

Combined separate non-financial report of the
NORD/LB Group and NORD/LB for the financial
year from 1 January to 31 December 2022

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This combined separate non-financial report has been prepared in German and translated into English. In case of any discrepancies, the German version always prevails.

About this report

This report constitutes the combined separate non-financial report of the NORD/LB Group and NORD/LB for the financial year from 1 January to 31 December 2022 (hereinafter "the non-financial report").

With this non-financial report, Norddeutsche Landesbank - Girozentrale - with registered offices in Hanover, Braunschweig and Magdeburg, publishes the information that is important for an understanding of the course of business, the business results, the position of the NORD/LB Group and for an understanding of the effects of its activities in accordance with the requirements of §§ 315c in conjunction with § 289c, § 289d and § 289e HGB. The NORD/LB Group has prepared the non-financial report on the basis of the regulations of the German Commercial Code (HGB) § 340a (1a), § 340i (5) HGB in conjunction with § 289b (3), § 315b (3) HGB and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation).

This non-financial report contains the disclosures made by NORD/LB from the obligation under § 289b (1) HGB. NORD/LB is therefore exempt from preparing its own non-financial statement in accordance with § 289b (3) HGB. The non-financial report for the NORD/LB Group and NORD/LB is published in accordance with the regulations of § 315b (3) sentence 2a HGB.

NORD/LB also reports on its other social, ecological and societal activities for the NORD/LB Group in its Group Sustainability Report. The Group Sustainability Report is prepared in accordance with the current requirements of the Global Reporting Initiative (GRI). This combined separate non-financial report was prepared in accordance with the GRI standards. The current version of the Group Sustainability Report is published on the NORD/LB website at www.nordlb.com/nordlb/sustainability.

NORD/LB publishes its Group business figures in accordance with the provisions of the International Financial Reporting Standards (IFRS). The figures for the section "Presentation of key figures on the basis of the EU Taxonomy Regulation" were essentially prepared on the basis of the bank's FinRep reports and derived from the IFRS financial statements on the basis of the regulatory scope of consolidation. Unless otherwise stated, the key figures presented in the report relate to the financial years 2022 and 2021 (1 January to 31 December) and, based on the number of employees, cover 100 percent of the employees of the NORD/LB Group.

The NORD/LB Group is a financial services provider. Accordingly, its main business is the operation of banking business and financial services, which is mainly carried out by the companies NORD/LB and NORD/LB Luxembourg S. A. Covered Bond Bank (hereinafter referred to as NORD/LB Luxembourg). Together, these companies represent the core business of the NORD/LB Group. Taking into account the principle of materiality, this non-financial report focuses on these companies in its qualitative descriptions. Therefore, when the NORD/LB Group is reported on in the following, these two institutes are generally meant. If a statement in the report only applies to NORD/LB, this is indicated separately.

The combined separate non-financial report has been independently audited by Pricewaterhouse-Coopers Wirtschaftsprüfungsgesellschaft GmbH, Frankfurt am Main, Germany, to obtain limited assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised). The report on the results of the assurance engagement is presented after the end of this report.

NORD/LB declares that it has taken the greatest possible care in preparing the non-financial report and that, to the best of its knowledge, the information contained in this report is correct and no material facts have been omitted.

This non-financial report was approved by the Managing Board of NORD/LB at its meeting on 28 March 2023.

In this combined separate non-financial report 2022, individual contents have been shortened compared with the previous year's version. This relates in particular to the "Employees" section. In the chapter "Materiality Analysis", the results of a materiality analysis completed in November 2022 were described and the chapter "Sustainability at NORD/LB" was restructured to describe the newly developed milestones from the sustainability project CARE.

In this report, gender-specific double designations (such as employees) and neutral designations (such as staff) have been used. The term "employees" generally includes all employees and managers, including the Board of Management.

Materiality analysis

The materiality analysis forms the basis of reporting in accordance with GRI and section 289c of the German Commercial Code (HGB). In accordance with the regulations under HGB, issues and topics that are material to the NORD/LB Group in terms of business relevance and impact were identified.

The material topics relevant in the 2022 financial year were determined using a materiality analysis validated for 2022. The material topics for the NORD/LB Group determined in accordance with the requirements of section 289c (3) HGB are listed in the table below. In addition, which of the five non-financial aspects of section 289c HGB, environmental issues, employee issues, social issues, respect for human rights and the fight against corruption and bribery, relate to the material issues identified for the NORD/LB Group are presented.

Material topics for financial year 2022:

| Material topic | Definition | Concept presentation in chapter | Non-financial aspect in accordance with section 289c(2) HGB |
|--|---|---|---|
| <u>Training and education</u> | NORD/LB is affected by the demographic change and a shortage of skilled workers. Training opportunities are therefore very important for attractiveness as an employer, for the recruitment of specialists and for successful employee retention. The NORD/LB Group's training and education is an important factor in education and economic policy. | HR strategy orientation, training and further education | Employee issues, social issues |
| <u>CO₂ emissions</u> | Climate change, which is caused in particular by CO ₂ emissions, is having a global impact. Avoiding emissions in company operations and in financing and investment activities has a positive impact on all stakeholders, while financing high-emission projects would have a negative impact. | CARE project, operational banking business | Environmental issues |
| <u>Compliant conduct and anti-corruption</u> | Ethical and integrity-based conduct is essential to consolidate the trust of all stakeholders in the NORD/LB Group. At the same time, it protects society from harm caused by unlawful conduct. In addition, it is the Group's task to identify and prevent financial crime in the best possible way in order to protect society and all stakeholders | Compliance management | Social issues, fight against corruption and bribery |

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| | from harm in the best possible way and to avoid or prevent illegal or corrupt conduct. | | |
| <u>Information security and data protection</u> | Protecting sensitive information of all kinds not only maintains the NORD/LB Group's competitiveness, but is also an important issue for customers. Banks are required to have a well-thought-out security strategy and sufficient data protection regulations. | Information security and data protection | Social issues and respect for human rights |
| <u>Management of ESG topics and social and environmental impacts of the financing business</u> | Banks can influence the sustainable orientation of the economy and society because they manage financial flows. Risks can, for example, arise as a result of socially unacceptable or non-legitimate actions, e.g. with regard to human rights. In addition, more and more investors worldwide want to know what the specific social impact of their investment is. By integrating sustainability aspects into the Bank's normal lending process, these risks can be minimised while driving sustainable development forward. | Internal rules and regulations | Environmental issues and respect for human rights |

NORD/LB performed a new materiality analysis between September and December 2022. The process consisted of four sub-steps and was carried out by ESG management with the close involvement of an internal expert committee – made up of over ten departments with a focus on sustainability. First, a list of potentially significant topics was compiled. The aim was to list all the topics that are partially affected by NORD/LB's business activities or that affect NORD/LB from outside and to define the respective scope of a topic. In the second step, NORD/LB's potential impact on ESG issues was analysed. Over 50 sources were included, from rating reports on industry reports, regulatory sources and public as well as internal information. In the third step, the potential opportunities and risks arising from the possible sustainability topics, which are important for understanding the business performance, the business result and the situation of the NORD/LB Group, were considered. A total of 23 sources (ratings, regulatory sources, industry reports and internal documents) were used to assess the risks and opportunities for the individual topics. In the last process step, a matrix was compiled that shows the results of the assessments. The main topics with regard to the external impact (inside-out perspective) were shown on the X axis, the main topics with regard to risks and opportunities (outside-in perspective) on the Y axis. The threshold was then set in order to determine the topics with the greatest materiality for NORD/LB.

