

# Sustainalytics Second Party Opinion

## NWB Bank Social Bond Framework

11 July 2025

Framework owner and location:  
Nederlandse Waterschapsbank N.V.  
The Hague, Netherlands

Sector:  
Development Banks

### Overall Assessment

Sustainability Contribution



Principles Alignment

✓ Aligned

Social Bond Principles 2025

Contribution to SDGs



### Assessment Summary

Nederlandse Waterschapsbank N.V. has developed the NWB Bank Social Bond Framework dated July 2025, under which it intends to issue social bonds. The Bank will use the bond proceeds to provide low-cost loans to registered social housing associations in the Netherlands for financing projects under one category.

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the Sustainability Contribution of the Framework's single use of proceeds category.

NWB Bank intends to provide financing to housing associations to fund the construction, renovation and management of social rental homes under the Netherlands' SGEI housing scheme.<sup>1,2</sup> The SGEI housing scheme targets a broad segment of the population, including households with relatively high incomes. However, it includes financial advantages to ensure affordability for low-income households, and provisions to ensure that socioeconomically vulnerable groups are prioritized. These include lower rent caps for low-income households and young individuals (up to age 23), as well as priority allocation to vulnerable groups with an urgent need for housing that would not be met in the private market. Additionally, the majority of social rental housing has historically been occupied by low-income households. A portion of the housing units may be allocated to households that are above the relevant income threshold and demonstrate social vulnerability through the prioritization system.

Overall, investments under this category will strongly contribute to improving access to affordable housing for the low-income households and vulnerable population in the Netherlands.

We have assessed the Framework as **Aligned** with the Social Bond Principles 2025.

### Contacts:

Nadia Djinnit  
Senior Manager  
[Nadia.Djinnit@morningstar.com](mailto:Nadia.Djinnit@morningstar.com)

Aifric ORaghallaigh  
Analyst  
[Aifric.ORaghallaigh@morningstar.com](mailto:Aifric.ORaghallaigh@morningstar.com)

Lokesh Jain  
Analyst  
[Lokesh.Jain@morningstar.com](mailto:Lokesh.Jain@morningstar.com)

Shreeya Garg  
EMEA Regional Lead  
[Shreeya.Garg@morningstar.com](mailto:Shreeya.Garg@morningstar.com)

<sup>1</sup> Ministry of Housing and Spatial Planning, "Diensten van algemeen economisch belang (DAEB)", at: <https://www.volkshuisvestingnederland.nl/onderwerpen/daeb>

<sup>2</sup> Ministry of Housing and Spatial Planning, "Infographic toewijzen van woningen", (2024) at: <https://www.volkshuisvestingnederland.nl/onderwerpen/dossier-woningtoewijzing/documenten/publicaties/2020/12/18/infographic-toewijzen-van-woningen>

## Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the Sustainability Contribution of the Framework’s single use of proceeds category.

Category	Sustainability Contribution Level	Weight
Affordable housing	<p>Neutral    Moderate    Significant    <b>Strong</b></p>	100%

## Issuer Overview & Sustainability Strategy

Nederlandse Waterschapsbank N.V. is a national promotional bank offering financial services to public-sector entities to support their policy objectives.<sup>3,4</sup> The Bank is a public limited company, majority-owned by Dutch water authorities (81%), the Dutch government (17%), and the Dutch provinces (2%).<sup>5</sup> As of the end of 2024, the Bank had EUR 57 billion in outstanding loans to the Dutch public sector, including housing associations, water authorities, municipalities and healthcare institutions.<sup>6</sup> The Bank is headquartered in The Hague and had 145 employees as of December 31, 2024.

