ESG strategy

of the NORD/LB Group

valid from 01 January 2026

Version 2.0 (25.09.2026)

Foreword by the Managing Board

Dear Readers,

Last year, we at NORD/LB further developed our ESG strategy and continued to integrate ESG aspects into relevant business and management processes. The ESG strategy forms the framework for our environmental, social and governance (ESG) activities. It defines strategic goals, responsibilities and measures and supports the integration of ESG aspects into our business and business operations.

The past few months have been marked by global challenges: geopolitical uncertainties, volatile markets and regulatory requirements present us with new challenges every day. These framework conditions have an impact on companies, financial markets and customers alike. Against this background, we pursue the goal of supporting our clients in the context of our business activities in projects that have a transformation relevance according to the applicable criteria. This includes financing and advisory services as well as an ongoing dialogue on relevant economic and regulatory developments. The financing of renewable energy projects and selected transformation projects is an essential part of NORD/LB's business strategy.

We understand sustainability as the consideration of ecological, social and economic aspects in business decisions. Our aim is to take ESG-relevant issues into account appropriately in our business activities and internal processes and to present the further development of our approaches transparently. We report regularly on progress, measures and objectives as part of our sustainability reporting.

Thank you for your interest in our sustainability strategy and the associated activities of NORD/LB.

Best regards,

Jörg Frischholz **(CEO)**

Jasper Hanebuth **(CFO)**

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1 Our ESG Strategic Framework

Our business activities as a bank interact with the economy, society and the environment. We provide financial resources and thus enable economic growth, create jobs and provide social services. We support economic activities through our financing, investment, advisory and other banking services. These activities can be associated with positive and negative impacts as well as financial and non-financial risks. With our ESG strategic positioning, we therefore support our business strategy in the areas of renewable energies, infrastructure and transformation finance. This positioning is to be understood as a strategic alignment. It does not represent a blanket statement that all financing, products or portfolios of NORD/LB are environmentally sustainable, taxonomy-compliant or already compatible with the goals of the Paris Climate Agreement. The classification of individual financing operations is based on the applicable criteria, frameworks and review processes.

This document represents our Group-wide ESG strategy. The validation and adjustment of our ESG strategy as well as all necessary coordination are carried out in coordination with the business strategy, the risk strategy and the relevant functional strategies and are documented in accordance with internal requirements. Our ESG strategy is adopted by the Managing Board of NORD/LB AöR (single entity), which is also responsible for its implementation at Group level. The determination and implementation at the individual institution level is the responsibility of the Managing Board of the individual institutions. The ESG strategy adopted by the Managing Board is discussed with the Supervisory Board of NORD/LB AöR and taken note of by them.

2 Our Mission

"ESG is not a trend for us, but an opportunity. We support financing that addresses transformation projects and meets our criteria. We have taken ESG into account in our core business – in strategy, risk management and financing, so we combine standards with feasibility. Regulatory requirements become comprehensible decisions. Our aim is to support our clients in transformation-related financing needs reliably and in a spirit of partnership, provided that these are compatible with our criteria and risk specifications."

Tobias Zehnter, Chief Sustainability Officer (CSO)

For us, ESG is not a trend, but a strategic opportunity to shape our business alignment together with our customers in the long term. ESG aspects are therefore an integral part of our overall strategy. The ESG strategy describes the NORD/LB Group's key principles, objectives and management approaches to the environment, social issues and governance and serves as an comprehensive alignment for taking them into account in our business activities.

We are guided by clear principles: credibility in ESG disclosure, continuous development of our products and processes, and consistent alignment with regulatory, social and market requirements. ESG aspects are incorporated into our product and process development and can possibly open up business opportunities. Through ESG management and ESG strategic measures, we further develop our products, processes and consulting approaches to support clients in transformation-related financing needs. The consideration of ESG aspects in processes does not constitute a statement about the sustainability of individual products or financing.

We have been financing projects in the field of renewable energies for over 30 years. We therefore have many years of experience, especially in the structuring and support of corresponding project-related financing.

3 Our ESG Strategic Principles

In this document, we would like to share our ESG strategic principles and methodologies that help us act responsibly both today and in the future.

3.1 The double materiality analysis

The Double Materiality Analysis is an essential basis for the further development of 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 our ESG strategic alignment. It supports us in systematically identifying and prioritising relevant sustainability aspects. The analysis is always carried out 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 supports a structured assessment of material sustainability issues from both perspectives.

The DMA is not only a regulatory obligation, but also a strategic tool for the targeted integration of ESG issues into our corporate strategy. The DMA focuses on the identification of impacts, risks and opportunities (*IROs*). These are key topics that include both the material impact of our business activities on the environment and society 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 impair borrowers' ability to service capital and increase credit risk. Transitory risks – due to regulatory changes or technological upheavals – affect the competitiveness of customers and might have an impact on our loan portfolio. At the same time, there are also opportunities for us as a bank: We finance selected projects in the field of renewable energies and transformation, provided that they meet our criteria and risk targets. This does not mean that individual financing or projects have a specific environmental impact.

New business activities, such as sustainability consulting and green bonds, can possibly open up additional business opportunities, provided they are compatible with regulatory requirements, ESG criteria and our risk-return profile. 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 Financing with defined sustainability characteristics

EU Taxonomy

We offer financing with sustainability characteristics. They are classified on the basis of defined criteria and evidence, which in particular demonstrate the potential contribution to environmental objectives.

In order to designate an economic activity as *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 covered by NORD/LB. For example, there is not yet a developed EU Taxonomy with detailed technical screening criteria for all sectors. In principle, activities that have been assessed as taxonomy-compliant are classified as environmentally sustainable within the meaning of the EU Taxonomy. Taxonomy compliance only means that the respective requirements of the EU Taxonomy are met. This does not result in a comprehensive statement about the sustainability of a company or financial product. The EU Taxonomy has a particular impact on the classification, reporting and refinancing of suitable financing.

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

We have decided to understand the existing EU taxonomy criteria as a form of a target image. On the way to EU taxonomy compliance, however, other criteria also apply that are intended to enable our business partners to specify their transition path of defined criteria and parameters. In addition to the EU taxonomy, we use internal bank criteria for selected financing projects related to sustainability or transformation. These criteria do not represent generally accepted sustainability standards and do not constitute a statement about taxonomy compliance. They take into account selected climate and sustainability-related objectives without confirming full compliance with the Paris Climate Agreement or the SDGs (*Sustainable Development Goals*).

Sustainable Loan Framework

The **Sustainable Loan Framework** (*SLF*) is our internal framework for classifying financial products and services as *sustainable loans*. The term "sustainable loan" only means that the financing meets the eligibility criteria set out in the SLF at the time of the audit. To this end, the SLF contains a catalogue of criteria that is used to check whether a financing meets the applicable eligibility criteria of NORD/LB. When designing the criteria, the SLF takes into account relevant market standards and regulatory reference points (e.g. EU taxonomy, Green Loan Principles, etc.) for sustainability-related loan financing.

We are continuously working to improve our SLF in all its facets while taking into account the existing requirements.

In this way, we want to strengthen the consistent and comprehensible classification of suitable financing and support the financing of specific transformation projects.

To classify our credit financing from an ESG perspective, we distinguish between the following categories:

- EU taxonomy-compliant financing
- Financing that is classified as sustainable loans on the basis of the applicable internal bank criteria of the SLF. This also includes transformation financing and sustainability-linked loans, provided that they meet the criteria and parameters defined for this purpose
- other financing operations for which there is no classification according to the above criteria.

Our goal is to align the SLF's criteria as closely as possible with the requirements of the EU taxonomy.

The SLF basically applies to all sectors of the NORD/LB Group as well as to all loan product types on the asset side. The classification of products on the liabilities side is regulated in our Green Funding Framework. The SLF thus complements the Green Funding Framework.

Green Funding Framework

With the Green Funding Framework (hereinafter referred to as "GFF"), we define criteria for the selection of Eligible Green Assets that are eligible for funding through Green Funding Instruments. At the same time, the GFF creates transparency with regard to the use of funds, selection criteria, management and reporting. Funds are used for assets that meet the eligibility criteria defined in the applicable GFF. The classification refers to the relevant Eligible Green Assets and is not to be understood as an assessment of the overall business activities of the financed company or the actual environmental impact of individual funding instruments.

The GFF is guided by the applicable Green Bond Principles of the International Capital Market Association (ICMA) and, where applicable and taking into account available data, also takes into account relevant requirements of the EU Taxonomy.

An amount corresponding to the proceeds of the Eligible Green Funding Instruments will be used to partially or fully fund new and/or existing Green Assets that meet the eligibility criteria defined in the GFF. This allocation does not constitute a guarantee of specific environmental impacts of the instrument or a sustainability assessment of the entire business activities of NORD/LB or the financed companies.

The GFF is regularly reviewed and, if necessary, further developed in order to take appropriate account of regulatory developments, recognised market standards and the further development of forms of financing. Significant updates are accompanied by an independent external review.

3.3 Strategic integration of ESG into investment advice

It is our aim to take ESG and sustainability aspects into account in investment advice in accordance with the applicable regulatory requirements. The consideration of ESG aspects in investment advice supports a structured assessment of sustainability preferences and the selection of suitable products within the framework of regulatory requirements.

Our strategic alignment 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.
- 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 support the integration of the regulatory requirements relevant to the respective process. This includes:

- the development and maintenance of advisory processes taking into account the relevant ESG and SFDR requirements
- the regular control 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 the SFDR. The classification under Article 8 or 9 SFDR is a regulatory disclosure category. It is neither a sustainability label nor in itself evidence of a particular environmental or social impact or better financial performance. 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 the SFDR are fulfilled by publicly available documents on our website. They serve to provide the information required by the SFDR.

With this alignment, we create the basis for consulting that takes sustainability preferences and relevant regulatory requirements into account.

3.4 Strategic integration of ESG in asset management

In our investment processes, we take ESG factors into account to incorporate sustainability risks and opportunities into the analysis and selection of investments.

When making investment decisions in individual asset management, investments are also filtered taking into account sustainability risks and opportunities:

- Exclusion of direct investments in individual securities that are assigned to certain defined business areas according to the applicable exclusion criteria of the investment process.
- Exclusion of direct investments in individual securities with serious controversies or violations of the international standards and norms defined in the investment process.