Material topics from the 2022 materiality analysis for the following years:

| Material topic | Definition | Differentiation from previous material topics | Non-financial aspect in accordance with section 289c(2) HGB |
|---|--|---|--|
| <u>Biodiversity</u> | Biodiversity covers the diversity among living organisms, including their terrestrial, marine and other aquatic ecosystems. Biodiversity provides the existential basis for humans. Diversity of plants, fungi and microorganisms is necessary for maintaining fertile soil, clean water, a pleasant climate and fresh air. Factors that cause changes in nature and biodiversity can be both natural and anthropogenic. | New topic | Environmental issues |
| <u>Digital responsibility and data security</u> | This includes safeguarding the rights of customers or other third parties to data protection and their privacy and includes topics such as the protection of customers' personal data through appropriate information security measures, the spread of new technologies and security risks, liability, cyber security. | Further development of the topic information security and data protection | Social issues, respect for human rights |
| <u>Diversity and equal opportunities</u> | In order for all people to thrive and participate in society in the best possible way, an appreciative and unbiased environment is essential, regardless of gender, nationality, ethnic origin, age, world view, disability, sexual orientation, identity, etc. Access to financial services for disadvantaged groups also plays a role here. | NORD/LB has been reporting on this topic for years and is now prioritising it | Employee issues and social issues |
| <u>Climate and energy</u> | The amount and type of energy consumed by people or organisations has different effects on the environment. Emissions of greenhouse gases such as carbon dioxide and methane raise the natural greenhouse effect in the atmosphere. This causes rising temperatures and global warming, and accelerates climate change. Disasters and environmental impacts caused by this can disrupt supply chains and business activities and cause significant damage and costs for economies and societies. | Further development of the topics CO ₂ emissions and Management of ESG topics and social and environmental impacts of the financing business | Environmental issues, respect for human rights |
| <u>Corruption, financial crime and anti-competitive behaviour</u> | Corruption includes operations such as bribery, expedited payments, fraud, extortion, collusion and money laundering. Internal work instructions on the topics of economic/financial crime, money laundering and terrorism financing are also part of the prevention of unlawful conduct. | Further definition of the topics of compliant conduct and anti-corruption and ethics and integrity | Social issues, fight against corruption and bribery |
| <u>Corporate conduct and governance</u> | A well-managed and responsible corporate organisation is of central importance to almost all internal and external stakeholders. This includes compliance with all laws and regulations at local, national and international level (public and private law). | Further development of the topic compliant conduct and anti-corruption | Employee issues, social issues, fight against corruption and bribery |

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| | Good corporate governance also includes a clear management structure, with responsibilities at Managing Board level for sustainability issues. | | |
| <u>Economic impact</u> | Companies' economic contribution to governments, business partners and employees is important for developing and maintaining a sustainable infrastructure, economic structure and society. This includes local value creation by the Group and local business sites, benefits for employees, business partners and suppliers, tax compliance and proper payment of import and export taxes. | New topic | Employee issues, social issues, fight against corruption and bribery |

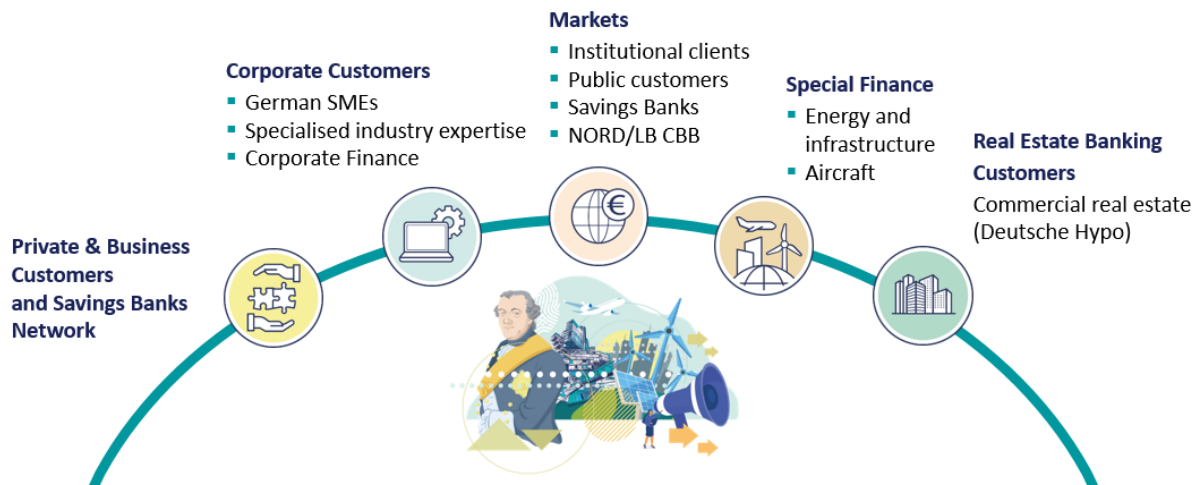
The topics identified in the 2022 materiality analysis will be implemented starting in 2023. The NORD/LB Group will further develop or create concepts (including measures and objectives) for these topics and present them in the combined separate non-financial report for 2023.

Business model of the NORD/LB Group

NORD/LB, a public law institution with registered offices in Germany, is a commercial bank, regional bank and central savings bank in northern Germany and is represented beyond the core region by means of domestic and foreign branches in Düsseldorf, Hamburg, London, Munich, New York, Schwerin, Shanghai, Singapore and Stuttgart. NORD/LB is the parent company of the NORD/LB Group. The Bank is owned by holding companies for the Federal State of Lower Saxony, the Federal State of Lower Saxony itself, the Federal State of Saxony-Anhalt, the Savings Banks Association of Lower Saxony, the Holding Association of the Savings Banks of Saxony-Anhalt, the Special Purpose Holding Association of the Savings Banks of Mecklenburg-Western Pomerania, and the Sparkassen Finance Group's security system with two trust companies FIDES Gamma GmbH, Berlin, and FIDES Delta GmbH, Berlin.

The NORD/LB Group's core business is the provision of banking and financial services. NORD/LB and NORD/LB Luxembourg are mainly responsible for the core business. The NORD/LB Group's business segments as at 31 December 2022 are as follows:

Business segments of the NORD/LB Group



In addition to typical banking products and financial services, the NORD/LB Group offers its customers alternative products that do not form part of the mass market and strives to expand its value chain by offering credit-based capital investment products to institutional capital market investors.

A detailed description of the business model as well as important trends and factors that could affect the future development of the NORD/LB Group can be found in the economic report as part of the Group management report as at 31 December 2022.

Sustainability at NORD/LB

Banks exert a significant influence on a sustainable economy and society, as they manage financial flows, enabling economic growth, creating jobs and providing social services. Many of their products and services indirectly affect the environment and society.

Project CARE

With the adoption of the EU Action Plan and the Green Deal, the European Union has launched initiatives for the transition to a sustainable economy, among other things, and has thus called on companies to pay greater attention to, manage and report on environmental, social and governance issues (ESG issues) as part of their business activities. European banking regulators formulate the expanded requirements and expectations for risk management and the public interest in sustainability is constantly increasing.

NORD/LB launched the sustainability project CARE in 2021 to give due consideration to the relevance of the topic of sustainability. It aims to entrench ESG issues in the organisation and create the conditions for achieving a strategic ESG vision. The project CARE is also geared towards meeting regulatory ESG requirements.

By the end of 2023, the following sub-objectives were set:

- Definition of ESG key figures (KPIs/KRIs) and preparation of a sustainability management report to create transparency and, in a further expansion stage, as a management instrument for the Managing Board.

- Formulation of a climate strategy and its further development into a holistic sustainability strategy.
- Creation of transition paths initially for the high-risk sectors.
- Fulfilment of regulatory requirements, including in particular the ECB guidance on climate and environmental risks, the EBA guidelines and disclosure obligations.
- (Further) development of the Sustainable Loan Framework and link to the requirements from the EU taxonomy.
- Identification of ESG data requirements and the creation of IT transition solutions.
- Finalising an ESG governance framework and rolling out the ESG training concept to employees.

In 2022, the focus of the project CARE was primarily on the future reduction of CO₂ emissions in the financing portfolio. The purpose of the sub-objectives of the project CARE is to create the organisational prerequisites for the collection of information on and reduction of CO₂ emissions. In 2022, the NORD/LB Group acknowledged the German financial sector's commitment to climate neutrality and aims to achieve a climate-neutral portfolio well before the required year 2050.

