo@nwbbank.com](mailto:mvo@nwbbank.com)).

## 103-3 DEVELOPMENT OF THE MANAGEMENT APPROACH

Further details are provided in the CSR report for each material issue. See 102-47 'List of material issues'.

The CSR policy is subject to an annual evaluation covering all material issues. Despite being limited, the environmental impact of the bank's office organisation is also included in the evaluation, as NWB Bank seeks to set an example for its stakeholders.

### Median for Chair of Managing Board / other employees

Based on principles in the annual report, the ratio between the remuneration of the Chair of the Managing Board and the median of the other employees of NWB Bank for 2017 is 4.06.

## PERFORMANCE INDICATORS

### ECONOMIC/FINANCIAL

#### 201-1 Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.

See the financial statements in the annual report.

#### 201-2 Financial implications and other risks and opportunities resulting from climate change.

The energy transition is a fascinating challenge, and one to which NWB Bank is keen to contribute by providing finance. By signing the Paris Climate Agreement at the end of 2015, nearly every country in the world, including the Netherlands, agreed to limit further global warming as far as possible, and in any event to halt it below two degrees Celsius. This is essential if we are to succeed in bequeathing an inhabitable world to future generations. An increasing number of parties have realised that 'doing nothing' is not an option and will ultimately even prove more costly for those future generations. The transition to a climate-neutral and circular economy will require major steps and investments worldwide in the decades ahead - also in the Netherlands.

#### 201-3 Coverage of the organisation's defined benefit plan obligations.

All NWB Bank employees participate in the bank's pension plan (which is an average earnings pension plan) administered by AEGON. Employees make personal contributions of a maximum of 3% of their pensionable salaries.

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## 201-4 Financial relationships with government bodies

All of the bank's clients are part of, or operate in the Dutch public sector. The shareholders are also government bodies. NWB Bank finances about one third of all local authorities and institutions with guarantees from those authorities.

In 2017, the European Investment Bank (EIB) made €250 million available to NWB Bank to invest in enhancing the sustainability of social housing and help the water authorities to achieve their circular economy ambitions. Since NWB Bank is committed to providing at least the same amount, a minimum sum of €500 million in public investments is being mobilised. The EIB's loan to NWB Bank is a follow-up to the earlier collaboration which saw to the financing of €800 million in social housing, environment, knowledge economy and water sector projects in 2016. The collaboration between the two promotional banks is designed to provide the public sector in the Netherlands with funding at even more attractive rates. It also means that smaller projects and clients, which would otherwise be ineligible, can benefit from very inexpensive EIB financing. Ultimately, this means clients can reduce their interest burden, which should, among other things, contribute towards water authorities' projects and keep social housing affordable.

## 203-2 SIGNIFICANT INDIRECT ECONOMIC IMPACT

### Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.

NWB Bank extended its dialogue with borrowers in 2017. One of the topics addressed in these discussions is sustainability. Furthermore, institutional investors are interested in the sustainability aspect of NWB Bank's own funding. They engage research agencies specialising in sustainability that use questionnaires and assessments concerning the bank's CSR policy and its transparency. For example, the bank's sustainability profile was charted by the research agencies Sustainalytics, IMUG, OEKOM and CICERO. These agencies' findings are published on the NWB Bank website.

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## Monetary value of products and services designed to deliver a specific social benefit

NWB Bank ensures that housing associations have access to the capital market at the lowest financing costs. In this way, the bank helps create affordable rented accommodation for the social sector. The government facilitates this by acting as a backup for WSW-guaranteed loans to housing associations. The WSW guarantee is embedded in a security structure which is aimed to ensure that sufficient financial resources are available to solve potential financial problems at one or several WSW participants without jeopardising the guarantee system itself.

The bank is always available for its clients and continuously responds to their changing requirements. For instance, since 2017 housing associations have been able to convert their derivative contracts with commercial banks into new long-term, fixed-rate loans with NWB Bank, secured by the Social Housing Guarantee Fund. As a result of this, more financial resources become available to associations for investments in social housing. In total, the bank was involved in conversion arrangements representing just under €500 million in 2017.

NWB Bank entered the Social Bond market in 2017. The first Affordable Housing Bond (AHB) issued by the bank in June amounted to €2 billion. This was followed by a second AHB amounting to €600 million in August. As the proceeds from the AHBs specifically benefit the financing of social housing, this also helps to improve the sustainability of the existing social housing stock.

## Monetary value of products and services designed to deliver a specific environmental benefit.

NWB Bank again issued Green Bonds (Water Bonds) in 2017 amounting to approximately €0.9 billion. The proceeds from those bonds are being used to finance water authorities' projects which contribute to climate mitigation, climate adaptation, biodiversity and other objectives. The Water Bond issue underpins the role of NWB Bank as a robust and sustainable finance partner for the funding of the water authorities' climate adaptation and mitigation projects.

## 205-2 Percentage of employees trained in anti-corruption policies and procedures.

In 2018, the bank will address the themes of integrity and operational risk management through bank-wide training sessions. Cyber security and ICT training sessions were held in 2017.

## 205-3 Confirmed incidents of corruption and actions taken.

No incidents of corruption relating to NWB Bank have been reported or identified. NWB Bank has taken various preventive actions to combat corruption, the most important ones being pre-employment screening, the Insider Regulation, the Code of Conduct and the Whistleblower Procedure.