For certain financial instruments, minimum requirements for ESG ratings are taken into account. ESG ratings represent valuation models of external providers and do not allow any statement to be made about the specific environmental or sustainability impacts of a financial instrument.

The same defined exclusion criteria are used for the selection of underlying assets for certificates as for direct investments. To support the analysis of sustainability risks, data from the sustainability agency *MSCI ESG Research LLC, among others, is used in the investment process*. The use of this data does not constitute a statement about the sustainability of individual financial instruments.

3.5 We analyse our business environment

Our ESG business environment analysis assesses the potential impacts of climate change and environmental change on our business environment and operations across different scenarios and time horizons.

For the development of NORD/LB's ESG strategic alignment, we have developed an independent **Business environment analysis ESG** which is usually carried out annually. It focuses on the effects and their 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 over different scenarios and time periods. If necessary, steering impulses are derived and implemented. 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

Our Transformation Guidelines set out minimum standards, exclusion criteria and sector principles for the consideration of ESG aspects in new business activities.

We have been taking sustainability aspects into account in our business activities for many years. Our Transformation Guidelines contain additional minimum standards, exclusion criteria and sector-specific review criteria for the new business activities covered by their scope. 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, the guidelines support the systematic consideration of additional ESG aspects in the business decisions recorded. The Transformation Guidelines that apply in each case are available online and are regularly reviewed and further developed. In line with our ESG strategic alignment, we pursue the goal of taking ecological and social aspects as well as economic concerns into account. The Transformation

Guidelines are based on selected international standards and principles and serve as a framework for assessing transformation projects in various industries. In doing so, we see ourselves as a partner for companies that pursue measures to further develop their business models. Industry-specific principles specify the requirements of the Transformation Guidelines for individual sectors (e.g. oil and gas, steel or chemicals), especially with regard to their different transformation challenges. Depending on the sector and business activity, certifications, environmental impact assessments or decarbonisation strategies, among other things, can be included in the assessment.

The application of these criteria does not automatically mean that a financing, a financed company or its business model is sustainable, taxonomy-compliant or compatible with the goals of the Paris Climate Agreement.

Our Transformation Guidelines are available www.nordlb.com/nordlb/sustainability/document-library.

3.7 Our ESG commitments and memberships

Voluntary initiatives and voluntary commitments complement our ESG alignment and provide orientation for the further development of our measures and processes.

Below we explain selected memberships, network participations, recognised orientation frameworks and internal regulations with ESG relevance. The respective presentation describes only the institutional or internal reference mentioned. It does not contain any statement about the environmental or sustainability characteristics of a specific product and does not constitute a certification of an environmental performance of NORD/LB or any of its products.

Detailed information on the background and motivation for making these commitments can be found in NORD/LB's Group Sustainability Report.

Memberships

VfU: As a member of the Association for Environmental Management and Sustainability in Financial Institutions (VfU), we at NORD/LB are in regular contact with other financial institutions on current ESG issues. This membership gives us access to professional impulses, practical experience and information on current developments as well as changes in the regulatory framework. This enables us to take up ESG-relevant market and regulatory developments at an early stage and incorporate them into our internal development.

UN Global Compact: As a signatory to the UN Global Compact, we as NORD/LB are committed to the ten principles in the areas of human rights, labour standards, environmental protection and corruption prevention. The principles support us in incorporating international sustainability principles into our ESG-related principles and internal frameworks. At the same time, the network gives us access to technical impulses, practical examples and current developments in the international sustainability context, which we can take into account for the further development of our ESG activities.

UNEP FI: As a member of the United Nations Environment Programme Finance Initiative (UNEP FI), we are part of an international network of financial institutions. Membership enables us to exchange ideas on ESG-related topics, approaches to sustainable finance and international developments in the context of sustainability. At the same time, we gain access to technical impulses, working formats and points of orientation that we can take into account in the further development of our ESG activities and internal frameworks.

Climate Alliance Hannover 2035: As a member of the Climate Alliance Hannover 2035, we as NORD/LB participate in a regional network that supports the exchange on climate protection, sustainable urban development and the transformation towards a more climate-friendly economy. Membership enables us to engage in dialogue with stakeholders from business, administration and society as well as access to regional impulses, project experience and current developments in municipal climate protection. We can take these findings into account in the further development of our ESG-related activities.

Recognition of values and principles

Principles for Responsible Banking (PRB): We are a signatory to the Principles for Responsible Banking and recognise the UNEP FI PRB as an internationally recognised guiding framework for the sustainable orientation of banking business. The principles help banks to align their business strategy with the goals of sustainable development and the requirements of the Paris Climate Agreement. For NORD/LB, the PRB serve as a technical frame of reference, the contents of which we take into account as part of our ESG strategic alignment, our internal frameworks and the further development of relevant processes.

Code of Conduct: NORD/LB's Code of Conduct forms a binding framework for acting with integrity, responsibly and in accordance with the law. It describes basic behavioural requirements for our employees and managers and supports a corporate culture based on integrity, transparency, fairness and mutual respect. In this way, the Code of Conduct helps to anchor ethical principles, compliance requirements and responsible corporate governance in NORD/LB's day-to-day activities.

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 input gained from this as well as about current developments and ESG trends. For us, continuous 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 feedback from investors and how to deal with them.

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 Roundtable for years to discuss the latest developments in the field of sustainability with other participants.

4 ESG with us at NORD/LB

At NORD/LB, we take into account the financing needs of our customers as part of our business strategy. The focus of our financing business is on renewable energies, infrastructure, real estate and agriculture, among others. In these business segments, we offer financing and advisory services that, depending on the project, can also accompany transformation measures. As an internationally active institution for special financing, we develop financing solutions taking into account the requirements of the respective project. Sustainability-related financing is assessed on the basis of the applicable criteria and internal classification processes.

The public service mandate forms part of the institutional framework of the Braunschweigische Landessparkasse (BLSK). Within this framework, it offers financial services, taking into account, among other things, the orientation towards the common good and regional value creation.

4.1 Making ESG activities measurable: Focus on ESG goals

Targets and metrics help us manage the implementation of our ESG strategy, monitor progress against set targets, and detect deviations.

Metrics and targets play a crucial role within our ESG strategic direction for steering, implementing and measuring our activities in relation to ESG factors and activities. In the context of our ESG strategic alignment, goals and metrics are used to quantify and monitor our results and progress towards sustainable targets and to detect deviations. Transparency about our 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: Consideration and analysis of emissions data, including own emissions and financed emissions, as well as the resulting management needs.

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

(3) Market perspective: Need to manage the expansion of the financial contribution from our business activities in accordance with the applicable criteria 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 enable us to objectively measure the progress and results of our activities on the basis of defined key figures and to communicate them transparently. 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

Taking ESG risks into account is part of our risk management and helps us to anticipate potential impacts on our net assets, financial position and results of operations to identify and evaluate our reputation.

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, among other things, within the risk identification process. They are assessed as drivers within the relevant risk types (e.g. counterparty and credit risks) and assessed for their relevance and impact over various time horizons (short, medium and long-term) and included in the materiality assessment of the relevant risk types. Dealing with ESG risks is implemented in our risk strategy. They are also an integral part of regular risk reporting. In addition, climate and nature risk stress tests have been established in the Bank's internal stress test programme. They are used 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 nature risks on the Bank's financial and liquidity positions.

4.3 Environmental - Climate and environmental impacts

Sector-specific decarbonisation pathways

With sector-specific decarbonisation targets, we are pursuing the goal of gradually reducing the financed emission intensities. In doing so, we are guided by reference pathways that are geared towards limiting global warming to 1.5 °C.

We have developed sector-specific decarbonisation pathways **for the emission-intensive sectors of our financing portfolio**. Among other things, reference pathways from the International Energy Agency (*IEA Reference Pathway*) are used as a benchmark. The aim is to be able to monitor and manage developments within the financing portfolio.

Data and methodology[1]

We are continuously improving the accuracy of our emissions data to meet our decarbonisation targets on a more robust data basis.

Data plays a crucial role in the implementation of decarbonisation strategies. The collection of valid data is associated with numerous challenges. Wherever possible, our goal is to use publicly available data to determine targets and measure progress, as it contributes significantly to the data quality and validity of decarbonisation goals. We are constantly working to increase **emissions data accuracy** in cooperation with our business partners. The calculation of financed emissions basically follows the methodology of the **Partnership for Carbon Accounting Financials** (*PCAF).* The emissions 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 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 and annual reports, and for Level 2, we use emissions data from external data providers. If no emissions data from Levels 1 and 2 are 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 generally used. We use estimates for all portfolio positions for which it is not possible to reach Level 1, 2 or 3. In this (Level 4), we estimate the emission intensity per financed EUR (economic emission intensities) obtained from an external data provider. Our goal is to provide an emission 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 NORD/LB's overall relevant financing portfolio. We use this methodology to 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 emissions 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*). In deviation from this, we use the Science **Based Targets Initiative** (*SBTi*) **FLAG** (*Forest Land and Agriculture*) **Guidance for the agricultural sector**. This comparison enables us to continuously monitor and manage decarbonisation in the sectors under consideration. The comparison with reference pathways serves internal analysis and management purposes. This does not imply any statement about the achievement of specific climate targets or full compatibility with the goals of the Paris Agreement of individual financings, products or portfolios.