To achieve a climate-neutral financing portfolio, the NORD/LB Group is guided by scientifically recognised requirements for sector decarbonisation, e.g. those stipulated by the International Energy Agency. To achieve such a climate-neutral portfolio, the NORD/LB Group has determined the currently financed emissions of all sectors (baselining) as a starting point. As a next step, the Bank is working on the development of transition paths with which the NORD/LB Group intends to support its customers on the path to net zero. A transition path is a scientific, assumption-based scenario for reducing emissions, which represents the progression over time of greenhouse gas emissions in line with a specific climate target. In this way, the project CARE enables the Bank to channel its financing resources to sustainable financing activities in a targeted way in the future and thus make a significant contribution to the decarbonisation goals of the Paris Agreement and the German Climate Protection Act. The transition paths for the high-risk sectors of energy, real estate and aviation were already determined in 2022. The NORD/LB Group defines high-risk sectors as sectors that are characterised by increased climate and environmental risks in the form of physical and transitory risks and in which the Bank holds a significant share in its portfolio. The transition paths for all other sectors are set to be created in 2023.

NORD/LB's climate strategy was published internally in December 2022. This was developed based on the TCFD recommendations. The climate strategy describes the handling of actual and potential impacts of climate-related risks and opportunities on the company's business activities, strategy and management. Current regulatory requirements are gradually being incorporated into NORD/LB's business and risk strategy and are to be further developed into a holistic sustainability strategy in 2023. In addition, a Sustainable Loan Framework was developed, which will be operationalised in 2023. This framework defines the methodology and the associated processes for the classification of financial products and services as sustainable loans. The Sustainable Loan Framework is also closely linked to the requirements of the EU taxonomy.

In 2022, the CARE project defined various ESG key figures (KPIs/KRIs), which will be calculated from 2023. The plan is to develop a KPI dashboard as part of sustainability management reporting, which will initially create transparency and then serve as a management tool for the Managing Board in the further expansion stage. In addition, the Bank will gradually integrate TCFD's recommendations on climate-related reporting and the Principles for Responsible Banking into its sustainability reporting.

Since 2022, the NORD/LB Group has incorporated an ESG goal into the target agreements of the Managing Board and senior employees. The Managing Board approved the CARE project in 2021 and is regularly informed about the progress of the project. The achievement of the planned milestones is regularly reviewed by the project managers. By calculating the baselines for the sectors and creating the first transition paths, an important interim goal for reducing CO₂ in the financing portfolio was achieved in 2022.

Governance of ESG topics

The increasing strategic importance of ESG issues with a focus on climate and environmental aspects and growing regulatory requirements mean that ESG issues need to be re-entrenched organisationally in the NORD/LB Group. NORD/LB developed new ESG governance structures in 2022 that reflect both climate-related opportunities and the Bank's risk appetite that needs to be considered.

The Managing Board bears overall responsibility for entrenching ESG within the Bank. In addition, individual members of the Managing Board are responsible for specific issues that are tailored to the departments and areas for which they are responsible:



NORD/LB's committees – the Owners' Meeting, the Supervisory Board, as well as the Risk, Audit, Remuneration Control, General and Nomination Committees – are also involved in the ESG governance model. The Supervisory Board acts as an overarching supervisory body. It oversees the implementation of ESG issues within the Bank and incorporates them into the performance assessment of the Managing Board.

The Managing Board is supported by four centres of expertise within NORD/LB for the operational implementation of ESG initiatives. While the "ESG management" and "Management of ESG risks" centres of expertise were already established in 2022, the "EU taxonomy and disclosure" and "CO₂ accounting" centres of expertise are currently being established.

The "ESG management" centre of expertise coordinates and analyses the requirements of stakeholders of the NORD/LB Group, which affect individual divisions within NORD/LB and the NORD/LB Group. Cooperation with the Group's subsidiaries is structured as follows: Input and ideas from the parent company – represented by the expertise centre – are discussed, advised and presented to the managing boards of the institutes for implementation together with current focal points and topics at the working level. There is also a Sustainability Board, which comprises managers and experts from the NORD/LB Group across all departments. The task of the Sustainability Board is to network and exchange information between the individual specialist departments for the ongoing integration of sustainability into the NORD/LB Group and the development and coordination of cross-departmental measures. The Managing Board acts as the sponsor of the Sustainability Board.

As the topic of sustainability has already played an important role in individual areas of the Bank for several years, individual area-specific qualification measures have already taken place in the past on individual important sustainability aspects. NORD/LB is implementing various basic qualification measures for its employees in order to establish a solid knowledge base on the subject of ESG in all relevant areas. In 2022, for example, a certificate

course in “Sustainable Finance”, a training video for in-house basic training and a web-based training (WBT) course on the topic of sustainability were developed.

Sustainability in the business strategy

The business activities of banks with their products and services have an impact on the environment and society. Risks or damages may arise, for example, as a result of socially unacceptable or illegitimate actions. NORD/LB sees itself as having social, ecological and economic responsibility to know and manage business areas and processes that could result in damage to the environment and climate in the course of its business activities. NORD/LB derives the following four principles and approaches for itself as part of sustainable corporate governance:

- **Stakeholder orientation:** Knowledge of the requirements of interest groups is essential for the NORD/LB Group. The systematic handling of stakeholder demands is an important element for the NORD/LB Group to ensure the long-term success of the company.
- **Responsibility:** Responsibility towards stakeholders is a binding principle of the NORD/LB Group’s own corporate responsibility.
- **Holistic approach:** The management of the social and environmental impacts of the NORD/LB Group’s activities has an impact on all areas and requires a holistic approach.
- **Transparency:** Transparent corporate governance and clarity in the Bank’s own positions serve to make the effects of its business activities on the environment and society visible and to present the added value of the products for customers and society.

Internal rules and regulations

The NORD/LB Group has recognised the ten principles of the UN Global Compact with the objectives of respecting human rights and working conditions, protecting the environment and combating corruption and bribery. The Group is committed to implementing, following and further developing the ten principles within the scope of its business activities. The NORD/LB Group reports on improvements to the principles as part of the UN Global Compact Progress Report. The report will be published by the end of May 2023. Progress has been made, in particular, in the reorganisation of exclusions in the credit process and in the creation of a new human rights directive.

ESG framework

With regard to the UN Global Compact, the NORD/LB Group excludes various business relationships and transactions due to their negative impact on people and the environment, in the course of its business activities. To make the credit check in relation to ESG issues as clear and intuitive as possible for employees, an overarching ESG framework was developed in 2022. This framework replaces the ESG guidelines that have been in place since 2013. The ESG framework is a declaration of commitment by the NORD/LB Group, supplements the existing financing principles and has been approved by the Managing Board. The ESG framework defines the following:

1. Fundamental business exclusions:

- **Human rights due diligence:** Exclusion of cooperation with companies and institutions that are known to violate fundamental human rights.
- **Significant environmental degradation:** Exclusion of activities and business with significant negative effects on people and the environment in the course of its business activities
- **Pornography:** No business relationships with companies that produce and trade in pornography as well as with companies related to this sector.
- **Controversial weapons:** No business relationships with companies involved in the manufacture, trade, transport, storage or repair of the following armaments: nuclear weapons, biological weapons, chemical weapons, cluster bombs, uranium ammunition, weapons particularly suited to causing damage to civil society and anti-personnel mines.

2. Exclusions of certain business activities in lending:

- Ship dismantling: No support for business with shipyards that do not have an EU-standard certification or internationally recognised environmental and social standards.
- Nuclear power plants: No financing for the construction of new nuclear power plants.
- Coal-fired power plants: No financing for the construction of new, conventional coal-fired power plants.
- Hydro power plants and dams: No financing of the construction of dams and hydroelectric power plants in particularly vulnerable areas.
- Gambling: No support of business ventures in the online segment, either by direct participation in financing or as part of payment transaction processing.

3. Regulations for project financing:

NORD/LB's project financing business is focused on high-income OECD countries and thus on countries with their own, high ESG standards. When financing projects with total costs exceeding USD 10 million outside of high-income OECD countries, which NORD/LB intends to finance as the syndicate leader or alone, the project companies are required to separately demonstrate secure dealing with ESG project risks.

4. General sector-specific regulations for business activities

NORD/LB ensures compliance with certain minimum ESG standards for its customers in certain business relationships.

