

NORD/LB Diversity Policy

Preamble

In the context of global ecological, social and economic transformation, diversity is vital for sustained and value-driven corporate governance. Essential aspects for the implementation of diversity, inclusion and equality include among others the creation of transparency, the consideration of specific needs of generations Y and Z, the growing number of older employees and the requirements of mobile working and work-life balance.

NORD/LB's aim is to actively contribute to a more sustainable future and to support its customers throughout the transformation process. Successful sustainability practices for the benefit of people, the environment and the economy require an underlying attitude of respect and a broad definition of inclusivity and diversity. NORD/LB sees the various dimensions of diversity as a source of innovation and creativity that exert significant influence on the bank's competitiveness and future viability.

The purpose of this diversity policy is a transparent presentation of the foundations, objectives and measures to promote and implement diversity throughout the bank.

Basic principles

The supervisory board and managing board of NORD/LB explicitly commit to diversity and equality in a non-discriminatory environment. This includes a holistic approach covering the business relationships and supply chains as well as the provision of an inclusive working environment where employees feel valued, accepted and supported.

In addition to explicitly recognising international standards such as the Charta der Vielfalt (signed in 2013) or the Principles for Responsible Banking (signed in 2020), legislation (such as the General Act on Equal Treatment), regulatory requirements (in particular the EBA Guidelines on the assessment of the suitability of members of the management body and key function holders) as well as internal guidelines such as the Code of Conduct are adopted as the guiding principles for NORD/LB's diversity management.

Objectives and measures

NORD/LB pursues a comprehensive, inclusive approach to ensure and promote a fair and unprejudiced treatment of its workforce while actively managing differences, cultural backgrounds and practical experiences for the company's success. The diversity of its workforce is an essential part of the bank's corporate identity.

For that reason, NORD/LB is committed to gender equality and to offering a working environment where everyone is valued and supported, regardless of gender and gender identity, age, sexual orientation, ethnic origin and nationality, physical and mental abilities, religion and ideology or social background.

Measures to achieve the diversity objectives cover the aspects of visibility, qualification and establishment within the organisation.

Visibility

To establish and expand the economic, social and societal objectives throughout the company, a bank-wide employee network called the Community of Diversity is initiating activities and measures to promote awareness, information and visibility of diversity throughout the workforce. Among other activities, this includes workshops or information events to promote a better understanding of diversity and identify activities to implement diversity management.

Qualification

In addition to raising awareness among all employees, providing the necessary qualifications – in particular to senior managers – is essential to establishing a respectful and inclusive attitude and to achieving the bank's diversity objectives. The issue is an integral part of executive development in order to support senior managers in their executive duties and in acting as role models and examples to promote diversity.

Establishment throughout the organisation

Processes and tools are continuously developed to ensure working conditions that are aligned with employees' needs while also helping to achieve the diversity management objectives. For the purposes of reconciling the demands of work and private life, flexible work models, lifetime work accounts or mobile working are integral aspects of shaping the working environment at NORD/LB.

To attract and support employees and junior employees at all levels, a bank-wide transparent organisational hierarchy and definition of remuneration and personal development aspects creates the foundation for individual development and targeted succession planning. Recruitment and hiring procedures are designed to be gender-neutral and are supplemented by targeted analyses and activities to promote the under-represented gender in senior, executive and prominent positions.

NORD/LB's remuneration system applies regardless of gender identity and includes equitable, transparent calculation bases and procedures as well as clearly defined remuneration components. Performance appraisals take place with a focus on the function performed rather than the person. Variable remuneration is granted on the basis of performance achieved. With regard to gender-specific development of remuneration structures, the bank carries out regular evaluations to formulate measures and achieve balanced salary levels for all genders.

Due to enhanced regulatory requirements, a detailed disclosure of NORD/LB's remuneration is provided in a separate remuneration report. Further details on implementing NORD/LB's diversity management are published annually as part of the bank's sustainability reporting.

Promoting diversity in the management body

At the level of management body, a great variety of experiences, perspectives and competencies help to promote innovation and creativity, independence of opinions as well as effective risk control for the direction and governance of the company. They also help to better anticipate the interests of an equally diverse customer base. For employees, a diverse management body underlines the commitment to equality without prejudice or discrimination.

In accordance with its corporate strategies and statutes, NORD/LB aims to achieve a balanced staffing of the management body, taking into account aspects such as gender, age, corporate experience in the relevant fields as well as education and professional background.

Objectives relating to the diversity of educational and professional backgrounds are based on regulatory requirements for the individual and collective suitability of the management body. In regards to geographic origin, these also include requirements for familiarity with the business sectors and markets NORD/LB operates in.

Gender diversity

To ensure an appropriate proportion of the underrepresented gender in the management body, the supervisory board stipulates the following targets and measures to achieve this objective for both the supervisory and the managing board.

For the supervisory board, the target is a quota of 30% as from 1 January 2024.

The rules set out in NORD/LB's statutes affect the scope for achieving these targets. In accordance with the statutes, three members of the supervisory board hold their positions due to their roles as members of the federal state government and the Savings Banks Association. A further six members are deputed post elections to serve as workers' representatives. The underrepresented gender must therefore be taken into account when deputing nine members of the bank's owners in order to achieve the target quota.

The target for the managing board is that in the case of five managing board members, there must be at least two representatives of the underrepresented gender, and in the case of four managing board members, there must be at least one representative of the underrepresented gender. This target applies as from 1 January 2024.

The supervisory board already ensures an appropriate proportion of the underrepresented gender when an occasion arises to nominate new members and also considers this target when appointing new board members. The management body composition is evaluated on a regular basis and disclosed as part of the bank's sustainability reporting.

As at June 2022 (approved by supervisory board resolution on 24 June 2022)