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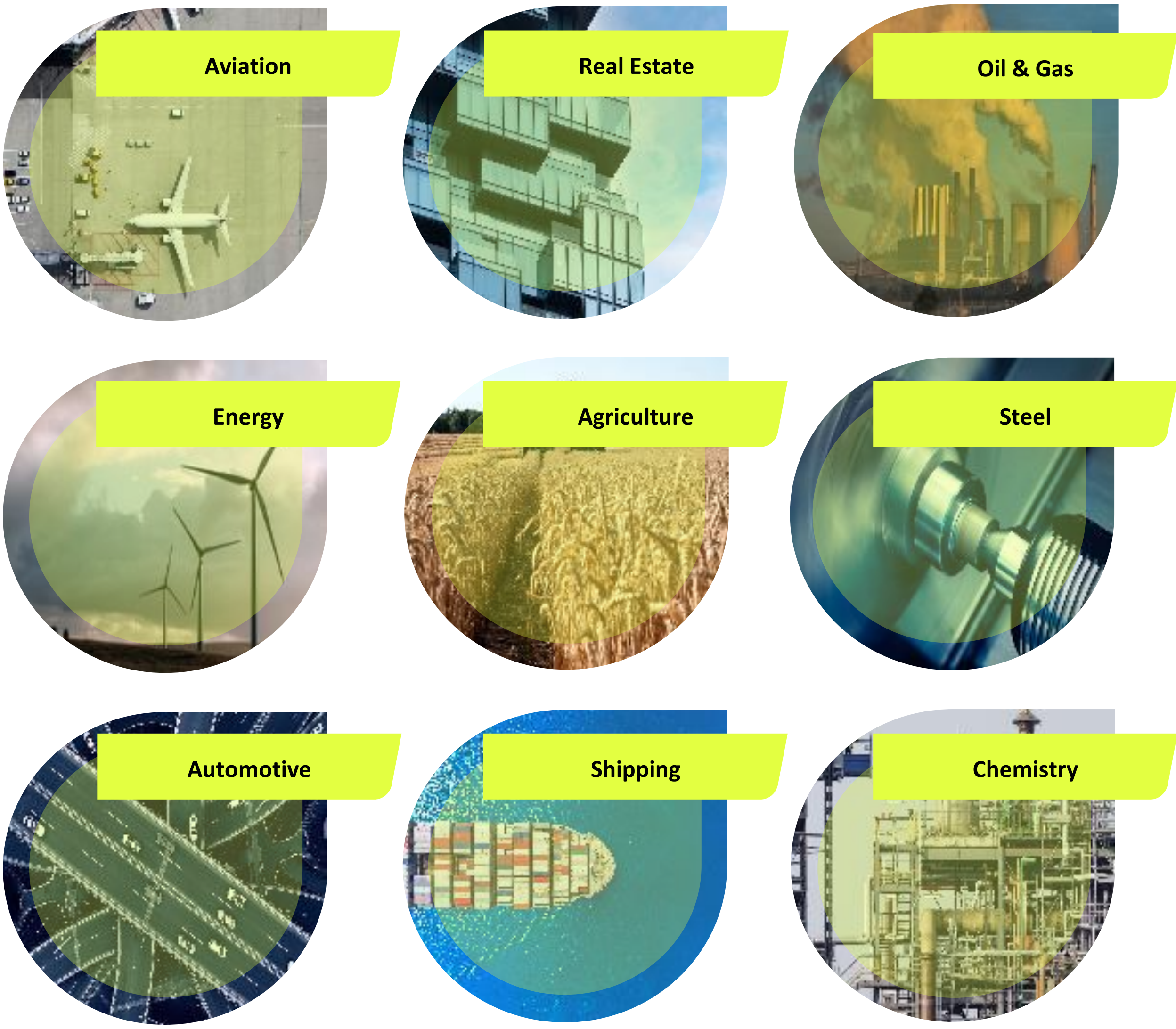
[1] When considering greenhouse gas emissions in this document, it is important to note that the term CO2 does not only include carbon dioxide, but is measured in CO2 equivalents (CO2e). This means that other greenhouse gases such as nitrous oxide (N_2O) and methane (CH4) are also taken into account.

Our relevant sectors with a special focus on decarbonisation management

As part of its decarbonisation activities, NORD/LB takes into account the transformation sectors that are essential for its business model. To this end, sector-specific analyses and reference frameworks are developed and regularly reviewed in order to take appropriate account of current developments in technology, regulation and the market environment.

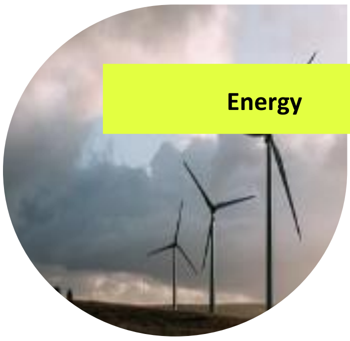
The sectors currently being considered by NORD/LB include:



The reference pathways and decarbonisation targets derived from them for our sectors are reviewed at least annually. The development of the financed portfolios, the underlying assumptions and external influencing factors are taken into account. The paths presented do not represent a forecast of future developments.

Note: The following CO_2 data for the sectors are based on the cut-off date of 31.12.2024. The development of the transition pathways between the target values is a theoretical representation and serves as an illustration only. The physical intensities of the individual customers are exposure-weighted for the average calculation. Data and methodology are internally documented and validated.

Energy (Power)



Energy

42.2
kg CO_2/MWh

Physical Intensities Scope 1

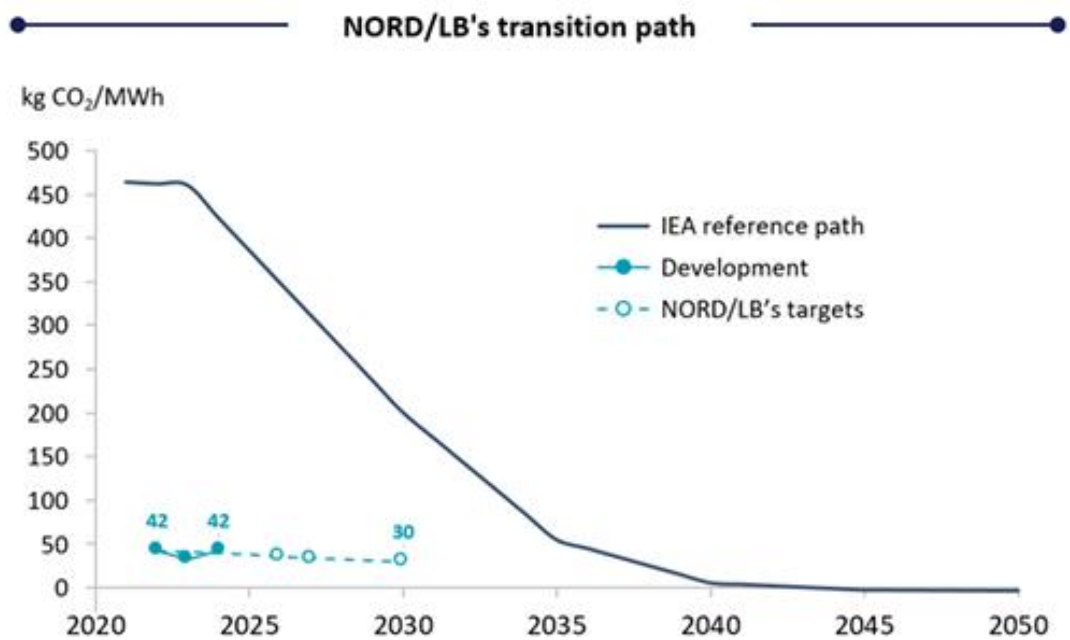
The focus in the Energy (Power) sector is on energy generation as an emissions driver.

Energy Generation & Plants | Energy Distribution | Electricity suppliers

The **Energy (Power) sector** is particularly important for the decarbonisation of the energy system due to the burning of fossil fuels such as coal, oil and gas to generate electricity and heat.

The expansion of renewable energies and the further development of the energy infrastructure are essential elements of this transformation process. Among other things, security of supply, grid and storage capacities as well as the fluctuating availability of wind and solar energy must be taken into account.

NORD/LB has been financing projects in various areas of the energy and infrastructure industry for over 30 years. These include projects in the areas of wind energy, photovoltaics and battery storage. For the Energy sector, it records and monitors the financed emissions based on the physical emission intensity of electricity generation. The calculation refers to electricity generation and is based on the IEA Net Zero Emissions by 2050 reference path. The achievement of the target depends, among other things, on the decarbonisation progress of the financed companies and on the assumptions of the underlying transition scenario. The reference path serves exclusively as a benchmark for comparison and analysis.



Real Estate

Real Estate (Residential)

24.38
kg CO_2/m2

Physical Intensities Scope 1&2

The focus in the residential real estate sector is on owners and tenants

Financing/ Asset Management, Construction Companies → **Owners and tenants** → Maintenance, Recycling & Services

Real Estate (Commercial)

41.54
kg CO_2/m2

Physical Intensities Scope 1&2

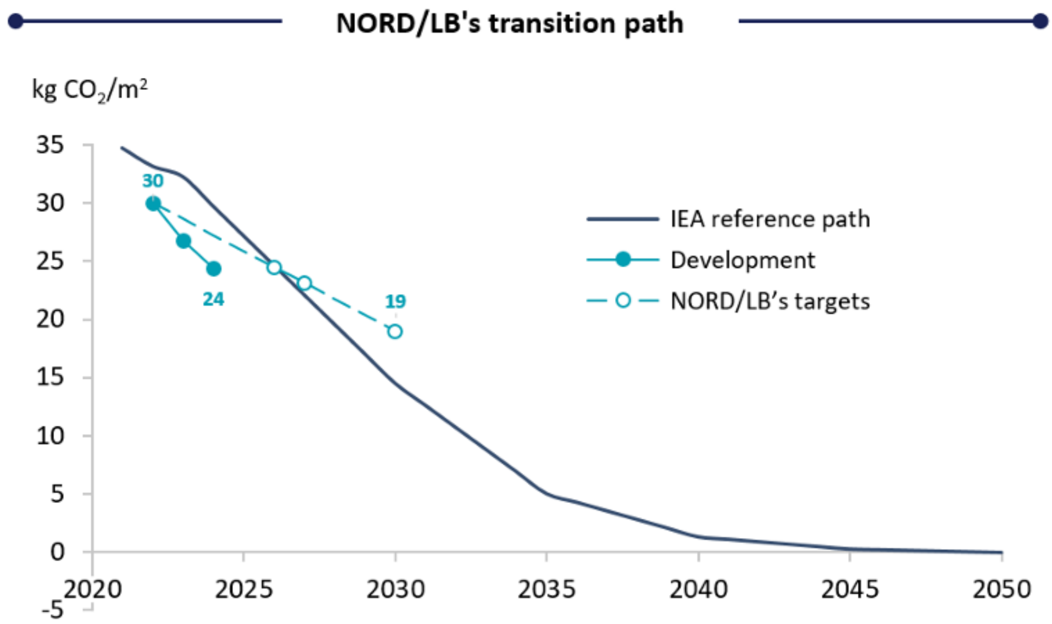
The focus in the sector Commercial real estate is located on Owners & Tenants

Financing/ Asset Management, Construction Companies → **Owners and tenants** → Maintenance, Recycling & Services