- Agriculture: Safe handling of the legal requirements arising from environmental, planning, animal welfare and nature protection law.
- Mining, metals, oil and gas: Safe handling and consistent fulfilment of legal and licensing requirements. Consideration of voluntary ESG standards by the borrower.
- Fishing and fish farming: The following minimum requirements apply to this industry: MSC certification (Marine Stewardship Council) or ASC certification (Aquaculture Stewardship Council)
- Aircraft financing: Focusing on machines that meet the standards of the best available technology at the time of lending, taking into account ecological and economic requirements.
- Gambling: No support of business ventures in the online segment, either by direct participation in financing or as part of payment transaction processing. Selective financing is still possible in the traditional gambling segment.
- Timber industry and processing as well as paper production: The following minimum requirements apply to this industry: FSC certification (Forest Stewardship Council) or PEFC certification (Programme for the Endorsement of Forest Certification Schemes).
- Real estate: Proficient compliance with the legal requirements arising from construction, environmental, planning and nature conservation law. In addition, the focus is on the energy efficiency of buildings and thus the CO₂ emissions associated with energy consumption. Aspects of environmental and social sustainability are weighted by type of real estate.
- Palm oil: The following standards must be complied with for business relationships that include palm oil:
 - Membership in the Roundtable on Sustainable Palm Oil (RSPO) or another recognised organisation with at least equivalent standards
 - NDPE policy (No Deforestation, No Peat, No Exploitation), both for own palm oil plantations and suppliers, purchased palm oil, fruit or preliminary products
- Armaments: business relationships exclusively with companies in the defence industry with headquarters in the Federal Republic of Germany that have an export licence.
- Hydropower: As part of an environmental assessment, customers must explain how environmental protection requirements are ensured.

5. Sector-specific regulations for business activities in non-high-income OECD countries

- Agriculture: Consideration of the World Bank’s “Biodiversity Conservation and Sustainable Management of Living Natural Resources” policy.
- Mining, metals, oil and gas: Consideration of the “Environmental and Social Risk Briefings” on mining and metals as well as oil & gas of the UNEP FI Initiative
- Fishing and fish farming: Consideration of the “Environmental and Social Risk Briefings” on agriculture and fisheries of the UNEP FI Initiative.
- Timber industry and processing as well as paper production: Consideration of the “Environmental and Social Risk Briefings” on forestry and logging of the UNEP FI Initiative.

All employees in the lending divisions are obliged to observe the ESG framework in their credit checks. In addition, a mandatory “ESG framework checklist” is stored in the processes, which gives employees instructions on which aspects of the ESG framework must be checked. Among other things, this checklist asks whether there are potential exclusions from business relationships or certain business activities, or whether the business activity takes place in non-high-income OECD countries. The results arising from the checklist must be included in the loan file with a corresponding vote.

Respect for human rights

By signing the UN Global Compact, NORD/LB has committed to observing the ten internationally recognised principles of the UN Global Compact on the aspects of human rights and working conditions as well as environmental protection and corruption in its business activities. The Bank’s objective is therefore to comply with these principles

In light of this, NORD/LB published a new and more comprehensive policy on its human rights due diligence in August 2022, which is also used in the lending process. NORD/LB is committed to human rights and to avoiding any kind of human rights risks and undertakes to prevent or mitigate adverse effects on human rights caused by or associated with its business activities and services and to address negative effects if and to the extent they occur. NORD/LB expressly supports the guiding principles “Protect, Respect and Remedy”.

In addition, the NORD/LB Group in December 2022 published a policy statement on respect for human rights. This statement was made by the Managing Board of NORD/LB at its meeting held on 20 December 2022 and subsequently published on the Bank’s website.

As part of its sustainability reporting, the NORD/LB Group reports annually on its position in relation to human rights and labour standards and their implementation in business operations. In the 2022 reporting year, there were no known incidents of human rights violations.

Management of sustainability risks

For the NORD/LB Group, sustainability risks are risks that have a negative impact on the NORD/LB Group due to environmental, social or corporate aspects with regard to the business activities of customers. These can also arise in connection with controversial business activities or practices of customers, e.g. transactions or business practices with negative effects on the natural environment and/or human and labour rights, including the rights of indigenous peoples, but also products such as alcohol, embryo research, fossil fuels, gambling, palm oil, pornography, tobacco or weapons and defence industry activities. These can be both reputational and credit risks.

NORD/LB understands ESG risks to include events or conditions from the areas of climate/environment, social affairs or corporate governance, whose occurrence may actually or potentially have significant negative impacts on the net assets, financial position and results of operations as well as on the Bank's reputation. Within the NORD/LB Group, ESG risks do not represent a stand-alone risk type, but are regarded as risk drivers. As such, they are incorporated into the risk management process via the risk types classified as relevant in the risk inventory. ESG risks are therefore implicitly part of the risk sub-strategies.

In reporting year 2022, sustainability risks were identified as risk drivers in the individual relevant risk types (e.g. counterparty, market price and liquidity risks) as part of the risk inventory. No significant sustainability risks have been identified at present. All material risks in relation to business development and the position of the NORD/LB Group as well as its material risks in relation to business relationships, products and services are conclusively described in the risk report as part of the Group management report as at 31 December 2022.

Presentation of key figures based on the EU Taxonomy Regulation

With the publication of the provisions of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation), European legislators have created a framework to categorise economic activities as economically sustainable.

The following table contains key figures and information on the share of such economic activities of the NORD/LB Group that are approved for an audit of taxonomy compliance in accordance with the requirements of the EU Taxonomy Regulation (taxonomy eligibility) and that must be published in accordance with the reporting obligations of Delegated Regulation 2021/2178 supplementing Article 8 of EU Taxonomy Regulation 2020/852. In this context, the procedure of 31 December 2021 was utilised and further developed as of the current reporting date. Deviating from the previous year, the Bank determines the key figures shown below on the basis of covered assets instead of total assets (gross net assets). The covered assets recognised are binding for the key figures to be reported in the future in connection with the green asset ratio. With this amendment, the Bank anticipates the future adjustment and agrees with the opinion of the European Commission¹. The total of the covered assets recognised amounted to € 99,640 million as at the reporting date for covered assets of € 112,307 million. The covered assets recognised thus amounted to 88.72% of total assets and are calculated from the covered assets less positions in relation to governments, central banks and supranational issuers as well as the trading portfolio. As at this reporting date, the Bank also took into account the financing to local authorities in the respective key figures that belong to the taxonomy-eligible economic activities, provided that they are used for real estate financing and are otherwise to be reported as non-taxonomy-eligible economic activities.

The NORD/LB Group does not voluntarily provide additional information (for example, information on the taxonomy eligibility of companies that are not obliged to report non-financial information) that goes beyond these legal requirements.

¹ European Commission: Commission Notice on the interpretation of certain legal provisions of the Delegated Act on the disclosure requirements under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible economic activities and assets, (2022/C 385/01)

Key figures pursuant to Art. 10(3) of Regulation 2021/2178 (as at: 31.12.2022)

| Position | Explanations | Gross carrying amount (in € million) | Taxonomy eligibility in relation to revenue (in %) / Taxonomy eligibility in relation to investments (in %) | |
|--|---|--------------------------------------|---|-------|
| | | | 31.12.2022 | |
| Covered assets recognised | Covered assets recognised (total assets of the regulatory basis of consolidation based on IFRS gross carrying amounts (total assets) less positions with respect to governments, central banks and supranational issuers and the trading portfolio). | 99,640 | | |
| Taxonomy eligible economic activities | Taxonomy eligible economic activities as at 31.12.2022 included the gross carrying amount of loans secured by residential property to households and those of companies, that are obliged to submit a non-financial statement, that publish taxonomy eligibility ratios. | | 5.08 | 5.23 |
| Economic activities not eligible under the taxonomy | Economic activities not eligible under them, taxonomy include those assets that must be assessed for taxonomy eligibility in the denominator. Activities not eligible under the taxonomy as at 31.12.2022 include the gross carrying amount of loans to households not secured by residential property, as well as the non-taxonomy-eligible portion of the gross carrying amount that "does not apply" to companies that are required to submit a non-financial statement. In addition, financing for local authorities is included in economic activities not eligible under the taxonomy | | 13.21 | 13.08 |
| Exposures to central governments, central banks and supranational issuers | Governments are governing authorities that are not federal or regional governments and local governments, social insurance funds, and international organisations. Exposures are balances due on demand with central banks and debt securities. Cash on hand (bank notes and coins) is not included. Supranational organisations are international organisations that | | 5.07 | 5.07 |

