

NIBC and the world around us

INTRODUCTION

We believe transparency facilitates trust between an organisation and its stakeholders. NIBC is applying the *G4 Global Reporting Initiative (GRI)* guidelines to its 2014 annual report for the second time. The materiality process helps us understand what our stakeholders find relevant and material. The annual report provides an overview of the themes and indicators we have identified as most relevant to us as a company and to our stakeholders.

We define stakeholders as groups or individuals who are affected by or can affect the achievement of our objectives. We engage with our stakeholders to understand their expectations and interests. Details about our stakeholder engagement in 2014 can be found in the Stakeholder engagement section in the annual report.

This document gives an overview of the materiality assessment process and the outcomes. It describes how we (i) identified our sustainability context and relevant topics and (ii) determined the most material themes and aspects.

DETERMINING RELEVANT THEMES AND ELEMENTS

Our materiality assessment in 2014 built upon the in-depth analysis which we performed in 2013.

Again we reviewed a number of various internal and external sources, including stakeholder requests and interests, transparency guidelines, governmental and regulatory criteria, studies and benchmarks. We reviewed the approach of peer banks and considered our own strategic priorities.

CONSULTING STAKEHOLDERS

We engage with our stakeholders to understand their expectations and interests. In general, stakeholder engagement takes place in different forms, from regular and ongoing dialogues to direct feedback requests and specific consultation sessions.

In 2014 there were various interactions with our stakeholders. We consulted our Advisory Board regarding their views on material sustainability themes for NIBC; we held one-on-one meetings with stakeholder groups and participated in a number of events. In addition, we analysed documentation to learn which topics stakeholders consider to be material. In 2014, we also introduced regular internal stakeholder sessions involving employees who frequently interact with stakeholders. The themes and topics that our stakeholders find material are shared during these sessions, with the aim of creating further awareness and understanding.

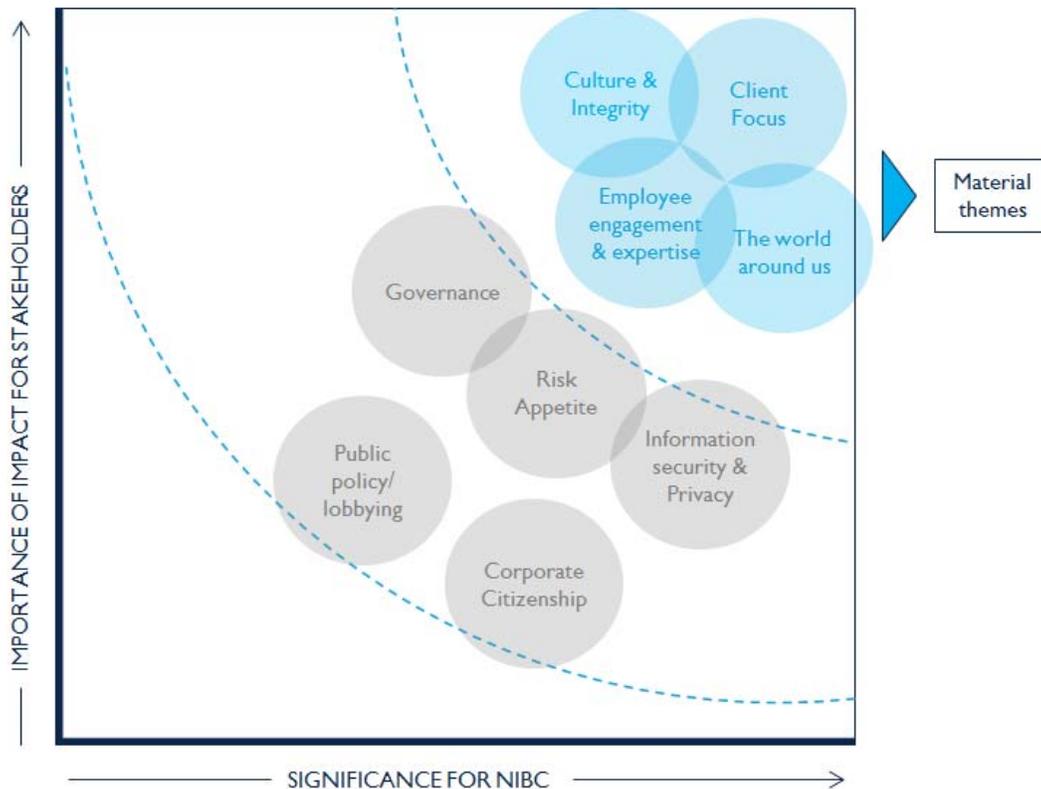
OUTCOME

The feedback we received from our stakeholders in 2014 was in line with their feedback in 2013.