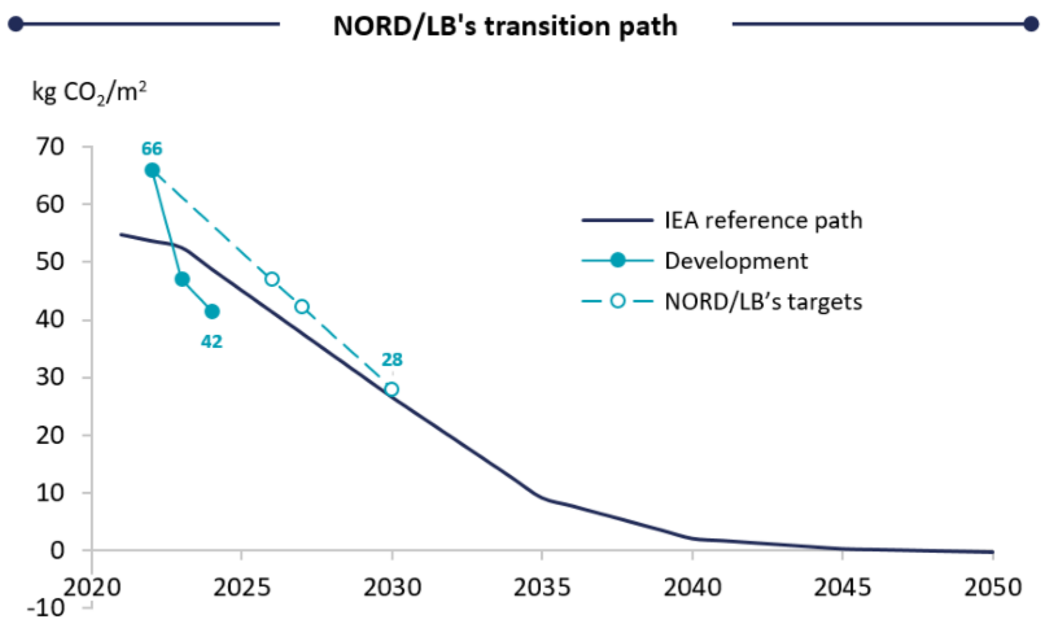
The reduction of greenhouse gas emissions in the **real estate sector** is considered a relevant factor for achieving national and European climate targets. Due to different forms of use, energy consumption and reduction options, we consider residential and commercial properties separately. The long-term energy demand of buildings as well as regulatory and technological developments are key influencing factors.

The real estate sector has a high strategic relevance for our financing business. **Residential real estate** (single-family homes and apartment buildings) and **commercial real estate** (such as office, logistics and production buildings) form two different sub-segments, each with specific challenges and potential for decarbonisation. As part of our sustainability and risk management activities, we analyse selected climate-related key figures of the real estate portfolio. These analyses are used to assess transition and sustainability risks and do not represent a statement about a specific environmental impact of individual financing or the overall portfolio.

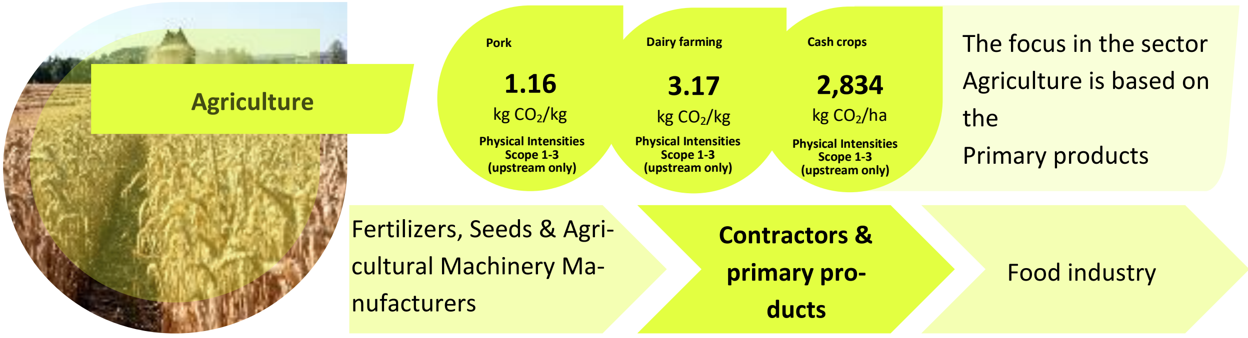
Residential real estate subsector



Commercial real estate subsector



Agriculture



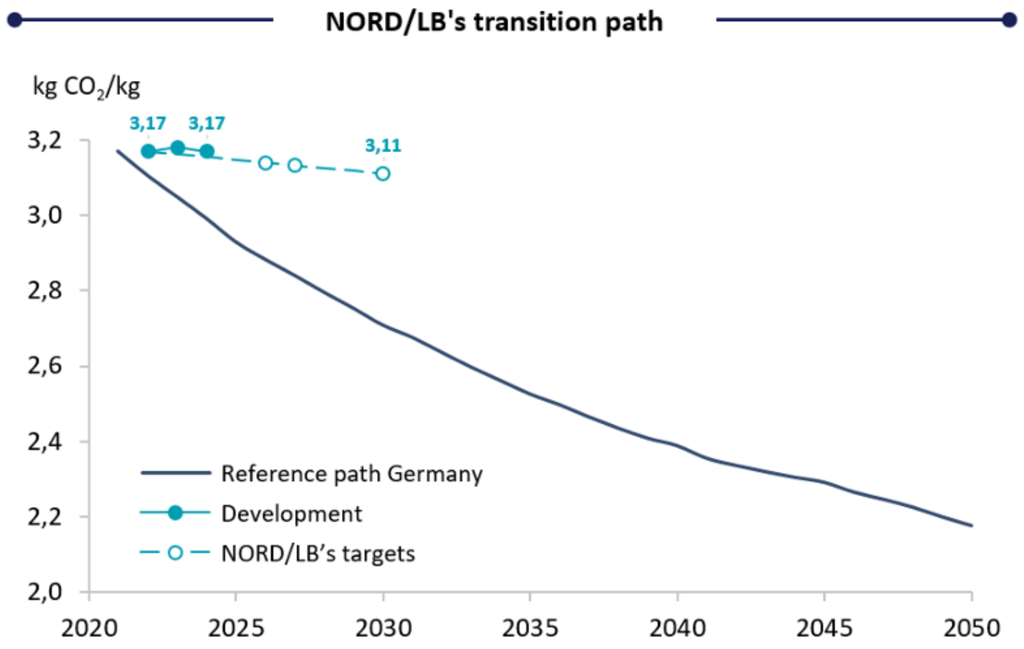
Agriculture causes greenhouse gas emissions, among other things, through methane emissions from animal husbandry and nitrous oxide emissions from fertilisation. Some of these emissions are caused by biological processes, such as the digestion of ruminants or microbial processes in soils and cannot be completely avoided as things stand today. Reducing the emission intensity of the agricultural sector is therefore part of NORD/LB's climate strategy consideration. The agricultural sector is also of great importance to NORD/LB's business strategy. As part of its financing activities, the Bank supports customers in the further development of agricultural production and business models. A specific reduction in emissions depends on the respective operational measures, the available data basis and other external influencing factors. The actual development of operational emissions depends on the respective measures taken by the farms and other external factors.

Our financing activities are mainly focused on primary producers (i.e. farms) and, to a lesser extent, on upstream (e.g. fertilizer producers) and downstream (e.g. food industry).

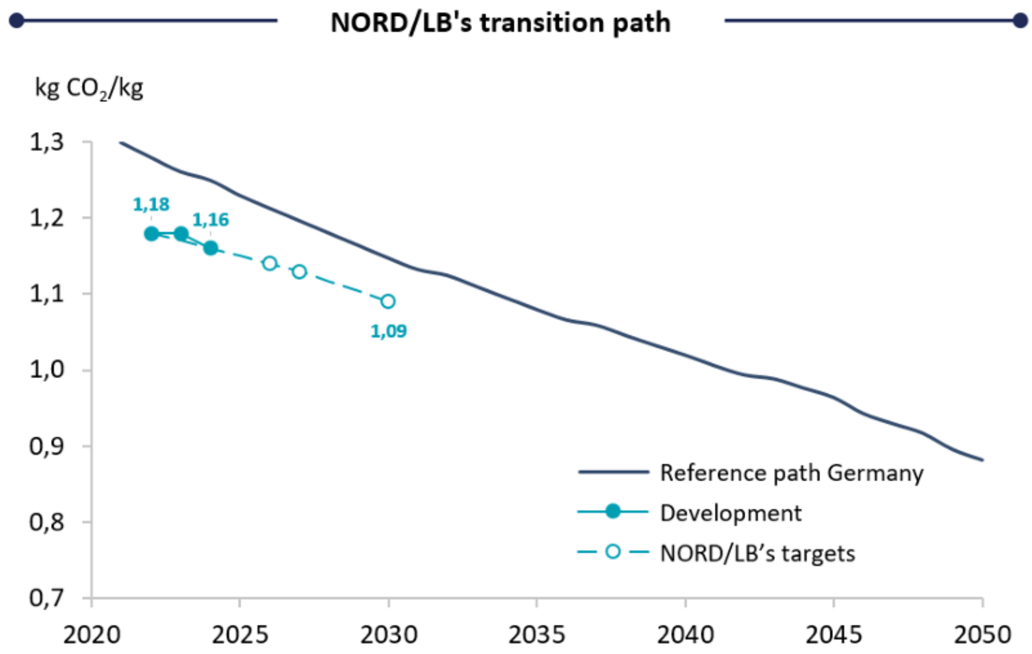
When looking at the financed agricultural portfolio, the focus is on the areas **of dairy farming, pork and cash crops**. For these areas, physical emission intensities are used as control variables. The significance of the key figures depends on the availability and quality of farm and commodity-specific data. If no suitable primary data are available, emissions are estimated using models and sector- and region-specific averages.

For the dairy industry, initial farm data and information on potentially emission-reducing measures are available. In the areas of pork and cash crop production, the availability of comparable farm information has so far been limited. In order to further develop the data basis, methods are to be developed with which farm values can be compared with industry averages and changes over time can be traced. In addition, NORD/LB is participating in approaches for the more uniform determination of individual greenhouse gas emissions at the level of the commodities under consideration.

