

Human Rights Policy

BNG’s Human Rights Policy is based on the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on the Fundamental Principles and Rights at Work. The declaration and treaties describe universal values that always apply to all, and in which human dignity, justice, freedom and equality are paramount. Human rights are inextricably linked to being human and deal with fundamental issues such as:

- physical integrity and protection from violence;
- the right to freedom and equal treatment – everyone is free and equal in dignity and rights, without discrimination based on race, gender, origin or beliefs;
- freedom of expression, association and collective bargaining – employees and individuals have the right to express their opinions, organise themselves and collectively negotiate terms of employment;
- equal pay for equal work – men and women are entitled to equal pay for work that is of equal value;
- the right to fair and safe working conditions – everyone has the right to a safe, healthy working environment and decent working conditions;
- the right to education, social security and living standards – access to basic services such as education, healthcare and decent work.

BNG has a responsibility to respect human rights in all our value chains. We assume this responsibility by applying the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (hereinafter: the international guidelines). The due diligence process prescribed by these international guidelines consists of six steps (see Figure 1).

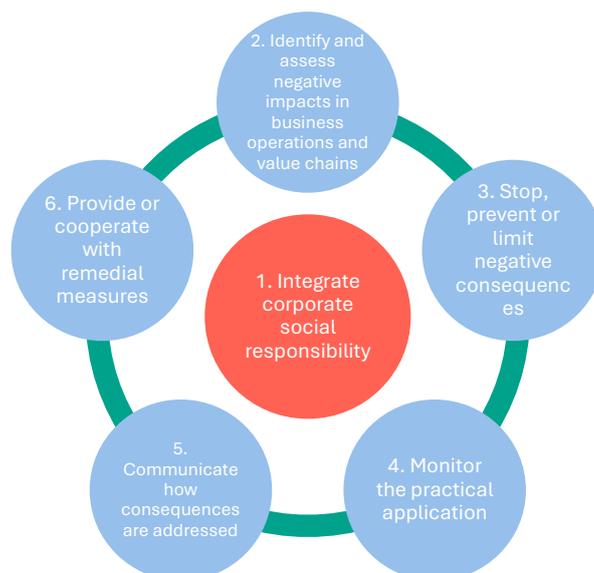


Figure 1 – OECD Due Diligence process

BNG collectively refers to these six steps as ‘human rights risk management’. Below, we elaborate on how we apply these steps.

Step 1: Corporate social responsibility in policy and management systems

The Executive Committee (Exco) has assigned decision-making regarding the Sustainability Policy to the Sustainable Banking Committee (SBC). The SBC’s task is to determine, implement and report on our integral Sustainability policy. This includes both our long-term environmental and social contribution and the identification of material ESG risks that may negatively impact our performance. The Human Rights Policy is part of BNG’s broader Sustainability Policy. The [Sustainability Policy](#) document describes Sustainability governance at BNG. The Human Rights Policy also extends to our own business operations, for example in the [Diversity and Inclusion Policy](#), and by hiring personnel who are disadvantaged on the labour market.

Step 2: Identify and assess actual potential adverse effects

The extent to which BNG faces human rights risks is directly related to the business contacts with which BNG cooperates. These include local authorities, healthcare institutions, educational institutions, organisations involved in public infrastructure & energy, commercial banks and supranational institutions and suppliers. The following sections explain how BNG ensures human rights risk management within these business relationships.

Public Infrastructure and Energy & Other¹

With regard to business contacts in Public Infrastructure and Energy and all other business contacts, BNG carries out the human rights check when entering into the business relationship, during the periodic review and during an event-driven review. BNG checks whether the business contact:

- endorses the international guidelines (as mentioned on page 8);
- systematically identifies, assesses and mitigates human rights risks within its business operations and services;
- provides transparency on its human rights policy.

If these conditions are not met and if increased risks are identified, BNG may impose additional conditions on the financing, such as improvement measures or additional due diligence.