There were no material changes. To improve the clarity of the materiality matrix, we decided to group the topics and aspects that stakeholders deemed material as follows:

1. Client focus;
2. Culture & Integrity;
3. The world around us;
4. Employee engagement and expertise.

The materiality matrix below shows the most material themes. Details about the various topics and indicators that belong to these themes are described in the next paragraph.



The materiality process and the outcome of the stakeholder consultations were reviewed by the CSR Steering Committee, which includes two Managing Board members.

MATERIAL THEMES AND INDICATORS

The four themes are addressed in our annual report through qualitative information (narratives, statements, examples). The reported non-financial key figures and GRI aspects support these themes and are the indicators considered most material. The topics and aspects that were visible in 2013 have been combined. We also refer to them in the overview below, which also explains where and how material information is reported in our 2014 annual report. Further details can be found in the GRI content index.

Client Focus		
Client Focus is the most important theme for NIBC and stakeholders. This theme includes the aspects of product responsibility and customer satisfaction – which also scored high on materiality in 2013. Material information about this theme is reported throughout the annual report:		Where
	Towards sustainable growth	p.13
	Sustainable client business	p.16
	Transparent & responsible products	p.17
	Customer satisfaction	p.24
	Listening to clients	p.25
The following non-financial key figures support this theme:		
	Corporate client NPS	
	NIBC Direct customer satisfaction score	
Culture & Integrity		
NIBC and stakeholders recognise that culture & integrity continue to be relevant themes in the financial sector. This theme includes aspects such as regulatory compliance, remuneration and transparency – all also material in 2013. Material information about this theme is reported throughout the annual report:		Where
	Responsible banking	p.14
	Regulatory compliance	p.26
	Banking on Trust	p.29
	Remuneration	p.41
	Risk culture	p.47
The following non-financial figures support this theme:		
	Regulatory compliance/ fines	
	Employee engagement	

The world around us		
The world around us is constantly changing. NIBC wants to be flexible to adapt to these changes and engages with stakeholders to understand the developments that are relevant for our clients and NIBC. Transparency and stakeholder engagement are key aspects within this theme – as in 2013. Material information about this theme is reported throughout the annual report:		Where
	Flexibility	p.15
	Sustainable client business	p.16
	Stakeholder engagement	p.25
	Responsible corporate citizen	p.26
The following non-financial key figures support this theme:		
	Percentage of clients screened against sustainability policy framework	
	Number of increased sustainability risk assessments	
	Number of project finance transactions in line with Equator Principles	
Employee Engagement & Expertise		
The quality of our people determines our success as a business. Material information, including aspects such as employee engagement, development, diversity and other employee data, is included in the annual report:		Where
	Employee engagement	p.28
	Talent development	p.28
	Diversity	p.29
	Health & Safety	p.30
The following non-financial key figures relate to employees:		
	Total number of FTEs	
	Absenteeism	
	Employee engagement	
	Employee development: training expenses per employee	
	Diversity (male/female) ratio	
	Diversity (male/female) ratio top management	
	Employee turnover (employees left/joined)	

BOUNDARIES

We recognise that our impact on environment and society results from our own operations as well as from our clients' business activities. We differentiate between direct and indirect impact.

All material aspects and figures are directly relevant to NIBC. Certain environmental and social themes may also have an impact in relation to our clients. The key figures that demonstrate these impacts to our clients are:

- Percentage of clients screened against sustainability policy framework;
- Number of new clients with increased sustainability risk assessment;
- Number of project finance transactions in line with Equator Principles.

Disclosures on management approach in the GRI matrix provide further information about how NIBC manages its direct and indirect impact on the environment, society and people.

CHANGES

While the 2014 materiality process generally confirmed the strategy of the previous years, the feedback showed some subtle distinctions compared to last year. Some topics seemed to be regarded as less or more material, albeit no significant changes occurred. To improve the clarity of the matrix we regrouped the main themes. There have been no changes to the non-financial key figures that were selected and reported in 2013.

OTHER RELEVANT THEMES

Our annual report contains information on themes and indicators that are most material to NIBC and its stakeholders. The topics that are not labelled material are not considered unimportant; these are considered basic conditions or 'hygiene factors' that stakeholders expect us to have in place but are not most material. As we still wish to show our stakeholders that these topics are indeed addressed, they are either reported in the annual report, or in the GRI content index with links to information about these topics.