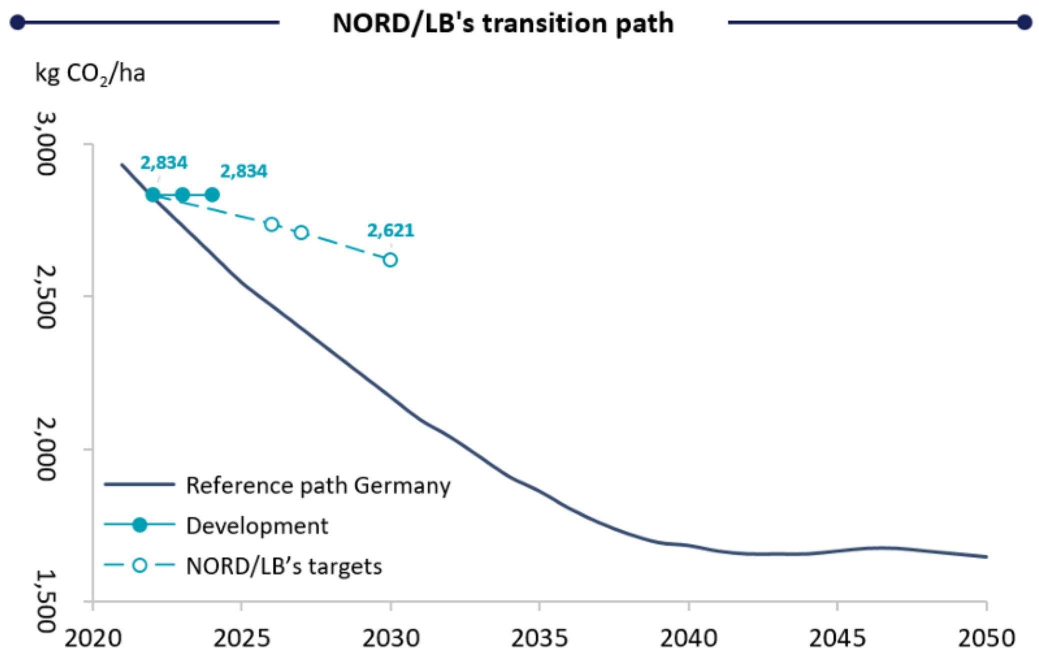
Pork



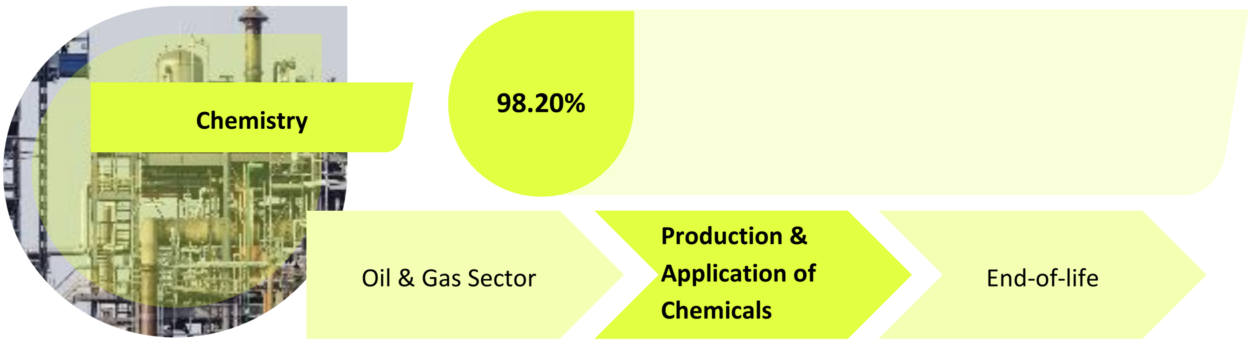
Dairy farming



Cash crops



Chemistry



The chemical industry is essential for modern areas of life such as health, agriculture and construction.

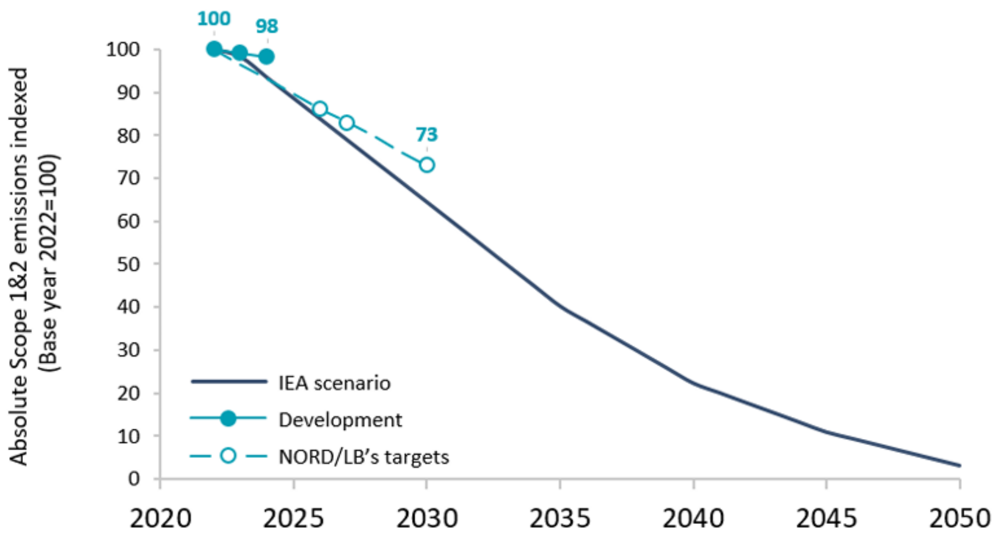
At the same time, the sector is energy- and emissions-intensive. Against this background, comprehensible decarbonisation strategies are relevant for dealing with climate-related transition risks and for the long-term competitiveness of companies.

The **chemical sector** is characterised by the diversity of chemicals produced, and our portfolio is correspondingly heterogeneous in terms of products produced, which reflects the complexity of the sector. The control metric compares the development of the weighted absolute portfolio emissions of selected customers with a defined sectoral reference path. The metric is used exclusively to measure deviations from this reference path and does not represent a statement as to whether individual customers or the entire portfolio actually comply with the goals of the Paris Climate Agreement.

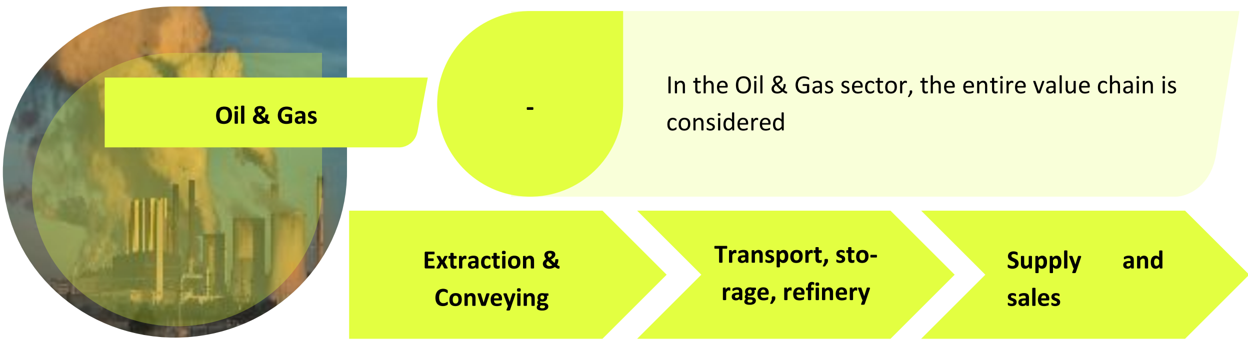
When doing business with companies in the chemical sector, we take particular account of whether comprehensible transformation or decarbonisation strategies are in place. In doing so, we generally expect a comprehensible alignment with recognised climate goals, such as the goals of the Paris Climate Agreement. The consideration of such strategies is one of several factors in risk assessment. 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 diversity of products illustrates the complexity of the sector.

NORD/LB's transition path



Oil & Gas



The transformation of the **oil and gas sector** is important for achieving global climate targets. The development and extraction of fossil fuels is associated with significant greenhouse gas emissions and climate-related transition risks. Scenario-based reference pathways describe possible development paths to achieve specific climate targets, but are not to be understood as forecasts.

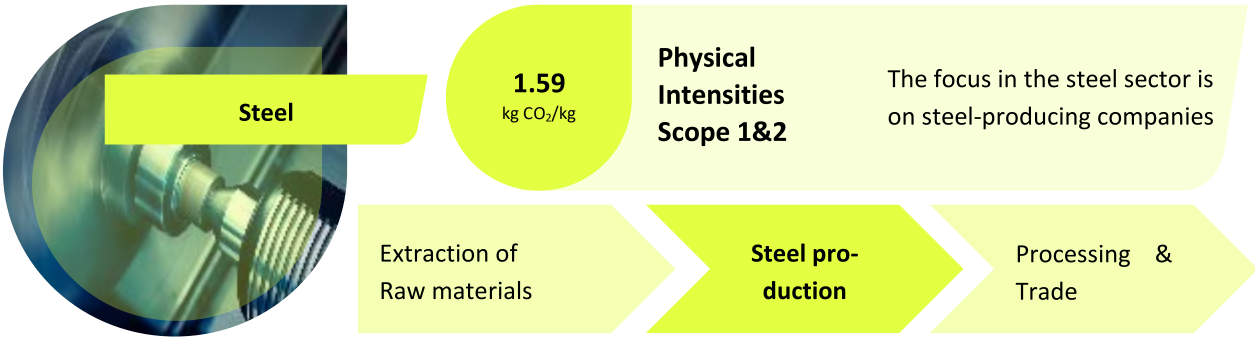
In the Oil & Gas Sector, NORD/LB considers the entire value chain. New business and existing exposures are assessed on the basis of the criteria set out in the ESG sector strategy and the transformation guidelines. Financing from the oil and gas sector currently accounts for around 1% of our total financing portfolio.

ESG exclusion criteria for upstream activities (and thus an exclusion of activities for the development, exploration and production of conventional and unconventional oil and gas deposits) were defined.

With regard to natural gas in particular, business relationships can be examined on a case-by-case basis, provided that they do not relate to the development, exploration or production of gas deposits and contribute to security of supply or the conversion of existing infrastructures in accordance with the criteria set out in the sector strategy.

The sector strategy defines the criteria for assessing new business in the oil & gas sector. Opportunities related to alternative energy sources and the conversion of existing infrastructures can be taken into account.