¹ Plus: Credit Institutions, Miscellaneous

Public Sector

BNG does not perform a separate, individual human rights check on its clients in the Public Sector. Instead, it relies on existing laws and regulations and institutional guarantees that apply in the Netherlands. This is further supported on the basis of the Netherlands' commitment to human rights obligations, ratification of UN UDHR core treaties,² reporting on human rights obligations via the Universal Periodic Review (UPR) and monitoring via international ranking systems. However, we do monitor these business contacts through Continuous Adverse Media Screening.

Housing associations, healthcare and educational institutions

BNG does not carry out individual human rights checks on its clients in the housing associations, healthcare and educational institutions sectors because, in the Netherlands, they operate within a highly regulated legal framework³, in which standards for non-discrimination, employment rights and good governance are enshrined. Therefore, BNG assumes that these institutions generally meet the minimum guarantees for human rights. At the same time, BNG recognises that human rights risks can arise within these sectors. In the social rental sector, challenges such as discrimination in housing allocation, overdue maintenance and inadequate housing conditions can have an impact on the rights of tenants. Within the healthcare sector, high workloads, staff shortages and inadequate working conditions can lead to risks for healthcare workers and the quality of healthcare. In education, issues of equal access, social security and discrimination play a role, which can influence the rights of students and staff. Therefore, BNG monitors these clients based on Continuous Adverse Media screening.

Funding and investment management

BNG predominantly attracts its funding on the international money and capital markets, mainly through public issues. In doing so, BNG issues securities through commercial banks that are supervised by their respective supervisory authorities (such as the ECB, BOE, FED). BNG applies the condition that financial counterparties must have an active human rights policy in line with international guidelines. In concrete terms, BNG expects commercial banks to:

- endorse the international guidelines (as mentioned on page 8);
- systematically identify, assess and mitigate human rights risks within its business operations and services;

² For example, UDHR, ICCPR, ICESCR, CEDAW

³For example, *Wet goed verhuurderschap* (Good Landlordship Act) (2023), *Woningwet* (Housing Act) (2015), *Huisvestingswet* (Housing Act) (2014), *Arbeidsomstandighedenwet* (Working Conditions Act) (1998), *Wet gelijke behandeling op grond van geslacht* (Gender Equal Treatment Act) (1980), *Wet op het hoger en wetenschappelijk onderwijs* (Higher Education and Research Act) (1992)

- provide transparency on its human rights policy.

BNG monitors whether commercial banks comply with these standards. If a commercial bank structurally fails to comply with human rights standards or becomes involved in serious controversies, BNG reserves the right to reconsider the cooperation or to impose additional requirements.

Where, in exceptional cases, a funding transaction does not involve a commercial bank, BNG will assess the financial counterparty in relation to human rights according to its Client Integrity Policy. In doing so, BNG assesses whether the counterparty is in breach of human rights standards or is involved in serious controversies.

Pursuant to prudential regulations, BNG maintains a portfolio of liquid investments. The Client Integrity Policy is applied to commercial banks from which BNG purchases securities for the portfolio. The commercial banks concerned are supervised institutions, and BNG assesses and monitors them in the same way and with the same expectations as outlined above regarding commercial banks for funding transactions. The same applies to financial counterparties with which BNG enters into transactions, to which the Client Integrity Policy also applies.

Own business operations

At BNG, we strive for a working environment in which equal opportunities, inclusion and respect for diversity are self-evident. Employees must be able to be themselves and feel free to develop their talents, which is why the Code of Conduct⁴ focuses on how we deal with each other and what is acceptable and unacceptable behaviour. In addition, our Working Conditions Policy⁵ strives for a healthy working environment, with the aim of preventing absenteeism and promoting a healthy workforce. Furthermore, in accordance with the Whistleblower Protection Act (Wbk), BNG has the Scheme for Reporting Irregularities, which enables employees to report irregularities (abuses, integrity violations) confidentially. Lastly, BNG encourages employees to join a trade union and promotes it through the Trade Union Contribution Tax Scheme.