| | | | | |
|---|---|--|-------|-------|
| | <p>have their own ISO country code.</p> <p>Exposures with respect to central governments, central banks and supranational issuers are excluded from the taxonomy eligibility test.</p> | | | |
| Derivatives | <p>All derivatives that are not held for trading are reported.</p> <p>Derivatives are excluded from the taxonomy eligibility test.</p> | | 0.20 | 0.20 |
| Exceptions pursuant to Art. 7(3) (companies not subject to NFRD reporting) (Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU) | <p>Exposures are assets of companies that are not required to publish non-financial information. All exposures with respect to companies were used to determine this position and the identified companies not required to prepare non-financial reports were subtracted from this.</p> | | 61.11 | 61.11 |
| Trading portfolio | <p>The trading portfolio includes assets that are considered to be held for trading within the meaning of IFRS accounting. These include derivatives held for trading.</p> <p>The trading portfolio is excluded from the taxonomy eligibility test.</p> | | 7.64 | 7.64 |
| On-demand interbank loans | <p>On-demand interbank loans include receivables that are sight deposits with banks due on demand.</p> <p>On-demand interbank loans are excluded from the taxonomy eligibility test.</p> | | 0.00 | 0.00 |

For the above information on taxonomy eligibility within the meaning of Art. 10(3) of the Delegated Regulation supplementing the EU Taxonomy Regulation 2021/2178, only companies that are obliged to submit a non-financial statement if they have also determined and made publicly available the corresponding information are used. In the absence of publication, the entire share is shown as non-taxonomy-eligible. Structured financing is only taken into account for companies that have been identified as subject to submitting a non-financial statement. Information concerning activities of financed companies that are not obliged to submit a non-financial statement are not taken into account for both taxonomy-eligible and non-taxonomy-eligible economic activities. The identification of companies that are obliged to submit a non-financial statement takes place at the level of the individual companies. In the case of subsidiaries that are exempt from publishing a non-financial statement because it is published by the parent company, the ratios of the parent company's non-financial statement are used to determine taxonomy-eligible or non-taxonomy-eligible activities. When financing companies without their own operating activities (SPV – special purpose vehicles), no review is applied, but rather the obligation to submit a non-financial statement with regard to determining and disclosing taxonomy eligibility is consistently applied.

While the EU Taxonomy Regulation has so far defined standards for the first two objectives of climate change mitigation and adaptation, the design of the other objectives (three to six) of the economic taxonomy (sustainable use of water resources, transition to a circular economy, pollution prevention and protection of biodiversity and ecosystems) and the objectives of the social taxonomy are not yet fully regulated at present.

NORD/LB provides financing in its strategic business segments and issues products that are considered sustainable at the time. As part of its CARE project, the requirements of the EU Taxonomy Regulation will also continue to be integrated into the NORD/LB Group's strategy and products until 2023.

Operational banking

Climate change is considered to be one of the greatest challenges of today and has noticeable consequences worldwide. The main driver is the emission of greenhouse gases, in particular CO₂.

Against the backdrop of the significant negative effects and the current environmental developments at a global level, such as the scarcity of water and resources, deforestation and the threat to biodiversity, companies and society are called upon to contribute to the protection of the natural environment.

With regard to its direct emissions, the NORD/LB Group regards the continuous reduction of CO₂ emissions in operations and financing in the credit portfolio as an essential area of action in view of climate change. To improve the environmental performance of its operations, the Group has in place an environmental management system that is based on the international standard ISO 14001 and has been expanded with the certification of an energy management system (DIN 50001:2018).

In contrast to the manufacturing industry, the Group's use of resources is essentially limited due to its activity as a service provider. The NORD/LB Group offers jobs for 4,191 employees in offices that are heated, supplied with electricity and drinking water, as well as equipped with IT hardware and office equipment. In addition, the NORD/LB Group's activities require employees to be mobile in order to be able to provide advice to customers, a key service provided by a financial services company. Operational environmental management is working on gradually further reducing the NORD/LB Group's emissions. It is also open to suggestions and initiates improvements. In 2022, the focus was on measures to implement the Regulation on the Protection of the Energy Supply via medium-term effective measures of the German Federal Government. For example, the room temperature in buildings was lowered to 19°C, the lighting was switched off during the night and the hot water supply in the sanitary facilities was switched off. In addition, the NORD/LB Group has consolidated its locations and arranged to close down operations during the Christmas period from 23 December to 8 January 2023 at all major administrative locations. The implementation of an emissions reduction strategy is planned for the upcoming financial year. Consumption figures for 2022 are not yet available for this report and will be published in the Group Sustainability Report 2022 during the year.

Employees

Shaping the work of the future

In 2022, the focus of HR work in banks was marked by a significant intensification of the competitive situation on the labour market, which requires a greater focus on employer branding and employee retention. Besides the ongoing megatrends of demographic change and digitalisation, the issue of ESG has developed into another megatrend. In 2022, the NORD/LB Group achieved significant milestones in the NORD/LB 2024 transformation programme (see also the section “Transformation Programme NORD/LB 2024” in the NORD/LB Group management report 2022) and implemented the necessary staff reductions in this context on the basis of voluntary agreements with employees. At the same time, the cultural transformation was driven forward, which is geared towards employees and the organisation of the collaboration. For this purpose, the interactive team task “Mission WelComeBack” was carried out by almost all employees in 2022 as part of the activation programme #creatingthefuture. The aim of the mission was to develop ways into the “new normal” in an open exchange between managers and employees after the “pandemic mode” era and to find a balance between in-office and remote working. In 2022, NORD/LB took second place with its #creatingthefuture initiative in the Handelsblatt Mindshift Award in the “Corporate Culture” category – this award for innovative methods in the new working world also demonstrates the progress in the Bank’s cultural transformation.

The NORD/LB Group’s extensive transformation – along with the challenges in the areas of cultural transformation, digitalisation and sustainability – as well as the intensified dynamic on the labour market provide the framework for the strategic orientation of human resources and the areas of action relating to human resources management.

Strategic HR alignment

The NORD/LB Group focuses on forward-looking HR activities geared towards employees in order to attract junior staff at an early stage to the NORD/LB Group and to motivate and retain employees in a targeted manner. These HR activities in the NORD/LB Group are based on an HR strategy derived from the business and risk strategy and are approved by the Managing Board. Its aim is to increase the effectiveness of HR measures. It also serves as an anchor point for HR work.

In addition to supporting the transformation of the NORD/LB Group and shaping the work of the future, the sustainable orientation of HR work is increasingly becoming a strategic focus topic. This includes the sustainable design of HR instruments – such as fair and transparent remuneration systems and non-discriminatory development opportunities – as well as supporting the establishment of the topic of sustainability in business processes – e.g. through training courses. In addition to the required management of quantitative and qualitative staffing, the strategic focus topics with a planning horizon of five years set the framework for measures to attract, retain and further develop employees:

- Sustainable orientation of HR work,
- Attracting and emotional retention of staff,
- Further development and qualification of staff.

To implement and manage the HR activities, the key strategic areas are underpinned by measures that were designed and successfully implemented in 2022 as follows:

- Continuation of the personnel restructuring and further development of the workforce with systematic stabilisation and management of resources on the basis of quarterly coordination between HR business partners and divisional management using key figure-based management cockpits,
- Go-live of the Bank-wide job architecture with a transparent representation of all job roles and information on job evaluations and training requirements,
- Targeted expansion of employer branding and implementation of measures for target group-specific addressing of potential employees, such as an open day for interested students,
- Implementation of targeted training and development measures with regard to the future-oriented

needs of the Bank, focus topics and individual interests of employees.

To ensure adequate staffing levels, the Bank carries out regular monitoring and analysis of target figures in terms of numbers, costs and quality of staff, which is presented to the Managing Board in an HR management report and forms the basis for the adaptation of HR processes and tools. In addition, a key figures-based HR management process has been implemented to identify any risks at an early stage and derive appropriate measures. As part of this process, the development of quantitative and qualitative staffing is evaluated on a quarterly basis at divisional level and countermeasures are taken if there is a need for action.