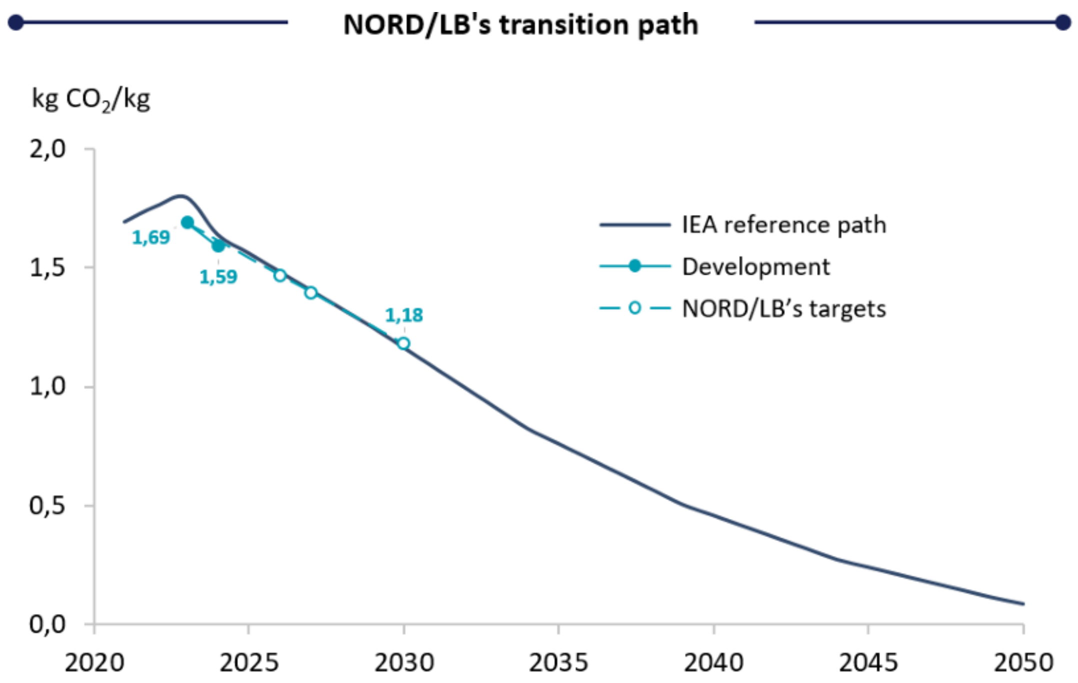
Steel



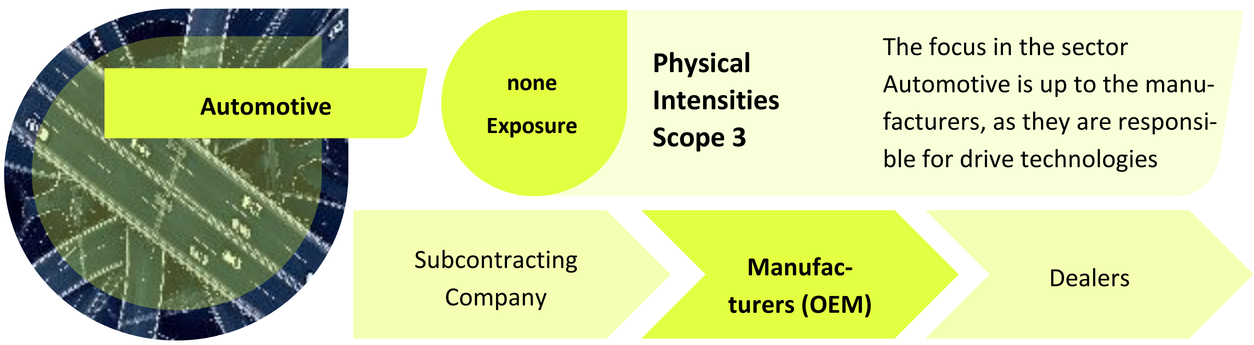
The **steel sector** is one of the most emission-intensive industrial sectors. Due to its high emissions profile, the sector is taken into account in the analysis of climate-related risks and transformation developments within the financing portfolio. At the same time, steel forms an important basis for various industrial value chains. The transformation of steel production is therefore important from both an emissions and transition risk perspective.

Reducing greenhouse gas-related emissions in the steel sector requires long-term investments in technological transitions, e.g. from the coal-based blast furnace route to direct reduction processes (arc route). Which technology actually contributes to reducing emissions depends in particular on the energy used, the fuels and the project-specific framework conditions.

When doing business with companies in the steel sector, we pay particular attention to whether comprehensible transformation or decarbonisation strategies are in place. In doing so, we generally expect a comprehensible alignment with recognised climate targets, such as the goals of the Paris Climate Agreement. The consideration of such strategies is one of several factors in risk assessment. The exact regulation can be found in the currently valid version of our Transformation Guidelines.



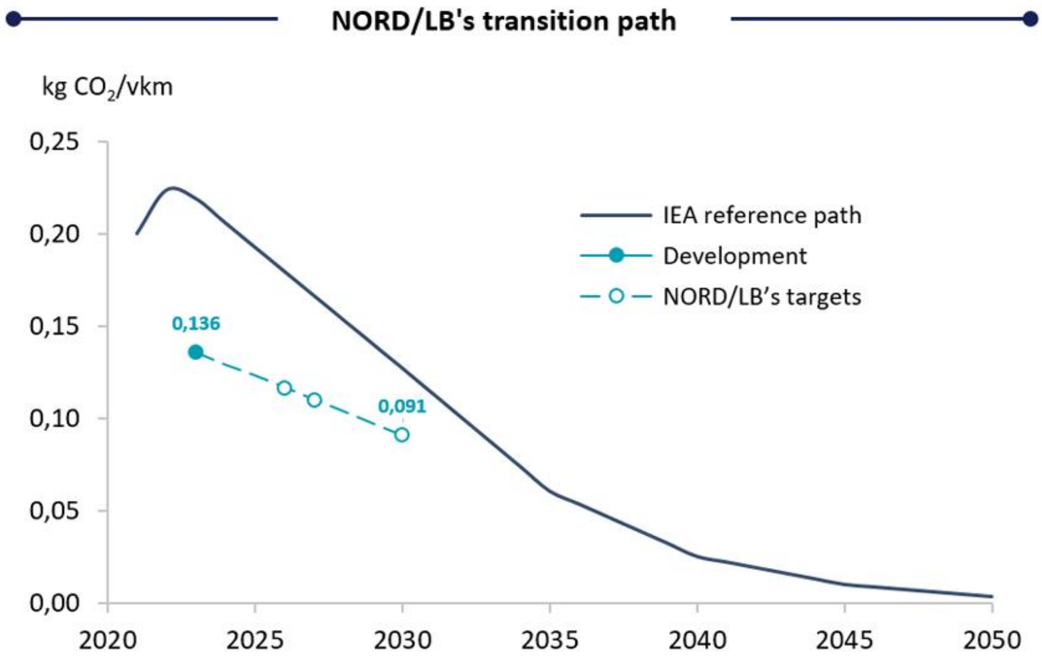
Automotive



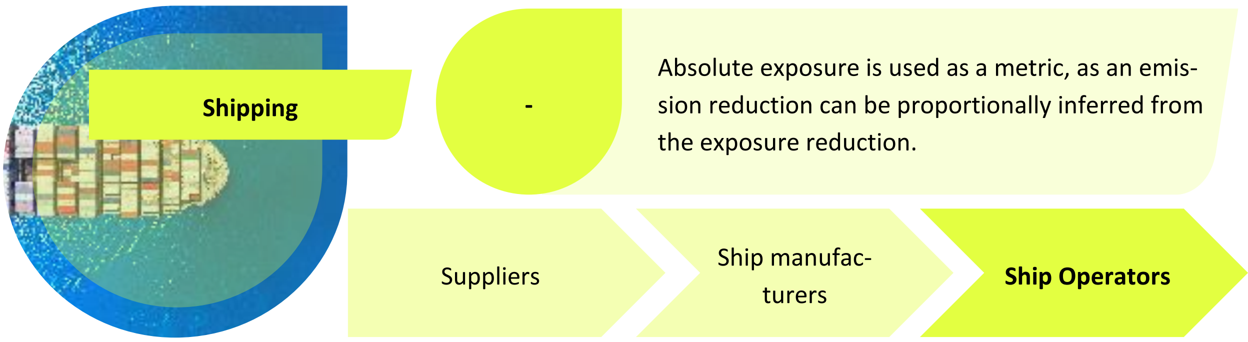
The transport sector is responsible for a significant proportion of CO_2 emissions. The net zero transformation of the automotive sector is therefore important for achieving the climate targets. It is both a building block of the transformation and itself affected by the transformation. As part of NORD/LB's ESG sector strategies, only the automotive manufacturers (OEMs) are considered in accordance with PACTA. As of 31.12.2024, no exposure has been identified.

Due to the lack of relevant exposure, no sector-specific targets or emission developments can be reported for the 2024 reporting year. The sector-specific decarbonisation target that has already been defined remains in place. However, operational measurement and assessment of progress will only be possible once a corresponding exposure is available in the future.

