



ESG Strategy
of the NORD/LB Group

valid from 01 January 2026

Foreword by the Managing Board

Dear Readers,

In the past year, we at NORD/LB have further developed our ESG strategy and consistently integrated it into our daily activities. The ESG strategy remains our compass for implementing sustainable values into concrete actions – for our customers, our region and society as a whole. It is not only a guideline, but also our promise to take responsibility and actively contribute to the transformation.

The past few months have been marked by global challenges: geopolitical uncertainties, volatile markets and stricter regulatory requirements challenge us every day. At the same time, these developments show how important a clear stance and sustainable management are. As the "Bank of the Energy Transition", we are strongly committed to support our customers on their transformation path to a sustainable economy – through innovative financing solutions, cooperative partnerships and transparent corporate governance. In doing so, we are consistently aligning NORD/LB with the future: Our vision is to shape a future worth living in – ambitious, sustainable and humane. Our goal is to make the bank profitable and resilient. In doing so, we create sustainable growth for our customers, our employees and society. These principles guide our actions and shape our positioning as NORD/LB.

For us, sustainability means combining economic success with ecological and social responsibility. We are convinced that those who act with foresight and responsibility today create the basis for long-term success – for NORD/LB, our customers and society. We invite you to join us on this path together and shape the future sustainably.

Best regards,



Jörg Frischholz (CEO)



Jasper Hanebuth (CFO)

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1 Our ESG-strategic framework

Our business activities as a bank have an impact on the economy, society and the environment. We provide financial resources to enable economic growth, create jobs and provide social services. Our products and services have an impact on the environment and society. As a company and public actor, we have a duty to take responsibility for all societal, environmental and economic impacts of our business activities, including the goals of the Paris Climate Agreement to limit global warming to well below 2°C (with efforts to limit it to 1.5°C). It is in line with our self-image as the „Bank of the Energy Transition“ not only to meet all the regulatory requirements that are placed on us in our role as a Landesbank, but also to work actively and future-oriented to continuously reduce our CO₂ emissions and those of our portfolios. In addition, we have also made it our mission to accompany our customers in the transformation and to support them holistically.

This document represents our Group-wide ESG strategy. The validation and adjustment of our ESG strategy as well as all necessary coordination have been carried out by ESG management. We carry out all adjustments in accordance with the business strategy and the functional strategies and document them in a comprehensible manner. Our ESG strategy is adopted by the Management Board of NORD/LB AöR, which is also responsible for its implementation at Group level. Determination and implementation at the level of individual institutions is the responsibility of the boards of the individual institutions. We will inform the Supervisory Board of NORD/LB AöR of the ESG strategy adopted by the Managing Board for discussion.

2 Our Mission



"Our ESG strategy for 2026 is more than a sustainability programme – it is our active contribution to the future viability of NORD/LB and to shaping a resilient, fair and livable economic world. ESG is not only a trend for us, but a strategic opportunity to drive a sustainable transformation together with our business partners."

Tobias Zehnter, Chief Sustainability Officer (CSO)

Our ESG strategy for the 2026 financial year is an expression of our responsibility as a financial partner in a changing world – and at the same time a central component of our overarching mission to consistently drive forward the sustainable transformation of NORD/LB. For us, ESG is not only a trend, but a strategic opportunity to shape our business orientation in the long term together with our customers. The ESG strategy is an integral part of our overall strategy – ambitious, sustainable and human.

In doing so, we are guided by clear principles: transparency and credibility in ESG disclosure, continuous further development of our products and processes, and consistent alignment with regulatory, social and market requirements. For us, ESG is not only a complementary aspect of our overall strategy, but also a driver of value creation and market opportunities. Consistent ESG management and the targeted implementation of our ESG strategic measures create new opportunities for our clients to operate successfully in the market. We are strengthening our innovative strength and positioning ourselves as a responsible bank with a clear compass of values.

Our many years of experience underline this orientation: For over 30 years, we have been financing projects in the field of renewable energies, making us one of the first institutes in Germany to actively shape the path to a sustainable energy future. This pioneering work forms the foundation of our ESG expertise – and shows how environmental responsibility and economic success can go hand in hand.

The ESG Strategy 2026 is therefore much more than a sustainability programme – it is our active contribution to the future viability of NORD/LB and to shaping a resilient, fair and livable economic world.

3 Our ESG Strategic Principles

Sustainability is more than just a guiding principle for us – it is a central component of our corporate culture. The ESG strategy is based on strategic principles, sound analysis and clear criteria that highlight both the opportunities and the risks of our business. In this document, we would therefore like to share with you our ESG strategic principles and methodologies that help us act responsibly both today and in the future.

3.1 The double materiality analysis as the basis of our ESG strategy

The Dual Materiality Analysis forms the foundation for our ESG strategy.

Due to the great importance of ecological and economic sustainability for the business activities of all companies, the **Double Materiality Analysis (DMA)** in accordance with the **Corporate Sustainability Reporting Directive (CSRD)** is also a central instrument for us and the basis for our ESG strategic orientation. It supports us in systematically identifying and prioritizing relevant sustainability aspects. The observation is always made from two perspectives:

- Inside-Out: Effects on the environment, society and other stakeholders (*impact materiality*)
- Outside-in: Influence of ESG factors on financial position and business model (*financial materiality*)

This dual perspective enables a holistic assessment of sustainability issues. The DMA is the starting point and heart of our sustainability reporting (in accordance with the CSRD and the European Sustainability Reporting Standards (ESRS)) as well as the basis for the ESG strategy, as it identifies material aspects and identifies risks and opportunities at an early stage. It is therefore not only a regulatory obligation, but also a strategic tool for the targeted integration of ESG issues into our corporate strategy. At the heart of the DMA is the identification of **Impacts, Risks and Opportunities (IROs)**. These are key topics that include both material environmental and social impacts of our business activities as well as relevant financial risks and opportunities for the Bank. The IROs are created through a systematic analysis of internal and external data, regulatory requirements and the involvement of relevant departments and stakeholders. For us at NORD/LB, IROs arise in particular in the areas of climate, biodiversity, social responsibility and governance. Physical risks such as extreme weather events or natural production losses can affect borrowers' ability to service capital and increase credit risk. Transitory risks – due to regulatory changes or technological disruptions – affect customers' competitiveness and can have an impact on our loan portfolio. At the same time, there are also opportunities for us as a bank: by financing renewable energies and sustainable transformation projects, we are actively contributing to decarbonisation and strengthening our position as the "bank of the energy transition". New business activities such as sustainability consulting and green bonds open up additional potential for us. Social and governance aspects – from securing skilled workers and diversity to compliance and tax transparency – are also an integral part of our IRO consideration.

3.2 Our sustainable financing

EU Taxonomy

We are committed to sustainable financing because we believe that investments not only generate returns, but also have a positive social and environmental impact.

The political objective of the **EU taxonomy** is to support the Paris Agreement and the European Green Deal by directing capital flows into clearly identifiable, sustainable investments or economic activities in order to achieve climate neutrality in Europe by 2050. Regulation (EU) 2020/852 ("*Taxonomy Regulation*") forms the legal basis for this and is supplemented by several delegated regulations with regard to its concrete implementation. Delegated Regulations (EU) 2021/2139, 2023/2485 and 2023/2486 currently set out the conditions for the technical screening criteria under which an economic activity qualifies as a significant contribution to the six environmental objectives and whether this economic activity does not cause significant harm to any of the other environmental objectives. The focus of the classification of sustainable investments or activities of the economy is a common understanding of how to identify them. The EU taxonomy describes a system for classifying economic activities that is valid in the European Union.

In order to designate an economic activity as "green / taxonomy-compliant" within the meaning of the EU taxonomy, the following points must apply:

Economic activity

- is taxonomy-eligible,
- makes a substantial *contribution* to one of the six defined environmental objectives, taking into account the technical screening criteria ("TSC"),
- complies with the "Do No Significant Harm" (DNSH) criteria and
- complies with minimum social safeguards (such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards).

We are aware that full compliance with the EU taxonomy is not yet possible in all strategic business segments and sectors and countries focused by NORD/LB. For example, there is not yet a developed EU taxonomy with detailed technical screening criteria for all sectors. In principle, the activities that have been assessed as taxonomy-compliant are classified as sustainable. The EU taxonomy will have an impact on our business model in the future by providing loan funds to finance corresponding measures and its funding on the capital market. To ensure the measurability and comparability of capital flows within the meaning of the EU taxonomy, six environmental objectives are considered:

1. Climate protection
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The following is decisive for the determination of the Green Asset Ratio (GAR):

- **Eligibility:** Items that can be assigned to one of the economic activities under the EU Taxonomy criteria, regardless of whether they meet the other taxonomy compliance criteria
- **Taxonomy alignment:** taxonomy-eligible items that additionally meet the other taxonomy criteria

The GAR is published as part of the non-financial reporting.

We have decided to understand the existing EU taxonomy criteria as an ideal target image. On the way to EU taxonomy compliance, however, there are also other criteria that are intended to enable our business partners to specify their transition path towards a more sustainable business model. NORD/LB's own criteria have been defined in such a way that, in the Bank's view, they make a decisive contribution to achieving the goals of the Paris Climate Agreement and the Sustainable Development Goals (SDGs). The SDGs describe the United Nations' Sustainable Development Goals and thus a global plan to promote peace and prosperity in the long term to protect the planet.¹

Our bank's own "green" classification: The Sustainable Loan Framework

The **Sustainable Loan Framework (SLF)** is our internal framework for classifying financial products and services as *sustainable loans*. In this context, the SLF provides a catalogue of criteria that NORD/LB considers to be suitable for ecologically sustainable loans. At the same time, our framework includes references to relevant standards for environmentally sustainable lending, which define what type of financing is classified in which category.

We are continuously working to improve our SLF in all its facets while taking into account the existing requirements. Through these improvements, we want to ensure that our financing offerings support a sustainable future.

We break down our loan portfolio from an ESG perspective as follows:

- sustainable financing that meets the eligibility criteria of the EU Taxonomy
- sustainable financing that meets the Bank's eligibility criteria for environmental standards under the SLF (sustainable products that support the transition process on the basis of defined parameters (transition financing, sustainability-linked loans))
- non-sustainable financing that does not meet these criteria or only to a small extent

Our goal is to align the definition of sustainability as closely as possible with the requirements of the EU taxonomy. The SLF generally applies to all sectors of the NORD/LB Group as well as to all types of loan products on the asset side (e.g. green loans, sustainability-linked loans and other sustainable products offered by the bank).

The classification of products on the liabilities side is regulated in our Green Funding Framework. The SLF is thus supplementing the Green Funding Framework.

¹ cf. 17 UN Sustainable Development Goals - SDGs – CARE

Funding of "green assets" – our Green Funding Framework

We have developed our [Green Funding Framework](#) (hereinafter *Framework*) with the aim of raising funds for the funding of suitable green assets that support the financing company's strategy and commitment to sustainability. In addition, appropriate green assets contribute to the EU's environmental objectives, in particular climate change mitigation and management. With the issuance of green funding instruments, we aim to reconcile the financing of sustainable projects with sustainable funding and thus meet the increasing demand from investors for environmentally sustainable investments. We launched our first framework for green funding instruments back in 2017 (at that time still under *Deutsche Hypothekenbank*). In June 2021, we published the first framework for NORD/LB. As part of our ongoing efforts to adapt the framework to current market standards and add newly established categories, we updated the framework in June 2022. For all outstanding green issues issued on the basis of previous frameworks and therefore based solely on green buildings as eligible assets, we aim to maintain a sufficient volume of green buildings (with the eligibility criteria at least based on the framework in effect at the time of issuance) in the investment pool until the maturity of these green bonds.²

Our current framework provides a set of criteria for our issued green funding instruments and is aligned with the Green Bond Principles (GBP) 2025³ published by the International Capital Market Association (ICMA). In addition, the framework is also based on the EU Taxonomy Regulation as far as possible. Under this framework, green senior and subordinated bonds (as green bearer or registered bonds), green covered bonds, green promissory notes, green deposits and green commercial paper (together the *green funding instruments*) can be issued.

An amount equal to the proceeds of the green funding instruments will be used to partially or fully fund new and/or existing green assets, loans and investments in the green buildings and renewable energy categories. As the green finance market continues to evolve, the framework is subsequently regularly revised and updated to remain consistent with new eligible asset classes, changing expectations, best market practices, and the regulatory environment for future financing. In case the framework is updated, we are obliged to have a re-review carried out by an external reviewer or a third party.

3.3 Strategic integration of ESG into investment advice

As the "Bank of the Energy Transition", it is our aim to consistently implement sustainability not only in our financing activities, but also in advising our customers. ESG integration into investment advice is a key lever to promote sustainable transformations in the real economy while meeting regulatory requirements.

Our strategic orientation follows the requirements of the EU Disclosure Regulation (SFDR) and takes into account Articles 3, 4 and 5 in particular:

- Sustainability risks (Art. 3 SFDR) are systematically integrated into product selection and advisory processes.
- The most important adverse impacts on sustainability factors (PAIs, Art. 4 SFDR) are taken into account via standardised templates and exclusion criteria.

² cf. Green Bond Reporting

³ cf. Green Bond Principles

- Our remuneration policy (Art. 5 SFDR) is designed in such a way that it does not create incentives to disregard sustainability goals.

To ensure consistent implementation, we have established a governance model that clearly assigns ESG responsibilities in consulting. The ESG departments ensure that all relevant regulatory requirements are integrated into the advisory processes. This includes:

- the development and maintenance of ESG-compliant advisory processes
- Regular monitoring of ESG documentation by the internal control system (ICS)

The ESG preferences of our business partners are systematically recorded and incorporated into the product recommendation. In doing so, we draw on a portfolio of financial instruments that includes both Article 8 and Article 9 products in accordance with SFDR. The product selection is carried out in close coordination with our product partners and taking into account the ESG strategy products of the Savings Banks Finance Group. The disclosure requirements under SFDR are fulfilled through publicly available documents on our website. They strengthen transparency towards our stakeholders.