### Social results benchmarks:

The World Justice Project (WJP) Rule of Law Index® provides original, impartial information on how the public experience the rule of law in everyday life in 102 countries around the globe. The Netherlands is one of those countries and features in the top 10. ([worldjusticeproject.org/rule-law-around-world](http://worldjusticeproject.org/rule-law-around-world))

The Worldwide Governance Indicators (WGI) reports aggregate and individual governance indicators for 215 economies over the 1996–2014 period, for six dimensions of governance. The Netherlands ranks in the highest category for each of these dimensions. [info.worldbank.org/governance/wgi/index.aspx#home](http://info.worldbank.org/governance/wgi/index.aspx#home)



## ENVIRONMENT

### 301-1 Materials used by weight or volume

With its reporting, NWB Bank seeks to provide an insight into its results in relation to the environmental aspects of its corporate responsibility in terms of emissions, in particular as regards greenhouse gases and ozone-depleting gases.

At NWB Bank's office organisation, paper is the material most used in day-to-day operations. We used an estimated 1,575 kg of paper in 2017 (2016: 1,443 kg). Carbon emissions (4.8 tonnes) from paper use have been offset.

In 2017, the total carbon emission from the bank's company cars amounted to 76 tonnes (2016: 93 tonnes), a decrease of more than 18% which is largely due to a fall in the total quantity of diesel. All these carbon emissions are offset.

Gas consumption was 53 tonnes in 2017 (2016: 55 tonnes). Gas is supplied by the gas supplier including carbon offset.

In 2017, carbon emissions associated with overseas air travel amounted to 104 tonnes (2016: 81 tonnes). These emissions are offset.

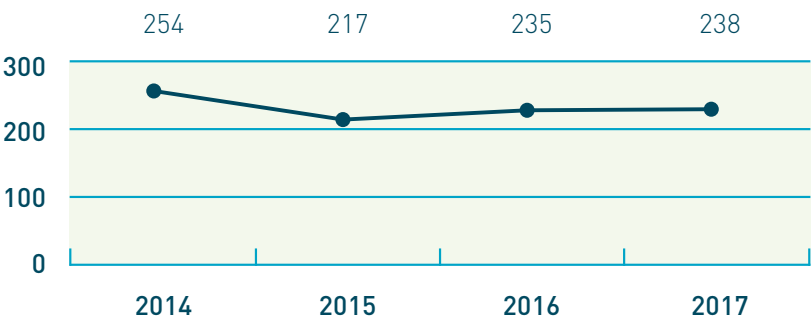
### 302-1 Direct energy consumption by primary energy source

The ambition to use green energy (gas and electricity) has been achieved since 1 January 2010 (see EN 16).

### 305-1 Total direct and indirect greenhouse gas emissions by weight

NWB Bank started monitoring its carbon footprint in 2010. The chart below shows carbon emissions totalling approximately 241 tonnes for 2017 (2016: 235 tonnes). In 2017, electricity came from renewable sources without direct carbon emissions. Gas was supplied by the utility company including carbon offset. Carbon emissions caused by trips abroad were offset for the whole of 2017, as were those caused by company cars. In addition, the car scheme was tightened as regards maximum carbon emissions in 2017. The calculation of the carbon footprint is included in Appendix 1.

#### Carbon emissions per year



### 302-4 Initiatives to reduce greenhouse gas emissions, and reductions achieved

NWB Bank aspires to operate in a carbon-neutral manner as regards accommodation and air travel, by offsetting carbon emissions where needed. As regards company cars, it seeks to achieve a positive effect by encouraging employees to drive energy-efficient cars. For 2016, carbon emissions caused by company cars were offset and the car scheme was tightened further.

### 306-2 Total weight of waste by type and disposal method

As early as 2009, new arrangements were made with the bank's waste processor, which issued a certificate showing that a certain amount of carbon is offset annually through the Climate Neutral Group. The bank has a 750-litre container which 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 disposed of via the sewage system. NWB Bank is negotiating with its suppliers in order to further improve sustainability arrangements.

#### Management approach in respect of environmental indicators:

1. Mobility: The maximum permitted carbon emissions per company car are 150 grams per kilometre. The travel policy recommends travel by public transport. Train travel is preferred over air travel within Europe. Arrangements have been made about this with the bank's business travel agency. With effect from 2017, employees have also been able to use NS (Dutch Railways) business cards.
2. When buying items for everyday use, sustainability aspects are taken into account based on the PIANOo procurement criteria of the Ministry of Infrastructure and Water Management. Any breaches of these criteria are discussed with the supplier concerned and may result in termination of the relationship.
3. New arrangements have been made with the bank's suppliers of gas, electricity and business travel. At the end of 2009, a different gas supplier (Greenchoice) was selected, which supplies gas in a carbon-neutral manner by means of carbon offsetting. Since 1 January 2012 Greenchoice has also supplied the bank's electricity. The contract with Greenchoice has been checked against the conditions for sustainable procurement of the Ministry of Infrastructure and Water Management. In addition, there are arrangements regarding foreign travel, and carbon emissions associated with overseas air travel are offset. An agreement has been made with the waste processor that carbon emissions will be offset.
4. The environmental management system is shown in Appendix 6. At the Ministry's request, NWB Bank has reviewed how the organisation's carbon emissions can be reduced further. Energy label C will apply as a minimum for utility buildings in 2023.

## LABOUR

### 401-1 Total number and rates of new employee hires and employee turnover by age group, gender and region.

At the end of 2017 the management team comprised eleven persons, three of whom were women. In 2017 the Managing Board comprised two persons, one of whom was a woman. NWB Bank's workforce is reasonably constant, with a limited turnover.

Four employees left the Bank in 2017 (2016: two).

Year	2015 number	2015 % of staff	2016 number	2016 % of staff	2017 Number	2017 % of employees
Employees aged 60 to 70	1	1,9	2017	0	1	1,6
Employees aged 50 to 60	13	24,1	13	22,8	15	24,6
Employees aged 40 to 50	24	44,4	25	43,9	27	44,3
Employees aged 30 to 40	12	22,2	13	22,8	10	16,4
Employees aged 20 to 30	4	7,4	6	10,5	8	13,1

#### 403-2 Injuries, occupational diseases, lost days and absenteeism.

The bank discussed the absenteeism figures during the management team meeting and with the CSR Committee.