NWB integrates environmental and social factors into its sustainability strategy, focusing on climate change, biodiversity, water management, and social housing.<sup>7</sup> To achieve its goal of climate neutrality by 2050, the Bank has established the following SBTi-validated targets with a 2018 baseline: i) a 65.5% reduction in scope 1 and 2 CO<sub>2</sub>e emissions by 2030; and ii) ensuring that 45.6% of its bond portfolio meets SBTi defined targets by 2028. NWB Bank plans to provide electricity generation project finance solely for renewable electricity through 2030.<sup>8</sup> It has also set an interim target to achieve an energy-positive loan portfolio by 2035, where the renewable energy projects that it finances generate more energy than the fossil fuels consumed by its clients.<sup>9</sup> Furthermore, the Bank has set financed emissions intensity targets for scope 3 across client groups with milestones for 2030 and 2050.<sup>10</sup> Regarding biodiversity, the Bank aims for 5% of areas managed by its clients to form 'green-blue networks' by 2030, rising to 10% by 2050. Green-blue networks include hedges, ditches, pools, parks and other landscaping elements that connect and extend natural habitats.

On the social side, the Bank aims to support the construction of 30,000 new social housing units per year from 2023 to 2030 through its provision of financing to housing associations.<sup>11</sup> In 2022, NWB Bank's clients delivered 164,300 new housing allocations. NWB Bank's loans to housing associations must be in line with the government-set allocation rules for social housing (SGEI housing), with a minimum of 85% of housing to be allocated to households under the legal income threshold. In 2022, 97% of new allocations met these criteria.

The Bank has a two-tiered board, consisting of a Supervisory Board, responsible for long-term strategy creation and implementation, and a Managing Board, responsible for daily operations. The Boards are supported by the Sustainability Advisory Board (SAB), Credit Committee, Asset and Liability Committee, and Non-Financial Risk Committee.<sup>12</sup> The SAB advises the boards on sustainability strategy and supports its implementation within the Bank. The Bank publishes a sustainability statement as part of its Annual Report, as well as a separate annual Impact Report, which in 2024 was published in accordance with the EU Corporate Sustainability Reporting Directive (CSRD).

<sup>3</sup> NWB, "About NWB Bank", at: <https://nwbbank.com/en/about-nwb-bank>

<sup>4</sup> European Investment Bank, "National promotional banks and institutions", at: <https://www.eib.org/en/about/partners/npbis/index>

<sup>5</sup> NWB, "Our shareholders", at: <https://nwbbank.com/en/about-nwb-bank/our-organisation/shareholders#:~:text=Nederlandse%20Waterschapsbank%20N.V.%20is%20a%20small%20number%20of%20shareholders>.

<sup>6</sup> NWB, "Annual Report 2024", (2025), at: [https://nwbbank.com/application/files/7617/4235/8276/NWB\\_Bank\\_Annual\\_Report\\_2024.pdf](https://nwbbank.com/application/files/7617/4235/8276/NWB_Bank_Annual_Report_2024.pdf)

<sup>7</sup> NWB, "ESG transition plan 2024", (2024), at: [https://nwbbank.com/application/files/4317/2906/3198/NWB\\_Bank\\_ESG\\_Transition\\_Plan.pdf](https://nwbbank.com/application/files/4317/2906/3198/NWB_Bank_ESG_Transition_Plan.pdf)

<sup>8</sup> SBTi, "Nederlandse Waterschapsbank N.V. (NWB Bank)", (2024), at: [https://files.sciencebasedtargets.org/production/files/Target-language-and-summary\\_NWB-Bank.pdf](https://files.sciencebasedtargets.org/production/files/Target-language-and-summary_NWB-Bank.pdf)

<sup>9</sup> NWB, "Annual Report 2024", (2025), at: [https://nwbbank.com/application/files/7617/4235/8276/NWB\\_Bank\\_Annual\\_Report\\_2024.pdf](https://nwbbank.com/application/files/7617/4235/8276/NWB_Bank_Annual_Report_2024.pdf)

<sup>10</sup> NWB, "ESG transition plan 2024", (2024), at: [https://nwbbank.com/application/files/4317/2906/3198/NWB\\_Bank\\_ESG\\_Transition\\_Plan.pdf](https://nwbbank.com/application/files/4317/2906/3198/NWB_Bank_ESG_Transition_Plan.pdf)

<sup>11</sup> Ibid.

<sup>12</sup> NWB shared its 2025 Sustainability Policy with Sustainalytics confidentially.

## Principles Alignment

We have assessed the NWB Social Bond Framework as follows:

Social Bond Principles 2025 – **Aligned**

NWB Bank intends to issue social bonds under the Framework.