With this ESG strategic orientation, we are creating the basis for holistic, sustainability-oriented advice that meets both regulatory requirements and our self-image as a responsible bank.

3.4 Strategic integration of ESG in asset management

Sustainability is firmly embedded in our investment processes to improve the quality of our investments, reduce risks and seize sustainable opportunities.

As a regionally rooted bank with a public mandate, responsible investing is part of our practice in individual asset management. Norddeutsche Landesbank – including Braunschweigische Landessparkasse – sees sustainability as an integral part of a sustainable investment strategy. We integrate sustainability risks into our investment process. We consider events or conditions in the ESG fields or topics that may have an actual or potential significant impact on the value of an investment at this point. For us, the analysis of ESG factors is not an addition, but an integral part of our professional financial analysis. This strengthens the quality of our investment decisions. In this way, we create a balanced risk-return profile that takes into account the direct financial impact of ESG factors on a company's economic situation. Sustainability risks that can have a negative impact on returns cannot be avoided in this way, but they can be significantly reduced. At the same time, sustainability opportunities can actively contribute to increasing return opportunities.

In the investment decisions of individual asset management, investments are filtered with particular consideration of sustainability risks and opportunities. We proceed as follows:

- Exclusion of direct investments in individual stocks with activities in controversial business segments,
- Exclusion of direct investments in individual securities with highly controversial business practices or in violation of international norms.
- Setting minimum ESG ratings for financial instruments and thus excluding those with weak ESG ratings.

The exclusions of direct investments in individual securities with outlawed business focuses or highly dubious business practices also apply to the selection of underlying assets for certificates. As part of our investment process and to consider sustainability risks, we use data from the sustainability agency *MSCI ESG Research LLC*.

3.5 We analyse our business environment

Our ESG business environment analysis looks ahead and analyses the effects of climate change and environmental degradation on our business environment and our business.

For the development of NORD/LB's ESG strategy, we have established an independent **ESG business environment analysis**, which is usually carried out annually. It focuses on the effects and intensity of climate change and environmental degradation on our business environment and our business. In the analysis, macroeconomic variables, trends and risk drivers are considered and evaluated across different scenarios and time periods. If necessary, control impulses are derived and implemented from this. By integrating the results into the Bank's strategy process, relevant adaptation needs flow directly into the ESG strategy. The ESG business environment analysis is continuously reviewed and further developed as necessary.

3.6 Our Transformation Guidelines

With our transformation guidelines, we are consistently committed to sustainable and ethical business practices.

We at NORD/LB have been taking sustainability aspects into account in our business activities for many years. In this context, our Transformation Guidelines serve as a comprehensive set of rules that define the framework for NORD/LB's sustainable and ethical business practices. In addition to the legal requirements of the respective countries, we have also defined generally applicable minimum standards that must be observed by all employees and taken into account in all newly financed business activities. In addition, sector-specific criteria have been formulated that are used in addition to the minimum standards. In this way, we ensure that business decisions are made with additional ESG aspects in mind. The applicable transformation guidelines are available online and are regularly reviewed and further developed. In line with our ESG strategy, we pursue the goal of combining environmental and social responsibility with economic success. The guidelines are based on internationally recognised standards and principles and promote responsible action and active support for transformation processes. In doing so, we see ourselves as a partner for companies that are on the way to more sustainable business models. Industry-specific principles ensure that ESG criteria are adequately considered in different sectors such as industry, energy, real estate or agriculture. Certifications, environmental impact assessments and decarbonisation strategies play a central role in this.

Our transformation guidelines are available at [NORD/LB Sustainability/ESG: NORD/LB](#).

3.7 Our ESG commitments and memberships

Voluntary initiatives and voluntary commitments are crucial for us to promote sustainable growth and strengthen trust among customers and investors.

In addition to legal requirements such as the European Union's Action Plan for Sustainable Finance, there are a variety of other voluntary initiatives and actions to promote sustainability socially, economically and politically. For us as the "Bank of the Energy Transition", voluntary commitments are another important cornerstone to commit ourselves to climate and environmental protection. We accompany and support these initiatives and voluntary commitments, provided that there is a connection to the industry, the strategic orientation and the bank's business activities.⁴

Below are our current memberships and commitments. Detailed information on the background and motivation for making these commitments can [be found in NORD/LB's Group Management Report](#).

Memberships



Recognition of values and principles



⁴ NORD/LB Luxembourg S.A. Covered Bond Bank, which is part of the NORD/LB Group, has not entered into any of its own commitments in the context of ESG.

Application of reporting standards to create transparency



Application of standards in business



Further ESG-related cooperation of NORD/LB

We conduct dialogues with various interest groups and stakeholders centrally through ESG management in cooperation with various departments. In addition, ESG management informs the Managing Board about the new findings gained from this as well as about current developments and ESG trends. For us, constant monitoring of the market and active dialogue with ESG rating agencies are an essential part of stakeholder communication. We use the feedback gained from this as a basis for analysing our sustainability activities and as an impetus for continuous further development in ESG matters. The same applies to monitoring the media landscape in the context of ESG media mentions, as well as investor feedback and how to deal with it.

In addition, we are a permanent participant in various sustainability-related working groups of the German Savings Banks Association (DSGV), the German Global Compact Network (UN GCD) and the Association of Public Banks (VÖB).

We are a member of the VÖB's Sustainable Finance Commission and have been participating in the VfU Round Table for years to discuss the latest developments in the field of sustainability with other participants.

4 ESG at NORD/LB



At NORD/LB, our customers are at the heart of our efforts to promote a climate-neutral economy. With our strong starting position in key sectors such as *energy*, *real estate* and *agriculture*, we are a reliable partner on the path to sustainable transformation. As an internationally experienced institution for special financing with decades of tradition, extensive know-how and numerous awards, we offer our business partners tailor-made product solutions that take their individual needs into account. Our financing offers for renewable energies and sustainable real estate make a significant contribution to achieving the climate targets. In addition, we support cities and municipalities with our infrastructure financing, thereby increasing the quality of life of citizens. This includes, among other things, the financing of schools, hospitals and the expansion of the fiber-optic network.

Within our business segment of Braunschweigische Landessparkasse (BLSK), we support both commercial and private customers in the sustainable orientation of their company, their private real estate financing and their investments. Our public service mandate gives us the opportunity to offer comprehensive advice and financing solutions on the way to sustainability and thus to work together with our business partners on a sustainable and successful future.

4.1 Making ESG activities measurable: Focus on ESG goals

Goals and metrics are essential to effectively manage, monitor progress and ensure transparency about our sustainable activities.

Metrics and targets play a critical role within the ESG strategy to manage, execute and measure our activities in relation to ESG factors and activities. In the context of our ESG strategy, targets and metrics are used to quantify and monitor our results and progress towards sustainable targets, as well as to identify deviations. Transparency about our ongoing ESG development as well as the actual-target comparison is carried out via our *internal sustainability management reporting*.

It comprises three control perspectives:

(1) Impact perspective: Need for governance, especially with regard to decarbonisation (own footprint & financed emissions) and emissions data.

(2) Risk perspective: ESG risk management and consideration of ESG risks in the context of risk management.

(3) Market perspective: Need for management on the expansion of the financial contribution from sustainable business activities as well as the management of market perception within the framework of the E, S and G dimensions.

The collection and management of ESG key figures (KPIs/KRIs) are of crucial importance to us. These metrics allow us to objectively measure and transparently communicate the progress and results of our activities. By comparing actual and target values, we detect deviations at an early stage and can take targeted measures to achieve our objectives.

4.2 Managing ESG risks in the risk management process

Considering ESG risks is essential for us to ensure long-term stability ensuring sustainable success.

Our understanding of ESG risks includes environmental (climate and nature), social or governance events or conditions that may have an actual or potential adverse impact on our net assets, financial position, results of operations or reputation.

We regularly carry out a risk inventory in which ESG risks are taken into account within the risk identification process, among other things. They are used as drivers within the relevant risk types (e.g. counterparty and credit risks) and assessed for their relevance and impact over different time horizons (short, medium and long-term) and included in the materiality assessment of the relevant risk types. Managing ESG risks is implemented in our risk strategy. They are also an integral part of regular risk reporting. In addition, climate and natural risk stress tests have been established in the bank's internal stress test programme. They serve to identify and quantify specific adverse scenarios that may arise from climate change, biodiversity loss, and the associated regulatory and economic changes. These include, in particular, physical risks and transition risks. These stress scenarios are used to assess the impact of increased climate and natural risks on the bank's financial and liquidity positions.

4.3 Environmental - Climate and environmental impacts

As a bank, we take the ecological responsibility that arises in the context of our business activities very seriously. Our ESG strategy covers several material topics and provides insight into our commitment to climate and environmental impact.

The path to decarbonising our financing portfolios

Climate change is one of the greatest challenges of the 21st century and requires urgent action from all social actors. Decarbonisation, i.e. the reduction of carbon dioxide (CO₂) emissions and other greenhouse gases (GHGs), is a central part of global efforts to limit global warming to a tolerable level and prevent the worst effects of climate change. In this context, banks play a crucial role because, as financial intermediaries, they can promote the necessary investments in sustainable projects and technologies.

The urgency of **decarbonisation** stems from the growing threat of climate change. Scientific evidence shows that the burning of fossil fuels and the associated release of CO₂ and other GHGs are major contributors to global warming. This warming leads to extreme weather events, rising sea levels and the loss of biodiversity, which in turn has significant socio-economic consequences. In order to achieve the goals of the Paris Agreement, which aims to limit global warming to well below 2°C and to make efforts to limit it to 1.5°C, a drastic reduction of these emissions is required.

We want to contribute to meeting the 1.5°C target of the Paris Climate Agreement and direct financing specifically towards reduced CO₂ emissions.

We have developed sector-specific decarbonisation pathways **for the high-emission sectors in our financing portfolio**, guided by the International Energy Agency's Net Zero 2050 climate pathways (*IEA Reference Pathway*), among others. As a bank, we want to channel financing resources specifically into sustainable financing activities and reduced CO₂ emissions, thus making an important contribution to meeting the 1.5°C target of the Paris Climate Agreement.

Decarbonisation means more than just a technological challenge; it requires a profound change in the way the economy and society function. These include, for example, the switch to renewable energy sources, the improvement of energy efficiency, the introduction of new technologies and business models, and the adaptation of regulatory frameworks. This transition offers not only ecological but also economic opportunities by promoting innovation, creating jobs and strengthening the resilience of the economy to the effects of climate change.

This pathway requires tailor-made approaches for different sectors, as the sources of emissions and the available reduction opportunities vary greatly depending on the sector. A sector-specific approach allows us to consider the heterogeneous challenges and opportunities of each sector and develop effective strategies.

What are we building on? Data and methodology⁵

We are constantly working to increase our emissions data accuracy and thus contribute positively to the validity of our decarbonisation targets.

Data plays a crucial role in the implementation of decarbonisation strategies. The collection of valid data is associated with numerous challenges. Our goal is to use publicly available data to identify targets and measure progress wherever possible, as it contributes significantly to the data quality and validity of decarbonisation targets. We are constantly working to increase **emissions data accuracy** in cooperation with our business partners. The calculation of the financed emissions basically follows the methodology of the

⁵ When considering greenhouse gas emissions in this document, it should be noted that the term CO₂ does not only include carbon dioxide, but is measured in CO₂ equivalents (CO₂e). This means that other greenhouse gases such as nitrous oxide (N₂O) and methane (CH₄) are also taken into account.