Year	2015	2016	2017
Total absenteeism	1,28%	1,80%	2,92%
Brief absence of up to 7 days	1,10%	1,10%	0,75%
Medium-length absence of up to 42 days	0,17%	0,47%	0,49%
Long-term absence of up to 365 days		0,24%	0,21%
Prolonged absence of up to 730 days			1,48%

NWB Bank has a target absenteeism rate of 2.0%. Since long-term and prolonged absence rose in 2017, the total rate amounted to 2.92%. However, the number of absences, reporting frequency and the short-term absence rate fell compared with 2016. No physical accidents or injuries occurred in the workplace.

#### 404-1 Average hours of training per year per employee, by employee category.

NWB Bank attaches great importance to its training budget. Department managers monitor employee development at an individual level, with due consideration for the bank's objectives and making no distinction in terms of gender. Employees also have their own responsibility where their employability is concerned.

In 2017, an average amount of €3,096 per employee was spent on training (including in-company training sessions). It is estimated that a total of 31.14 hours were devoted to training, which works out at an average of 51 hours per employee.

Year	2012	2013	2014	2015	2016	2017
Average costs of training	€ 2.188	€ 4.147	€ 3.672	€ 4.158	€ 3.666	€ 3.096

NWB Bank organised a number of in-company training sessions in 2017 on the subjects of treasury/risk management, English, emergency response training and ICT.

#### **404-3 Percentage of employees receiving regular performance and career development reviews**

All employees of the bank take part in the annual cycle of personal development, assessment and review interviews.

#### **405-1 Breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity**

No distinction is made on the basis of minority group membership or ethnic origin. A breakdown of employees per employee category according to gender and age group is included.

#### **406-1 Total number of incidents of discrimination, and corrective action taken**

Discrimination qualifies as undesirable behaviour, as laid down in NWB Bank's regulation on unwanted behaviour in the workplace. No incidents of discrimination were reported in 2017.

#### **407-1 CLA**

Fifty-seven employees are covered by the collective labour agreement for the banking industry, whereas four employees, including the Managing Board members, are not. Most of the terms and conditions of employment ensuing from the CLA are nevertheless also applied to the latter category.

#### **412 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening**

NWB Bank offers its lending services solely in the Dutch public sector. The Netherlands has legislation and constitutional provisions on human rights, which is why the agreements NWB Bank enters into do not contain specific paragraphs on human rights. NWB Bank is a signatory to the ISCR agreement (see Appendix 4).

In analysing clients and transactions, NWB Bank is bound by the Dutch Financial Supervision Act (Wft) and the Dutch Anti-Money Laundering and Terrorist Financing (Prevention) Act (Wet ter voorkoming van witwassen en financieren van terrorisme, Wwft).

## **APPENDIX 1 CALCULATION OF CARBON FOOTPRINT**

To report the emission of greenhouse gases connected with an organisation's activities, 'activity data', such as the distance travelled, litres of fuel used or tonnes of waste and the carbon emitted are gathered from users. The Defra factors provide the values that should be used for conversion into carbon emissions. Defra provides step-by-step instructions on how to use the factors and enables users to calculate the volume and nature of greenhouse gases they use for their reports.

The monetary value of the carbon footprint can be calculated by using the CO<sub>2</sub> price, which at €10 per tonne amounts to €2,380 at the end of 2017. Based on the Trees for All calculation of carbon emission setoff.

### Overview of NWB Bank's Carbon Footprint

Papier kantoor	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Total amount of paper	kg	1575	3.08	kg CO <sub>2</sub> /tonne kg	5
Data collection method details (measurement, calculation, estimate)	Based on supplier's invoices				
Natural gas, office	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Total amount of natural gas	Nm <sup>3</sup>	28.298	1,78	kg CO <sub>2</sub> /nm <sup>3</sup>	53
Data collection method details (measurement, calculation, estimate) and assumptions used	Based on Greenchoice gas bill				
Electricity	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Amount of 'green' electricity (solar, water, hydro, wind, geothermal heat, biomass)	kWh		0	kg CO <sub>2</sub> /kWh	0
Amount of 'grey' electricity (other, including nuclear energy)	kWh	0	0,463	kg CO <sub>2</sub> /kWh	0
<b>Total</b>	<b>0</b>				
Data collection method details (measurement, calculation, estimate)	Based on Greenchoice bill				
Company cars	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Total amount of petrol	Litre	19.615	2,78	kg CO <sub>2</sub> e/l	53,8
Total amount of diesel	Litre	6.944	3,155	kg CO <sub>2</sub> e/l	22,44
Total amount of LPG	Litre	0	1,86	kg CO <sub>2</sub> e/l	0
<b>Total based on litres</b>	<b>76</b>				
Data collection method details (measurement, calculation, estimate)	> € 30,442 in petrol based on the records; > In 2017, the average petrol price was €1.552 ( <a href="http://www.statline.cbs.nl">www.statline.cbs.nl</a> ); => This brings the number of litres consumed to 19,752. > €8,478 in diesel based on the records; > In 2017, the average diesel price was €1.221 ( <a href="http://www.statline.cbs.nl">www.statline.cbs.nl</a> );				
Air travel	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Short (zone 1)	Number	76		kg CO <sub>2</sub> e/km	
Medium (zone 2)	Number	8		kg CO <sub>2</sub> e/km	
Long (zone 3)	Number	4		kg CO <sub>2</sub> e/km	
<b>Total</b>	<b>104</b>				
Data collection method details (measurement, calculation, estimate)	Flight data based on list of settled AirPlus transactions. These flight data are then offset via the Climate Neutral Group (per zone).				
<b>Total carbon footprint</b>	<b>238</b>				