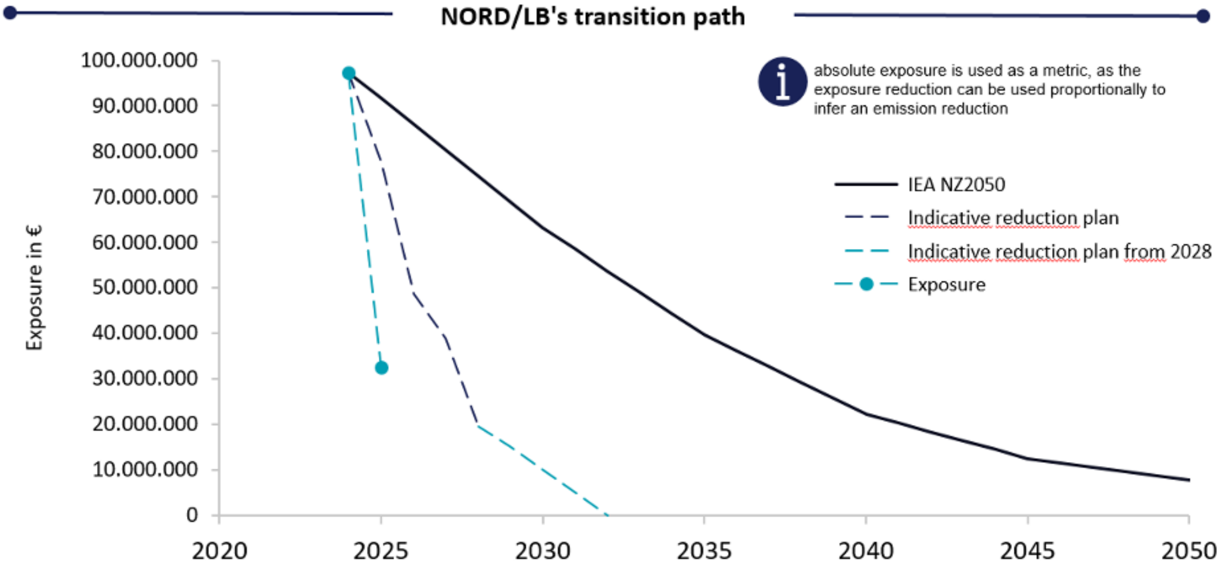
When doing business with OEMs, we take particular account of whether comprehensible transformation or decarbonization strategies are in place. In doing so, we generally expect a comprehensible alignment with recognized climate goals, such as the goals of the Paris Climate Agreement. The consideration of such strategies is one of several factors in the risk assessment. The exact regulation can be found in the currently valid version of our Transformation Guidelines.



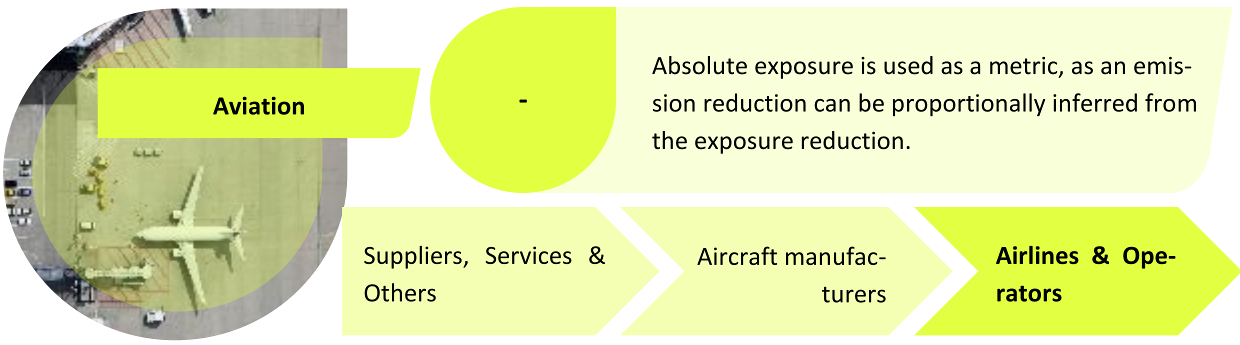
Shipping



Shipping, as part of global trade, is responsible for a significant proportion of global emissions. In 2019, NORD/LB decided to gradually reduce its shipping financing portfolio and has already implemented this to a large extent. Based on the methodology used for the portfolio to determine financed emissions, the reduction in exposures leads to a corresponding reduction in the financed emissions allocated to the portfolio. The reductions shown therefore refer to the financed emissions of the portfolio and not to the actual emissions of the global shipping sector. 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 development of exposures is used as a control parameter. This results in the use of exposure/investment reduction as a metric instead of a CO_2 metric. A reference path was derived from the absolute emissions in maritime transport of the IEA scenario.

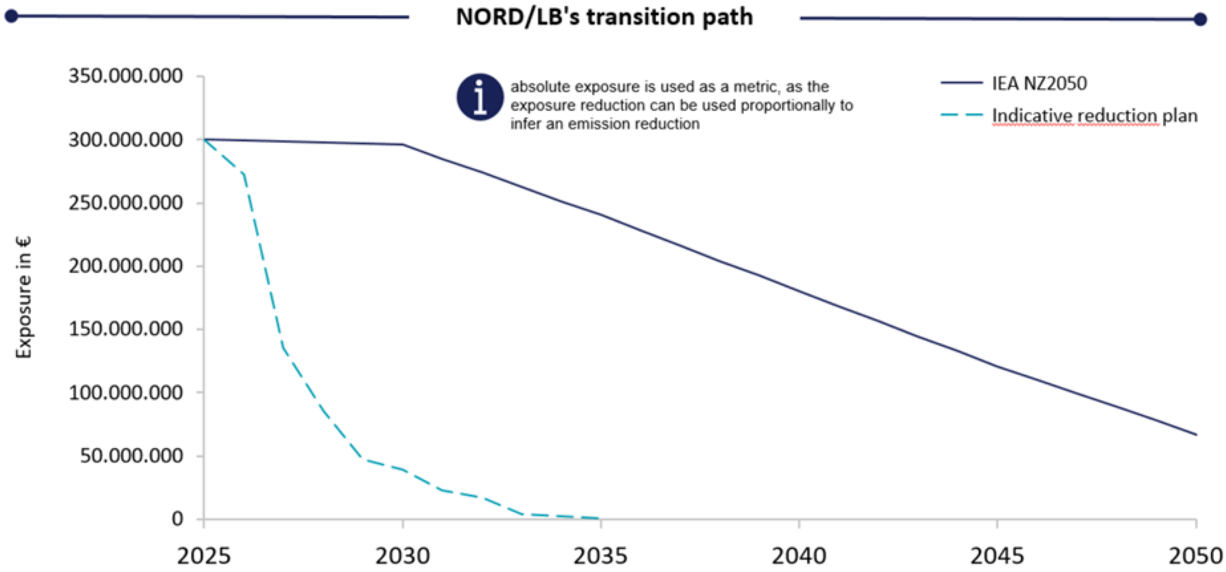


Aviation



As part of a strategic review, we decided to withdraw completely from the aircraft financing business in 2024. New business activities in this segment have been discontinued. As long as the complete portfolio wind-down is not yet completed, the Aviation Sector will continue to be included in our climate risk management and emissions-related portfolio analyses. Aviation is one of the emission-intensive economic sectors and is therefore regularly considered in scientific and regulatory decarbonisation scenarios.

The management metric in **the Aviation Sector** was changed to targeted portfolio reduction in the 2025 financial year. This means that the focus is now on the controlled reduction of exposure. The previously used key figure of physical emission intensity (g CO_2/pkm) is no longer used to manage the sector. The previous targets, which were previously based on this basis, will therefore not be continued and will be replaced by the management of portfolio reduction.



Sustainability starts with us: How NORD/LB reduces its CO_2 emissions in its own operations

We are also implementing measures in our own banking operations to continuously reduce our Scope 1 and Scope 2 emissions.

As a financial services provider, in the context of decarbonisation, we deal with the CO_2 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 compared to the financed emissions, at less than 1%, 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**.

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

- **Scope 1** records direct CO_2 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 CO_2 emissions generated by the bank's suppliers or service providers when generating energy purchased as electricity or district heating, for example.
- **Scope 3** includes all other CO_2 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.

We are continuously working to reduce our CO_2 emissions in banking operations and to optimize our internal processes. We are already implementing numerous measures: For example, we obtain 92% of our electricity from renewable energies (as of 31.12.2025) and are continuously working to reduce our consumption and overall energy requirements. Our approach to reducing CO_2 emissions in our own business operations is largely based on our real estate strategy.

In our Car Policy, we have also stipulated that the company car fleet will be completely converted to all-electric vehicles by 2027. Implementation is already well advanced. The share of all-electric vehicles was

83.7% as of 31.12.2025. This measure is intended to reduce greenhouse gas emissions directly attributable to the vehicle fleet.

Our travel policy is to take public transport into account when selecting suitable travel options. The increased use of lower-emission means of transport, especially public transport, can further reduce the bank's own carbon footprint.

Focus on biodiversity

Biodiversity is embedded as a strategic field of action in our ESG strategy. Currently NORD/LB take biodiversity-related risks into account, especially in risk management and develop our approaches to integrating biodiversity aspects into financing and management processes.

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 expanded this analysis in 2024 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 CSRD reporting. We have identified biodiversity as a material topic as part of the double materiality analysis according to CSRD and will therefore also deal with it in depth independently of CSRD reporting and anchor it in our ESG strategic alignment. In doing so, it is important to us not only to consider 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 companies in taking biodiversity aspects into account in the transformation process.

To this end, we will review 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 vis-à-vis our business partners. Possibilities for greater consideration of biodiversity aspects in financing decisions can be designed in a variety of ways: Exclusion criteria or guidelines for financing are potential first steps to proactively consider biodiversity aspects.

Consideration of biodiversity aspects in transformation processes

At NORD/LB, we understand biodiversity-positive transformation to be a holistic process of change in which economic activities are not only aimed at minimising negative impacts on species, genes and ecosystems, but in which economic activities can take greater account of biodiversity aspects in the future. In the future, we are examining how biodiversity aspects can be taken into account more strongly in selected financing, investment and advisory processes. The prerequisites for this are suitable criteria, reliable data and methods as well as clearly defined responsibilities. This does not currently provide a statement about concrete positive biodiversity effects.

Biodiversity use cases in the context of lending

We examine the development of possible biodiversity use cases in the context of lending together with our clients. The subject of such assessments may be additional project-related measures related to biodiversity. Whether and to what extent this can result in positive biodiversity effects must be assessed on a case-by-case basis on the basis of suitable criteria, data and evidence.

Integration into NORD/LB's ESG governance

The topic of biodiversity will be integrated as an integral part of NORD/LB's ESG governance. The aim is to systematically include biodiversity aspects in relevant decision-making and management processes in the future and to integrate them in NORD/LB's comprehensive sustainability organisation.
Clearly defined and transparent control and governance structures are intended to ensure that biodiversity is taken into account on an equal footing with climate and other sustainability issues. In this way, we are creating the basis for a long-term effective integration of the topic into our ESG and business strategy.

4.4 Social commitment and human rights-related measures of NORD/LB

We take social aspects into account through binding principles and measures, in particular on human rights, working conditions, diversity, equal opportunities and social commitment.

Respect **for human rights** is an integral part of our corporate policy. We are guided by the guiding principles "Protect, Respect and Remedy", the ten principles of the UN Global Compact on human rights, labour standards, environmental protection and anti-corruption, the OECD Guidelines for Multinational Entrepreneurs, the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards. These standards are taken into account in internal guidelines for dealing with human rights, with the aim of identifying and assessing risks at an early stage and implementing appropriate prevention and remedial measures.