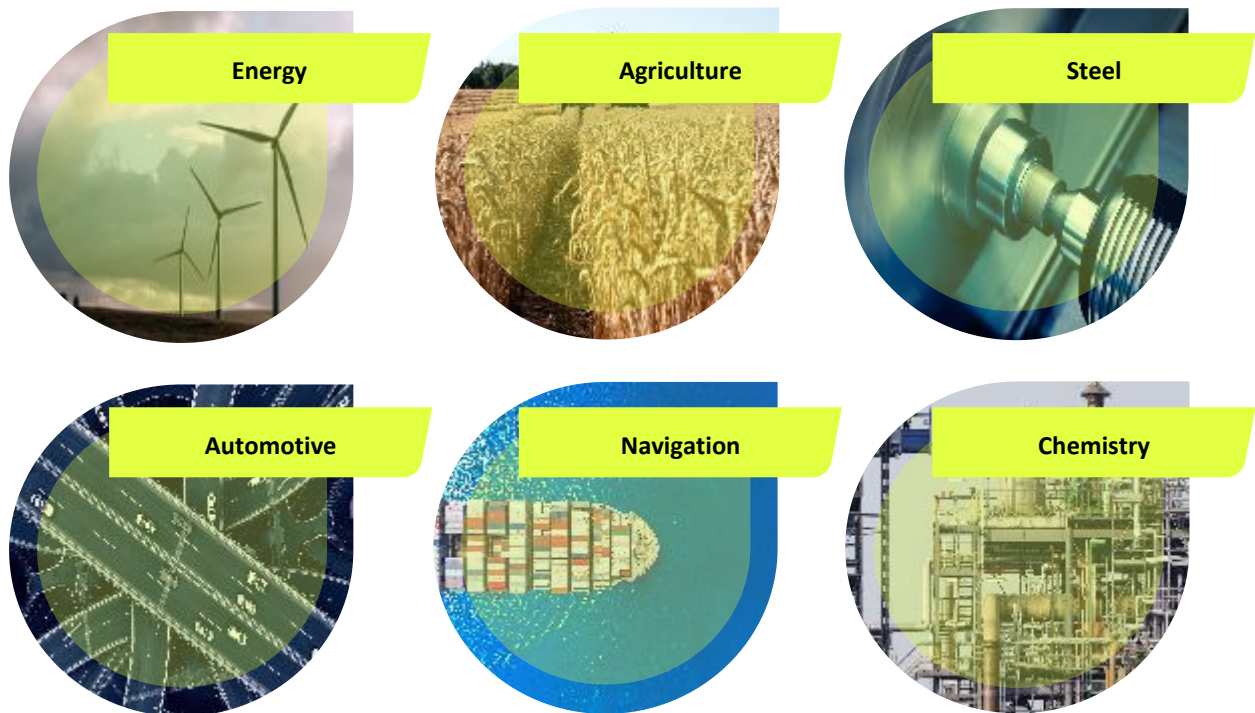
Partnership for Carbon Accounting Financials (PCAF). The emission calculation follows a cascading logic based on four levels that reflects the hierarchy of the PCAF Data Quality Scores. These levels (L1 – L4) differ in decreasing accuracy in terms of data quality and increasing coverage based on data availability. We apply this logic separately for each scope, so that Scope 1, 2 and 3 of a customer or financing can be calculated at different levels to ensure the most accurate emissions for each scope. For Level 1, we use reported emissions from sustainability reports and annual reports, and for Level 2, we use emissions data from external data providers. If emissions data from Level 1 and 2 are not available, emissions must be estimated. Depending on the business activity, we use different methods: For business activities with existing production values, production-based calculation methodologies are always used. We use estimates for all portfolio positions for which it is not possible to reach Level 1, 2 or 3. In this case (Level 4), we estimate the emission intensity per financed EUR (economic emission intensities), which is obtained from an external data provider. Our goal is to provide an emissions intensity per financed EUR for each company and each emission scope. By deriving emission intensities per industry classification and geographical region, we thus achieve complete coverage of all financing business activities worldwide. With this methodology, we calculate both **the financed emissions** and **the financed emission intensities** for all financings. In addition, there are focus sectors that we consider separately either due to their materiality in the NORD/LB portfolio or their high contribution to global emissions in accordance with **the Paris Agreement Capital Transition Assessment (PACTA)**. For these, a physical emission intensity is also determined, which is defined as the emission per physical product of the business activity. A close look at our sectors, including the calculation of physical emission intensities, allows a comparison with the **IEA's Net-Zero Reference Pathways (NZ by 2050)** as the current market standard. In deviation from this, we use the Science **Based Targets Initiative (SBTi) FLAG (Forest Land and Agriculture) Guidance for the agricultural sector**. This comparison allows us to continuously monitor and manage decarbonisation in key sectors.

Our relevant sectors on the path to decarbonisation

In order to meet the requirements and work towards achieving our climate and, in particular, **decarbonisation goals**, we have been successively developing sector-specific **transition pathways** since 2023, serving the sectors of CRR disclosure as well as the sectors relevant to us.⁶

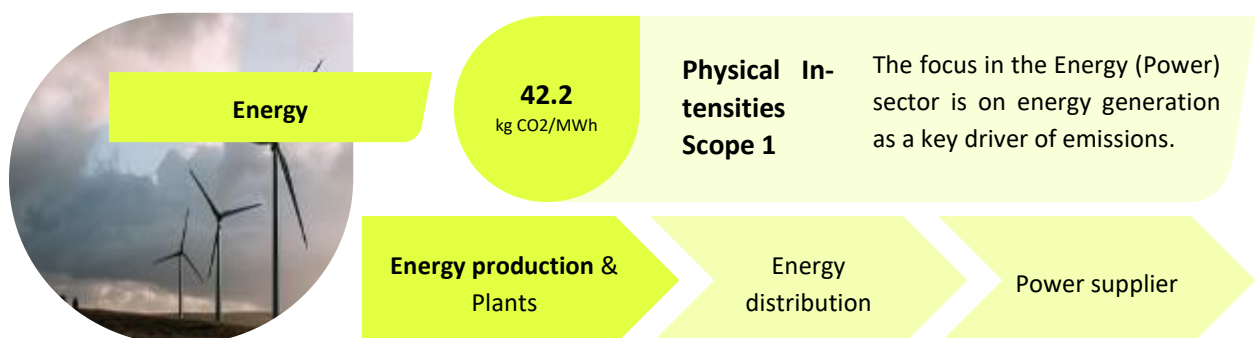


⁶ For the objectives, the physical intensities of the individual clients are weighted exposure. The exposure is defined as on-balance loans. Unutilised lines, guarantees, letters of credit and internal lines for hedging transactions are not taken into account.



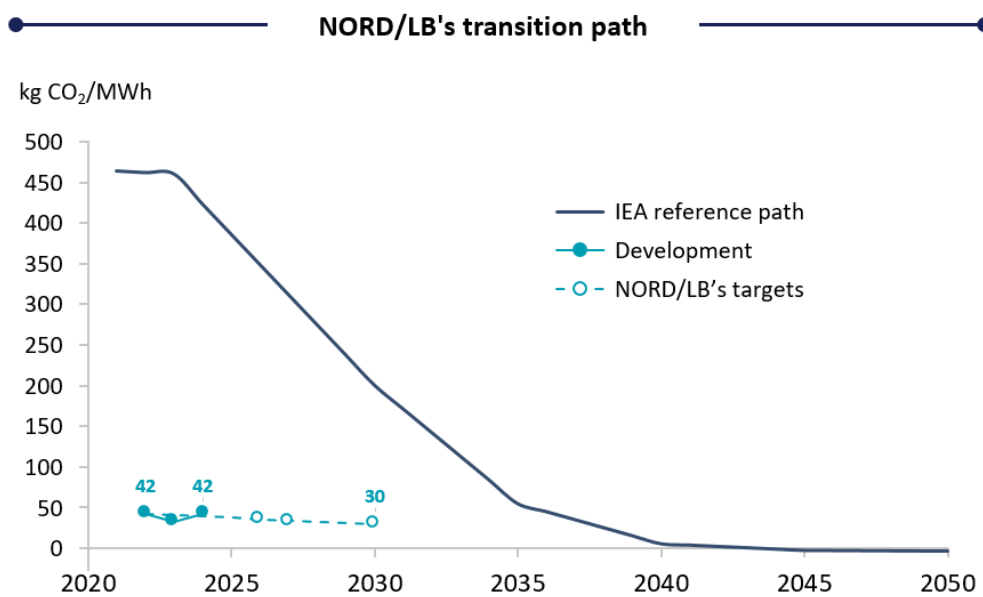
The reference pathways and the thereof derived decarbonisation targets for our sectors are regularly reviewed, as they are dependent on external factors such as political decisions and technological developments. To achieve our goals, we have developed a comprehensive action plan with cross-sectoral and sector-specific approaches that specifically reduces CO₂ emissions in the respective economic sectors. With this holistic approach, we aim to reduce our emissions, promote sustainable business practices and contribute to a climate-friendly future.

Energy (Power)

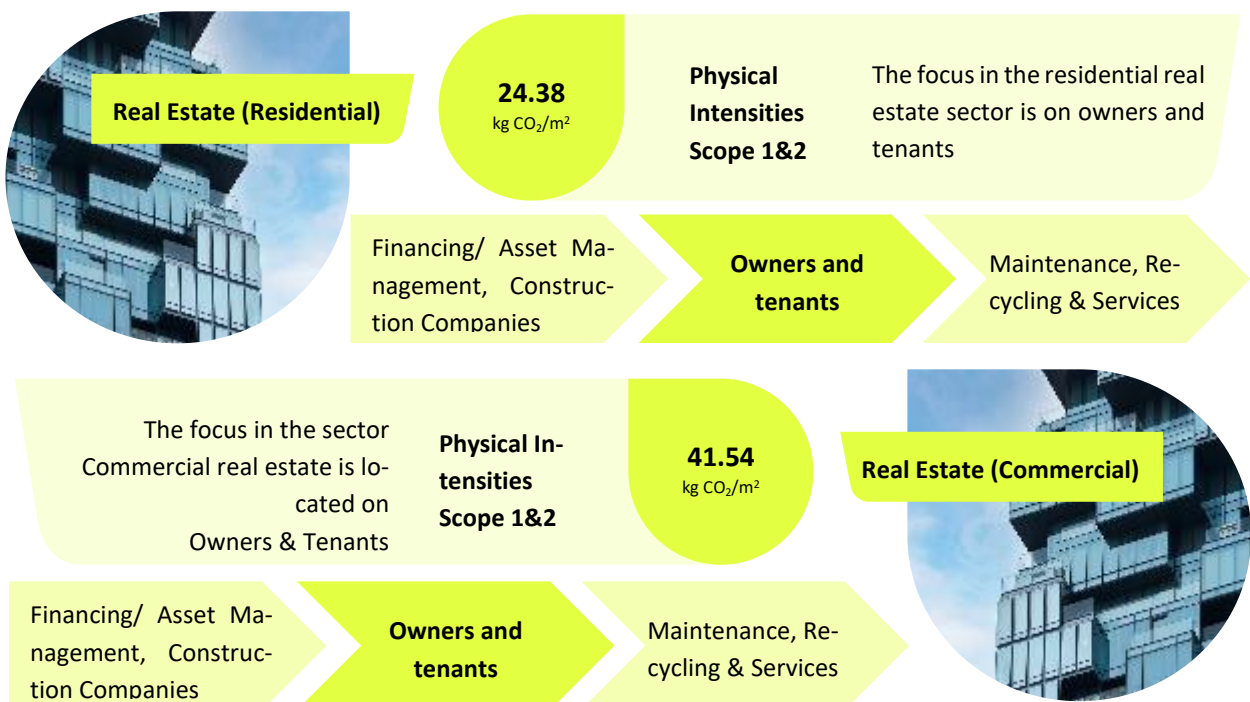


The **Energy (Power) sector** is one of the largest emitters of CO₂ emissions, mainly due to the burning of fossil fuels such as coal, oil and gas to generate electricity and heat. Decarbonising the sector is critical to achieving the Paris climate goals and reducing global warming. Renewable energies such as wind, solar and hydropower offer a sustainable alternative to fossil fuels. These technologies do not cause direct CO₂ emissions and are able to cover the majority of energy demand. However, integrating renewables into the energy system comes with challenges, including ensuring a stable energy supply despite the natural fluctuations of wind and solar. Low-carbon energy production not only ensures a sustainable future, but also offers economic opportunities and strengthens energy security. We at NORD/LB define ourselves as

the „Bank of the Energy Transition“ and have therefore been acting as a driver of the transformation towards sustainable energy generation for years. Thanks to our early business strategic positioning, we are already well below the IEA reference path defined for the energy sector. As a bank, we are aware of our responsibility and consistently pursue the goal of successively reducing the physical emissions intensity of our energy portfolio – also taking into account transformation financing. In doing so, we aim to achieve net-zero emissions in the energy sector by 2045 at the latest, provided that the externalities modelled in the transition scenario materialise.



Real estate

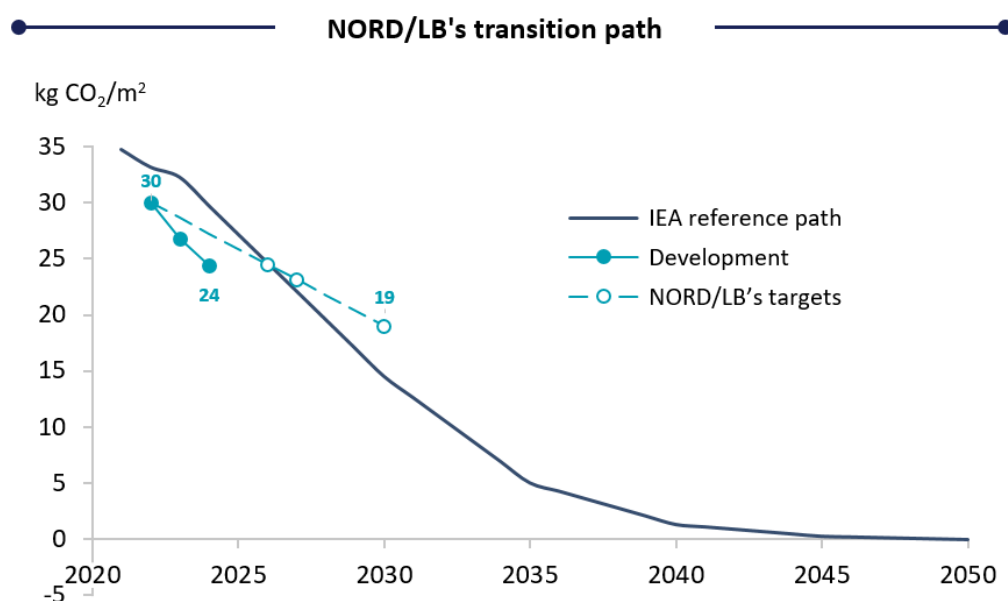


The decarbonisation of the **real estate sector** and thus the reduction of climate and environmental impact from buildings is a decisive factor in achieving climate targets. In Germany, the building sector is responsible for a significant proportion of CO₂ emissions, which highlights the urgent need for action in this area. Due to the different challenges and emission reduction potentials, a separate and thus specific consideration of residential and commercial real estate is important. The real estate sector is subject to particular challenges and plays a central role in climate protection, as buildings have a long lifespan and their energy consumption and CO₂ emissions have an impact for decades. A sustainable transformation in this sector requires both technological innovations and regulatory measures. Residential real estate accounts for a large part of the building sector and offers considerable potential for reducing emissions. Energy consumption in residential buildings results mainly from heating, hot water preparation and household electricity. Commercial properties, including offices, retail spaces and industrial buildings, often consume more energy than residential buildings because they tend to occupy larger areas and are used more intensively.