Management of resources

At the end of 2022, the NORD/LB Group had 4,191 employees – 333 fewer than in 2021 (4,524 employees). The staff restructuring programme to be completed by the end of 2023 is thus being continued as planned as part of the NORD/LB 2024 transformation programme and the focus of resource management is increasingly shifting to the Group's future positioning.

Overview of employees in the NORD/LB Group as at 31.12.2022²

| | 31.12.2022 |
|--|------------|
| Employees (total) | 4,191 |
| Permanent employees (total) | 3,942 |
| thereof male | 1,993 |
| thereof female | 1,949 |
| Permanent employees, full-time | 2,979 |
| thereof male | 1,926 |
| thereof female | 1,053 |
| Permanent employees, part-time | 963 |
| thereof male | 67 |
| thereof female | 896 |
| Employees on temporary contracts (total) | 249 |
| thereof male | 116 |
| thereof female | 133 |
| Employees on temporary contracts, full-time | 221 |
| thereof male | 111 |
| thereof female | 110 |
| Employees on temporary contracts, part-time | 28 |
| thereof male | 5 |
| thereof female | 23 |
| Junior staff (total) | 138 |
| thereof male | 76 |
| thereof female | 62 |

² All shares to be calculated are rounded off in the result.

| | |
|--|------|
| Interns | 64 |
| thereof male | 35 |
| thereof female | 29 |
| Dual study/work students | 65 |
| thereof male | 35 |
| thereof female | 30 |
| Trainees | 9 |
| thereof male | 6 |
| thereof female | 3 |
| Share of interns and trainees (training ratio) | 3.2% |
| Workforce by region (in %) | |
| Germany | 91.7 |
| Europe, Asia, USA | 8.3 |

Training and further education

Training

The intensified competition on the labour market also had an impact on the number of applicants in the area of junior staff in 2022. To be best positioned in the competition for talent, the NORD/LB Group continued to set a high training standard. Not least in this year's re-audit by the Chamber of Industry and Commerce (IHK), the Group was able to prove this once again having received the "TOP Training" quality certificate. The importance of trainees for NORD/LB also becomes clear once the training has been completed. NORD/LB was able to offer all interested trainees a job offer in 2022.

Following the pandemic-related restrictions of recent years, representative formats such as an open day for students and participation in training and university fairs were resumed in 2022. The Instagram channel "NORD/LB Career Start" initiated in 2021 was further developed in 2022 with good feedback in order to contribute to employer attractiveness among the target group and to provide an authentic insight into training at NORD/LB. Here, the Group gives current trainees the opportunity to regularly help shape the content.

NORD/LB trains in accordance with the nationally applicable training regulations pursuant to the German Vocational Training Act (BIBG), which governs the performance of vocational training, examinations, monitoring of training, vocational training and vocational reskilling. NORD/LB has a special duty of care towards trainees. For example, at NORD/LB all trainees (regardless of age) are treated in accordance with the provisions of the German Youth Employment Protection Act (JArbSchG).

NORD/LB offers an extensive training and study programme at its locations, with its predominantly commercial and IT-related professions. In addition to this training, the recruitment of students to join the company as junior staff and those who have completed internships at universities and trainee programmes is also an important success factor in securing the Bank's future corporate success with qualified employees.

Junior staff development and recruitment

Among other things, the creation of attractive working conditions was the focus for the recruitment, emotional retention and motivation of junior staff in 2022. At the beginning of their training, all junior staff were fully equipped by the Bank in terms of technology so that flexible working from home is also possible. The individual promotion and development of junior staff is also an important aspect of training. For this reason, the trainees' deployment planning is based on the trainees' respective strengths and interest profile in order to set the course for individual and competence-based development at an early stage.

When it comes to the skills structure of the junior staff, a contemporary training offer and the presentation of individual development prospects are essential aspects for the long-term retention and motivation of junior staff. With regard to the future-oriented alignment of the training, job profiles are regularly evaluated and adapted, which gives rise to new training and study opportunities, such as the dual course of study in business economics, business administrators for digitalisation management and IT specialists in application development, which contribute to the NORD/LB Group's competitiveness on the labour market.

Recruiting junior staff is based on the NORD/LB Group's quantitative and qualitative requirements. The target of almost 50 interns and dual students for the start of training in August 2022 as well as 15 trainees was almost met thanks to the demand from applicants. This means a training ratio of 3.2 % (2021: 3.0 %). As a public-sector institution, the NORD/LB Group continued to fulfil its social responsibilities for training in 2022 with its training figures and acceptance rates.

Further education

The qualification and development measures are geared towards the NORD/LB Group's future needs in order to support the transformation in the best possible way. The aim of personnel development is to prepare managers and employees for the future challenges and at the same time create individual development opportunities with regard to employee engagement and motivation. Training courses are divided into the categories "Education programme events", i.e. in-house seminars, "Other external seminars and further training", "Certificates" and "Promotional commitments with regard to vocational training/specialist/university studies". In addition, it is the responsibility of managers to use additional tools as part of their management activity, e.g. induction, job shadowing or on-the-job training.

In 2022, the introduction of the Bank-wide job structure, which was initiated in 2021, was completed with its technical implementation in the system. This gives all employees access to the job structure, in which all tasks in the Bank are categorised into job families. From a personnel development perspective, the transparent description of job families serves as an anchor point for defining the required skills and qualifications as well as a basis for identifying individual development opportunities. From 2023, an annual target/actual comparison between job-role-requirements and the actual qualifications of employees will take place as part of the staff appraisals. If a qualification delta is identified, individual qualification planning is carried out for the employee. In addition, in the context of the transformation the overarching basic competencies of personal responsibility, teamwork and openness to change are still defined as requirements for all employees.

The Managing Board believes that ensuring the further training and education of employees is an important factor in the Bank's success. The NORD/LB Group has a centralised education budget with which interdisciplinary qualifications are managed. In addition, each department has a decentralised education budget, which is mainly used for specialist qualifications. Managers are responsible for ensuring that employees are adequately qualified. A review, documentation and confirmation that an employee is suitably qualified or that measures have been taken to ensure training takes place as part of the performance appraisal, which is held annually between the manager and the employee. As part of the performance appraisals, the manager confirms that the employee has all the required qualifications in accordance with MaRisk 7.1 and that suitable training measures have been defined and recorded if there is a need for training. In addition, the Bank and the Staff Council adapted the Further Training Service Agreement in 2022 to the new requirements from the job structure. The aim here is also to promote the best possible qualification of employees. As described above, further training is managed by means of staff appraisals in which managers and employees discuss further training requirements and agree on appropriate measures as part of development planning. The performance appraisal also includes validating the legally prescribed qualifications (e.g. WBT Compliance, MaRisk, anti-money laundering), the up-to-date nature of which is also monitored during the year via system-supported tracking. In 2022, Group-wide measures such as a structured process for knowledge transfer, training on mobile working or qualifications on the topic of sustainability were driven forward in the implementation of the NORD/LB 2024 transformation programme and given the new challenges. All measures are subject to ongoing review and reporting to the Managing Board. All measures planned for 2022 were successfully implemented.

Diversity and equal opportunities

The NORD/LB Group pursues an overarching, inclusive approach to treating and promoting employees fairly and correctly – while actively managing differences, cultural backgrounds and practical experience for the benefit of the company. It is precisely this diversity of employees that is an important part of the corporate identity. The NORD/LB Group therefore attaches importance to ensuring that all genders are treated equally and provides a work environment that fosters equal appreciation and support regardless of gender and gender identity, age, sexual orientation, ethnic origin and nationality, physical and mental abilities, religion and beliefs, and social background.

The basic guidelines for diversity work include the Group's core values in the Code of Conduct, the Diversity Charter adopted by companies in Germany and NORD/LB's diversity principles revised in June 2022 and approved by the Supervisory Board. NORD/LB has been a member of the "Diversity as an Opportunity – the Diversity Charter for Companies in Germany" initiative since 2013 and is therefore expressly committed to diversity and equal opportunities in a non-discriminatory environment.