APPENDIX 2: ANALYSIS OF THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

The Ten Principles of the United Nations Global Compact	Category	Risks	Impact	Opportunity	Goals (NWB/Country Level)	Action
<b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights.	Human rights	non-compliant to covenant	Low	be more transparent about relevant human rights aspects	Future: NWB Bank will comply with the IMVO covenant	NWB Bank adheres to the IMVO covenant for Dutch Banks.
<b>Principle 2</b> make sure that they are not complicit in human rights abuses.	Human rights	non-compliant to covenant	Low	be more transparent about relevant human rights aspects	Future: NWB Bank will comply with the IMVO covenant	NWB Bank adheres to the IMVO covenant for Dutch Banks.
<b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Labour	-	Low	be more transparent about country performance	Current: NWB Bank adheres to the 'cao banken'.	-
<b>Principle 4</b> 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 ( <a href="http://worldjusticeproject.org">http://worldjusticeproject.org</a> ) > Global Rank 5 (unchanged) in latest report.
<b>Principle 5</b> 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 ( <a href="http://worldjusticeproject.org">http://worldjusticeproject.org</a> ): > Global Rank 5 (unchanged) in latest report.
<b>Principle 6</b> The elimination of discrimination in respect of employment and occupation.	Labour	lack of transparency	Medium	transparant about company and/or country standards	Current: As required by law and the collective bargaining agreements in place, NWB Bank approaches its employees respectfully and with due care, without in any way discriminating.	-
<b>Principle 7</b> Businesses should support a precautionary approach to environmental challenges.	Environment	-	Medium	focus on energy transition and environmental/social impact	Project finance and bond issuance related to energy transition and environmental/social impact.	NWB Bank is financial partner of Climate Investor One, NWB Bank shares knowledge with Kenya Water Finance Facility and NWB Bank has issued Affordable Housing Bonds to support Social Housing in The Netherlands.
<b>Principle 8</b> Undertake initiatives to promote greater environmental reponsibility.	Environment	-	Medium	Goals, training and implementation of EMS	-	Assess the possibility of implementing an EMS and perform a energy audit.
<b>Principle 9</b> Encourage the development and diffusion of environmentally friendly technologies.	Environment	no differentiation in lending terms	High	earmarking lending to projects with environment friendly technologies	New: 'impact lending': cooperation agreement with EIB and others.	Consider special terms (discount rate) for projects with environmental friendly technologies (impact lending)
<b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-corruption	no training or dated policy	Low	training and policy update	Current: biannual anti-corruption/integrity training.	- biannual training - customer due diligence policy has been updated

## APPENDIX 3 NVB CLIMATE STATEMENT

NVB	Statements Nederlandse Banken:	Toelichting NWB Bank:
1	Dutch banks are transparent about the impact of our operations on climate change and we are working on the continuous improvement of energy efficiency.	NWB provides details of its Carbon footprint.
2	Dutch banks take sustainability, climate impact and environmental damage into consideration in our financing and investment decisions.	NWB Bank applies the exclusion criteria as formulated in the CSR policy.
3	Dutch banks work towards transparency regarding the positive and negative impact of our loans and investments on climate change.	The green bonds show how loans to water authorities contribute to positive effects as regards climate change.
4	Dutch banks encourage our customers to reduce CO <sub>2</sub> emissions wherever possible and provide products and services to assist them in this endeavour.	NWB Bank issues green bonds for loans to water authorities and its sustainable activities.
5	Dutch banks strive to accelerate the sustainability of the Dutch housing stock, offices and other property.	NWB Bank monitors the top ten housing corporations as regards policy and sustainability performance.
6	Dutch banks enter into dialogue and collaboration with society on climate adaptation and mitigation and its financing.	For NWB Bank, this is primarily relevant to Green Bonds.
7	Dutch banks play an active role in the development of national and international policies and criteria for climate and energyrelated investments, such as Green Bonds.	NWB Bank follows and/or is involved in the Green Bond Principles and current trends such as, for example, the social bond.
8	Dutch banks encourage the Dutch government to implement binding, effective European climate objectives, including in its capacity as future holder of the EU Presidency.	NWB Bank follows the steps taken by the Dutch government.
9	Dutch banks encourage the Dutch government to view climate change as a top priority during its EU Presidency and work towards creating an effective CO <sub>2</sub> price.	NWB Bank follows the steps taken by the Dutch government.
10	Dutch banks encourage the Dutch government to provide incentives for companies and institutions and enable them to publish their CO <sub>2</sub> emissions so that banks can better include the climate impact in their financing and investment decisions.	NWB Bank follows the steps taken by the Dutch government.



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## APPENDIX 4 ISCR AGREEMENT

In October of 2016, the Dutch government, NWB Bank, twelve other Dutch banks, the Dutch Banking Association (NVB) and a number of stakeholders signed the ICSR agreement for the banking sector, which aims to reduce the risks of human rights violations in international value chains. The agreement is an excellent example of how the banking sector is further developing the dialogue with its stakeholders. NWB Bank welcomes this opportunity to increase the impact of the banking sector and will comply with this agreement.

NWB Bank has identified the action points arising from the agreement, and issued a press release to inform its stakeholders about its participation in it. The bank has drawn up a specific client due diligence policy (which includes taking human rights into account during client screening) which is applicable to both the loan portfolio and the liquidity portfolio, and describes the analysis of the human rights record. A baseline measurement was performed and reported to the ISCR Agreement Committee in 2017.

Moreover, in addition to GRI indicators, the bank reports on UN Global Compact principles 1 & 2 on human rights in Appendix 3. For NWB Bank, which focuses primarily on lending in the Dutch public sector, human rights are, as a rule, not directly relevant in its lending operations, or only in an indirect manner.