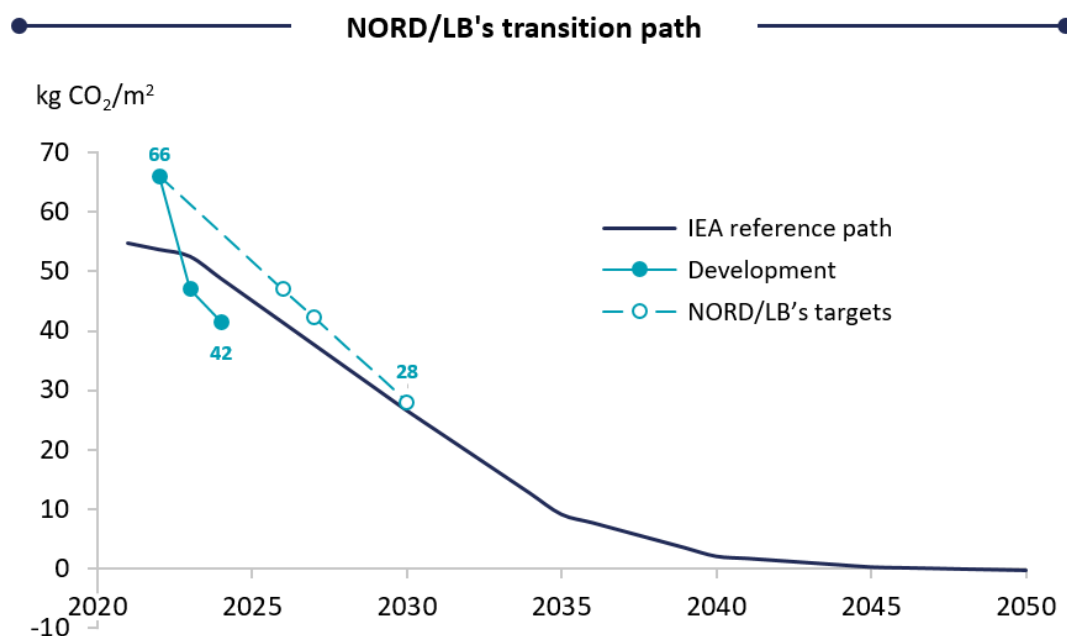
The real estate sector is of particular strategic importance to us. **Residential real estate** (single-family houses and apartment buildings) and **commercial real estate** (such as office, logistics and production buildings) form two different sub-segments, each of which has specific challenges and potentials in decarbonisation. Although the real estate sector is currently not part of the PACTA sectors, we are aware of the special responsibility that comes with financing buildings. The building sector causes a significant proportion of CO₂ emissions in Germany and the EU – especially through energy consumption during building use. A targeted view of the real estate portfolio with regard to its climate impact is therefore a central component of our ESG and sector strategy(s). Initial successes in the decarbonisation of the real estate portfolio have already been achieved in recent years. Average emissions per square metre have been gradually reduced in both segments (residential and commercial). In addition, internal processes were set up to record CO₂ data in a structured manner and to implement initial control approaches.

On this basis, we will continue to expand our activities and focus even more on climate-related performance indicators in the future – with the aim of meeting regulatory requirements as well as making our contribution to achieving the climate targets. Decarbonisation strategies are further developed in a differentiated manner in order to do justice to the specific character of the sector.

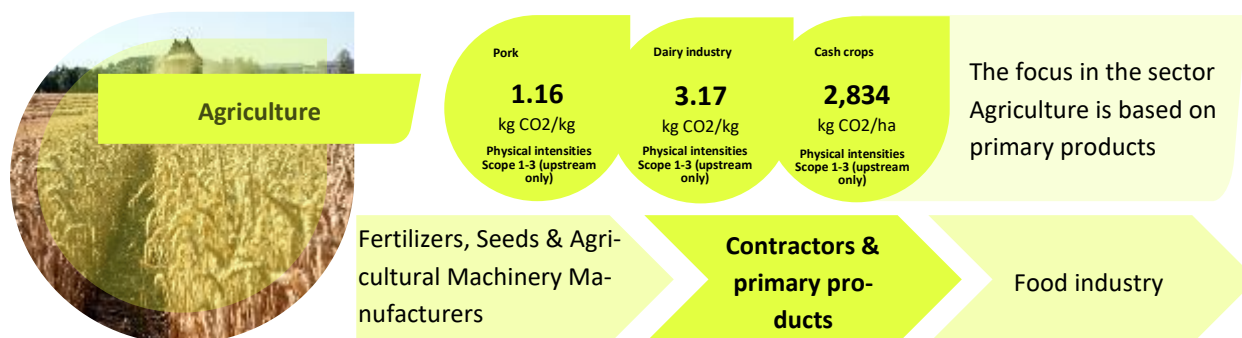
Residential real estate subsector



Commercial real estate subsector



Agriculture

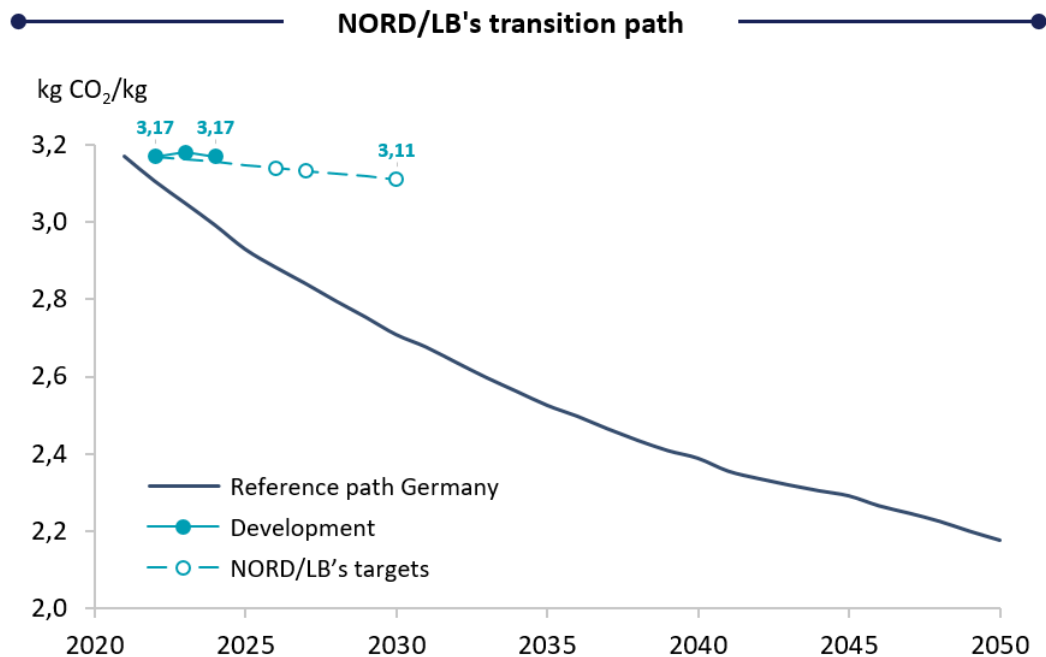


The decarbonisation of the **agricultural sector** is essential to achieve the climate targets. Agricultural activities are responsible for a significant proportion of greenhouse gas emissions – in particular, methane from animal husbandry and nitrous oxide from fertilisation are harmful to the climate. Accordingly, there is an urgent need for action to reduce emissions in this sector. At the same time, agriculture is facing special challenges: food production is indispensable and many emissions are natural, for example from ruminant digestive processes or soil microbial processes. These biological emissions cannot be completely avoided, which makes complete climate neutrality in the agricultural sector difficult. Nevertheless, this sector must also make its contribution to meeting the 1.5 °C climate target. For us at NORD/LB, the agricultural sector is of great strategic importance – with a strong market position in the agricultural industry, we support our customers as a reliable financing partner in the sustainable transformation.

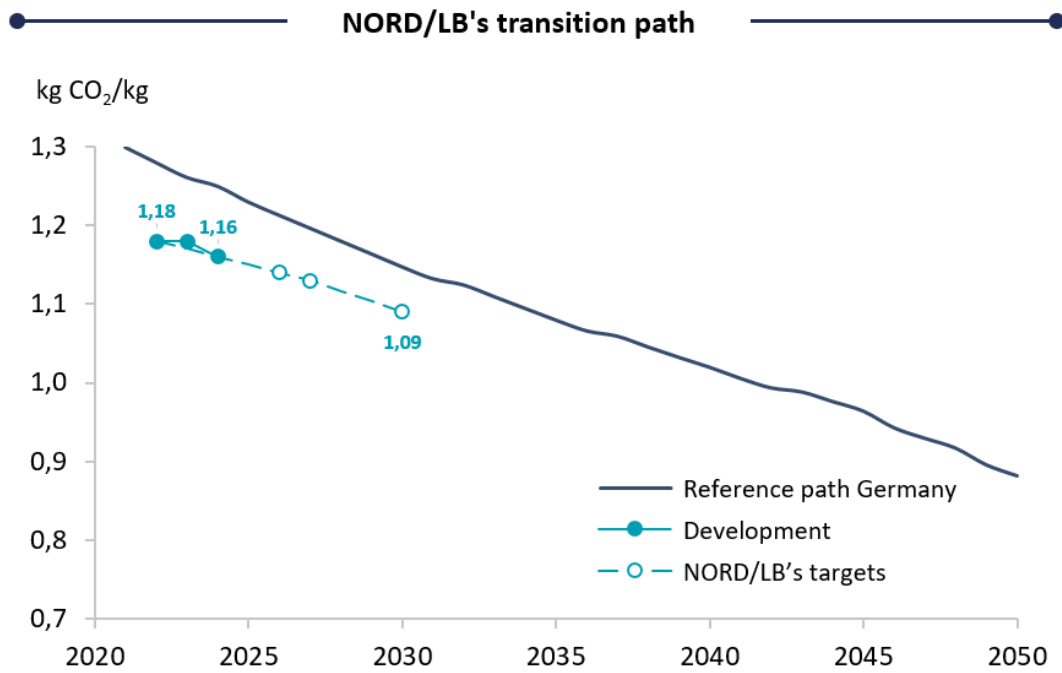
Our commitment is mainly focused on primary producers (i.e. farms) and, to a lesser extent, on upstream (e.g. fertilizer manufacturers) and downstream sectors (e.g. food industry).

In the direct sphere of influence of the farms is the transition of production. The focus of the issues in the portfolio financed by us is in the areas of **dairy farming**, **pork** and **cash crop production**. These three commodities mentioned above are measured on the basis of physical emission intensity. These intensities remain largely unaffected by changes in customer production data as long as no (changed) decarbonisation levers are recorded. However, the data availability and quality of operational commodification-specific CO₂ footprints and decarbonisation levers has so far been severely limited. In the dairy industry, initial progress has been made through the collection of real data and the analysis of decarbonisation levers. In the pork and cash crop sectors, this specific information is hardly available. To close this gap, a two-stage approach is being pursued: On the one hand, a methodology for evaluating customers against industry averages is being developed, which enables comparability of ESG performance and visibly documents progress. On the other hand, we are actively working on initiatives for the uniform calculation of individual CO₂ emissions at the commodity level. The aim is to record emissions transparently and in a standardised manner.