To establish and expand the economic, social and societal objectives in the NORD/LB Group, a Bank-wide network of employees – the Community of Diversity – initiates activities and measures to raise awareness, inform and increase the visibility of diversity in the workforce. To manage the activities, the Community of Diversity is guided by the German Diversity Day and the Diversity Calendar of the Diversity Charter and takes into account the visibility of all dimensions. In 2022, a wide range of activities were carried out to raise visibility, such as workshops and keynote speeches as part of the German Diversity Day, workshops on sexual orientation and gender equality, a week against racism, and activities as part of International Women's Day or the International Day of Persons with Disabilities. The discussions on the various aspects of diversity management was also driven by the establishment of the internal LGBTQI network BUNTLB and the launch of the internal women's network.

Presentation of selected diversity key figures as at 31 December 2022

| | 31.12.2022 |
|---------------------------|------------|
| Employees (total) | 4,191 |
| thereof male | 2,109 |
| thereof female | 2,082 |
| Share of male employees | 50.3% |
| Share of female employees | 49.7% |
| Managing Board | |

| | |
|--|-------|
| thereof male | 13 |
| thereof female | 1 |
| Share of male Board Members | 92.8% |
| Share of female Board Members | 7.2% |
| Board Members up to 30 years | 0 |
| Board Members 31 to 50 years | 1 |
| Board Members aged 51 years and over | 13 |
| Supervisory or Administrative Board Members | |
| thereof male | 18 |
| thereof female | 6 |
| Share of male Supervisory Board Members | 75.0% |
| Share of female Supervisory Board Members | 25.0% |
| Supervisory Board Members up to 30 years | 0 |
| Supervisory Board Members 31 to 50 years | 6 |
| Supervisory Board Members aged 51 years and over | 18 |
| Management functions | |
| thereof male | 294 |
| thereof female | 79 |
| Share of male Managers | 78.8% |
| Share of female Managers | 21.2% |
| Managers up to 30 years | 1 |
| Managers 31 to 50 years | 179 |
| Board Members aged 51 years and over | 193 |
| Share up to 30 years | 0.2% |
| Share 31 to 50 years | 47.9% |
| Share of 51 years and over | 51.9% |

Further information on the topic of diversity and equal opportunities can be found in the Group Sustainability Report 2022, which will be published during 2023.

Governance

Corrupt or unethical conduct as well as violations of the laws by individual persons or companies harm society and its members in many ways. The financial services industry has an important role to play in preventing unethical or corrupt behaviour. In times of increasing financial crime, banks and financial services institutions around the world face a particular challenge and are equally vulnerable. They are exposed to the inherent risk of being misused for the purposes of money laundering and the financing of terrorism, or of favouring the anonymity of business relationships and transactions. Ever new methods are being used to “wash” money and assets derived from illegal activities such as corruption in the broader sense, robbery, blackmail, drug and weapons trafficking or tax evasion via payment systems, new financial products or technologies and to channel them into the legal financial and economic cycle, concealing their true origin. Terrorists also try to provide and collect legal or illegal funds from banks and financial services institutions in order to finance terrorist causes.

As part of society, the NORD/LB Group considers it an important task for its protection to prevent criminal acts as best as possible and to do justice to the trust placed in it by employees, customers and business partners through its own ethical, moral and lawful conduct and to maintain and build on this trust. Due to its international orientation and global activities, the NORD/LB Group is also subject to a wide range of country-specific and international legal regulations.

Compliance management

With its compliance management, the NORD/LB Group pursues the objective of implementing compliant procedures and controls of key national and international legal standards and voluntary commitments. In addition to protecting the reputation and assets of the NORD/LB Group, the Compliance function primarily pursues the protection of customers, consumers and investors, the integrity of the capital and payment transactions market, the executive bodies and employees, and the availability, integrity, confidentiality and authenticity of information and personal data.

The NORD/LB Group has established a compliance management system that is based on the IDW PS 980 standard and is described in the Corporate Compliance Policy. The following subject areas are summarised under the Compliance function:

- Regulatory compliance,
- Capital market compliance,
- Prevention of money laundering, terrorism financing and other criminal offences (fraud), compliance with financial sanctions/embargoes,
- Information security,
- Data protection,
- QI (Qualified Intermediary) and FATCA (Foreign Account Tax Compliance Act)

Officers have been appointed for each topic area, who are responsible for the proper execution of the compliance function in their respective discipline, including reporting obligations. The officers act independently, without instruction with regard to the organisational units to be monitored and report directly to the management.

The basic elements of the compliance management system include:

- the definition of key objectives to be achieved with the assistance of the compliance management system,
- the definition of essential sub-areas and the rules to be complied with in the sub-areas,
- the identification of significant compliance risks,
- systematic risk identification with risk assessment and consistent implementation and process-related monitoring of processes,
- the introduction of risk-minimising principles and effects based on the identified risks,
- informing employees and, where applicable, third parties about roles and responsibilities,
- advising with regard to the implementation and compliance with all statutory and supervisory regulations and obligations,
- the definition of a reporting channel for identified risks, identified rule violations and detailed information as well as
- monitoring of appropriateness and effectiveness (including reporting).

In addition, appropriate prevention measures are also defined within the framework of the existing risk management in the NORD/LB Group. The NORD/LB Group's business and customer-related security systems are thus designed not to enter into or continue business relationships that serve economic criminal purposes or promote anonymous transactions.

Regular hazard and risk analyses form an important basis for a preventive compliance management system and at the same time an evaluation of the implemented measures. The NORD/LB Group carries out these audits annually on all compliance-relevant topics. These analyses allow an assessment and evaluation of possible risks. Specific risk reduction measures are also derived from all hazard and risk analyses. For example, area-related scenarios on corruption and other criminal offences as defined in section 25h(1) sentence 1 of the German Banking Act (Kreditwesengesetz: KWG) are thus investigated and their criticality evaluated on the basis of external statistics and internal assessments.

The results of these analyses were compared with the existing preventive measures in 2022 in order to determine the remaining residual risk and to develop further preventive measures. At the NORD/LB Group, measures for the prevention of money laundering and terrorism financing as well as fraud include the derivation of a risk-oriented monitoring plan, the creation and implementation of training concepts as well as measures for the implementation of the Know Your Customer principle. In addition, all customers and transactions are checked by the system, for instance for specific suspicions or embargoes and financial sanctions.

In addition, adequacy and effectiveness assessments were carried out by the compliance functions in 2022. The aim of this was to ascertain the adequacy and effectiveness of existing measures, procedures and ongoing controls. The NORD/LB Group's procedures and ongoing controls were generally appropriate and effective throughout 2022.

To protect ethics, integrity, lawful conduct and professional conduct in the fight against corruption (bribery, corruption and benefit/granting of advantages) of its employees, the Managing Board of NORD/LB sets out binding principles of conduct in a Code of Conduct and ensures that employees have a clearly defined scope for action that combines the requirements for compliance with the law with ethically correct conduct and thus links corporate success with social responsibility. This reduces the risk of employees acting unintentionally at the expense of the NORD/LB Group or putting themselves in danger of violating laws or regulations. The Code of Conduct is publicly available on the intranet and on NORD/LB's website and forms the framework for value-conscious and fair conduct with integrity and is binding for all members of the Managing Board and employees.

The Code of Conduct was updated in August 2022 and adapted to the changing social conditions. For example, in the "Values and objectives" section, the values from NORD/LB's vision – Sustainable, Human, Engaged – were updated. In the "Sustainability" section, the updated sustainability principles and a commitment to environmental and social responsibility were added. The dimensions of diversity have been redefined in the "Mutual appreciation, protection against discrimination, equality and diversity" section. Sexual discrimination is now expressly included here. NORD/LB is also committed to the fair treatment of business partners and competitors in the "NORD/LB in competition" section.

Supplementary internal guidelines describe the permissibility of accepting or granting invitations and gifts as well as the requirements for the settlement of hospitality and material expenses. Compliance with the rules regarding the acceptance/granting of invitations/gifts is monitored at the NORD/LB Group. Violations of these and other requirements can be reported via various whistleblower channels, as well as anonymously.

Employee awareness continued to be raised in 2022 through WBTs that must be carried out on a regular basis, regular and ad hoc face-to-face training, as well as communications and information on the intranet.

The Managing Board of NORD/LB is responsible for compliance-relevant issues and is kept comprehensively informed in the NORD/LB Group's annual Governance, OpRisk & Compliance report.