### Principles Alignment Detailed Evaluation

Use of Proceeds

**Aligned**

*Alignment with core requirements*

- ▶ The Framework describes eligibility criteria appropriately.
- ▶ The Framework identifies relevant target populations for social projects.
- ▶ All expenditures are expected to provide clear social benefits.

Project Evaluation and Selection

**Aligned**

*Alignment with core requirements*

- ▶ The Framework describes a governance process for the evaluation and selection of eligible projects.
- ▶ The Framework communicates the environmental or social sustainability objectives of eligible projects.
- ▶ The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

*Additional considerations*

- ▶ NWB Bank has committed to the following practices, which go beyond the core requirements:
  - ▶ The Framework adheres to credible international standards to mitigate environmental and social risks such as OECD guidelines.
  - ▶ The Framework includes how eligible projects are positioned within the context of the issuer's overarching sustainability strategies and policies.
  - ▶ The Framework identifies the SDGs to which eligible projects are expected to contribute.
  - ▶ The Framework does not finance the activities mentioned in its sustainability policy's exclusion criteria.

---

**Management of Proceeds****Aligned***Alignment with core requirements*

- ▶ The Framework describes a governance structure, including assigning responsibility for the management of proceeds.
- ▶ The Framework describes the processes and systems that will be used to track the proceeds.
- ▶ The Framework describes the intended temporary placement for the balance of unallocated proceeds.

*Additional considerations*

- ▶ NWB Bank will use a balance sheet approach to manage the proceeds, in line with Dutch law.
- ▶ NWB Bank has committed to the following practices, which go beyond the core requirements:
  - ▶ The Bank intends to allocate all proceeds to eligible projects within 12 months of issuance.
  - ▶ Pending full allocation, temporary proceeds will be held in cash and cash equivalents.
  - ▶ The Bank will obtain assurance from a third party for its internal tracking systems and allocation of proceeds.

---

**Reporting****Aligned***Alignment with core requirements*

- ▶ NWB Bank will provide an annual allocation report until full allocation of proceeds and renew it in case of material changes until maturity.

*Additional considerations*

- ▶ NWB Bank has committed to the following practices, which go beyond the core requirements:
  - ▶ The Bank intends to report on the qualitative and quantitative impacts of projects using relevant metrics.
  - ▶ NWB Bank shares at least one impact metric for the use of proceeds category.
  - ▶ NWB Bank intends to adopt the ICMA Harmonized Framework for Impact Reporting for Social Bonds 2025.
  - ▶ NWB Bank will publish its allocation and impact reports on its website.

## Sustainability Contribution

NWB Bank intends to use the proceeds from instruments issued under the Framework to finance or refinance the construction, renovation, and management of affordable housing projects, by issuing loans for this purpose to housing associations in the Netherlands.

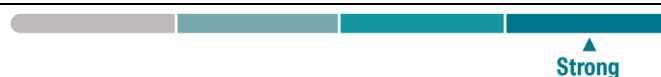
We have assessed the overall Sustainability Contribution of the Framework as **Strong** based on the Sustainability Contribution of the Framework’s single use of proceeds category.

Sustainability Contribution



### Sustainability Contribution per Use of Proceeds Category

Affordable Housing



We have assessed the Sustainability Contribution of the Affordable Housing category as **Strong**. NWB Bank intends to extend loans to housing associations for the construction, renovation, and management of SGEI social rental housing in the Netherlands. While the scheme covers a broader group, including medium- and high-income earners, it includes strong accommodations for low-income households, and provisions for the prioritization of socially vulnerable groups. Additionally, social rental housing in the Netherlands has consistently been majority occupied by low-income households.