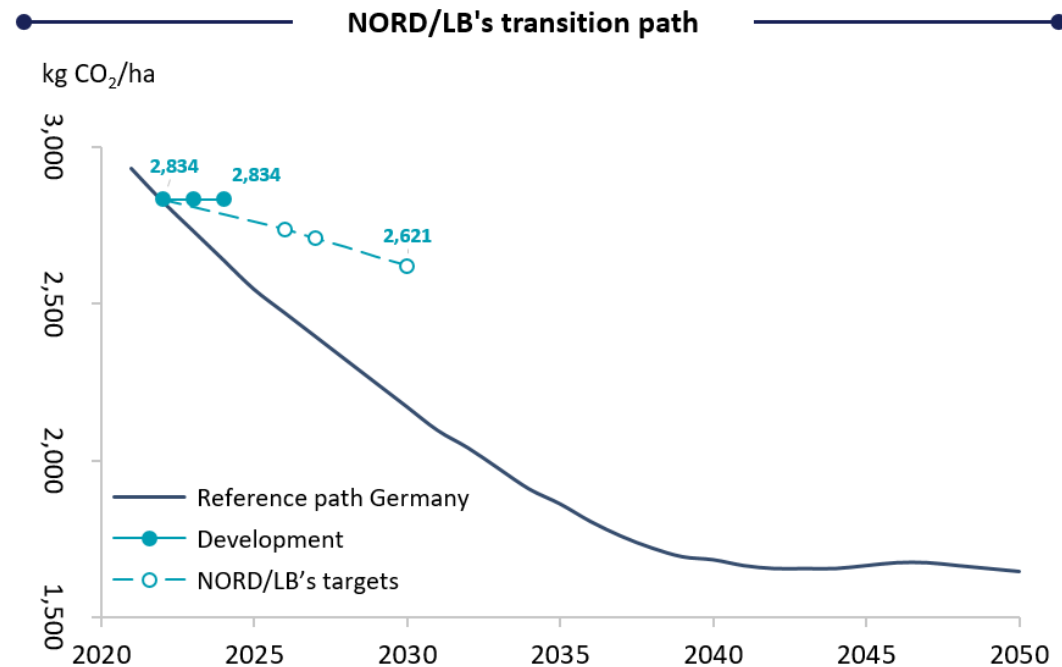
Pork



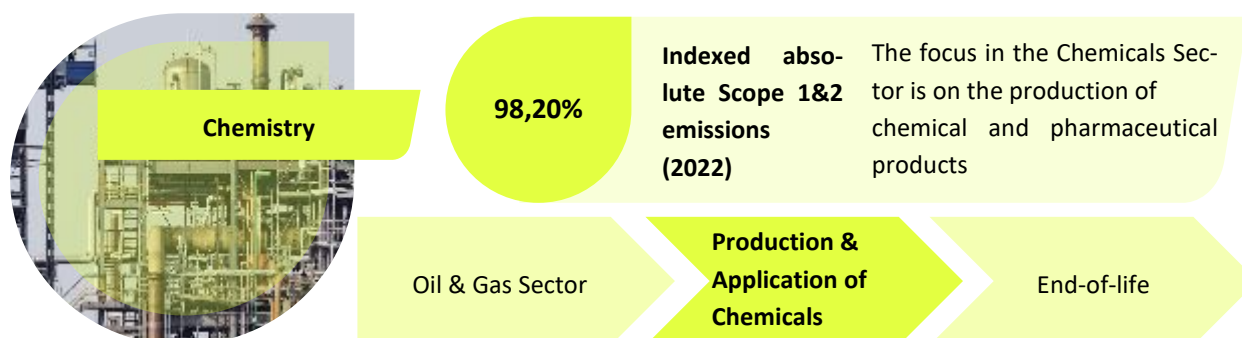
Dairy industry



Cash crops



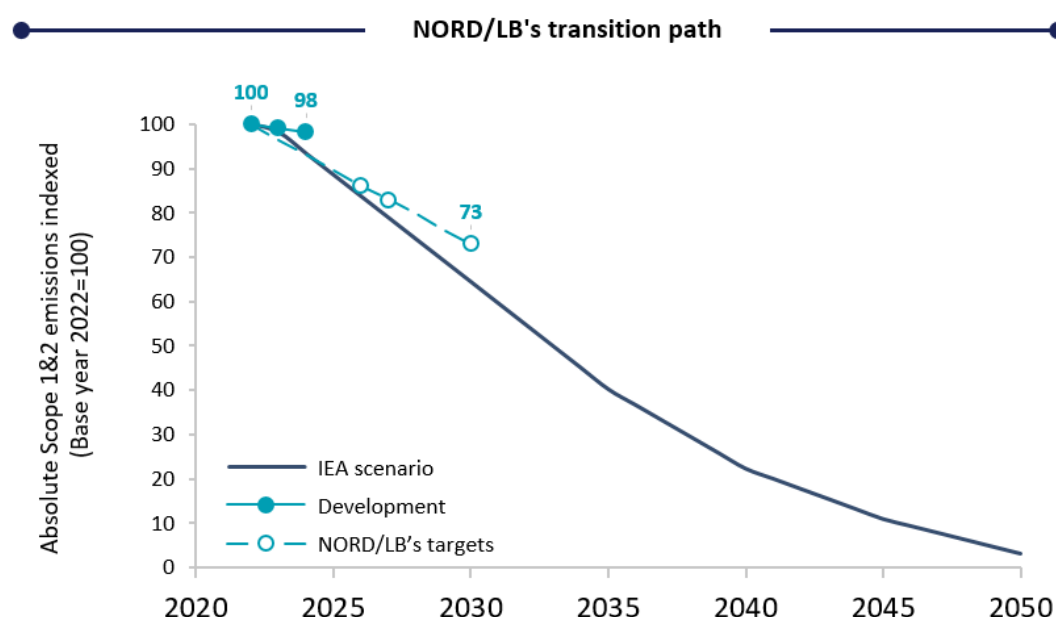
Chemistry



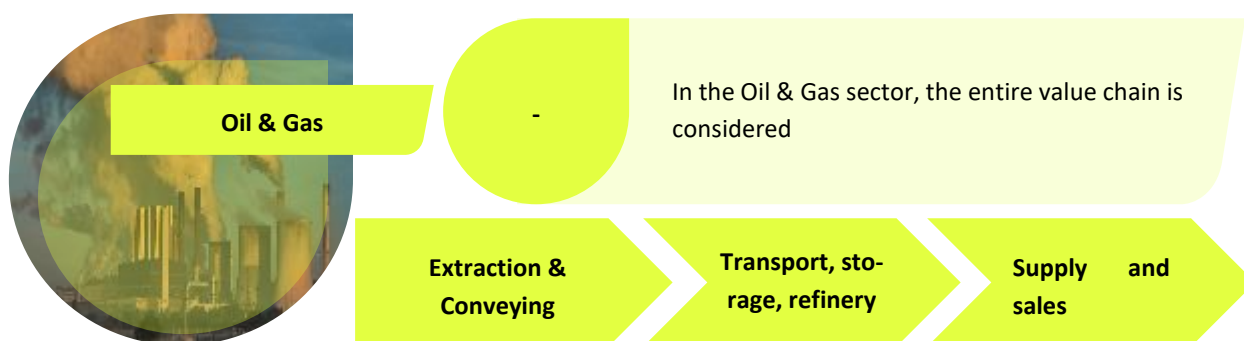
The chemical industry is diverse and essential for modern areas of life such as health, agriculture and construction. Their products, from bulk chemicals to pharmaceuticals, are indispensable. Demand for chemical products is expected to increase, so it is important for companies to develop effective decarbonisation strategies at an early stage in order to meet the challenges and thus mitigate ESG risks and maintain their own competitiveness internationally. According to the IEA, the chemical industry is the largest industrial energy consumer and one of the largest CO₂ emitters among industrial sectors.

Despite progress in decarbonisation and a reduction in emissions with increasing production, significant challenges remain. The **chemical sector** is characterised by the diversity of chemicals produced, and our portfolio is correspondingly heterogeneous in terms of products produced, which represents the complexity of the sector. Therefore, the indexed absolute emissions control metric is designed to reflect absolute customer emissions and targets. This allows progress to be tracked at the individual client level (the metric measures the alignment of average (weighted) absolute portfolio issuance with a Paris-compliant performance of the overall sector for clients with a transition scenario).

We expect companies in the chemical sector to adopt a transparent and comprehensible decarbonisation strategy that is in line with the goals of the Paris Climate Agreement. The exact regulation can be found in the currently valid version of our Transformation Guidelines. Our exposure is primarily to manufacturers of raw materials, standard products and pharmaceuticals. The largest share of the financed emissions is borne by the producers of basic chemicals. The variety of products illustrates the complexity of the sector.



Oil & Gas



The decarbonisation of the **oil and gas sector** is crucial to achieve global climate goals. In particular, the development, exploration and production of conventional and unconventional oil and gas deposits are criticised, as they make a significant negative contribution to climate change. Based on the 1.5 °C target of the Paris Climate Agreement, there is a need to cover energy demand with alternative energy sources in the future. Until then, however, the use of fossil fuels – especially gas as a bridging technology – remains crucial for the time being to stabilise security of supply. This transitional period thus marks a phase in which the reliability of the energy supply still depends to a large extent on fossil fuels – but the transformation to alternative energy sources is already being intensively pursued.

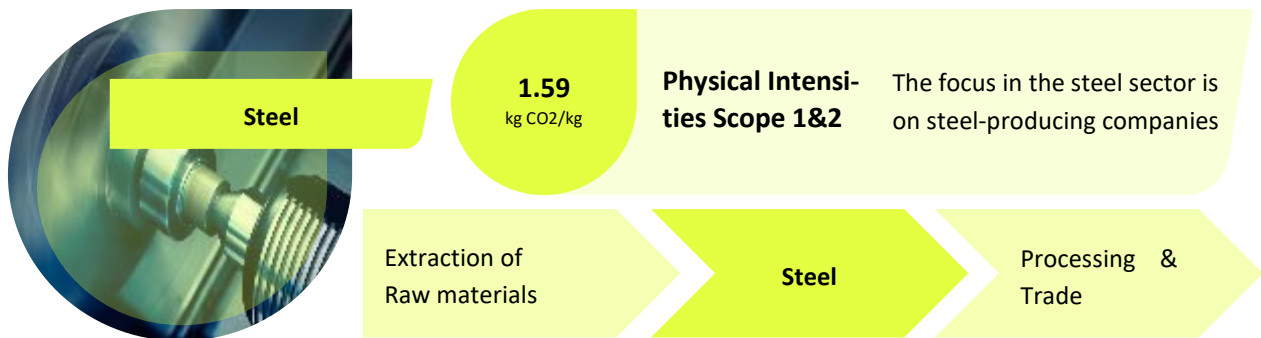
As the „Bank of the Energy Transition“ and thus an active driver of the transformation, we positioned ourselves strategically at an early stage and only selectively maintain business relationships along the entire value chain in the oil & gas sector. The sector's exposure share of our total financing portfolio is therefore currently only around 1%.

In order to strengthen the ESG strategic orientation in the oil & gas sector, clear ESG exclusion criteria for upstream activities (and thus a concrete exclusion of activities for the development, exploration and production of conventional and unconventional oil and gas deposits) have been defined. By excluding these activities, we ensure that financing continues to be dispensed in this area of the value chain.

Particularly with regard to natural gas as a transitional technology in the context of the energy transition, we reserve the right to review business relationships on a case-by-case basis if they contribute to security of supply, emission reduction or the transformation of existing infrastructures and at the same time do not concern the development, exploration and production of gas deposits.

For us at NORD/LB, it is important to shape our role as a reliable partner in the transformation to climate neutrality with clear ESG guidelines. In doing so, we take global developments into account and set the framework for financing new business in the oil & gas sector through the sector strategy. Opportunities such as the financing of infrastructure for alternative energy sources are particularly in focus. Gas emits less CO₂ than coal, can step in at short notice when wind and sun fluctuate, and thus stabilises the energy system. At the same time, the existing infrastructure (grids, storage facilities) can be used for climate-neutral gases such as hydrogen and biomethane in the future. In the course of decarbonisation, the role of fossil natural gas is gradually decreasing according to reference pathways (including IEA-Net-Zero) and is increasingly being replaced by renewable gases or direct electricity.

Steel

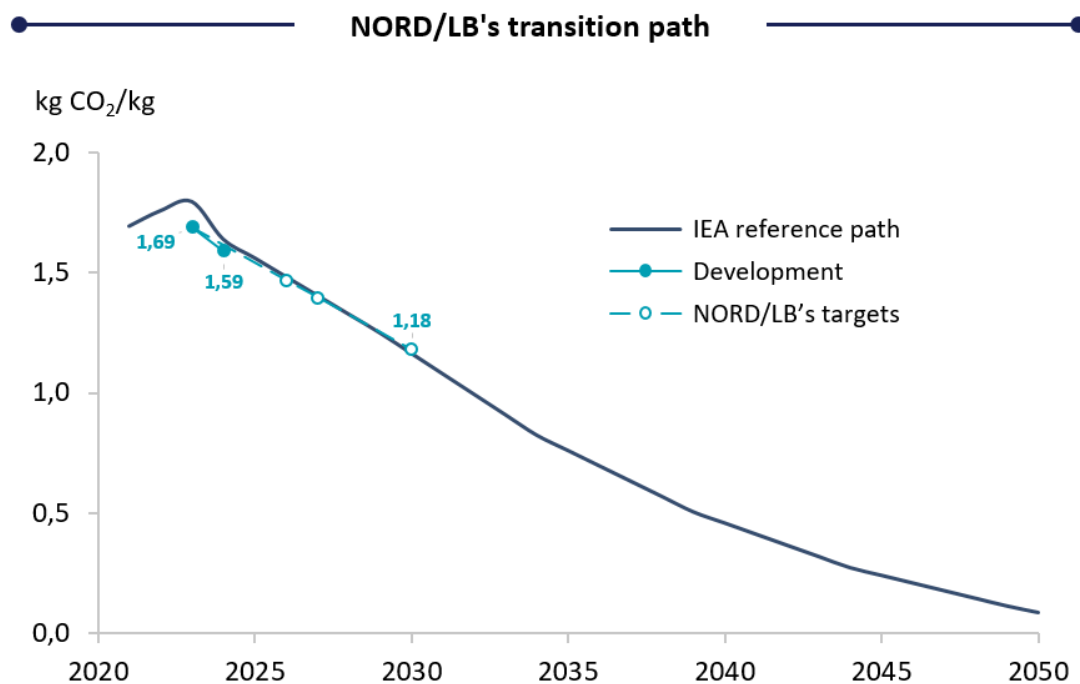


The **steel sector** is one of the world's most emission-intensive industries and is a key lever for the decarbonisation of the real economy. Steel is also an indispensable basic material for a large number of climate-relevant sectors – from renewable energies and the construction industry to the automotive and mechanical engineering industries. A climate-compatible transformation of the sector is therefore not only necessary in terms of emissions, but also strategically relevant for the transformation of adjacent value chains.

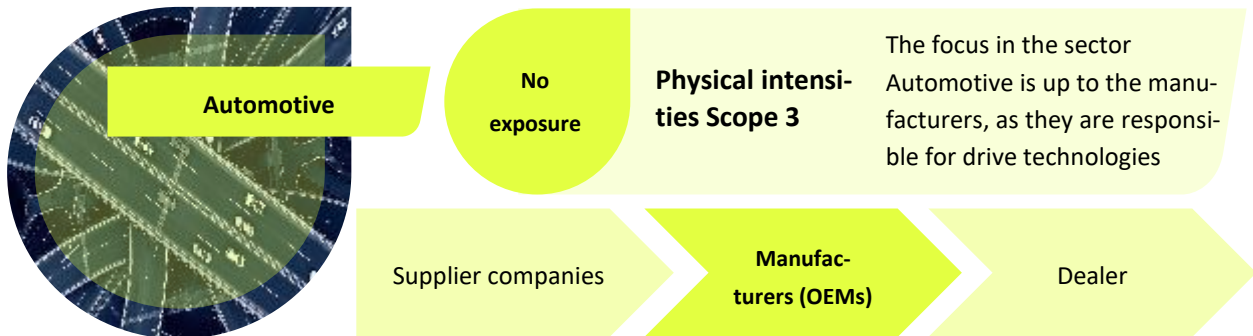
The decarbonisation of the sector requires long-term investments in technological transitions, e.g. from the coal-based blast furnace route to direct reduction processes using green hydrogen (arc route).

As the "Bank of the Energy Transition", we accompany the development process in the steel industry, which, as a basic industry, is of particular importance for Germany's industrial value chains.

We expect steel-producing companies to adopt a transparent and comprehensible decarbonisation strategy that is in line with the goals of the Paris Climate Agreement. The detailed regulation can be found in the currently valid version of our Transformation Guidelines.



