

BUSINESS PARTNER SUSTAINABILITY DECLARATION

Foreword

de Volksbank's sustainability policy:

'better for each other – from promise to impact'

For de Volksbank, sustainability goes beyond mere compliance with laws and regulations. At de Volksbank, we do so based on our mission of banking with a human touch. To fulfil this mission, Volksbank has set itself the objective of optimising shared value. Shared value means that de Volksbank serves the interests of customers, society, employees and shareholder alike. To achieve this objective, de Volksbank has launched the 2021-2025 strategic plan (better for each other – from promise to impact) and started implementing it. Part of this is that de Volksbank wants to make positive social impact. Sustainability is an important part of this.

This is in line with the [long-term sustainability goals](#) and the comprehensive [sustainability policy](#) drafted by de Volksbank. De Volksbank also subscribes to several (international) guidelines and initiatives, for example the UN Global Compact, the Sustainable Development Goals, the Principles for Responsible Banking, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.

This means that we also consider the consequences of our actions and apply appropriate due diligence (sustainability due diligence¹). Climate and biodiversity must be spared and human rights violations prevented. We take this into account when we make investments and in our internal operations. We also expect the same stance from our suppliers. Together, we want to work towards a sustainable purchasing process by thinking and acting sustainably in order to identify, prevent and reduce adverse impacts on climate, biodiversity and human rights – the pillars of our sustainability policy.²

With this Sustainability Declaration, **[Supplier]** (hereinafter: Supplier) guarantees to subscribe to and comply with the principles of the sustainability policy de Volksbank N.V. (hereinafter de Volksbank), as expressed in this declaration.

¹ Sustainability due diligence is an ongoing process of identifying actual and potential risks in the areas of good governance, people, animals and the environment in order to then stop, prevent or mitigate them. This includes both the risks in the company's own operations and in the (international) value chain.

² De Volksbank has drafted several thematic policy documents in addition to the pillar policies. A few examples of this are: Good Governance, Animal Welfare and Circular Business. These policy documents are also applicable when selecting and evaluating a supplier.

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Principles

- Sustainability and its potential impact on the three pillars (biodiversity, climate and human rights) is part of de Volksbank's purchasing process. When specifying products and services to be purchased, de Volksbank explicitly considers the potential impact on these three pillars. In addition, sustainability is an important part of the consideration of whether or not to enter into a contract with a supplier. Accordingly, for contracting purposes, Supplier may be asked to provide information on issues such as diversity, working conditions, human rights, sustainability and CO2 emissions, whereby de Volksbank will endeavour to take into account the specific services and sector in which the supplier operates and the size of Supplier's business. Even during the execution of an agreement, sustainability and the three pillars (biodiversity, climate and human rights) remain of great importance, for example through de Volksbank's right to reasonably monitor, audit and possibly request data from its suppliers;
- De Volksbank aims to create as much chain transparency as possible;
- De Volksbank aims for circular purchasing of products (preventing depletion/value destruction of raw materials);
- De Volksbank wishes to remain in dialogue with suppliers so that they achieve sustainability at the same level of ambition as de Volksbank.

1. Social issues

- 1.1. Supplier has made sustainability an integral part of its business operations, for example by reflecting it in its vision, mission and/or strategy.
- 1.2. Supplier can demonstrate that the sustainability aspects as expressed in this Sustainability Declaration are verified, for example by a quality programme or management system on the part of the Supplier.
- 1.3. Supplier has a code of conduct in place to encourage responsible behaviour on the part of its employees and prevent unethical actions, including bribery and corruption, and/or subscribes to de Volksbank's Code of Conduct.

Supplier applies due diligence in accordance with the six steps of the OECD Guidelines for Multinational Enterprises. This means that Supplier looks at its own actions and circumstances in the value chain. Supplier identifies potential (risks of) human rights and environmental abuses in the value chain and takes the necessary actions to prevent or address these abuses. Examples of potential risks include: safety, living wage, prevention of forced and child labour, equal treatment, freedom of association, combating corruption and bribery, the environment, animal welfare (if applicable), material use, information provision and consumer interests. Supplier involves relevant stakeholders in this process. Supplier has a complaints mechanism in place where stakeholders can go so that work can be done to find a solution.