#### Category Expenditures

Expenditure	Description
Construction, renovation, and management of social housing in accordance with the Dutch Housing Law <sup>13</sup>	<ul style="list-style-type: none"> <li>▶ Providing financing to housing associations in the Netherlands for the construction, renovation, and management of social housing, provided to households with incomes below the limit set by the Dutch government’s SGEI housing regulation.<sup>14</sup> Housing associations are required to allocate at least 85% of SGEI homes to households eligible within the SGEI income limits.</li> <li>▶ Under the SGEI scheme, priority is given to households with urgent housing needs as defined by each municipality.<sup>15</sup> Households with urgent housing needs may include refugees with residence permits, households whose current homes are being demolished, individuals facing severe housing issues such as urgent medical needs, threats, incidents of violence, or those at risk of imminent homelessness, particularly households with children. Secondary priority may be given to: i) households facing health, safety or other social concerns; ii) households seeking to swap residences; or iii) co-tenants who wish to become the primary tenant.<sup>16,17</sup></li> </ul>

<sup>13</sup> Government of the Netherlands, “Woningwet”, (2022), at: <https://wetten.overheid.nl/BWBR0005181/2022-01-01/>

<sup>14</sup> Ministry of Housing and Spatial Planning, “Indexering inkomensgrenzen voor woningcorporaties en huurtoeslagparameters per 2025”, (2024), at: <https://www.volkshuisvestingnederland.nl/actueel/nieuws/2024/11/18/indexering-inkomensgrenzen-voor-woningcorporaties-en-huurtoeslagparameters-per-2025>

<sup>15</sup> Ministry of Health, Welfare, and Sport, “Urgentieverklaring voor woningzoekende”, at: <https://www.regelhulp.nl/onderwerpen/wonen/urgentieverklaring>

<sup>16</sup> Government of the Netherlands, “Besluit toegelaten instellingen volkshuisvesting 2015”, (2025), at: <https://wetten.overheid.nl/BWBR0036702/2025-01-01#HoofdstukV>

<sup>17</sup> Ministry of Housing and Spatial Planning, “Positie van de echtgenoot en de medehuuder”, at:

<https://www.volkshuisvestingnederland.nl/onderwerpen/huurbescherming-en-huurcontracten/positie-van-de-echtgenoot-en-medehuuder>

### *Analytical Commentary*

The Netherlands had the highest share of social housing among OECD countries as of 2022.<sup>18</sup> Despite this, there is a significant housing shortage in the country, including within the social housing segment. In 2024, the national housing shortfall was estimated at 401,000 homes.<sup>19</sup> While social housing shortages vary by region, the deficit is particularly acute in the country's most populous 'Randstad' area, which includes Amsterdam, the Hague, Rotterdam, and Utrecht. The average wait time in these cities is approximately 8.3 years,<sup>20</sup> reaching up to 17-18 years in some areas.<sup>21,22</sup> To address the housing shortage, the government has set a target to build 900,000 homes between 2022 and 2030, with one third earmarked for social housing.<sup>23</sup> However, new builds in the country have consistently fallen short of the annual building targets.<sup>24,25</sup> Thus, the need for social housing provision in the Netherlands remains a pressing issue.

Under the SGEI government housing scheme, eligibility for social housing is determined by annual income as well as broader socioeconomic factors relating to urgent housing need. Eligible single-person households can earn up to EUR 49,669 annually and multi-person households up to EUR 54,847 annually.<sup>26</sup> For these households, the monthly rent is capped at a maximum of EUR 900.07.<sup>27,28</sup> In 2023, the most recent year for which official figures are available at the time of assessment, the median annual gross income in the Netherlands was EUR 36,000.<sup>29</sup> While the income thresholds under the SGEI housing scheme for both single and multi-person households are relatively high and do not limit eligibility to low-income households, the housing scheme includes further accommodations to prioritize lower income and otherwise vulnerable populations. As of 2025, lower recent ceilings apply to single-person households earning up to EUR 28,375, multi-person households earning up to EUR 38,500, as well as individuals under the age of 23.<sup>30</sup> Additionally, external research on the Dutch housing market has consistently shown that, since 2018, over 60% of social rental housing has been occupied by low-income households.<sup>31,32,33</sup>

<sup>18</sup> OECD, "PH4.2 Social Rental Housing Stock", (2023), at: <https://www.oecd.org/content/dam/oecd/en/data/datasets/affordable-housing-database/ph4-2-social-rental-housing-stock.pdf>