Information security

Banks and financial services companies nowadays operate with a wide variety of information. Such information and the resources and consumables required for processing (e.g. IT systems, applications, forms, letters and printouts) are fundamental assets. The protection of these assets is indispensable in order to maintain and strengthen performance and a competitive position, the trust of business partners, customers and employees and their reputation in the public domain and to prevent misuse.

The aim of information security is to protect information and the associated information resources against loss of confidentiality, availability, integrity and authenticity. This is done by managing and implementing a proactive and ongoing (process-oriented) information security management system (ISMS). Information security risks or deviations from the security standard are assigned to the respective responsible departments. The ongoing preservation of the security of information is aimed at through continuous improvement of the ISMS as part of a PDCA cycle (Plan, Do, Check, Act).

The requirements for information security are regulated by law at all NORD/LB Group locations and implemented in the corresponding structures and procedures. At the German locations, the NORD/LB Group institutions take into account the following regulatory, legal and contractual requirements, among others:

- German Banking Act (KWG) sections 25a, 25b and 25c,
- General Data Protection Regulation (GDPR),
- New Federal Data Protection Act (BDSG-new),
- German Commercial Code (Handelsgesetzbuch: HGB), risk management of information processing,
- Minimum requirements for risk management (MaRisk),
- Banking supervisory requirements for IT (BAIT),
- Second Payment Services Directive (ZAG)/Payment Service Directive 2 (PSD2),
- Circulars from banking supervisors such as the Federal Financial Supervisory Authority (BaFin),
- Group information security requirements,
- Contractual security obligations with third parties.

Specific similar regulations apply to the foreign locations.

The Managing Board of the respective institution is responsible for all matters relating to information security. Information security is an integral part of the NORD/LB Group's business and risk policy. Irrespective of this, it is the task of every employee to comply with the rules on information security and to protect sensitive information. Based on the business strategy and the information security strategy (as part of the risk strategy), the corresponding specifications are operationalised via guidelines on information security and information security guidelines in manuals and work instructions and made available to every employee of the NORD/LB Group. The corresponding organisational guidelines apply throughout the NORD/LB Group and are supplemented for all employees by means of regular mandatory training and awareness-raising on information security-relevant topics.

To implement and maintain an appropriate level of information security, the Managing Board of NORD/LB has appointed a chief information security officer (CISO) at Group level. The CISO is the highest authority for the information management system at NORD/LB. The subsidiaries have their own information security officers (ISO), who have been appointed by the respective Managing Board members. The respective information security officers were commissioned by the Managing Board members with the development, implementation and continuous improvement of information security requirements. They report directly to the respective Managing Board member on a regular and an ad hoc basis. Their tasks include controlling and managing information security and their risks, conducting regular reviews and advising the Managing Board and specialist departments.

To maintain an appropriate level of information security, annual, Group-wide risk analyses based on the current threat situation were carried out in 2022. Information security requirements were derived by taking relevant standards and norms into account. Compliance with these specifications is checked regularly and on an ad hoc basis as part of the internal control system, audits and security checks. In addition, information security management is the subject of regular internal and external audits. Any information security incidents are

analysed and solutions are developed with appropriate preventive measures. The analyses, audits and checks carried out in 2022 showed that the NORD/LB Group has a fundamentally appropriate level of information security.

Data protection

Bank employees encounter a wide range of personal data. Protecting this data and the trust associated with its provision is a key task of a bank. The aim of data protection at the NORD/LB Group is to protect the personal data of natural persons. Accordingly, the confidential, sensitive handling of personal data in the NORD/LB Group enjoys the highest priority and the legal obligations and requirements for data protection to be taken into account are of paramount importance. This applies both to the processing of personal employee and customer details as well as to the personal details of suppliers, consultants and other contractual partners in the NORD/LB Group. Banking secrecy is strictly maintained. Data and information are only used within the framework of strict purpose limitation and legal requirements.

For the NORD/LB Group, the provisions of the General Data Protection Regulation (GDPR), the new Federal Data Protection Act (BDSG-new) and other laws with data protection regulations must be taken into account. The statutory provisions on data protection apply to all natural persons, in particular customers and employees of the NORD/LB Group. In addition to the proper handling of protected personal data, data protection also concerns the monitoring of compliance with the rights of data subjects affected by automated data processing and the basic obligations of special function holders with access to personal data within the NORD/LB Group.

Every employee is responsible for complying with data protection regulations. On the part of NORD/LB and NORD/LB Luxembourg, data protection obligations of³ all internal and external employees who handle personal data are subject to data secrecy; this obligation also applies beyond the employment relationship. The NORD/LB Group's data protection policy is set out in the Group Data Protection Framework Policy, which is applicable throughout the Group in the respective institutions.

The NORD/LB Group is obligated to have appropriate policies and procedures in place to ensure compliance with data protection. The business units and their employees are continuously monitored, sensitised and advised by the data protection officer with regard to the implementation of data protection. In addition, regular training takes place in the form of WBT. NORD/LB Luxembourg has a data protection officer who is officially approved by the National Commission for Data Protection (CNPD) of the Grand Duchy of Luxembourg.

To ensure that all departments to be monitored are independent of technical instructions, the data protection officers are directly responsible to the Managing Board, which also bears overall responsibility for this function and monitors its effectiveness. They report at regular intervals or, if necessary on an ad hoc basis, directly to the overall Managing Board and on an ongoing basis to the responsible member of the Managing Board as part of day-to-day business.

³ In Luxembourg pursuant to the coordinated version of the Law of 2 August 2002 on the protection of personal data with regard to data processing.

Employees and customers have the option of contacting the data protection officer for assistance. To ensure and monitor compliance, adequacy and effectiveness of all data protection-related requirements, annual analyses which are standard throughout the Group are also carried out here on the basis of risk-oriented audit plans. The audit plans are drawn up annually by the data protection officer and take into account how the various divisions are affected (cycle of the monitoring activity between one and seven years). In 2022, all the divisions affected were properly audited.

In 2022, there were no reportable anomalies on the subject of data protection. Based on the measures implemented, the data protection officer determined for the reporting year that the currently implemented organisational structure as well as the implemented procedures and measures for data protection and data security, when properly applied, met the legally required minimum standards. The following data protection measures and audits have been carried out:

- Revalidation of various processing activities and data protection-relevant documents
- Further development of the data protection monitoring program
- Adaptation of the website to the data protection principles for operators of websites

Imprint

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|---|--|
| Reporting period: | Financial year 2022 (1 January until 31 December) |
| Reporting cycle: | Yearly |
| Ansprechpartner für Fragen zum Bericht: | NORD/LB Norddeutsche Landesbank Girozentrale Group Communications Friedrichswall 10 30159 Hannover E-Mail: nachhaltigkeit@nordlb.de |

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting⁴

To Norddeutsche Landesbank - Girozentrale -, Hannover, Braunschweig, Magdeburg

We have performed a limited assurance engagement on the combined separate non-financial report of Norddeutschen Landesbank - Girozentrale -, Hannover, Braunschweig, Magdeburg, (hereinafter the "Company") for the period from 1 January 2022 to 31 December 2022 (herein-after the "Combined Separate Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report, which are marked as unassured.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Combined Separate Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "Darstellung von Kennzahlen auf Basis der EU-Taxonomie-Verordnung" of the Combined Separate Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Combined Separate Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Darstellung von Kennzahlen auf Basis der EU-Taxonomie-Verordnung" of the Combined Separate Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

⁴ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the Combined Separate Non-financial Report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Separate Non-financial Report, other than the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "Darstellung von Kennzahlen auf Basis der EU-Taxonomie-Verordnung" of the Combined Separate Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reason-able assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about the internal control system relating to this process and about disclosures in the Combined Separate Non-financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the annual and consolidated financial statements and management report and group management report
- Evaluation of the presentation of the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Combined Separate Non-financial Report

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-financial Report of the Company for the period from 1 January 2022 to 31 December 2022 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "Darstellung von Kennzahlen auf Basis der EU-Taxonomie-Verordnung" of the Combined Separate Non-financial Report. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 29 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Ullrich Hartmann Joachim Krakuhn
Wirtschaftsprüfer
[German public auditor]