Moreover, BNG's Diversity and Inclusion Policy has identified four appropriate focus areas for BNG: gender, age, capacity for work and (cultural) background. Objectives have been formulated for the first three focus areas, in which the ambition is to always observe a positive trend compared to the previous year. No BNG-wide, specific objective has been formulated for the (cultural) background focus area; this is a permanent point of

⁴<https://www.bngbank.nl/-/media/Project/CBB/BNG-Bank-NL/Documents/Over-BNG-Bank/Regelingen/BNG-Bank-Bedrijfscode.pdf?rev=cc00cc6574604f4195f34b10c6de2906>

⁵ https://www.bngbank.nl/-/media/Project/CBB/BNG-Bank-NL/Documents/Over-BNG-Bank/Gezondheid_en_veiligheid_op_het_werk.pdf

attention. Read more about this in the [Supervisory Board Diversity and Inclusion Policy](#) and in the Diversity and Inclusion Policy for staff.

Suppliers and Purchasing

BNG uses a limited number of suppliers. For suppliers with a contract value of EUR > 500.000, BNG expects the business contact to:

- endorse international guidelines;
- systematically identify, assess and mitigate human rights risks within its business operations and services;
- provide transparency on its human rights policy.

If these conditions are not met and if increased risks are identified, BNG may impose additional conditions on the financing, such as improvement measures or additional due diligence.

Step 3: Stop, prevent or limit negative consequences

As described above, BNG aims to only enter into business relationships with contacts that respect human rights and assume their responsibility. If an actual potential or negative human rights violation comes to light, BNG will first establish the involvement. According to international guidelines, there are three possible ways in which BNG may be involved in actual or potential negative consequences.⁶ The resulting responsibility and appropriate response are shown schematically in the following figure.

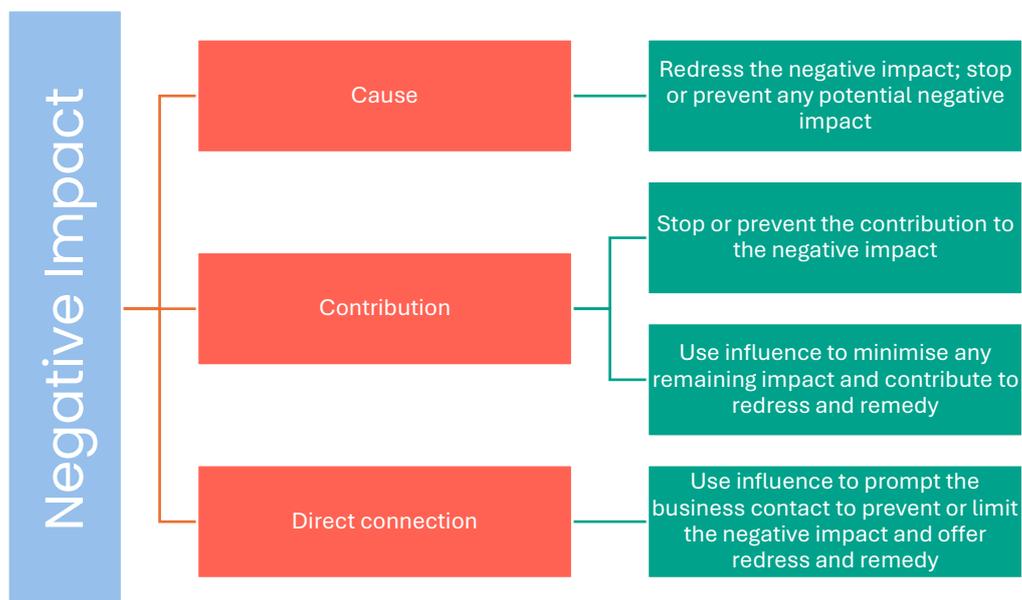


Figure 2 – Negative impact approach

⁶ UN High Commissioner for Human Rights <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/InterpretationGuidingPrinciples.pdf>

Cause occurs when BNG's activities lead directly and independently to damage, which is unlikely in our role as financier, but for which BNG will take full responsibility. BNG can contribute to a violation if, for example, our funding enables a project that involves human rights risks and we fail to take action. Such cases imply an element of causality. In such cases, BNG bears joint responsibility, and we will stop the contribution or use our influence to limit the remaining impact as much as possible and contribute to redress and remedy. Lastly, BNG may be 'directly linked' when a business contact, which is funded by BNG, causes a human rights violation. BNG has not caused the violation of human rights in such cases and does not assume any direct responsibility for redress, but the bank actively engages to prompt the business contact to prevent or limit the negative impact and to offer redress and remedy. This is achieved by entering into dialogue with the client. The account manager is responsible for conducting this dialogue. In the event of serious human rights violations, this will be handled by one of the ExCo members. In extreme cases, if there is no improvement, BNG may decide to terminate the business relationship.