2. Human rights³

- 2.1 Supplier respects human and labour rights; examples include respecting freedom of association and not using child or forced labour in accordance with International Labour Organisation (ILO) definitions.
- 2.2 Supplier does not tolerate discrimination and makes an effort to promote equality, diversity and inclusiveness in its business.⁴
- 2.3 Supplier makes an effort to create work opportunities and make them accessible to people with poor chances on the labour market.
- 2.4 Supplier pays its employees a living wage.⁵
- 2.5 Supplier provides a safe and healthy working environment. This includes aspects such as physical work, machine work, use of chemicals, ergonomics, mental (stress) and social well-being for both salaried and temporary staff at company and client sites. It also includes vitality (which may entail opportunities for personal development and training), injury prevention and occupational diseases.

³ These are based on the guidelines endorsed by de Volksbank: OECD Guidelines for Multinational Enterprises, Universal Human Rights, UN Global Compact Principles, ILO Guidelines. We expect suppliers not to violate these guidelines.

⁴ Forms of discrimination may include discrimination based on gender, race, nationality, religion, political views, social origin, age, disability, sexual orientation, gender identity (LGBTI+) and health status (e.g. discrimination against employees with HIV-AIDS).

⁵ A living wage is the remuneration a worker receives for a standard working week (max 48 hours); sufficient to provide the worker and her or his family with a decent standard of living in the country where the worker performs the work. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing and other essential needs, including provisions for unexpected events (savings).

3. Climate and Biodiversity

- 3.1 Supplier demonstrably takes the environment into account in its business operations, for example by having an environmental management system and/or ISO 14001 environmental certification (or similar certification).

In doing so, the Supplier addresses – non-exhaustively – the following components:

- 3.1.1 Reducing CO₂ emissions and the harmful impact of its operations on the environment;
- 3.1.2 Reducing water consumption;
- 3.1.3 Focus on circularity such as:
- decreasing use of materials and resources;
 - encouraging high-quality reuse or recycling;
 - using raw materials that are 'renewable' and 'natural/biobased';
 - reducing and recycling its waste.

4. Compliance

- 4.1 Supplier must indicate when it cannot (any longer) comply with any of the above conditions and why not. De Volksbank and Supplier will jointly assess whether certain conditions may not apply for Supplier⁶ or whether Supplier can meet the above conditions through an improvement plan within a predetermined timeframe.
- 4.2 For purchases with high impact on the three pillars of our sustainability policy, de Volksbank wants to be aware of and monitor the performance of our suppliers, whereby de Volksbank will try to take into account the specific service and sector in which Supplier operates and the size of Supplier's business. To give substance to this, it is important that Supplier reports annually on the above issues. Suppliers required to prepare a sustainability report send it to us annually.
- 4.3 De Volksbank shall have the right to monitor and audit the performance of Supplier and any sub-suppliers and to request data for this purpose, whereby de Volksbank will endeavour to take into account the specific service and industry in which Supplier operates and the size of Supplier's business.
- 4.4 De Volksbank has the right to periodically request sustainability information and sustainability data from Supplier, with or without the help of an external party. On the one hand as a result of the sustainability policy and long-term goals de Volksbank has set itself, and on the other hand due to ever more far-reaching laws and regulations de Volksbank has to comply with. The latter also means that the information and data required may change over time.

⁶ This Sustainability Declaration is submitted to suppliers for signature regardless of what product or service they provide and regardless of the supplier's size. With this, certain sustainability risks may be smaller or non-existent for a supplier. In consultation with Legal Affairs and the Sustainability Expertise Centre, de Volksbank may then decide for a condition to be revised or removed from the Sustainability Declaration.

5. Signature

By signing any Agreement with de Volksbank, you, as a supplier of de Volksbank, indicate that you subscribe to the above provisions and apply them to your business operations.