<sup>19</sup> Ministry of Housing and Spatial Planning, "Het statistisch woningtekort uitgelegd", (2024), at: <https://www.volkshuisvestingnederland.nl/onderwerpen/berekening-woningbouwopgave#:~:text=De%20overige%2050%20duizend%20woningen,opzichte%20van%20de%20totale%20voorraad.>

<sup>20</sup> NOS, "Sociale huurwoning? Acteraan aansluiten", at: <https://app.nos.nl/op3/socialehuur/#/>

<sup>21</sup> Colliers, "Factcheck | In Nederland sta je eindelijk op de wachtlijst voor een sociale huurwoning", (2023), at: <https://www.colliers.com/nl-nl/research/factcheck-in-nederland-sta-je-eindelijk-op-de-wachtlijst-voor-een-sociale-huurwoning>

<sup>22</sup> NOS, "Sociale huurwoning? Acteraan aansluiten", at: <https://app.nos.nl/op3/socialehuur/#/?gemeente=haarlemmermeer>

<sup>23</sup> Ministry of the Interior and Kingdom Relations, "Nationale Woon- en Bouwagenda", (2022), at:

<https://www.volkshuisvestingnederland.nl/documenten/publicaties/2022/03/11/nationale-woon-en-bouwagenda>

<sup>24</sup> Centraal Bureau voor de Statistiek, "Dwellings and non-residential stock; changes, utility function, regions", (2025), at: <https://www.cbs.nl/en-gb/figures/detail/81955ENG>

<sup>25</sup> NOS, "In veel gemeenten te weinig corporatiewoningen gebouwd, hoe zit 't bij jou?", (2025), at: <https://nos.nl/artikel/2552878-in-veel-gemeenten-te-weinig-corporatiewoningen-gebouwd-hoe-zit-t-bij-jou>

<sup>26</sup> Ministry of Housing and Spatial Planning, "Indexering inkomensgrenzen voor woningcorporaties en huurtoeslagparameters per 2025", (2024), at:

<https://www.volkshuisvestingnederland.nl/actueel/nieuws/2024/11/18/indexering-inkomensgrenzen-voor-woningcorporaties-en-huurtoeslagparameters-per-2025>

<sup>27</sup> Government of the Netherlands, "Rented housing", at: <https://www.government.nl/topics/housing/rented-housing>

<sup>28</sup> Huurcommissie, "Rent Check", at: <https://www.huurcommissie.nl/support/rent-check>

<sup>29</sup> Centraal Bureau voor de Statistiek, "Inkomen van personen; inkomensbestanddelen, persoonskenmerken", (2024), at:

<https://opendata.cbs.nl/#/CBS/nl/dataset/84494NED/table?ts=1748871412115>

<sup>30</sup> Ibid.

<sup>31</sup> Ministry of Housing and Spatial Planning, "Kernpublicatie van het WoonOnderzoek Nederland 2024", (2025), at:

<https://www.volkshuisvestingnederland.nl/documenten/publicaties/2025/04/10/kernpublicatie-van-het-woon-24>

<sup>32</sup> Ministry of the Interior and Kingdom Relations, "Wonen langs de meetlat: Resultaten van het WoonOnderzoek Nederland 2021" (2022), at:

<https://woononderzoek.nl/documenten/Publicaties-2021>

<sup>33</sup> Ministry of the Interior and Kingdom Relations, "Ruimte voor wonen: De resultaten van het WoonOnderzoek Nederland 2018", (2019), at:

<https://woononderzoek.nl/documenten/Publicaties-2018>

Furthermore, priority is also given to those with urgent housing needs, such as refugees or people suffering from violence, as detailed in the Category Expenditures table above.<sup>34</sup> Additionally, households living in SGEI housing may be eligible for rent allowance, depending on factors such as income, household size, and age, thereby further supporting affordability.<sup>35,36</sup> To help manage demand, housing associations can also lower rents locally.<sup>37,38</sup>

In accordance with the SGEI scheme, between 7.5% and 15% of the housing may be allocated to households that exceed the income thresholds. However, housing associations are required to allocate housing to households with urgent housing needs.