Step 4: Monitoring

Monitoring takes place on the basis of the periodic and event-driven review and through Continuous Adverse Media Screening. Depending on the client's risk classification, the periodic review takes place annually or every three or five years. When an actual or potential human rights violation comes to light, BNG takes action as described under Step 3.

Within the scope of BNG's business operations, managers, HR and Compliance are responsible for checking whether employees comply with the Code of Conduct. In addition, Compliance is responsible for implementing the Scheme for Reporting Irregularities and the related reporting. Furthermore, as part of the Diversity and Inclusion Policy, we report on our achievement of the objectives and, finally, on the pay gap between men and women.

Step 5: Communicate how consequences are addressed

BNG strives for transparent communication on how we tackle the negative consequences on human rights. BNG reports annually in accordance with the reporting framework of international standards on human rights policy.⁷ This framework provides a structured basis for providing insight into how BNG puts responsibility for respecting human rights into practice. It describes topics such as human rights governance, including how our public commitment has been established, how human rights risk management is embedded within the organisation and how human rights issues are addressed by BNG.

⁷ [UNGPRreportingFramework_2017.pdf](#)

Step 6: Redress mechanism

BNG recognises the importance of an accessible and effective redress mechanism for situations in which human rights may have been violated. To this end, BNG provides a structured process to people who believe their human rights have been violated (by BNG or BNG business contacts). This process structures:

- how BNG receives complaints;
- how complaints are assessed for eligibility;
- how the willingness of all parties to participate in the process is assessed;
- how insight into the main problems and positions of all parties is obtained;
- the way parties are brought together to engage in dialogue and, where possible, to arrive at appropriate solutions and/or redress.

The following figure shows this process schematically.

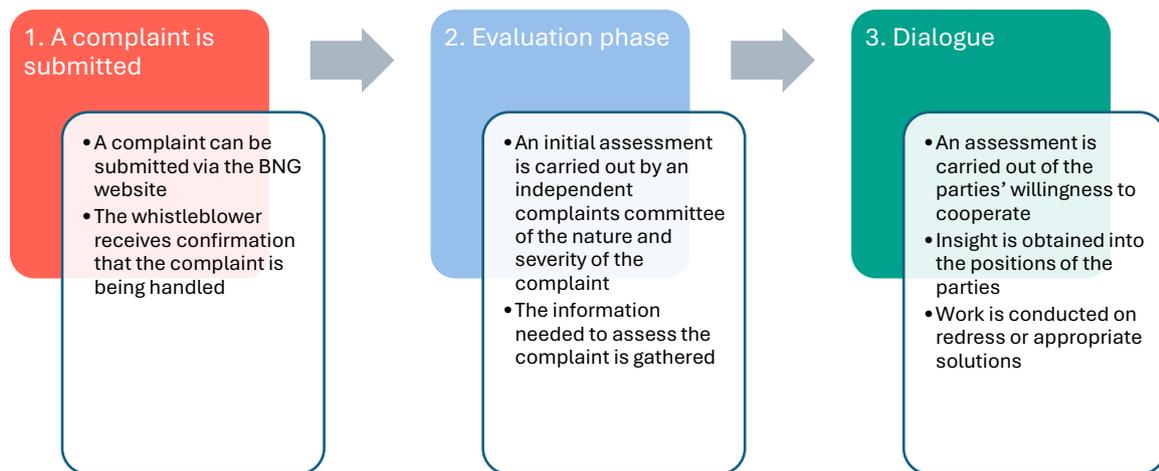


Figure 3 - Redress Mechanism