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## APPENDIX 5 CSR GLOSSARY

**Affordable Housing Bond:** NWB Bank has issued 'Social Bonds', the proceeds of which are used to finance social housing. In this context, NWB Bank uses the ICMA's Social Bond Guidance.

**Carbon footprint:** to gain an insight into carbon emissions (for NWB Bank), they are calculated in the form of a carbon footprint. Charting carbon emissions reveals their chief originators. Greenhouse gases such as CO<sub>2</sub> have a negative impact on the climate; reducing and offsetting emissions can limit that impact.

**Circular economy:** an economic system that maximises the re-usability of products and raw materials, and minimises the loss of their value. This is fundamentally different from the current linear system, where raw materials are used to manufacture products that are destroyed at the end of their useful lives.

**Equator Principles:** a risk management framework for project financing, adopted by financial institutions, which is used to determine, assess and manage social and environmental risks in projects.

**Global Reporting Initiative (GRI):** an independent international organisation that helps organisations to communicate the impact of business on critical corporate responsibility and sustainability issues such as climate change, human rights, corruption, etc.

**Green Bond Principles (GBP):** the GBP are guidelines which provide transparency and openness for Green Bonds. In addition, they foster the integrity of the rapidly growing market for Green Bonds.

**ISCR agreement:** a set of agreements made with banks in the Netherlands on addressing and preventing human rights violations in connection with the corporate financing and project financing of banks and their business partners.

**Complaints procedure:** NWB Bank provides stakeholders with an opportunity to submit a complaint through a complaints procedure. This procedure is mentioned on the website.

**Climate adaptation and mitigation:** climate change can have major consequences. Ways of tackling those consequences include adapting to them and mitigating climate change.

**Management approach:** a reporting item within the GRI framework intended to provide readers of the CSR report with information on NWB Bank's strategy and management, and with context in respect of the reported performance objectives, minimum requirements and trends in CSR performance.

**Minimum Requirement (MR):** the preconditions related to CSR which NWB Bank seeks to meet and which are derived, among other things, from laws and regulations, governance codes and internal codes of conduct and rules.

**NWB Fonds:** the NWB Fonds offers water authorities financial resources so they can help solve global water-related issues based on their core tasks and core values.

**Performance objectives (PO):** CSR targets which are measurable and can be influenced (and, as such, represent a challenge for the bank).

**Material Topics Plot (MTP):** an overview of the material issues, which are assessed in terms of their importance to the organisation (NWB Bank) on the one hand and to its stakeholders on the other.

**Product Approval and Review Process:** a process implemented by the bank when deciding whether to provide or distribute a certain product at its own risk and expense or for the benefit of its clients. All new products undergo this process.

**GRI guidelines:** GRI reporting guidelines which organisations use when reporting on their material issues and the accompanying environmental, social and economic effects.

**Social Bond Principles:** process guidelines which recommend transparency and disclosure of information and promote integrity in the Social Bond market.

**Stakeholder dialogue:** in the context of CSR, all individuals and organisations that the bank works with or that attach importance to the social role NWB Bank fulfils as a promotional bank qualify as stakeholders. In any event, the bank regards its shareholders, clients, investors, employees, supervisory authorities and the government as stakeholders.

**Sustainable Development Goals (SDGs):** a set of goals launched in 2015, formulated by the United Nations and intended as a new guiding conceptual framework for sustainable development. NWB Bank and the other Dutch banks seek to play an active part in increasing the sustainability of the economy, and the SDGs will be a key frame of reference in doing so.

**Transparency:** transparency is the degree of openness, visibility and accessibility of NWB Bank towards its stakeholders in relation to all relevant aspects of its organisation and associated business activities.

**Transparency Benchmark:** an annual review of the content and quality of corporate responsibility reporting by Dutch undertakings (including all publicly held enterprises) carried out on behalf of the Ministry of Economic Affairs.

**Treasury scan:** at the request of clients, public finance employees conduct a treasury scan. This usually involves a financial analysis of the loan portfolio. Such requests come mainly from the water authorities.

**Global Compact:** a United Nations initiative of relevance to undertakings wishing to operate and report in a socially responsible manner. It comprises ten principles in the areas of human rights, labour, environment and anti-corruption.

**Exclusion criteria:** within the CSR policy, the CSR exclusion criteria apply to NWB Bank's lending. As a bank of and for the Dutch government, NWB Bank only provides credit to the public market in the Netherlands. The bank's lending rules are clearly defined in the objects clause of its Articles of Association (Article 2.1). The bank only provides loans within the framework of these Articles of Association.

**Value creation model.** CSR extends beyond NWB Bank, affecting the entire value chain in which it operates including suppliers, financial backers, investors, clients and other consumers forming part of that chain.

**Water Bond:** NWB Bank has issued 'Water Bonds', the proceeds of which are used to finance the water authorities' 'green' activities. NWB Bank uses the Green Bond Principles (see the definition above), which constitute the authoritative standard in the market for the issuing of such bonds.