Automotive

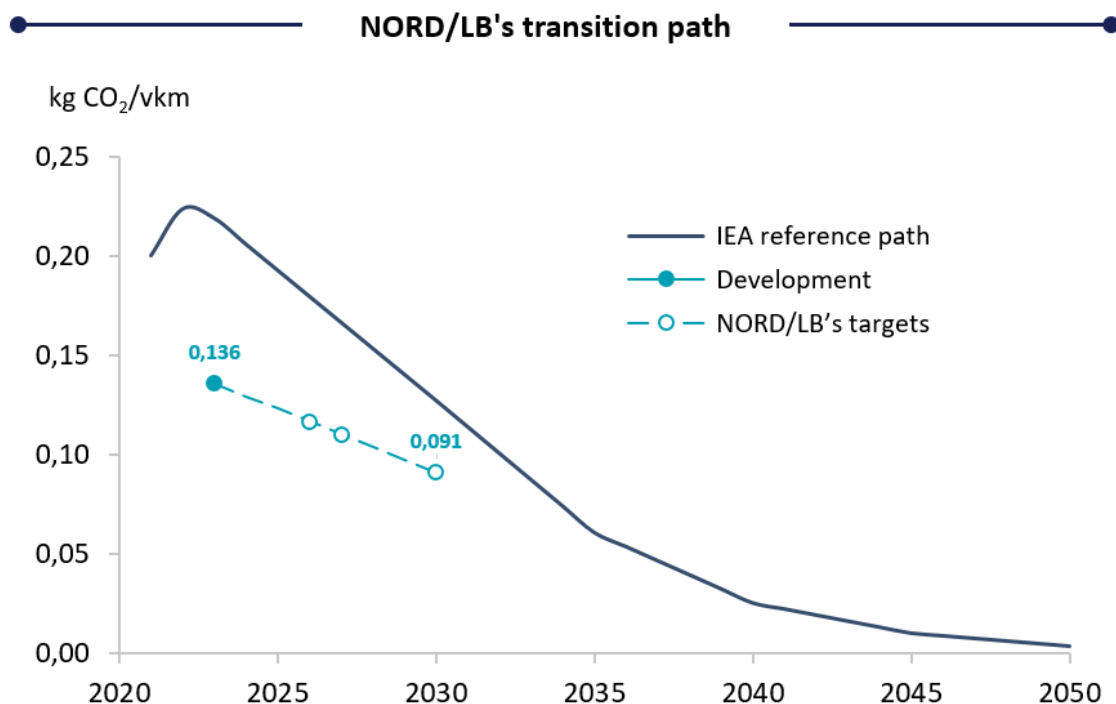


The transport sector is responsible for a significant share of all CO₂ emissions emitted worldwide. The net zero transformation of the automotive sector is therefore crucial for achieving the climate targets. This is both an essential building block of the transformation and significantly affected by the transformation itself, which makes a coordinated approach by all actors along the automotive value chain in interaction with political decision-makers and the financial sector crucial.

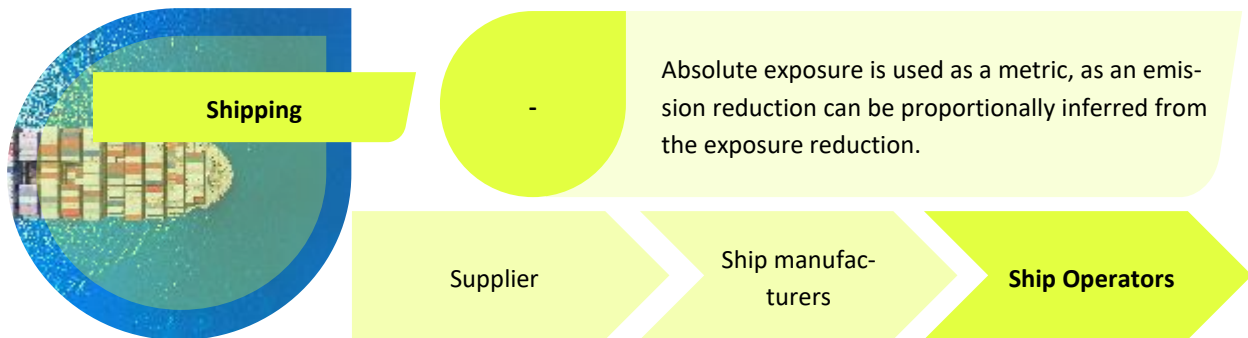
Within the framework of NORD/LB's ESG sector strategies, only the automotive manufacturers (OEMs) are considered in accordance with PACTA. As of 31.12.2024, no exposure has been identified.

Against this background, target measurement and emissions tracking for the 2024 reporting year are not possible. However, the existing decarbonisation target will be maintained, as it is conceivable to report an exposure in the future.

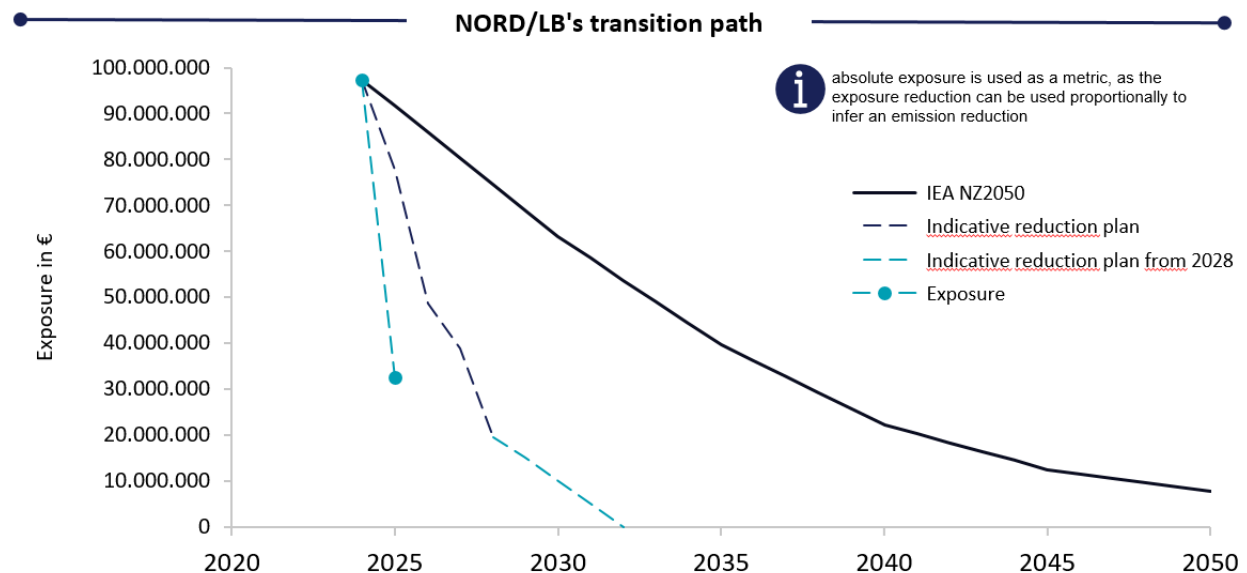
We expect OEMs to have a transparent and comprehensible decarbonisation strategy that is in line with the goals of the Paris Climate Agreement. The exact regulation can be found in the currently valid version of our Transformation Guidelines.



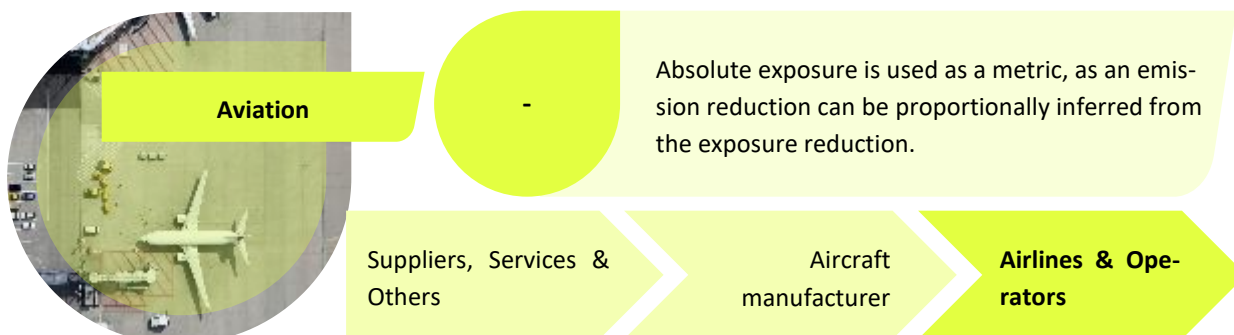
Shipping



Shipping is an important part of global trade, with about 90% of the world's traded goods being transported by sea. At the same time, the sector is responsible for a significant proportion of global emissions. In 2019, we as NORD/LB decided to completely run down the business segment and thus the shipping sector and have already implemented this as far as possible. This results in a significantly more ambitious reduction in emissions compared to the IEA Net-Zero 2050 scenario. Due to the fixed attribution factor (as this is property financing) and the short time horizon (complete reduction of the portfolio by around 2032), the exposure reduction can be used to draw proportional conclusions about the CO₂ reduction. This results in the use of exposure/investment reduction as a metric instead of a CO₂ metric. A reference path was derived from the absolute emissions in maritime transport of the IEA scenario.

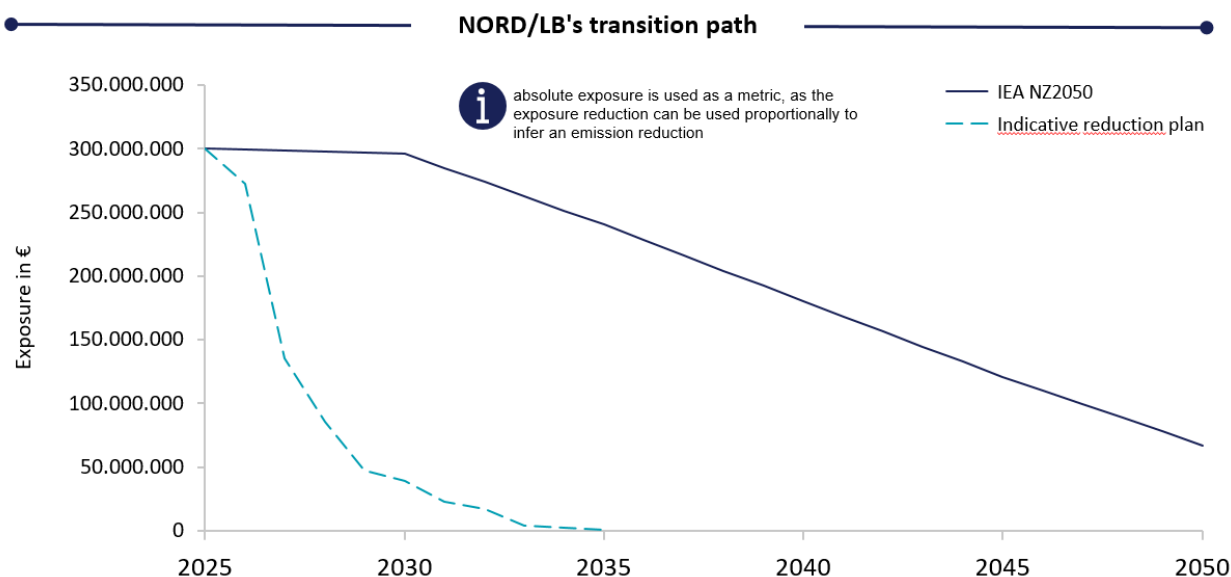


Aviation



As part of a strategic review, we decided in 2024 to withdraw completely from the aircraft financing business. New business activities in this segment were discontinued. As long as the complete portfolio reduction is not yet completed, the Aviation Sector will remain relevant for us from a decarbonisation perspective. The decarbonisation of aviation plays a central role in the global fight against climate change, as it accounts for a significant share of CO₂ emissions worldwide and is therefore an essential sector for achieving the climate goals of the Paris Agreement. Reducing emissions is a particularly complex challenge, among other things due to the long lifespan of aircraft and the lack of competitive climate-friendly alternatives.

The management metric in the **Aviation Sector** was converted to targeted portfolio reduction in the 2025 financial year. This means that the focus is now on the controlled reduction of exposure. Until the change-over, the physical emission intensity (g CO₂/pkm) was the decisive control parameter. The objectives previously defined on this basis will be adjusted accordingly.



Sustainability starts with us: How NORD/LB reduces its own CO₂ emissions

We also set a good example in our banking operations and work in a continuous reduction of our own CO₂ emissions.

As a financial services provider, in the context of decarbonisation, we deal with the CO₂ emissions attributable to us, which are made up of the emissions of our own operations and the financed emissions described above. Although the emissions of our own operations are low at less than 1% compared to the financed emissions, they are of high strategic relevance for us.

To analyse and control emissions in our own operations, we determine consumption values and greenhouse gas emissions annually according to the methodology of the **Greenhouse-Gas Protocol**. The recording of reported CO₂ emissions on the basis of the real estate used for our business operations represents 95% of the workforce and thus achieves sufficient accuracy.

Balancing distinguishes between three emission areas, the so-called scopes:

- **Scope 1** records direct CO₂ emissions. They come from emission sources at NORD/LB sites, e.g. through the combustion of fossil raw materials and the operation of the vehicle fleet.
- **Scope 2** refers to indirect CO₂ emissions generated by the bank's suppliers or service providers when generating energy purchased as electricity, district heating or natural gas, for example.
- **Scope 3** includes all other CO₂ emissions caused by business operations along the value chain, such as business travel by taxi, train, plane or rental vehicles, as well as paper and water consumption and waste.