Financing through the SGEI scheme helps ensure affordability of housing for the target population by capping social-housing rents below market rates.<sup>39,40</sup> While the SGEI scheme encompasses a broader target group than just low-income households, who face the most significant barriers to accessing housing under current market conditions, it includes provisions to prioritize lower-income households and those facing socioeconomic vulnerability. This mechanism helps ensure that those who have the greatest unmet housing needs will receive preferential access to affordable units. Therefore, financing under this category is expected to make a strong contribution to improving access to affordable housing in the Netherlands.

<sup>34</sup> Ministry of Housing and Spatial Planning, "Indexering inkomensgrenzen voor woningcorporaties en huurtoeslagparameters per 2025", (2024), at: <https://www.volkshuisvestingnederland.nl/actueel/nieuws/2024/11/18/indexering-inkomensgrenzen-voor-woningcorporaties-en-huurtoeslagparameters-per-2025>

<sup>35</sup> Huurwoningen, "Huurtoeslag", at: <https://www.huurwoningen.nl/info/huurtoeslag/>

<sup>36</sup> Ministry of Finance, "Hoe hoog mag mijn inkomen zijn voor huurtoeslag?", at: <https://www.belastingdienst.nl/wps/wcm/connect/nl/huurtoeslag/content/maximaal-inkomen-huurtoeslag#:~:text=Hoe%20hoog%20mag%20mijn%20inkomen,uw%20huishouden%20en%20hun%20leeftijd.>

<sup>37</sup> Ministry of Housing and Spatial Planning, "Regels voor toewijzen aan de doelgroep", at: <https://www.volkshuisvestingnederland.nl/onderwerpen/daeb/toewijzen-door-woningcorporaties/regels-voor-toewijzen-aan-de-doelgroep>

<sup>38</sup> Government of the Netherlands, "Frequently asked questions about the (appropriate) allocation of housing", at:

<https://www.volkshuisvestingnederland.nl/onderwerpen/dossier-woningtoewijzing/alle-illustratieve-artikelen/veelgestelde-vragen-over-passend-toewijzen>

<sup>39</sup> Rents in the SGEI scheme are capped at a maximum of EUR 900.07 per month, in contrast to the private housing rental market, which starts at EUR 1,184.82 per month.

<sup>40</sup> Government of the Netherlands, "What is the difference between social housing, mid-range housing and private sector rental housing?", at: <https://www.rijksoverheid.nl/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/wat-is-het-verschil-tussen-een-sociale-huurwoning-een-middenhuurwoning-en-een-huurwoning-in-de-vrije-sector>

## Environmental and Social Risk Management

We have identified the following areas of environmental and social risk associated with the expenditures eligible under the Framework: emissions, effluents and waste generated in construction; land use and biodiversity issues associated with infrastructure development; occupational health and safety; and business ethics. NWB Bank has the following policies and processes in place to identify and mitigate such risks.

E&S Risk identified	Applicable policies, procedures and measures
Due diligence and risk management measures	<ul style="list-style-type: none"> <li>▶ NWB Bank's ESG Risk Management Policy<sup>41</sup> outlines the processes and standards for identifying, assessing and mitigating potential impacts associated with environmental and social risks from its lending portfolio. NWB Bank has a customer due diligence (CDD) process for all new clients. For infrastructure projects, CDD reviews include the Equator Principles management framework to address social and environmental risks. The Credit, Risk, and Sustainability Teams at NWB Bank assess ESG performance, risks and opportunities as part of the credit review for both new and existing lending.</li> <li>▶ Annually, NWB Bank identifies key sustainability variables and material ESG issues for each sector to monitor and mitigate ESG risks. The credit score and sustainability assessment cover the client's impact on climate, environment, and biodiversity; their responsible use of energy and materials; physical and transition risks; social impact; and governance practices.<sup>42</sup> The Bank uses ESG and client data to develop ESG risk metrics and incorporates them into the credit risk analysis.<sup>43</sup></li> <li>▶ NWB Bank follows national and local legislation, as well as recognised principles and industry practices such as the EU regulations,<sup>44</sup> EBA Guidelines on the management of ESG risks<sup>45</sup> and Equator Principles<sup>46</sup>.</li> </ul>
Emissions, effluents and waste generated in construction	<ul style="list-style-type: none"> <li>▶ For emissions, effluents and waste generated in construction, NWB Bank requires associations to comply with the EU regulation on construction and demolition waste, which requires entities in the EU to manage waste without endangering human health or causing harm to the environment.<sup>47</sup></li> </ul>
Land use and biodiversity issues associated with infrastructure development	<ul style="list-style-type: none"> <li>▶ To mitigate land use and biodiversity risks in the EU, Directive 2014/52/EU<sup>48</sup> requires an environmental impact assessment for any project with significant impacts and mandates measures to avoid, reduce or offset harm to species, habitats, soil and land sealing. The EU Habitats<sup>49</sup> and Birds Directives,<sup>50</sup> which are part of the EU Biodiversity Strategy for 2030,<sup>51</sup> further oblige projects to support conservation of threatened and endemic species.</li> </ul>
Occupational health and safety	<ul style="list-style-type: none"> <li>▶ The Bank requires the housing associations to follow the EU 1989 OSH Framework Directive, which outlines general principles for EU member states regarding worker safety and health. It also requires employers to do the following: i) conduct periodic risk assessments of safety and health at work; ii)</li> </ul>