## APPENDIX 6 ENERGY AUDIT

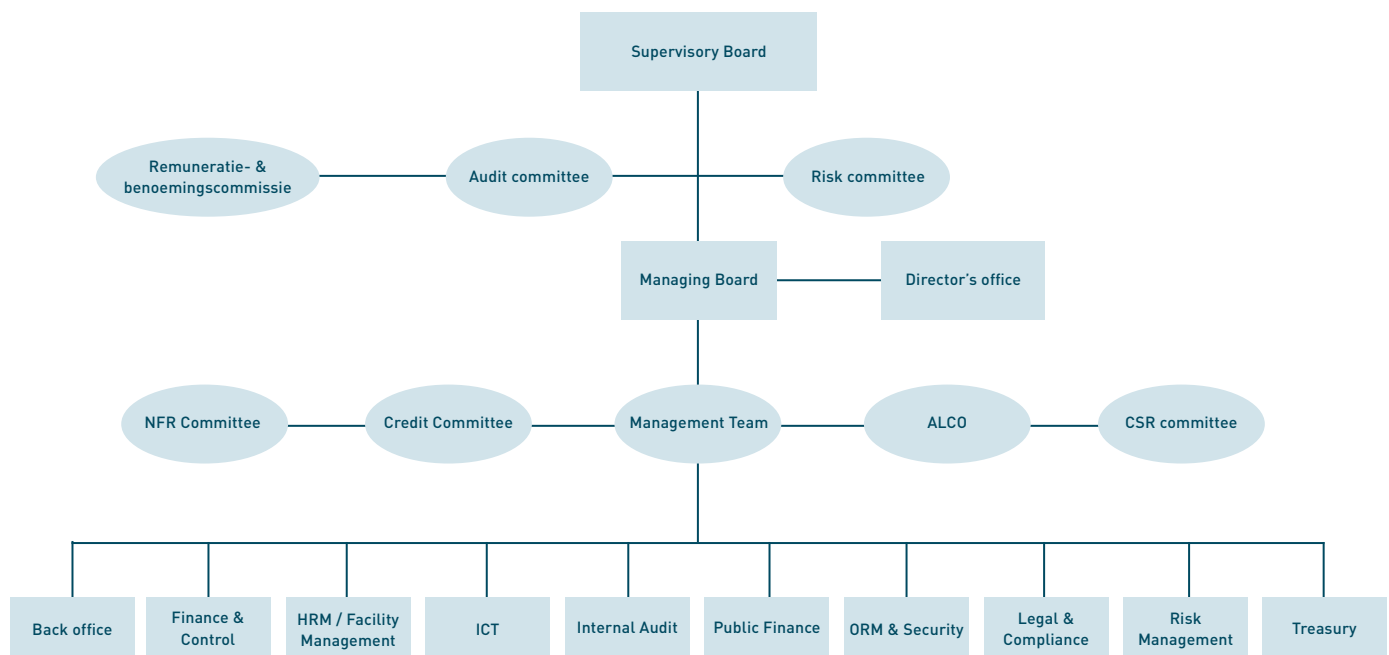
Bart Kuipers (security and facility manager) is the contact person for this energy audit.

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**The environmental management system of NWB Bank is based on this energy audit. At request of the Ministry in 2015, NWB Bank investigated how the CO<sub>2</sub> emissions of the organization can be further controlled.**

Ever since it was incorporated in 1954, NWB Bank has focused its strategy on catering efficiently to the combined finance needs of clients in the public arena. The bank's strategy is geared to achieving reasonable profits that are adequate to safeguard its continuity and that enable its future growth. The bank's shares are held exclusively by Dutch public authorities. Its position as a bank whose shares are owned by Dutch public authorities and the restriction of its lending operations to the public sector, both enshrined in its Articles of Association, safeguard NWB Bank's robust profile. Sustainability and relevance to society are key spearheads in that strategy. The organisation chart of NWB Bank is as follows.



NWB Bank, with its office at Rooseveltplantsoen 3 in The Hague, has around 57 employees and operates from one location. For a small office-based organisation such as NWB Bank, it is a challenge to have an impact in terms of the environment as well. NWB Bank believes, however, that it should act as a role model for its stakeholders, which is why it attaches importance to environmental awareness in its business operations.

## Overview

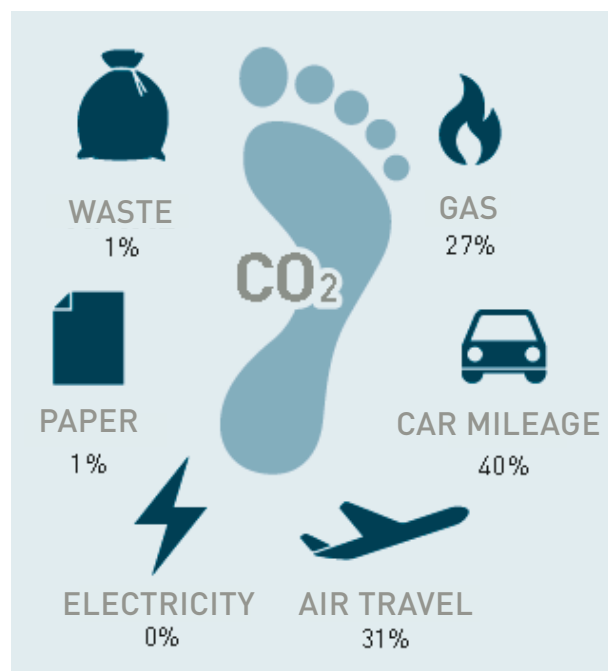
The table below provides an overview of all energy flows within NWB Bank, the size and distribution by function of those energy flows and all conversions to other energy carriers, based on current, measured and traceable data concerning energy consumption and electricity tax profiles.

Natural gas, office	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Total amount of natural gas	Nm <sup>3</sup>	32.261	1,78	kg CO <sub>2</sub> /nm <sup>3</sup>	58
Data collection method details	Based on Greenchoice gas bill				
Electricity	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Amount of 'green' electricity	kWh	228.158	0	kg CO <sub>2</sub> /kWh	0
Amount of 'grey' electricity	kWh	0	0,463	kg CO <sub>2</sub> /kWh	0
Data collection method details	Based on Eneco's bill				
Company cars	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Total amount of petrol	Litre	19.518	2,78	kg CO <sub>2</sub> e/l	54.260
Total amount of diesel	Litre	10.266	3,135	kg CO <sub>2</sub> e/l	32.183
Total amount of LPG	Litre	0	1,86	kg CO <sub>2</sub> e/l	0
<b>Total for cars</b>					<b>87</b>
Data collection method details	> €30,442 in petrol costs based on the records; > In 2015, the average petrol price was €1.558 ( <a href="http://www.statline.cbs.nl">www.statline.cbs.nl</a> ); => this brings the number of litres consumed to 19,518. > €12,628 in diesel costs based on the records; > In 2015, the average diesel price was €1.23 ( <a href="http://www.statline.cbs.nl">www.statline.cbs.nl</a> ); => this brings the number of litres consumed to 10,266.				
Air travel	Unit	Amount	Factor	Unit	CO <sub>2</sub> emissions
Short (<450 km)	Number	45	-	kg CO <sub>2</sub> e/km	-
Medium (450-1600 km)	Number	6	-	kg CO <sub>2</sub> e/km	-
Long (>1600 km)	Number	3	-	kg CO <sub>2</sub> e/km	-
<b>Total</b>					<b>67</b>
Data collection method details	Flight data based on list of settled AirPlus transactions. These flight data are then offset via the Climate Neutral Group (per zone).				
<b>Total carbon footprint</b>					<b>214</b>