As the "Bank of the Energy Transition", we actively shape sustainability not only in our customer relationships, but also in our own business operations. We are continuously working to reduce our CO₂ emissions in banking operations and to make our internal processes climate-friendly. We are already implementing numerous measures: For example, we obtain the majority of our electricity from renewable energies and are continuously working to reduce our consumption and overall energy requirements. Our approach to reducing CO₂ emissions in our own business operations is largely based on our real estate strategy. At several NORD/LB locations, we are implementing targeted measures to increase energy efficiency – for example, by greening and retrofitting roof surfaces with photovoltaics, renovating facades and modernising ventilation and elevator systems.

In our Car Policy, we have also stipulated that the company car fleet will be completely converted to fully electric vehicles by 2027. This will align the fleet with sustainable aspects in order to further reduce the company's CO₂ emissions. Implementation is already well advanced: the share of all-electric vehicles is currently around 88.5%. In this way, we are making a concrete contribution to decarbonisation in our own business operations and setting a visible example for sustainable mobility.

Our travel policy ensures that employees take environmental considerations into account when choosing their travel options and generally use public transport. The increased use of environmentally friendly means of transport can further reduce the bank's own CO₂ footprint.

Focus on biodiversity

We define biodiversity for us as the variability of living organisms of any origin and the degree of diversity of life forms within an ecosystem. Biodiversity is divided into the diversity of the three sub-areas of species, genes and ecosystems.

Since the *World Economic Forum* (WEF) has classified biodiversity loss as one of the greatest global risks (it ranks 2nd in the ten-year perspective) and the total economic value of biodiversity is estimated at USD 150 trillion, its conservation plays an essential role for us as NORD/LB. The increasing loss of biodiversity can affect the creditworthiness of companies, as loans can be dependent on ecosystem services. Thus, biodiversity loss also affects the risks of our financing portfolios.

Our goal is to make biodiversity a central component in our ESG strategy and actively contribute to the conservation of biodiversity.

We already took the value of **biodiversity** into account in the 2023 financial year with an ENCORE analysis for the integration of biodiversity into the risk inventory, and in 2024 we expanded this analysis to include supply chains and a biodiversity stress test. In the 2025 financial year, in addition to the sector-specific assessment of natural risks, a site analysis was carried out for the first time, for which various external data – for example from the WWF Biodiversity Risk Filter – were used. Furthermore, since the 2024 financial year, we have been paying attention to the topic of biodiversity through the active consideration and implementation of the ESRS E4 in the context of CSRD reporting. We have identified biodiversity as a material topic in the context of the double materiality analysis according to CSRD and will therefore also deal with it in depth independently of CSRD reporting and implement it in our ESG strategic approach. In doing so, it is important to us not only to regard biodiversity as a risk issue, but also to take advantage of the opportunities offered by a proactive approach – for example, by developing business and use cases to support the economy in the biodiversity-positive transformation in the long term.

To this end, we will test our processes and products for their respective impacts on biodiversity. This requires both intensive knowledge development and continuous market observation in order to strengthen awareness within our company and towards our business partners. There are many ways in which biodiversity can have a positive impact on the economy: exclusion criteria or guidelines for financing are potential first steps to proactively consider biodiversity aspects. Only if we become aware of our own impact on biodiversity can we actively contribute to a biodiversity-positive society and economy.

The consideration of biodiversity aspects within NORD/LB opens up numerous opportunities, especially in the context of the biodiversity-positive transformation of the economy and society. Market and trend analyses reveal clear trends towards an environmentally and biodiversity-friendly orientation of economic activities, in particular biodiversity-effective lending. This enables us to derive new opportunities from potential risks, promote sustainable investments and position ourselves as a biodiversity-conscious financial institution.

Intensive cooperation with our stakeholders is an essential part of dealing with the topic of biodiversity. Based on this dialogue, we can better understand the requirements and expectations of our stakeholders and jointly develop innovative solutions that are geared towards sustainability and biodiversity. In this way, we at NORD/LB want to actively exploit the growing demand for biodiversity-positive financial products in order to create added value for our stakeholders and the environment.

Concretisation of the biodiversity-positive transformation

At NORD/LB, we understand biodiversity-positive transformation to be a holistic process of change in which economic activities not only aim to minimise negative impacts on species, genes and ecosystems, but can also actively contribute to their protection, restoration and long-term strengthening. For us, this means the following: In the future, we will try to align financing, investments and advisory services in such a way that they have measurable positive effects on biodiversity. This can be done, for example, by providing targeted support for projects that implement nature-based solutions, by linking lending with additional biodiversity-promoting measures, or by developing products that enable investments in the conservation and restoration of ecosystems. The aim is to understand biodiversity as an integral part of a sustainable economy and to actively use our role as a financial institution to help shape the transformation from a nature-consuming to a nature-promoting economy.

We are aware that a credible contribution to biodiversity can only be made on the basis of transparency, measurable goals and verifiable effects in order to consistently avoid any form of greenwashing. This biodiversity-positive transformation represents our long-term ambition as NORD/LB and forms the strategic horizon of our commitment to live up to our responsibility as the "Bank of the Energy Transition". As part of the strategic integration of biodiversity aspects into NORD/LB's process and product world, we are identifying two key focus topics for the 2026 financial year that will significantly shape our future direction.

Biodiversity use cases in the context of lending

A special focus of our future activities is on the development and implementation of concrete biodiversity use cases, together with our customers. These biodiversity use cases will be characterised by the fact that, in addition to the provision of pure financing, additional biodiversity-promoting measures will be taken, some of which may be independent of the actual object of financing. For example, in the case of corporate financing, funds can be made available in parallel for nature conservation projects, reforestation measures or the restoration of ecosystems in order to potentially contribute to the protection and restoration of biodiversity. In this way, we want to consciously integrate biodiversity aspects into our financing decisions and open up opportunities for our clients to make their business activities biodiversity-positive beyond the actual project. This also includes intensive customer dialogue and the analysis of dependencies and influences of various business models on ecosystem services. Actively advising our customers on these additional measures is an essential part of opening up opportunities from the biodiversity-positive transformation at an early stage and being able to develop innovative approaches together with our customers:

Integration into NORD/LB's ESG governance

In the future, the topic of biodiversity will become an integral part of our own ESG governance structure. This means that we want to explicitly integrate biodiversity systematically into our decision-making and management processes in the future and implement it in NORD/LB's overarching sustainability organisation. By clearly assigning responsibilities and implementing transparent control mechanisms, we want to ensure that biodiversity is considered on an equal footing with climate and other sustainability issues. In this way, we are also creating the basis for the long-term integration of the topic into our ESG and business strategy and can ensure that the opportunities and challenges of the biodiversity-positive transformation of the economy are addressed sustainably in our bank.

4.4 Social - Our social responsibility as NORD/LB

We are committed to our social responsibility towards our employees and society and align our daily actions with it.

As a responsible bank, we are fully aware of our corporate obligation to **respect human rights**. In this context, we support the guiding principles "Protect, Respect and Remedy" and have committed ourselves to the ten principles of the UN Global Compact on human rights, labour standards, environmental protection and anti-corruption. These principles are firmly integrated into our transformation guidelines. In addition, we take into account international standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards. We consistently implement these standards through our internal policy on dealing with human rights, with the aim of identifying and minimising risks at an early stage and preventing violations or keeping their impact as low as possible.

To achieve these goals, we have implemented comprehensive measures both in our business and in our procurement processes. The focus is on our own employees as well as the employees of our service providers and suppliers.

Human rights are firmly integrated into our Code of Conduct, the Diversity Policy, the UK Master Slavery Agreement⁷ and the Declaration of Principles on Human Rights⁸. In order to ensure ethics, integrity, lawful conduct and professional action, especially in the fight against corruption (bribery, corruption, taking advantage and granting of advantages), our Managing Board has established binding rules of conduct in the Code of Conduct. These rules create clear scope for action that combines compliance with the law and the law with ethically correct behaviour and thus links entrepreneurial success with social responsibility.

In accordance with the requirements of the Supply Chain Due Diligence Act, we report publicly annually on identified human rights or environmental risks or breaches of duty.

In the future, we will continue to work consistently on the implementation and further development of these measures to ensure that we meet our responsibility to respect human rights in the long term and meet the highest standards.

Work safety

For us, occupational health and safety is a central part of our everyday office life, as we **are responsible for the well-being of our employees**. The Managing Board, managers and occupational health and safety officers are legally obliged to take measures to protect our employees from accidents and health impairments. For us, modern occupational health and safety goes beyond the classic hazards and aims at preventive health protection and adaptation to a rapidly changing working environment. Challenges such as working from home, rapid IT change and demographic change require us to make continuous adjustments

⁷ UK Master Slavery Act, Chapter 54, Slavery and Human Trafficking Statement (primarily relevant for NORD/LB AöR)

⁸ Declaration of principles in accordance with the requirements of the Supply Chain Due Diligence Act

in technical, medical and social areas in order to protect our employees from accidents at work and prevent possible illnesses.

Social commitment

As a company, we share responsibility **for maintaining and communicating values in society**. We are aware of this responsibility and therefore support institutions and organisations that deal with the education and training of disadvantaged children and young people and people with difficult social backgrounds. We also provide financial support, e.g. for the work of institutions where abused children are admitted and treated, for daycare centres in socially deprived areas or for learning projects at schools with a migrant background, and support numerous other projects in counselling centres for (socially) disadvantaged people. In addition, we do not give gifts to our business partners during the Christmas season, but we donate these funds exclusively to social and regional projects.

Through our subsidiary, the Braunschweigische Landessparkasse, we have underlined our sponsorship responsibility by founding the Braunschweigische Sparkassenstiftung. The foundation initiates and promotes social regional projects and initiatives and also promotes volunteering. In this way, we make a significant contribution to promoting civic engagement and strengthening the community through the Braunschweigische Sparkassenstiftung. A personal initiative has resulted in the support association "Wir zeigen Herz e.V.", in which active and former employees promote civic engagement and charitable causes. In addition, we also take on the important task of imparting the necessary financial knowledge to children and young people. One focus here is on cooperation with schools throughout the business area.

But we also assume social responsibility at all our other locations and specifically promote local initiatives. We are involved in various areas to make a positive contribution to society. In the field of science and education, we support projects at universities and schools to support young scientists. We finance endowed professorships and support scientific projects as well as educational and support measures at schools.

Our social commitment is particularly aimed at disadvantaged children and young people, whom we help to improve their living conditions through educational projects and support for social institutions. In addition, we support counselling centres and hospice work and have been investing our Christmas donation in regional projects since 2005.

In addition to social projects, environmental and climate protection is also close to our hearts. We support scientific research in this area and promote concrete measures, such as school projects for species conservation, sustainable initiatives to prevent pollution and achieve climate goals.

The voluntary commitment of our employees is particularly important to us. Through regularly initiated campaigns, we give them the opportunity to collect donations for charitable organisations. In this way, we contribute to the creation of a culture of responsibility and solidarity, which we see as an important socio-political task and actively promote. Since 2023, we have been regularly organising the NORD/LB Social Day initiative through the bank-wide participation of various teams. These teams were involved in various social projects and supported organisations in the areas of animal and environmental protection, child and youth care as well as facilities for retired people, refugees and the homeless. We consider this commitment a complete success, as it has shown how we as a bank can take responsibility together and actively support our society. We will continue to support our employees in their social commitment in the future and also assume social responsibility as a company.

Donations and Grants

As a bank, we are aware of our **social and societal responsibility** and **support a variety of local and regional projects**. Through donations and sponsorships, we provide financial resources that make a positive contribution to society. For this purpose, a fixed budget is created annually, which is used for various projects within the framework of our funding guidelines. Among other things, we cooperate with the association "Serve the City Hannover e.V.", which resulted in a wish tree campaign for Christmas in 2024. We want to continue to carry out joint projects in the 2025 financial year in favor of social commitment and are therefore in regular exchange with "Serve the City Hannover" for further ideas. In addition to our social commitment, we at NORD/LB attach great importance to our social responsibility. We see ourselves as a reliable partner in the regional networks around our sites and would like to further strengthen this role, especially by supporting local projects and institutions. We promote art and culture.

As NORD/LB, we have a long tradition of promoting art and culture, which we have been continuing in a targeted manner since 2012 by establishing a cultural foundation. The foundation supports cultural projects in the federal states of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania. Since its inception, the foundation has supported more than 370 projects in the fields of visual and performing arts, music and literature with more than 5.1 million euros. The purpose of the foundation is realised in particular through the promotion of cultural institutions and cultural projects, the acquisition or safeguarding of valuable cultural assets, through the foundation's own cultural events, the establishment of its own collection, the awarding of scholarships and cultural prizes, as well as research and teaching in the cultural field. In order to take account of the cultural change processes in society, our Cultural Foundation prefers to take up cross-form and cross-thematic projects that actively promote culture for selected target groups, open up new target groups and open up and communicate it to young people.

Our employees at NORD/LB

We pursue the vision of using modern HR work to improve performance of the employees and thus secure the future of NORD/LB.

People make the difference.

We see our mission as paving the way for the sustainable success of NORD/LB by taking responsibility and promoting an appreciative, diverse and performance-oriented culture. This is based on our claim to ourselves to act competently in all operational and strategic HR topics with reliability and commitment.

Our human resources work is guided by the clear positioning "People make the difference!", because the transformation and further development of NORD/LB into a sustainably profitable and profitable bank can only be shaped with motivated, qualified and loyal employees.

Under this positioning, our HR work is aligned with the strategic focus topics of the world of work, culture & change, skills & development, recruiting & employer brand and HR business model. Our guiding principles on selected key topics express how we also fulfil our social responsibility with regard to our employees by structuring our human resources work.