<sup>41</sup> NWB shared its ESG Risk Management Policy with us confidentially.

<sup>42</sup> NWB shared its 2025 Sustainability Policy with us confidentially.

<sup>43</sup> NWB shared its ESG Risk Management Policy with us confidentially.

<sup>44</sup> European Union, "Regulations", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:regulation>

<sup>45</sup> European Banking Authority, "Guidelines on the management of environmental, social and governance (ESG) risks", (2025), at: <https://www.eba.europa.eu/sites/default/files/2025-01/fb22982a-d69d-42cc-9d62-1023497ad58a/Final%20Guidelines%20on%20the%20management%20of%20ESG%20risks.pdf>

<sup>46</sup> Equator Principles, "The Equator Principles", at: <https://equator-principles.com/>

<sup>47</sup> European Commission, "Directive 2008/98/EC on waste", (2008), at: <https://eur-lex.europa.eu/eli/dir/2008/98/oj/eng>

<sup>48</sup> EU Parliament, "Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment Text with EEA relevance", at: <https://eur-lex.europa.eu/eli/dir/2014/52/oj/eng>

<sup>49</sup> European Commission, "The Habitats Directive", at: [https://environment.ec.europa.eu/topics/nature-and-biodiversity/habitats-directive\\_en](https://environment.ec.europa.eu/topics/nature-and-biodiversity/habitats-directive_en)

<sup>50</sup> European Commission, "The Birds Directive", at: [https://environment.ec.europa.eu/topics/nature-and-biodiversity/birds-directive\\_en](https://environment.ec.europa.eu/topics/nature-and-biodiversity/birds-directive_en)

<sup>51</sup> European Commission, "Biodiversity strategy for 2030", at: [https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030\\_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en)

---

take protective measures and use protective equipment when necessary; iii) keep a list of occupational accidents; and iv) report on such accidents to the responsible authorities.<sup>52</sup> In the Netherlands, the legal framework governing occupational health and safety risks includes the Working Conditions Act,<sup>53</sup> the Working Conditions Decree,<sup>54</sup> the Working Conditions Regulation,<sup>55</sup> the Major Accident Risks Decree,<sup>56</sup> and the Major Accident Risks Scheme.<sup>57</sup>

---

#### Business ethics

- ▶ The Bank's Compliance<sup>58</sup> function, along with its Financial Crime Policy and Anti-Bribery and Corruption Policy describe the processes for detecting, mitigating and managing business-ethics-related risks, such as bribery, giving and receiving gifts, hospitality, facilitation payments, donation, data management and conflicts of interest. Failure to comply with any of the guidelines set out in the stated codes, after an assessment, may result in disciplinary action.<sup>59</sup>

<sup>52</sup> European Agency for Safety and Health at Work, "Directive 89/391/EEC - OSH Framework Directive", (1989), at: <https://osha.europa.eu/en/legislation/directives/the-osh-framework-directive/1>

<sup>53</sup> Government of the Netherlands, "Arbeidsomstandighedenwet", at: <https://wetten.overheid.nl/BWBR0010346/2022-05-2>