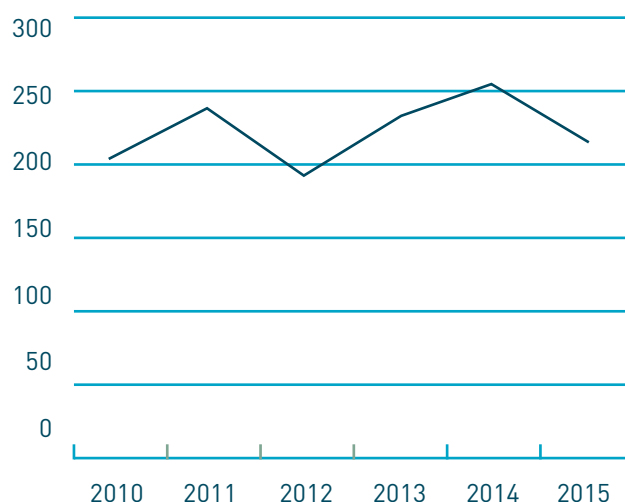
### Energy consumption details:

- In 2015, the total emissions from the bank's company cars amounted to 87 tonnes of CO<sub>2</sub> (2014: 93 tonnes), a decrease of more than 6%.
- Gas consumption was 32,269 m<sup>3</sup> in 2015 (2014: 28,360 m<sup>3</sup>). Gas is supplied by the gas supplier including carbon offset.
- Electricity is green and therefore produces no carbon emissions.
- In 2015, carbon emissions associated with overseas air travel amounted to 67 tonnes (2014: 111 tonnes), a fall of nearly 40%.

NWB Bank's gross carbon footprint, which is largely accounted for by the office building and transport, was also established for 2015. The infographic provides an overview of the origin of the principal categories of carbon emissions for 2015, the total of which is estimated at 214 tonnes, a decrease of more than 15% (2014: 254 tonnes).



Carbon emissions per year.



NWB Bank offsets all carbon emissions: 155 tonnes through the Climate Neutral Group, an organisation striving towards a 100% climate neutral world, and the rest through Greenchoice (gas). Offsetting carbon through the Climate Neutral Group reduces the bank's negative impact on the climate to zero in all relevant categories, i.e. for all relevant greenhouse gases converted to carbon equivalents. Offsetting takes place by investing in Climate Neutral Group's sustainable energy projects, which ensure a reduction of carbon emissions elsewhere. The project selection criteria included the impact of the projects on local residents and the region in terms of factors such as employment, knowledge transfer, improvements in healthcare, economic growth and local environmental improvements

### Internal and external factors

NWB Bank aspires to operate in a carbon neutral manner as regards accommodation and air travel, by offsetting carbon emissions where needed. At the same time, the bank aims to progressively reduce energy consumption. The principal internal and external factors that positively and negatively affect energy consumption by NWB Bank are:

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### **Company cars**

As regards company cars, the bank seeks to achieve a positive effect by encouraging employees to drive energy-efficient cars (carbon emissions have been capped). The fleet comprises 15 cars. Travel using public transport is offered within the travel policy. With its bicycle scheme the bank gives employees an incentive to commute by bicycle. In 2015, 33% of employees used this scheme (2014: 30%). In the future, the bank aims to further reduce the maximum carbon emissions per car.

### **Air travel**

Arrangements regarding air travel have also been adjusted and carbon emissions associated with overseas air travel are offset. The bank encourages travel by train, but acknowledges that this is not always the most efficient way to travel. Air travel is limited as much as possible, and mainly arises in connection with visits to investors. Investors consider it important to meet employees of the bank in person. Those investors are established all over the world (including Australia, Asia, North and South America). Investor visits are made in line with demand and as required.

### **Gas consumption**

Electricity and gas are supplied by Greenchoice. The contract with Greenchoice has been checked against the conditions for sustainable procurement of the Ministry of Infrastructure and Water Management. Given the bank's small office-based organisation with a single building, it is a challenge to reduce energy consumption related to accommodation. During the most recent renovation in 2012, as many energy-saving measures as possible were installed. At present, further energy-saving measures are being assessed on the basis of a cost/benefit analysis. NWB Bank uses the following systems for its energy supply (year of manufacture and function):

- 2 x Remeha high-output central heating boiler, manufactured in 2003;
- an air treatment system with heat recovery, brand HCTN, Type NA2004/T40, manufactured in 2010;
- a diesel-fired emergency generator by SDMO, type Nexys, manufactured in 2009.

The temperature in the entire building is automatically set to a minimum of 20 degrees Celsius. Employees can adjust the temperature up or down by three degrees. The building's central heating system is supported by the intake of fresh air from outside, which is heated with the return water of the central heating system.

The (warm) return air from the building is used to feed air circulation in the underground car park, thus keeping the temperature there at around 15 degrees Celsius.