We create a future-oriented **working environment** with modern working conditions and products. By this we mean flexible working models that take into account the requirements of the organisation, the

employees and the conditions on the labor market without jeopardising the bond with the company and the feeling of belonging. Competitive products for incentives and personnel development as well as measures to maintain the physical and mental health of the workforce make a decisive contribution to an attractive working environment in the long term. We create an appreciative and diverse **work culture** in which commitment and performance are recognised. This is reflected in a working environment in which all employees feel accepted and supported and diversity is seen as a strength in order to exploit potential and be successful together. We see diversity, equal opportunities and inclusion as essential prerequisites for employees' sense of belonging and loyalty to the bank. We promote the potential and develop the **skills** of our employees for future requirements. New skills and qualifications are needed and expectations of a contemporary understanding of leadership are changing. With systematic **learning management**, we ensure the needs-based qualification of all managers and employees. We promote talent in order to retain them and ensure targeted succession planning.

With the measures from all strategic focus topics, we create the necessary prerequisites for the continuous development of employee satisfaction and loyalty and increase the attractiveness of employers for both internal employees and external interested parties.

We are diversity

As an employer, it is important for us as our social responsibility to promote employees regardless of gender, social background, sexual identity, physical and mental abilities, age, migration history and nationality or religion and ideology and to exclude no one. We attach great importance to transparency, taking into account the needs of different groups of people and increasing equal opportunities. In doing so, we are guided by standards such as the Diversity Charter and international guidelines such as the Principles for Responsible Investment, supplemented by legal requirements such as the General Equal Treatment Act (AGG), internal guidelines and our vision for the DEIB principles of diversity, equity, inclusion and belonging.

Our diversity management is based on three pillars: visibility, qualification and establishment in the organisation. With the **Community of Diversity**, which serves as an umbrella for the seven dimensions and the networks that have emerged from them, we create space for visibility for issues of gender diversity, age diversity, diversity of sexual identity, social background, migration histories and nationality, physical and mental abilities, as well as religion and ideology. We want to give our employees the opportunity to develop and actively participate in shaping a stronger bank and a fairer society.

The queer network **BUNT/LB** of NORD/LB has established itself internally and externally. Here, our employees are offered a platform for exchange, networking and joint activities. In doing so, we attach particular importance to creating a "safe space". The actions include both internal meetings and the locally founded network "#gemeinsambunt" with various companies.⁹

In addition to the legally required representative for severely disabled employees and occupational health management, there is a team of volunteers at the bank who are committed to the physical and mental abilities dimension. Visibility and education on different skills is to be further expanded in the coming years. We actively organise the Day of the Elderly and Younger and thus promote intergenerational

⁹ A list of the participating companies can be found here: www.gemeinsambunt.de

exchange. The focus will be on reverse mentoring. In this way, we create a cross-generational understanding, strengthen mutual respect and can learn from each other at the same time. By expanding internal and external keynote speeches, we want to strengthen the visibility and understanding of diversity.

For us at NORD/LB, the equal position of all genders is of particular importance and is addressed through various measures. The focus here is on the topics of women in leadership and the gender pay gap, among other things. Both topics are actively addressed through various measures. The aim here is to initially empower and support women, to take on internal management positions and to achieve improvements in the gender pay gap.

In addition, a newly founded working team has highlighted the relevance and impact of active work against racism this year as part of our "*Weeks against Racism*" and the "Intercultural Week".

In this way, we are visible in all dimensions of diversity, expand the qualifications of our employees and continuously establish measures for a diverse culture.

Health as part of the company's success

The **health of our employees is an important concern for us**. For this reason, occupational health management (BGM) is embedded in personnel development and aims to strengthen and maintain the work and performance of our workforce. In this way, we support our employees in using their own resources responsibly.

We go beyond the legal requirements for occupational safety and offer our employees a wide range of consulting services. Our company medical service provides comprehensive advice on the optimal design of workplaces and makes recommendations for preventive measures against posture and vision disorders. When procuring furniture and IT equipment, we always pay attention to compliance with ergonomic standards.

For work-related or psychosocial problems, we provide all employees with a neutral, external counseling center that supports both employees and managers. We have continuously developed and consolidated our preventive and individual health promotion offers. These offers include, among other things, annual flu vaccinations, relaxation lunch breaks, health seminars, also by our company medical service provider, company sports as well as offers from fitness providers in the region and health apps as part of workplace health promotion. In addition, we offer support services from an external provider to promote work-life balance.

We support our managers in their role with specific seminars. In addition, our company health management provides information materials on important topics such as addiction prevention, dealing with mentally conspicuous employees and company integration management. In addition, we offer mobility support such as bicycle leasing and employee conditions for public transport. In addition, our employees benefit from subsidised catering.

ESG Academy – training that works

As NORD/LB, we are pursuing the goal of systematically integrating sustainability into strategy, management processes and risk management with the internal ESG Academy. ESG aspects form an integral part of the strategy compendium as well as long-term value creation. This is also reflected in our **training courses for different interest groups**. The selected content of the training concept is based on regulatory requirements, in particular from the EU taxonomy, the EBA guidelines and the MaRisk amendment.

To ensure implementation, we at NORD/LB are establishing a comprehensive training concept for all employees. Mandatory basic training courses create a uniform understanding of ESG and convey key regulatory requirements, sustainability risks and reporting obligations. In addition, target group-oriented training courses are offered, e.g. for the committees of the bank (supervisory board, managing board, etc.) but also department-specific such as e.g. for market and back-office employees. The learning offer includes online seminars, interactive workshops, face-to-face events and videos. The training offer is constantly validated and adapted to regulatory requirements.

4.5 Governance – the framework for promoting sustainability

We are committed to sustainable and transparent corporate governance that promotes integrity and firmly integrates ESG considerations into our decisions

At NORD/LB, we understand governance as **sustainable and orderly corporate governance** that goes beyond legal requirements and **embodies the values of integrity and transparency**.

ESG in our organisation

The Managing Board has overall responsibility for implementing ESG in NORD/LB, which forms the central body for decisions regarding the strategic thrust and management of ESG issues. In addition, individual members of the Managing Board exercise individual thematic responsibilities that are tailored to the departments and areas for which they are responsible.

For operational implementation, the Managing Board is supported in its tasks by our ESG Expertise Centres, which we set up in the 2023 financial year due to the increasing relevance of ESG issues for us as a bank. These units bundle the subject-specific ESG expertise and take on a strategic and driving role in the integration of ESG aspects into our processes and decision-making processes. In addition, we coordinate and analyse the requirements of our stakeholders.

In order to provide our clients with holistic advice and support them in the best possible way on their transformation journey, our employees in the market segments also have extensive ESG expertise. In this context, for example, the ESG advisory service for our corporate clients should be mentioned. This includes, among other things, ESG workshops in which specific measures and strategies are developed to drive sustainable change in the company. Our ESG advisory team actively supports the sustainable transformation of its corporate clients and helps them to prepare them in the best possible way for the requirements of the future.

ESG in our board structure

Our boards are fully integrated into our **ESG governance model**. In doing so, the Supervisory Board acts as an overarching supervisory body, monitors the implementation of ESG issues in the bank and integrates them into the performance appraisal of the Managing Board. In order to be able to fulfil this role

appropriately, we are constantly expanding our training programme for our boards to include ESG aspects and have also developed ESG components into a fixed agenda item for selected bodies.

To complement our line organisation, we established the Sustainability Board in 2021, which is made up of interdisciplinary managers and experts from NORD/LB. The Sustainability Board has the task of coordinating and driving forward the networking and exchange of information between the individual departments on the ongoing integration of sustainability into NORD/LB as well as the development and coordination of cross-departmental measures. On behalf of the Managing Board, the Sustainability Board assumes an overall bank management function in the ESG context and makes key decisions on our ESG-specific framework conditions. The Green Asset Committee (GAC), as a sub-body of the Sustainability Board, determines the current eligibility criteria for the selection of suitable green financing and decides on the inclusion of new asset classes in NORD/LB's Green Funding Framework. In the regular meetings, which take place at least once a year, the GAC reviews the standards prescribed in the target markets, thus ensuring that the selection process for projects (financing) is in line with current market practices and regulatory requirements.

ESG in our strategy

Our **ESG strategy as an overarching guiding principle** for ESG issues is embedded in the business strategy as an independent functional strategy and is regularly validated and further developed as part of our annual strategy process and submitted to our Managing Board and Supervisory Board for approval or acknowledgement. The ESG strategy provides the ESG strategic framework for our day-to-day activities and is therefore of particular importance for the overall strategic management of the bank and the consideration of ESG regulatory requirements for our business model.

Corporate culture

Our corporate culture is the heartbeat of NORD/LB – it combines motivation, courage and innovative strength with team spirit, trust and responsibility.

The corporate culture shapes the behavior, values and attitudes of employees within a company. It creates a common understanding of goals and working methods and thus forms an important basis for good collegial and productive cooperation. A strong culture motivates employees and can help increase satisfaction and loyalty. It is also a decisive factor in attracting and retaining talent in the long term – and thus also of central importance for sustainable business success.

With the successful completion of our NORD/LB 2024 transformation programme, we have mastered a large number of structural and operational changes and are now facing a new phase of further development. To ensure that our culture supports and strengthens this change, around 50 employees from different areas, hierarchical levels and age groups have been actively working on the further development of NORD/LB's corporate culture since 2024.

The focus is on our culture offensive, which is geared towards three fields of action: Performance, Execution and Entrepreneurship/Innovation.

- Team **Performance** is about motivation, team spirit and the conscious appreciation of joint successes. We want to achieve outperformance – with positive energy, speed and personal commitment.
- The **Execution** team stands for consistent implementation, lived personal responsibility and the courage to make decisive decisions. Mistakes are seen as valuable learning opportunities. Our focus is not on the question of *whether* we achieve our goals, but on *how* we realise them together.
- In the **Entrepreneurship/Innovation team**, we strengthen our entrepreneurial thinking, promote the development of new ideas and have the courage to test new things in order to translate innovation into profitability.

In addition, we specifically address central cultural topics that are crucial for our future viability. We preserve our strengths and treat each other with respect. At the same time, we promote a strong customer focus and sporting competition that drives us to become better. Diversity is highly relevant to us – different perspectives and experiences make us more innovative and successful. Open and honest communication is a matter of course for us, as is a healthy culture of conflict based on mutual respect and constructive dialogue. This attitude characterises our togetherness – arguing in a friendly manner, acknowledging differences and finding solutions together. This creates a culture based on trust, responsibility and a willingness to change. What unites us all is the common goal: to create a modern, collegial, sustainable and performance-oriented corporate culture that strengthens our values, supports our strategy and makes NORD/LB successful in the long term.

Anti-greenwashing

Financial institutions are faced with the challenge of strengthening their own **credibility in the areas of environmental, social and governance (ESG)** and communicating transparently. If this does not succeed, greenwashing risks can be the result. They can be understood as a risk that ESG-related references (e.g. at product and company level) will be perceived by stakeholders as misleading in that the company appears "greener" than it actually is.

We see the **prevention of greenwashing** as a bank-wide task that extends to various areas of the bank and requires all employees to proactively prevent possible greenwashing allegations and the associated risks as part of their activities. Our "Anti-Greenwashing Governance", which was developed in 2024 as part of a project, serves as a central framework for us. It essentially aims to proactively avoid or avert greenwashing (accusations). To this end, the continuous review of our ESG statements for completeness, accuracy and comprehensibility must be ensured.

One of the prerequisites for successful prevention is bank-wide awareness-raising activities, which, in addition to other planned elements, takes the form of newsletters and employee training. Solid awareness-raising makes an important contribution to avoiding potential greenwashing risks before they arise or identifying them at an early stage and reacting accordingly quickly. For potential irregularities or suspicions in connection with greenwashing, appropriate reporting channels have been established in the bank.

5 Broadening Horizons: Looking Ahead to New Activities

We continue to implement **sustainability** as an **integral part of our business model**, focusing on business that supports the transition to a more climate-friendly economy and is at the same time compatible with our strategic alignment. We will continue to develop our existing strengths, reliably meet regulatory requirements and **develop new business opportunities** that offer long-term stability to both our customers and ourselves. In recent years, we have already been able to realise a number of financings with a clearly recognisable ESG reference. Particularly noteworthy are the Green Pfandbriefe issued under the Green Funding Framework, which are used to finance targeted investments in energy-efficient buildings. With the latest benchmark issuance of €1 billion in early 2025 and a previous €500 million issuance in 2024, our funding base in sustainable real estate financing and renewable energy has been strengthened. The Green Funding Framework provides for a clear differentiation here: While green covered bonds are secured by real estate and primarily finance energy-efficient buildings, unsecured green bonds are used for a broader range of sustainable assets, especially in the field of renewable energies. This not only enabled us to mobilise new funds for projects with a positive environmental impact, but also to underpin our capital market positioning in the field of sustainable bonds. In addition, we have been a reliable partner in the financing of renewable energies for many years. Building on a strong market position in wind and solar financing, international photovoltaic portfolios in Spain and the United Kingdom were recently supported. We are also active in the field of storage technologies. The financing of a battery storage system in Saxony-Anhalt supported a project that plays an important role in stabilising the power grids and integrating renewable energies. Such projects illustrate how we are specifically participating in the transformation of the energy supply.

We shape the future sustainably and finance the world of tomorrow.

Another example is its commitment to sustainable mobility. Together with partners, we have supported the financing of new trams for a large municipal transport company and thus supported the modernisation of local public transport. Such financing helps to make infrastructure more climate-friendly and at the same time improve the quality of life in urban areas. On this basis, we are looking ahead. Potential business activities lie in particular in the further support of the expansion of renewable energies, in the financing of storage solutions and in the developing hydrogen economy. In addition, we are examining options in future industries such as hydrogen and the circular economy, as well as an increased role in the transformation of municipal infrastructures. The transformation of the building sector with a view to energy efficiency and resource conservation also remains a central field of action, in which we are already successfully active through our green bonds and Pfandbriefe. We take a responsible approach to all activities. Growth in the sustainability sector occurs primarily where projects make a comprehensible contribution to environmental and climate goals, regulatory requirements are complied with and the risk-return profile is sustainable. In this way, we will consolidate our position as a reliable partner in the transformation of the real economy and at the same time further strengthen our own stability and resilience in line with the regulatory framework.