<sup>54</sup> Government of the Netherlands, "Arbeidsomstandighedenbesluit", at: <https://wetten.overheid.nl/BWBR0008498/2023-01-01>

<sup>55</sup> Government of the Netherlands, "Arbeidsomstandighedenregeling", at: <https://wetten.overheid.nl/BWBR0008587/2023-01-01>

<sup>56</sup> Government of the Netherlands, "Besluit risico's zware ongevallen", (2015), at: <https://wetten.overheid.nl/BWBR0036791/2015-07-08>

<sup>57</sup> Government of the Netherlands, "Regeling risico's zware ongevallen", at: <https://wetten.overheid.nl/BWBR0037692/2016-03-04>

<sup>58</sup> NWB, Compliance, at: <https://nwbbank.com/en/compliance>

<sup>59</sup> NWB shared its Financial Crime Policy and Anti-Bribery and Corruption Policy with us confidentially.

## Annex 1: Assessment Framework Overview

The following is a brief overview of the [Assessment Framework](#) that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.





**Principles Alignment** indicates a framework’s alignment with the requirements of applicable sustainable debt market Principles.<sup>60</sup> This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed according to one of following levels:

- ▶ **Aligned:** Meets all requirements across the four components.
- ▶ **Partially Aligned:** Meets requirements on two or three of the four components.
- ▶ **Not Aligned:** Does not meet requirements on most or all the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

**Sustainability Contribution** provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure’s contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
 <p style="text-align: right;"><b>Strong</b></p>	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
 <p style="text-align: right;"><b>Significant</b></p>	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
 <p style="text-align: right;"><b>Moderate</b></p>	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
 <p style="text-align: right;"><b>Neutral</b></p>	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

<sup>60</sup> These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

---

## Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

---

## Disclaimer

Copyright ©2025 Sustainalytics, a Morningstar company. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein (the "Information") are proprietary to Sustainalytics and/or its third-party content providers and may be made available to third parties only in the form and format disclosed by Sustainalytics. The Information is not directed to, nor intended for distribution to or use by India-based clients and/or users, and the distribution of Information to India resident individuals and entities is not permitted.

The Information is provided for informational purposes only and (1) does not constitute an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy; (2) does not constitute investment advice nor recommends any particular investment, nor represents an expert opinion or negative assurance letter; (3) is not part of any offering and does not constitute an offer or indication to buy or sell securities, to select a project nor enter into any kind of business transaction; (4) is not an assessment of the economic performance, financial obligations nor creditworthiness of any entity; (5) is not a substitute for professional advice; (6) has not been submitted to, nor received approval from, any relevant regulatory or governmental authority. Past performance is no guarantee of future results.

The Information is based on information made available by third parties, is subject to continuous change and no warranty is made as to its completeness, accuracy, currency, nor the fitness of the Information for a particular purpose. The Information is provided "as is" and reflects Sustainalytics' opinion solely at the date of its publication.

Neither Sustainalytics nor its third-party content providers accept any liability in connection with the use of the Information or for actions of third parties with respect to the Information, in any manner whatsoever, to the extent permitted by applicable law.

Any reference to third party content providers' names is solely to acknowledge their ownership of information, methodologies, data and opinions contained or reflected within the Information and does not constitute a sponsorship or endorsement of the Information by such third-party content provider. For more information regarding third-party content providers visit <http://www.sustainalytics.com/legal-disclaimers>

Sustainalytics may receive compensation for its ratings, opinions and other services, from, among others, issuers, insurers, guarantors and/or underwriters of debt securities, or investors, via different business units. Sustainalytics maintains measures designed to safeguard the objectivity and independence of its opinions. For more information visit Governance Documents or contact [compliance@sustainalytics.com](mailto:compliance@sustainalytics.com).

This deliverable, in particular the images, text and graphics contained therein, and the layout and company logo of Sustainalytics are protected under copyright and trademark law. Any use thereof shall require express prior written consent. Use shall be deemed to refer in particular to the copying or duplication of the opinion wholly or in part, the distribution of the opinion, either free of charge or against payment, or the exploitation of this opinion in any other conceivable manner.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.