To achieve these goals, we have implemented measures both in our business unit 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-related requirements are taken into account in various internal regulations, including the Code of Conduct, the Diversity Policy and the Declaration of Principles on Human Rights[2] . The Code of Conduct contains binding standards of conduct on integrity, compliance and corruption prevention and supports employees in making decisions in accordance with the rules.

In the future, we will continue to work consistently on the implementation and further development of these measures in order to further develop our measures in accordance with the applicable requirements and internal regulations.

[2] Declaration of principles in accordance with the requirements of the Supply Chain Due Diligence Act

Occupational 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 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 the preservation and communication of 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 socially disadvantaged people. We also provide financial support, for example, for the work of institutions where abused children are admitted and treated, for daycare centers in socially deprived areas or learning and educational projects for disadvantaged children and young people, including at schools in socially challenging locations. In addition, we do not grant gifts to our business partners during the Christmas season, but we donate these funds 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 regional social projects and initiatives and also promotes volunteering. In this way, we support civic engagement and strengthen 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 support local social commitment. In the area 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 aimed in particular at disadvantaged children and young people, for whom we support educational projects and 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, we also support selected projects in the field of environmental protection and nature conservation. In addition, we support individual research and educational projects in the field of environmental protection and nature conservation. These include, for example, school projects to promote biodiversity knowledge and selected initiatives by external organizations to reduce local environmental pollution.

The voluntary commitment of our employees is particularly important to us. We support charitable organisations through regular employee campaigns. Since 2023, teams across the bank have been participating in the NORD/LB Social Day and are involved in various social and environmental projects.

Donations and Grants

As a bank, we support selected **local and regional projects** through donations and sponsorship. A fixed budget is created annually for this purpose, which is used for various projects within the framework of our funding guidelines. In 2024, we worked together with the association Serve the City Hannover e.V., among others, and participated in a wish tree campaign for Christmas.[3]

We also promote art and culture. In 2012, a cultural foundation was established to support cultural projects in the federal states of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania.

Our employees make the difference

Our human resources strategy sets the framework for measures to attract, retain and Further development of our employees and to promote their skills and efficiency.

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 togetherness. 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. To this end, we rely on systematic **learning management** and needs-based learning opportunities. We promote talents in order to retain them and ensure targeted succession planning.

We are diversity

As an employer, we pursue the goal of promoting equal opportunities and counteracting discrimination. Our measures are based on the principles of the Diversity Charter, the Principles for Responsible Banking, the General Equal Treatment Act and internal guidelines, among others.

Our diversity management is based on three pillars: visibility, qualification and establishment in the organization. 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 topics such as gender diversity, age diversity, diversity of sexual identity, social background, migration histories and nationality,

[3] The information describes NORD/LB's social commitment at company level; it does not make any statement about the social or ecological impact of individual products or services.

physical and mental abilities, as well as religion and ideology. We want to give our employees the opportunity to develop further and actively contribute to the further development of our corporate culture and our working environment.

NORD/LB's queer network **BUNT/LB** has established itself internally and externally. Here, our employees are offered a platform for exchange, networking and joint actions. The aim is to create a protected framework for exchange and networking. The activities include both internal meetings and the locally founded network #gemeinsambunt with various companies.[4]

In addition to the legally required representation of 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 abilities is to be further expanded in the coming years. We actively organize the Day of the Elderly and Younger People and thus promote intergenerational exchange. With events and reverse mentoring approaches, we want to support the exchange between different generations and create opportunities for mutual learning. By expanding internal and external keynote speeches, we want to strengthen the visibility and understanding of diversity.

One focus of our measures is the promotion of women in management positions and the analysis and reduction of possible gender-related pay gaps.

In addition, a newly founded working team held information and exchange formats this year as part of our "*Weeks against Racism*" and the "*Intercultural Week*" and addressed the importance of a discrimination-free working environment.

With our networks, qualification offers and event formats, we implement measures in various diversity dimensions and continuously develop our diversity activities.

Health as part of the company's success

The **health of our employees is an important concern for us**. Occupational health management (CHM) aims to strengthen and maintain the ability of our workforce to work and perform. In this way, we support our employees in using their own resources responsibly.

We offer our employees additional consulting services in the field of health and safety beyond the legal requirements. Our company medical service advises on the ergonomic design of workplaces and makes recommendations for preventive measures against posture and vision disorders. When procuring furniture and IT equipment, we take ergonomic requirements into account.

For work-related or psychosocial problems, we provide all employees with a neutral, external counselling centre that supports both employees and managers. We have continuously developed and consolidated our preventive and individual health promotion services. These services include annual flu vaccinations, relaxation lunch breaks, health seminars, including through 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.

[4] A list of the participating companies can be found here: www.gemeinsambunt.de

We support our managers in their role by offering specific seminars. In addition, our company health management provides information materials on important topics such as addiction prevention, dealing with employees with mental health problems and occupational integration management. In addition, we offer mobility support such as bicycle leasing and employee conditions for local public transport. Our employees also benefit from subsidised meals.

ESG Academy – Training on sustainability and ESG topics

At NORD/LB, we are pursuing the goal of systematically training knowledge on the topic of sustainability with the internal ESG Academy. This is also reflected in our training courses for various interest groups. The selected content of the training concept is based on regulatory requirements, in particular from the EU Taxonomy, the EBA Guidelines and information on greenwashing and ESG risks.

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 bank's bodies (supervisory board, management 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 courses are constantly validated and adapted to regulatory requirements.

4.5 Governance – organisational framework for managing ESG issues

Our governance arrangements create a framework for integrity and transparency as well as for the integration of relevant ESG aspects into strategic and business decision-making processes

At NORD/LB, we understand governance to mean **proper corporate governance** on the basis of legal requirements as well as supplementary guidelines and control mechanisms. In doing so, we are guided in particular by the principles of **integrity and transparency**.

ESG in our organisation

The overall responsibility for implementing ESG in NORD/LB lies with the Managing Board, 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 for us as a bank in the 2023 financial year due to the increasing relevance of ESG issues. These units bundle the specialist ESG expertise and play a strategic and driving role in integrating ESG aspects into our processes and decision-making processes. In addition, they coordinate and analyse the requirements of our stakeholders.

In order to support our clients with relevant ESG-related issues, employees in the market areas are regularly trained and take ESG-relevant aspects into account according to their respective roles and responsibilities. The training courses also include requirements for transparent and comprehensible ESG communication.

ESG in our board structure

Our bodies are integrated into the ESG governance model **in accordance with their respective responsibilities**. The Supervisory Board acts as an overarching supervisory body, monitors the implementation of ESG issues in the bank and integrates them into the performance review of the Managing Board. In order to be able to fulfil this role appropriately, we are constantly expanding our training courses for our committees 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's task is to coordinate and promote networking and exchange 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 classification of financing within the Green Funding Framework of NORD/LB (GFF) and decides on the inclusion of new asset classes in this framework. In its regular meetings, which take place at least once a year, the GAC reviews the relevant standards and regulatory requirements in order to adjust the criteria if necessary.

ESG in our corporate strategy

Our **ESG strategy, as the overarching guiding principle** for ESG topics, is embedded in the business strategy as an independent functional strategy and is regularly validated, further developed and submitted to the relevant committees for approval as part of our annual strategy process. 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

In the further development of our corporate culture, we are guided by motivation, team spirit, personal responsibility and willingness to change. Trust, cooperation and the development of new ideas complement this orientation.

The corporate culture provides orientation for cooperation, leadership and dealing with each other. Their further development is anchored in the HR strategy in the main topic of "Culture & Change". Among other things, it is intended to support an appreciative and diverse work culture as well as the recruitment, development and retention of employees.

Following the completion of the NORD/LB 2024 transformation programme, the further development of the corporate culture was continued. Since 2024, around 50 employees from different areas, hierarchical levels and age groups have been working on it. The culture offensive focuses on the three fields of action: performance, execution and entrepreneurship/innovation.

Performance is about motivation, collaboration and the recognition of shared successes.

Execution focuses on implementation, personal responsibility, decision-making skills and a constructive approach to errors.

Entrepreneurship/innovation supports entrepreneurial thinking as well as the development and testing of new ideas.

In addition, topics such as customer orientation, appreciative cooperation, diversity, open communication and a constructive approach to different points of view are addressed. These aspects describe the desired cultural orientation and are further developed in the context of cultural work. Cooperation and leadership principles as well as the Code of Conduct form further orientation and behavioral frameworks for this. The personnel strategy, diversity management and corresponding development measures support implementation in the organisation

Anti-greenwashing

We see the **prevention of greenwashing** as a bank-wide task that extends to various areas of the Bank and makes all employees responsible for proactively preventing possible greenwashing allegations and the associated risks as part of their activities.

One of the prerequisites for successful prevention is bank-wide awareness-raising, 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. Appropriate reporting channels have been established within the bank for potential irregularities or suspicions in connection with greenwashing.

5 Outlook on new activities

We continue to take **sustainability aspects** into account **as part of our business model** and support financing in selected segments that are compatible with our business strategy. In recent years, we have implemented financing that has been classified as eligible according to the criteria of our Green Funding Framework. These include, in particular, Green Pfandbriefe, whose underlying cover values specifically include financing for energy-efficient buildings. With the most recent benchmark issue of €1 billion at the beginning of 2025 and a previous issue of €500 million in 2024, our funding base in the area of sustainable real estate financing and renewable energies has been expanded. The Green Funding Framework provides for a clear differentiation here: While green covered bonds are secured by real estate and finance energy-efficient buildings, among other things, unsecured green bonds are used for a broader range of sustainable assets, especially in the renewable energy sector. Building on a 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 serves to stabilise the power grids.

We accompany the transformation of the economy with future-oriented financing.

Another example is the support for the financing of new trams for a large municipal transport company. On this basis, we are looking ahead. Potential business activities lie in particular in the further financing of projects in the areas of renewable energies, the financing of storage solutions and the developing hydrogen economy. In addition, we are examining options in future industries such as hydrogen and circular economy as well as municipal infrastructures. The building sector also remains a relevant business area for us with regard to energy efficiency and resource conservation. This includes financing that meets certain energy efficiency characteristics according to the criteria of our Green Funding Framework.