### **Electricity**

Cooling ceilings connected to the electricity network are used for cooling the office spaces. For lighting, fluorescent lighting that automatically switches off after 30 minutes' absence is used. The lights in the corridors are on from 7:30 a.m. to 7:00 p.m. Furthermore, the computers and other office equipment also use electricity. Measures in this regard include the introduction of an energy mode for personal computers. Finally, the server room is fitted with both cooling and ventilation systems.

### **Potential energy savings**

Below is a quantified overview of the energy savings potential for NWB Bank for the next four years:



	2015	2016	2017	2018
<b>Natural gas</b>	32261 Nm <sup>3</sup>	30.000 – 35.000 Nm <sup>3</sup>	30.000 – 35.000 Nm <sup>3</sup>	30.000 – 35.000 Nm <sup>3</sup>
<b>Electricity</b>	228.158 kWh	220.000 – 240.000 kWh	220.000 – 240.000 kWh	220.000 – 240.000 kWh
<b>Company cars</b>	29,784 litres	30,000 litres	30,000 litres	30,000 litres
<b>Air travel</b>	54 trips	50 -60	50 - 60	50 - 60

Converted back to the number of employees and taking account of the expected increase in the number of employees in the years ahead, consumption per employee is as follows:

	2015	2016	2017	2018
<b>Natural gas</b>	556 Nm <sup>3</sup>	526 – 614 Nm <sup>3</sup>	508 - 593 Nm <sup>3</sup>	492 - 574 Nm <sup>3</sup>
<b>Electricity</b>	4225 kWh	4074-4444 kWh	3860-4210 kWh	3606-3934 kWh
<b>Company cars</b>	552 litres	526 litres	508 litres	492 litres
<b>Air travel</b>	1	0.88-1.05	0.85-1.02	0.82-0.98

## Cost-effective energy saving measures:

### Natural gas

The results of a climate sustainability review presented in Q4 2016 showed that savings of around 40% of the current (2015: 32,000 m<sup>3</sup>) gas consumption may be achieved.

A summary of proposed modifications is set out below:

- Replace central heating boilers
- Modify expand BMS CV
- Install additional balancing valves
- Hydronic balancing
- Calculate and calibrate lockshield
- Expand Priva BMS cooling ceilings
- Install sun guards
- Modify HVAC scheme CO2
- Planning of control strategy and setting
- Modify Priva CV 1
- Modify Priva CV 2
- Modify Priva CV 3
- Modify Priva CV 4
- Modify Priva CV 5
- Ease operation of thermostat stick
- Reset dew point control
- Modify control strategy for cooling ceilings
- Modify control strategy for aftercoolers
- Modify exhaust ventilation controls
- Modify WKM volume streams
- Optimise WKM free-cooling

The accuracy and feasibility of the proposed modifications and their effects on energy consumption are currently being assessed, based on data from the sustainability review. With regard to the implementation of measures, the timing of proposed investments must also be considered. The central heating boilers are good example: they can be replaced by a more energy-efficient system of boilers, but the present boilers have not yet reached the end of their useful technical and economic lives. Therefore, this investment will be opportune at some point in the next few years.

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### **Fuel consumption of car fleet**

The sustainability of the car fleet was further increased in recent years by further limiting the permitted maximum energy labels to label 'A'. However, the energy label is based on measuring consumption in combination with the emissions of a car 'within its class'. Therefore, it was possible to purchase an 'A' energy label car whose fuel consumption, while low within its class, was still relatively high.

The company car policy was modified in 2016 and a maximum for emissions in grams of CO<sub>2</sub> per kilometre is now applied. The policy on maximum emissions is evaluated annually, i.e. maximum emissions are scaled back further for the cars that are purchased in that year. Further increases in the sustainability of the car fleet have been initiated, but it will take some time for their effects to be reflected in the data.

For cars purchased in 2016, a carbon emission maximum of 160 grams per kilometre applied.

## APPENDIX 7 SDG MAPPING TABLE

SDG mapping NWB Bank	SDG Specific (Sub-) Target	SDG Relevant Indicator	NWB Bank's relevance / impact
SDG5 Achieve gender equality and empower all women and girls	5.1 End all forms of discrimination against all women and girls everywhere	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	The Collective Bargaining agreement applies for Dutch banks and sees to diversity and the prevention of discrimination in the workplace.
SDG 6 Ensure availability and sustainable management of water and sanitation for all	"6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	6.1.1 Proportion of population using safely managed drinking water services	NWB Bank supports NWB Fonds in its effort to support project with regard to clean water and sanitation in developing countries.
SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	7.1.2 Proportion of population with primary reliance on clean fuels and technology	Financing the climate adaptation and mitigation activities of organisations such as water authorities and social housing and the joint ambition to establish a circular economy.
	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	7.2.1 Renewable energy share in the total final energy consumption	NWB Bank's financing to its customers includes the costs of the energy transition towards a circular economy, specific for social housing.
SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	9.4.1 CO <sub>2</sub> emission per unit of value added	NWB Bank provides financing for initiatives such as infrastructure PPP projects through application of the Equator Principles, including an environmental impact assessment.
SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing	NWB Bank's largest customer group is social housing, which provides affordable rented accommodation in the Netherlands. The bank aims to issue its first social bond in 2017, namely an 'Affordable Housing Bond', the proceeds of which will be used to finance social housing.
SDG 13 Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	13.1.1 Number of countries with national and local disaster risk reduction strategies	"NWB Bank's clients have ambitious goals to combat climate change. By providing them with affordable financing, e.g. via the issue of Water Bonds, the bank helps to realise these objectives and to keep the associated costs as low as possible."
SDG 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type	NWB Bank finances biodiversity projects by water authorities. The NWB Fonds enables the water authorities to use their extensive knowledge of this subject in developing countries.
	15.A Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems	15.A.1 Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems	