

de volksbank

Principles & Standards Report 2021



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About this report



Welcome to our Principles & Standards Report 2021. In order to transparently and comprehensively disclose our financial and non-financial results, we report according to the core & more approach. This Principles & Standards Report is one of the 'more' reports. Below you will find a list of our other 'core' and 'more' reports and what information is included in these reports:

Our Core report:

- **Integrated Annual Review 2021:** contains a summary of past year's key financial and social results, as well as our overall approach to value creation.

Other More reports:

- **ESG Report 2021:** contains more information on 'Environmental, Social and Governance' aspects;
- **Annual Report 2021:** contains details on our financial statements, risk management and corporate governance;
- **Pillar 3 Report 2021:** contains the mandatory reporting on capital requirements and risk management ensuing from the European Capital Requirements Regulation (CRR).

This Principles & Standards Report 2021 discloses more information on the principles and standards that we are committed to.

GRI CONTENT INDEX

| Indicator | Description of indicator | Reference/description |
|--|--|---|
| GRI 102: GENERAL DISCLOSURES 2016 | | |
| 1. ORGANISATIONAL PROFILE | | |
| 102-1 | Name of the organisation | de Volksbank N.V. |
| 102-2 | Activities, brands, products, and services | Business model & Key figures - Integrated Annual Review 2021 Chapter 3.2.3 - Integrated Annual Review 2021 De Volksbank rules out investments in companies and loans to persons and companies involved in corruption, financial, tax, environmental and/or social scandals. De Volksbank also rules out investments in arms, fossil fuels and child labour. |
| 102-3 | Location of headquarters | Utrecht |
| 102-4 | Location of operations | The Netherlands |
| 102-5 | Ownership and legal form | Chapter 4.2 - Integrated Annual Review 2021 |
| 102-6 | Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries. | i. Business model & Key figures and Chapter 2.2 - Integrated Annual Review 2021 ii. Chapters 2.2 & 2.6 - Integrated Annual Review 2021 iii. Chapter 2.3 - Integrated Annual Review 2021 |
| 102-7 | Scale of organisation, including: i. total number of employees; ii. total number of operations; iii. net sales; iv. total capitalisation broken down in terms of debt and equity; v. quantity of products or services provided. | i. Chapter 3.3 - Integrated Annual Review 2021 ii. Business model & Key figures - Integrated Annual Review 2021 iii., iv., v. Key figures and Chapter 3.6 - Integrated Annual Review 2021 |
| 102-8 | Information on employees and other workers | Chapter 3.3 - Integrated Annual Review 2021 Data is gathered through our HRM data and IT systems. De Volksbank does not report information on 102-8 b. This is because reporting per region is less relevant as the Netherlands is a small country. |
| 102-9 | Supply chain | Business model & Key figures , Chapters 2.2, 2.3 - Integrated Annual Review 2021 Chapter 3.3 - ESG Report 2021 |
| 102-10 | Significant changes to the organisation and its supply chain | There have not been any significant changes in the financial structure of de Volksbank and its brands. |
| 102-11 | Precautionary Principle or approach | We have not formally adopted the precautionary principle, but we do systematically assess and manage environmental, safety, supply chain, operational and other risks. Chapter 3.7 - Integrated Annual Review 2021 |
| 102-12 | External initiatives | Chapters 4.3 and 4.5 - Integrated Annual Review 2021 Chapters 4.1 and 4.3 - ESG Report 2021 |
| 102-13 | Membership of associations | Chapter 2.3 - Integrated Annual Review 2021 Chapters 4.4 and 4.5 - ESG Report 2021 Link to our website (in Dutch only): https://www.devolsbank.nl/verantwoord-bankieren/duurzaamheid/lidmaatschappen-verdragen |
| 2. STRATEGY | | |
| 102-14 | Statement from senior decision-maker | Foreword from the CEO of de Volksbank in both the Integrated Annual Review 2021 and the ESG Report 2021. Interview with the Chairman of the Supervisory Board on Chapter 4.1 - Integrated Annual Review 2021 |
| 3. ETHICS AND INTEGRITY | | |
| 102-16 | Values, principles, standards, and norms of behaviour | Chapters 3.2.3, 3.3 and 4.5 - Integrated Annual Review 2021 Chapters 3.2.4 and 3.2.5 - ESG Report 2021 |
| 4. GOVERNANCE | | |
| 102-18 | Governance structure | Chapters 4.2 and 4.3 - Integrated Annual Review 2021 Chapters 4.1 and 4.2 - ESG Report 2021 |
| 5. STAKEHOLDER ENGAGEMENT | | |
| 102-40 | List of stakeholder groups | Chapter 2.3 - Integrated Annual Review 2021 Chapters 4.4 and 4.5 - ESG Report 2021 |
| 102-41 | Collective bargaining agreements | Chapter 3.3 - Integrated Annual Review 2021 |

| Indicator | Description of indicator | Reference/description |
|---|--|---|
| | | The collective agreement is applicable to 99% of the employees; senior management does not come under the collective agreement. Our collective agreement can be found on our website. |
| 102-42 | Identifying and selecting stakeholders | Chapters 2.2 and 2.3 - Integrated Annual Review 2021 |
| 102-43 | Approach to stakeholder engagement | Chapters 2.3 and 5.1 - Integrated Annual Review 2021 Chapters 4.4 and 4.5 - ESG Report 2021 |
| 102-44 | Key topics and concerns raised | Chapters 2.3 and 2.4 - Integrated Annual Review 2021 |
| 6. REPORTING PRACTICE | | |
| 102-45 | Entities included in the consolidated financial statements | Chapters 4.2, 4.3 and 5.1 - Integrated Annual Review 2021 |
| 102-46 | Process to determine the report content and specific boundaries and principles used | Chapter 5.1 - Integrated Annual Review 2021 |
| 102-47 | List of material topics | Chapters 2.4 and 5.1 - Integrated Annual Review 2021 Chapter 1.2 - ESG Report 2021 |
| 102-48 | Restatements of information | There have not been any restatements of information provided compared to the previous reporting year |
| 102-49 | Changes in reporting | No significant changes. Customer relationship & service is a new material topic compared to last year. Diversity and inclusion has dropped to position 17 this year which means it is no longer a material topic. The other material topics are similar. Chapters 2.2, 2.3, 2.4 and 5.1 - Integrated Annual Review 2021 Chapter 1.2 - ESG Report 2021 |
| 102-50 | Reporting period | Calendar year 2021 |
| 102-51 | Date of most recent previous report | 11 March 2021 |
| 102-52 | Reporting cycle | Annually |
| 102-53 | Contact point for questions regarding the report | De Volksbank values your opinion on its reports: verantwoord.ondernemen@devolksbank.nl |
| 102-54 | Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards: Core option |
| 102-55 | GRI content index | Page 4 - Principles & Standards Report 2021 |
| 102-56 | Policy with regard to assurance | External limited assurance Chapter 5.1 - Integrated Annual Review 2021 |
| TOPIC-SPECIFIC STANDARDS | | |
| FAIR, TRANSPARENT AND SUSTAINABLE PRODUCTS | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapters 2.2, 3.1.2 and 5.1 - Integrated Annual Review 2021 Chapter 3.1 - ESG Report 2021 No specific goals and targets have been set for this material topic yet. However, our main KPIs Net Promoter Score and the number of active multi-customers are used as proxies to monitor this topic. |
| CUSTOMER RELATIONSHIP AND CUSTOMER SERVICE | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapter 3.1 - Integrated Annual Review 2021 Chapter 3.1 - ESG Report 2021 We have developed the KPI 'Customer Relationship Score'. We will externally communicate this KPI and the respective targets in due course. |
| PRIVACY AND SAFETY OF CUSTOMER DATA | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapters 1.3, 2.2, 3.1.3, 3.1.4, 4.5 and 5.1 - Integrated Annual Review 2021 This topic is part of our risk management. We have an internal indicator to monitor this topic. See our Annual Report for more information. No external goals and targets have been set for this material topic yet. For further information on how de Volksbank deals with this: http://www.devolksbank.nl/verantwoord-ondernemen/data-privacy |

| Indicator | Description of indicator | Reference/description |
|---|--|---|
| GRI 418: Customer privacy 2016 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Chapters 3.1.4 and 3.1.5 - Integrated Annual Review 2021 We do not yet have the intended indicator for this specific information available. We do consolidate and analyse all customer complaints. We also monitor and analyse cases of breach of privacy or loss of customer data. During 2021, we analysed, together with the relevant internal stakeholders, the possibilities of starting to collect and disclose the required information. In 2022, we plan to continue this process, with the specific goal of reporting this information in 2023 or 2024. |
| RESPONSIBLE FINANCING AND INVESTING | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapters 2.2, 3.2.3 and 5.1 - Integrated Annual Review 2021 Chapters 4.1 and 4.2 - ESG Report 2021 No goals and targets have as yet been set for this material topic. We apply our sustainability policy and the associated investment criteria to all loans, financing and investments. Our assessment is based on our three sustainability pillars: human rights, climate and biodiversity. We do have KPIs and/or other indicators for these three themes, which we use to track and steer our responsible investment activities. |
| RESPONSIBLE FINANCIAL RESULTS | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Key figures and Chapters 3.5, 3.6, 3.7 and 5.1 - Integrated Annual Review 2021 We have KPIs and targets for this topic. |
| GRI 201: Economic performance 2016 201-1 | Direct economic value generated and distributed | Key figures, Chapters 3.6 and 5.2 - Integrated Annual Review 2021 |
| CLIMATE IMPACT | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapters 1.5, 2.2, 3.2.3 and 5.1 - Integrated Annual Review 2021 Chapter 2 - ESG Report 2021 |
| GRI 305: Emissions 2016 305-1 305-2 305-3 305-4 305-5 | Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions Other indirect (Scope 3) GHG emissions GHG emissions intensity Reduction of GHG emissions | Key figures and Chapter 3.2.3 - Integrated Annual Review 2021 Chapters 2 and 5.2 - ESG Report 2021 In our annual reporting, we have reported on our climate impact since 2015, which is also our reference year, with the objective of working towards a climate-neutral bank balance sheet to be achieved no later than in 2030. |
| COMPLIANCE WITH LAWS AND REGULATIONS | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapters 1.4, 2.5, 3.1.4, 3.7 and 4.5 - Integrated Annual Review 2021 We have internal indicators to monitor this topic. |
| SOCIAL COMMITMENT, COOPERATION AND ENTREPRENEURSHIP | | |
| GRI 103: Management Approach 2016 | 1. Explanation of the material topic and its Boundary 2. The management approach and its components 3. Evaluation of the management approach | Chapters 2.1, 2.2, 2.3, 2.6 and 3.2 - Integrated Annual Review 2021 Chapters 3.3, 3.4 and 4 - ESG Report 2021 We have developed KPIs and targets for this topic although we have not yet published them externally. This will be done in due course. |

PRINCIPLES FOR RESPONSIBLE BANKING

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

| Reporting and Self-Assessment Requirements | High-level summary of our response | Reference(s) |
|---|--|---|
| 1.1 Our business | <ul style="list-style-type: none"> Fourth-largest retail bank operating in the Netherlands. Simple and transparent mortgage, savings, payment, insurance and investment products. Customers are private individuals, self-employed persons and smaller companies. Our mission is "Banking with a human touch". Four brands: SNS, ASN bank, RegioBank and BLG Wonen. | Integrated Annual Review 2021: "Business model & key figures", Chapters 2.1, 2.2, 2.3. |
| 1.2 Alignment with society | <ul style="list-style-type: none"> Strategy 2021-2025 "Better for each other - from promise to Impact". Our strategy and activities relate the most to SDGs 8, 11, 13, 15 and 17. We aim to make a positive impact on society on four themes, i.e. sustainability, good housing for everyone, quality of life in the region and attention to personal growth for everyone. KPIs for each theme are under development, except for KPIs on sustainability, which are, at least internally, already in place. The Paris Climate Agreement is taken into account in our climate policy. Our goal is a 100% climate-neutral balance sheet in 2030. We have applied for approval of our 'Science-based targets' from the Science-Based Targets initiative. Our sustainability policy is based on a large number of international frameworks (e.g. UNGC, ILO and OECD). Our brand ASN Bank was a joint initiator for partnerships like the Partnership for Carbon Accounting Financials (PCAF), the Partnership for Biodiversity Accounting Financials (PBAF) and the Platform Living Wage Financials (PLWF). We signed the PRB Financial Health & Inclusion Commitment in 2021. | Integrated Annual Review 2021: Chapters 2.2, 2.6, 2.7, 4.5 ESG Report 2021: Chapter 4 This report: Chapter SDGs |

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

| Reporting and Self-Assessment Requirements | Our response | Reference(s) |
|--|---|---|
| 2.1 Impact Analysis: | <p>General:</p> <p>We significantly improved our materiality assessment by using a representative sample of more than 500 customers, providing better insights into the societal priorities for and the material impacts of de Volksbank through the eyes of our stakeholders.</p> <p>Environment:</p> <ul style="list-style-type: none"> We assessed our impact by, amongst others, applying the Portfolio Impact Identification Tool provided by UNEP FI. We assessed our entire balance sheet's CO₂e emissions using the PCAF methodology. Our main negative impacts are on climate (due to our mortgage loans) and resource efficiency and security (due to our mortgages and SME loans). <p>Social:</p> <ul style="list-style-type: none"> We concluded that the most salient issues regarding human rights are found in our ASN Investment Funds. Our main positive impacts on society are: inclusive, healthy economies (we support people in becoming more financially resilient and we manage a microfinance investment fund) and housing (we support our customers in acquiring and maintaining a house). We aim to promote accessibility to the housing market. To monitor the accessibility of the housing market in the Netherlands, we launched the Housing Accessibility Monitor and are developing propositions that positively impact accessibility. <p>Governance & Culture:</p> <ul style="list-style-type: none"> Our risk management is refined annually in the Operational Plan (OP) cycle, which translates strategic objectives and risk appetite into key risk indicators and operational objectives for the years ahead. De Volksbank annually carries out a Strategic Risk Assessment (SRA) to identify and assess the top risks in relation to its strategy. We frequently assess our investments and financed projects on continued compliance with our sustainability policy. De Volksbank conducts an annual study into equal pay for men and women at de Volksbank. Our Ethics Office scrutinises algorithms to identify unintended biases. | <p>Annual Report 2021: Chapters 3.1.3 and 3.10</p> <p>Integrated Annual Review 2021: Chapters 2.2, 3.1, 3.2, 3.3, 4.5</p> <p>ESG Report 2021: Chapters 1.2, 2, 3.4, 4</p> |
| We have partially fulfilled the requirements regarding Impact Analysis. We think that analysing our impact is important and it therefore plays a significant role in our activities. For example, our brand BLG Wonen will increase its efforts to improve the accessibility of the housing market, which is an increasing problem in the Netherlands. | | |

2.2 Target Setting

Environment:

- Climate-neutral balance sheet by 2030 (SDG 13).
- ASN Bank a climate-positive balance sheet by 2030 (SDG 13).
- For the above two targets we have set milestones until 2025.
- Net positive impact on biodiversity by 2030 (SDG 15).

Social:

- SNS aims to make customers financially resilient and to offer financial education to people of all ages (SDG 12). Our target for 2021: a score of 54 (of 100 in total) on the Financial Confidence Barometer.
- BLG Wonen has developed the Access-To-Good-Housing monitor (in Dutch: Woontoegankelijkheidsmonitor) and has KPIs on how many people have been able to make the transition from high rent to a mortgage. A target to promote housing market access and housing satisfaction will be developed in 2022 (SDG 11 & the Paris Climate Agreement).
- We also want to stimulate initiatives to increase social cohesion. In 2021, Regiobank realised 68 initiatives and we aim to realise 200 initiatives in 2022.
- One of ASN Bank's initiatives is developing an approach to achieving 'living wages' in the global garment industry by 2030. The ultimate goal is: by 2030 the garment industry will have implemented all necessary processes to enable a living wage for workers in its supply chain.
- We continuously monitor whether we have any negative side impacts while trying to achieve our targets. In 2021, for example, we assessed if we were involved in the Uighur forced labour in solar panels.

Governance & Culture:

- We have the ambition to have at least 40% of all management, Board of Directors and Supervisory Board positions filled by women by 2025.

Integrated
AnnualReview 2021:
Chapters 2.2,
3.1, 3.2, 3.3ESG Report
2021:Chapters 2,
3.1, 3.2, 3.4

We are making significant steps in fulfilling the requirements regarding Target Setting. We have several targets on our main negative and positive impacts derived from the impact analysis. We continuously monitor our sustainability policy and whether there are any negative side effects of our targets. Our brands SNS, RegioBank and BLG Wonen are in the process of developing a societal KPI. The information provided in our Integrated Annual Review 2021 on the existing KPIs has received limited assurance by an independent assurance provider.

2.3 Plans

for Target

Implementation
and Monitoring

Environment:

- The Social Impact Committee monitors the progress on the climate-neutral balance sheet.
- We monitor the development of the average energy label of our mortgages every quarter.
- We externally report on the CO₂e emissions of our own business operations annually.
- In 2021, we developed the necessary processes to be able to externally report about our biodiversity impact on a quarterly basis in the future.

Social:

- Ever since March 2018, we have used the Financial Confidence Barometer to measure financial concerns on a monthly basis.

Governance & Culture:

- In 2021, 36% of all management positions were filled by women; our target for 2025 is 40%.
- De Volksbank conducts an annual study into equal pay for men and women at de Volksbank.

Integrated
Annual

Review 2021:
Chapters 2.2,
3.2.1, 3.2.3,
3.3, 4.3

ESG Report
2021:
Chapters 2.1,
3.2, 4

We consider our governance, reporting and monitoring of the targets to be sufficient and we have set milestones for long-term targets.

2.4 Progress

on Implementing

Targets

Environment:

- At the end of 2021, our balance sheet was 55% climate-neutral. This puts us well on our way to achieving our goal.
- We launched several campaigns and introduced new sustainable products in 2021 in order to motivate our customers to make their homes more sustainable.
- Our own business operations were 100% climate-neutral in 2021, still partially due to compensation with carbon credits.
- We are in the process of measuring our biodiversity impact by implementing the methodology on biodiversity into the governance of the organisation.
- ASN Impact Investors introduced the ASN Biodiversity Fund, the first investment fund primarily focusing on restoring and protecting biodiversity.

Social:

- BLG wonen has developed the Housing Accessibility Monitor monitor (in Dutch: Woontoegeankelijkheidsmonitor) in order to measure to which extent the housing market is accessible.
- RegioBank has developed a Sustainable Community Monitor (in Dutch: Buurtzaamheidsmonitor) to measure the quality of life in communities in terms of living, working and housing.
- We have introduced a new service: SNS helps customers fill in their tax returns.

Governance & Culture:

- De Volksbank joined the Agora Network as a commitment to diversity.
- The pay difference between men and women is only 0.04%, after correcting for age and salary scale, to the disadvantage of women.

Integrated
Annual

Review 2021:
Chapters 2.2,
3.1.2, 3.2, 3.3

ESG Report
2021:
Chapters 2,
3.1.1, 3.2

In 2021, we made steps in order to reach our targets and we will continue to reach our targets in the coming years.

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

| Reporting and Self-Assessment Requirements | Our response | Reference(s) |
|--|--|--|
| 3.1 Overview of policies and practices | <ul style="list-style-type: none"> We have developed comprehensive criteria in our sustainability policies to ensure sustainable banking practices. We aim to stimulate our customers to make sustainability-related improvements to their homes, such as measures to save energy. The Product Approval and Review Committee bears the responsibility of formally approving new and changed products and services for all brands of de Volksbank. To ensure that products continue to meet current standards, they are periodically reviewed. In 2021, we started implementing sustainability in our Product Approval and Review Process. The General Banking Conditions ('Algemene Bankvoorwaarden') contain the general agreements and rules that apply between banks and customers. The Code of Conduct sets out the strict framework of mortgage underwriting and is endorsed by all major mortgage lenders and intermediaries in the Netherlands. We try to avoid complicated language and terms that require expertise in order for everyone to understand the product and its conditions. We have made a checklist called "The language of de Volksbank", which is accessible to all our employees. | Integrated Annual Review 2021: Chapters 2.3, 3.1.2, 4.3 ESG Report 2021: Chapters 3.1, 4 |
| 3.2 Interaction with clients and customers | <ul style="list-style-type: none"> ASN Impact Investors introduced the ASN Biodiversity Fund. We introduced a Personal Sustainability Loan. We encourage homeowners to make their houses more sustainable. We do this by way of different campaigns, this year we had insulation, green roof and solar panel campaigns. We have our online <i>Home Improvers</i> platform (in Dutch woningverbetersaars.nl) on which we provide information on making your house more sustainable. We train our financial advisors on sustainability. We started training our financial advisers on livability in communities. For all our loans and investments we have sustainability criteria in place, to ensure that we use our customers' money in a sustainable way. | Integrated Annual Review 2021: Chapters 2.3, 3.1.2, 4.3 ESG Report 2021: Chapters 2.1, 3.1, 4 |

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

| Reporting and Self-Assessment Requirements | Our response | Reference(s) |
|--|---|--|
| 4.1 Stakeholder engagement | <ul style="list-style-type: none"> For the first time, we approached a representative sample of more than 500 customers for our materiality assessment. This provided insights into the social priorities for de Volksbank through the eyes of our customers. We categorise our stakeholders into four groups: customers, society, employees and the shareholder. We are continuously in touch with our stakeholders throughout the year and in all sorts of ways, for example with our customers through daily chat, email and telephone contact. We aim to initiate, accelerate and facilitate partnerships to reach the Sustainable Development Goals on various fronts; therefore we were joint initiators of the Partnership for Carbon Accounting Financials, the Partnership for Biodiversity Accounting Financials and the Platform Living Wage Financials. In addition, we collaborate with foundations such as <i>Oranje Fonds</i>, <i>NLvoorelkaar</i>, Dutch Debt Relief Route (Nederlandse SchuldhulpRoute in Dutch) and National Mortgage Guarantee (Nationale Hypotheek Garantie in Dutch) | Integrated Annual Review 2021: Chapters 2.2, 2.3, 2.4 ESG Report 2021: Chapters 1.3, 4.4, 4.5 |

Principle 5: Governance and Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

| Reporting and Self-Assessment Requirements | Our response | Reference(s) |
|---|---|--|
| 5.1 Governance | <ul style="list-style-type: none"> The Social Impact Committee (SIC) chaired by the Chief Risk Officer monitors our policies and progress on sustainability topics. In 2021, the mandate of the SIC was enlarged and now covers both sustainability risks and opportunities. In addition, the decision was made to strengthen the sustainability governance by establishing an Advisory Team in 2022. Topics concerning the PRB fall within the scope of these bodies. The Sustainability Management Policy serves as a framework for company-wide awareness of sustainability and the resulting conduct at all levels of the organisation. De Volksbank has adopted an approach to mitigating and adapting to the impact of climate change. ASN Bank has developed policies to avoid violations of human rights in its loan and investment portfolios and minimise our impact on climate and biodiversity. De Volksbank has adopted and implemented these policies. | Integrated Annual Review 2021: Chapter 4 ESG Report 2021: Chapter 4 |
| 5.2 Culture | <ul style="list-style-type: none"> Our employees believe in our mission and are committed to contributing to our shared value ambition. All new employees of de Volksbank participate in a training course to inform them of the history, culture and shared value strategy. De Volksbank's aim is to further improve the gender balance in managerial positions. The remuneration policy of de Volksbank is based on our manifesto, our shared value principle, our profile of a social bank and our moderate risk profile. A result of this is that we do not offer bonuses. Since 2021, diversity and inclusivity has been a permanent aspect in the training and continuing education of managers. In 2021 an educational module was developed about sustainability, available to all employees. We study employees' opinions on our overall sustainability and their awareness of our sustainability activities with a quarterly employee survey. | Integrated Annual Review 2021: Chapters 3.3, 4 ESG Report 2021: Chapters 3.2, 4 |
| 5.3 Governance structure for implementation of the Principles | <ul style="list-style-type: none"> The Social Impact Committee (SIC) chaired by the Chief Risk Officer is responsible for the implementation of the PRB and monitors the progress. The SIC also assesses and advises on Sustainability Risk and on internal and external reporting on social issues, including this ESG Report. Since 2021, a PRB working group has been in place to monitor progress and discuss actions. Target setting is discussed in the Social Impact project group. | Integrated Annual Review 2021: Chapters 3.3, 4 ESG Report 2021: Chapters 3.2, 4 |

We have strong sustainability governance and policies in place and there are several initiatives to foster responsible banking in our culture. Our employee surveys indicate a general sense of connection with and support for our social stand. The reputation of de Volksbank as a social bank is strong and ASN Bank in particular stands out as a sustainable brand.

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

| Reporting and Self-Assessment Requirements | Our response | Reference(s) |
|---|---|---|
| 6.1 Progress on implementation of the Principles | <ul style="list-style-type: none"> • Social impact and a strong relationship with customers are the two pillars of our strategy (principle 1). • The CDP climate change score improved from "C" in 2020 to "B" in 2021. We are continuously working on improving other ESG ratings (principle 2). • We signed the "Financial Health and Inclusion Commitment" (principle 3). • Our materiality assessment has been improved with a representative sample of more than 500 customers, providing better insights into the societal priorities for and the material impacts of de Volksbank through the eyes of our customers (principle 4). This allows for better disclosures on the most relevant topics. • The PCAF methodology was fully implemented in 2021 to calculate our climate-neutral balance sheet (principle 2 and 6). This covers all relevant assets. • Our Integrated Annual Review 2020 ranked 6th in 2020 in the Transparency Benchmark, whereas our 2019 report ranked 122nd. The Transparency Benchmark is a bi-annual study carried out by the Ministry of Economic Affairs and Climate Policy (principle 6). • Our Integrated Annual Review 2021 has been aligned with the Strategic Risk Assessment, the strengths and weaknesses assessment and the materiality assessment (principle 6). • We have made further improvements due to new or upcoming regulation on the disclosure of non-financial information from the European Commission, such as reporting on the EU taxonomy (principle 6). • The PRB self-assessment is integrated in our Principles & Standards Report 2021. | <p>Integrated Annual Review 2021: "Business model & key figures", Chapters 2.6, 3.2.1, 3.2.3, 4.5</p> <p>ESG Report 2021: Chapters 1.1, 2</p> |
| We made considerable improvements to fulfil this requirement. These efforts were also reflected in improved ESG ratings and benchmarks. | | |

This is not an exhaustive list on how we aim to fulfil the requirements of the Principles for Responsible Banking. The underlying information used in the self-assessment is part of either our [Integrated Annual Review 2021](#), our [Annual Report 2021](#) or our [ESG Report 2021](#). Please see these reports for more details on the points mentioned in the self-assessment. This report on our progress towards implementing the UN PRBs has not yet obtained limited third-party assurance.

SUSTAINABLE DEVELOPMENT GOALS

De Volksbank's sustainability policy is based at least in part on the United Nations Sustainable Development Goals (SDGs). These international goals were agreed upon in 2015 and they constitute an elaborate agenda for change that should be achieved by 2030. There are 17 goals in total, which have been divided into 169 associated targets. We address all 17 SDGs with our

sustainability policy. For more detailed information on this policy, please read the [ASN Guide - Sustainability Criteria](#). Our main activities and strategic objectives can make the largest long-term contribution to five SDGs in particular. This section describes why that is the case.

SDG 8: Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

| Goals & Targets | Our ambition & contribution | Read more |
|---|--|---|
| 8.3 Promoting development-oriented policies and encourage SMEs | <ul style="list-style-type: none"> De Volksbank encourages innovating and entrepreneurship. We are particularly committed to support small businesses as they play an important role in the functioning and welfare of local areas; We strongly advocate ensuring living wages in global supply chains and specifically engage with businesses in the garment industry regarding this topic; | Integrated Annual Review 2021: Chapters 3.1, 3.2, 3.3 |
| 8.5 Decent work for all and equal pay | <ul style="list-style-type: none"> We pay genuine attention to our employees in an open and inclusive working environment. | ESG Report 2021: Chapters 3.1, 3.2, 3.3, 3.4 |
| 8.8 Protect labour rights for all | <ul style="list-style-type: none"> We offer equal opportunities and equal pay to all employees; | |
| 8.10 Strengthen capacity of and expand access to financial services | <ul style="list-style-type: none"> We contribute to a healthy economy with responsible and transparent financial products and services; We aim to help customers and non-customers alike in becoming financially resilient. This is part of our social impact strategy; We provide financial education, including training on secure banking, to the young and the elderly. | |

SDG 11: Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

| Goals & Targets | Our ambition & contribution | Read more |
|---|---|--|
| 11.1 Ensure access to safe and affordable housing and upgrade slums | <ul style="list-style-type: none"> We are committed to rendering our mortgage portfolio more sustainable, for example through campaigns (we ran three campaigns in 2021). We also aim to contribute to climate-resilient housing and communities; To remain inclusive we do not refuse mortgage applications based on the energy label; | Integrated Annual Review 2021: Chapter 3.2 |
| 11.3 Enhance inclusive and sustainable urbanisation | <ul style="list-style-type: none"> We signed the manifesto "Building for Nature" to promote timber construction; We engage in activities to promote the quality of life in communities. Our presence in many small cities and villages allows us to be locally connected and active; We aim to make the housing market more accessible, for example to people who pay high rents and have difficulties buying a house. | ESG Report 2021: Chapter 2 |

SDG 13: Climate action

Take urgent action to combat climate change and its impacts.

| Goals & Targets | Our ambition & contribution | Read more |
|---|--|---|
| 13.2 Integrate climate change measures into policies and strategies | <ul style="list-style-type: none"> De Volksbank aims to have a climate-neutral balance sheet by 2030 and the brand ASN bank aims to have a climate-positive balance sheet by that time; We inform our customers about ways to make their homes more sustainable and we offer them practical solutions. We also train our advisers on sustainable housing so that appropriate advice can be given; In 2021, we issued green bonds amounting to a total of € 1 billion; We exclude polluting industries and activities based on our strict investment policy. We do finance sustainable activities. For example, our 'ASN Groenprojectenfonds' (Green Project Fund) financed the wind farm Egchelse Heide, which commenced operations in 2021; We are setting science-based targets to meet the Paris Climate Agreement objectives. | Integrated Annual Review 2021: Chapters 2.2, 3.2, 4 ESG Report 2021: Chapters 2, 4 |
| 13.3 Improve education and awareness on climate change | | |

SDG 15: Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

| Goals & Targets | Our ambition & contribution | Read more |
|---|--|--|
| 15.1 Ensure the conservation and restoration of land ecosystems | <ul style="list-style-type: none"> In 2021, ASN Bank was the first bank in the Netherlands to start an investment fund primarily focused on restoring and protecting biodiversity: 'ASN Biodiversiteitsfonds' (ASN Biodiversity Fund); We aim to have a net positive impact on biodiversity by 2030. | Integrated Annual Review 2021: Chapters 2.3, 3.2.1, 3.2.3 ESG Report 2021: Chapters 2, 4.3, 4.4 |
| 15.a Mobilise and increase financial resources to conserve biodiversity | | |
| 15.b Mobilise resources to finance sustainable forest management | | |

SDG 17: Partnerships for the goals

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

| Goals & Targets | Our ambition & contribution | Read more |
|--|---|--|
| 17.14 Enhance policy coherence for sustainable development | <ul style="list-style-type: none"> We regularly enter into social cooperation and partnerships. Oftentimes we are the initiators of these initiatives. Examples include the Partnership for Carbon Accounting Financials, the Platform Living Wage Financials and the Partnership for Biodiversity Accounting Financials; We signed the Principles for Responsible Banking and the National Climate Agreement to underscore our commitments; We participated in the Glasgow Climate Conference to advocate, among other things, timber construction as a solution to long-term CO₂ storage. | Integrated Annual Review 2021: Chapters 2.3, 3.2, 4.3, 4.5 ESG Report 2021: Chapters 4.3, 4.4 |
| 17.16 Enhance the global partnership for sustainable development | | |
| 17.17. Encourage and promote effective public, public-private and civil society partnerships | | |

NON-FINANCIAL REPORTING DIRECTIVE

| Topic | Subtopic | Included (yes/no) | Annual Report reference | More information in Integrated Annual Review |
|---|---|-------------------|-------------------------|--|
| Business model | General description | yes | Ch. 1 | Business model & Key Figures |
| Relevant social and personnel matters (e.g. HR, safety etc.) | A description of the policies pursued, including due diligence. | yes | Ch. 1.4 | IAR Ch. 3.3 |
| | The outcome of those policies. | yes | Ch. 1.4 | IAR Ch. 3.3 |
| | Principal risks in our own operations and within the value chain. | yes | Ch. 3.5 | IAR Ch. 3.7 |
| | How risks are managed. | yes | Ch. 3.5 | IAR Ch. 3.7 |
| | Non-financial key performance indicators. | yes | Ch. 1.4 | IAR Chs. 2.7 and 3.3 |
| Relevant environmental matters (e.g. climate-related impacts) | A description of the policies pursued, including due diligence. | yes | Ch. 1.4 | IAR Ch. 3.2 |
| | The outcome of those policies. | yes | Ch. 1.4 | IAR Ch. 3.2 |
| | Principal risks in our own operations and within the value chain. | yes | Ch. 3.9 | IAR Ch. 3.7 |
| | How risks are managed. | yes | Ch. 3.9 | IAR Ch. 3.7 |
| | Non-financial key performance indicators. | yes | Ch. 1.4 | IAR Chs. 2.7 and 3.2 |
| Climate change | A description of the policies pursued, including due diligence. | yes | Ch. 1.4 | IAR Ch. 3.2 |
| | The outcome of those policies. | yes | Ch. 1.4 | IAR Ch. 3.2 |
| | Principal risks in our own operations and within the value chain. | yes | Ch. 3.9 | IAR Ch. 3.7 |
| | How risks are managed. | yes | Ch. 3.9 | IAR Ch. 3.7 |
| | Non-financial key performance indicators. | yes | Ch. 1.4 | IAR Chs. 2.7 and 3.2 |
| Relevant matters with respect for human rights (e.g. labour protection) | A description of the policies pursued, including due diligence. | yes | Ch. 1.5 | IAR Ch. 3.2 |
| | The outcome of those policies. | yes | Ch. 1.5 | IAR Ch. 3.2 |
| | Principal risks in our own operations and within the value chain. | yes | Ch. 3.9 | IAR Ch. 3.7 |
| | How risks are managed. | yes | Ch. 3.9 | IAR Ch. 3.7 |
| | Non-financial key performance indicators. | yes | Ch. 1.5 | IAR Chs. 3.2 and 4.5 |
| Relevant matters with respect to anti-corruption and bribery | A description of the policies pursued, including due diligence. | yes | Ch. 1.5 | IAR Ch. 4.5 |
| | The outcome of those policies. | yes | Ch. 1.5 | IAR Ch. 4.5 |
| | Principal risks in our own operations and within the value chain. | yes | Ch. 1.5 | IAR Ch. 3.7 |
| | How risks are managed. | yes | Ch. 1.5 | IAR Ch. 3.7 |
| | Non-financial key performance indicators. | yes | Ch. 1.5 | |
| Insight into diversity (Board of Directors and the Supervisory Board) | A description of the policies pursued. | yes | Ch. 2 | IAR Ch. 3.3 |
| | Diversity targets. | yes | Ch. 2 | IAR Ch. 3.2 |
| | A description of how the policy is implemented. | yes | Ch. 2 | IAR Ch. 3.2 |
| | Results of the diversity policy. | yes | Ch. 2 | IAR Ch. 3.2 |