

NORD/LB's policy statement
Girozentrale on the Supply Chain Due
Diligence Act (LkSG)

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1 Introduction

Norddeutsche Landesbank - Girozentrale - (NORD/LB) is subject to the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG) and sets out its actions with regard to human rights in its supply chain in this policy statement on the LkSG.

The supply chain comprises NORD/LB's own business operations in Germany, its foreign branches and those Group companies over which it exercises a decisive influence, as well as the organisation of its business relationships with its direct suppliers and service providers.

2 Business model

In terms of total assets, NORD/LB is one of the leading German commercial banks. Its core business segments include structured financing in the energy and infrastructure sector, corporate customer business, commercial real-estate finance, capital market business and business with private and commercial customers. The bank is based in Hanover, Baunschweig and Magdeburg. NORD/LB also has branches in Düsseldorf, Hamburg, Munich and Schwerin.

Outside Germany, NORD/LB is represented by a covered bond bank (NORD/LB Luxembourg SA Covered Bond Bank) in Luxembourg and by branches in London, New York and Singapore.

3 Importance of human rights and the environment

NORD/LB's understanding and its human rights and environmental due diligence processes are based on the LkSG and the conventions listed in its annex, in particular

- The International Bill of Human Rights, i.e. the United Nations Universal Declaration of Human Rights as well as the Civil and Social Covenants, which define civil, political and social rights to which all people are entitled for the sake of their dignity.
- The core labour standards of the International Labour Organization (ILO) with their four basic principles on freedom of association and the right to collective bargaining, the elimination of forced and child labour and the prohibition of discrimination in respect of employment and occupation.
- International regulations to ensure occupational health and safety in the workplace

NORD/LB expects its employees to comply with the principles and values of NORD/LB. The principles and values of NORD/LB are publicly communicated in the Code of Conduct [NLB22616-Brosch-CodeofConduct-engl-220823.indd \(nordlb.com\)](#)

Similarly, NORD/LB supports its employees in taking all reasonable measures to prevent NORD/LB from being involved in or contributing to human rights abuses or the violation of environmental obligations in its supply chain. All employees can expect to be protected from human rights violations by NORD/LB.

NORD/LB expects its own employees and its service providers and suppliers to protect human rights and the environment as described in the LkSG. NORD/LB also expects its service providers and suppliers to address this expectation appropriately along the supply chain.

4 Respect for human rights and fulfilment of legal due diligence obligations

4.1 Realisation at NORD/LB

NORD/LB is aware of its corporate responsibility to respect human rights in its supply chain.

As a signatory to the UN Global Compact, NORD/LB is expressly committed to implementing 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 sphere of influence:

- Businesses should support and respect the protection of internationally proclaimed human rights
- Make sure that they are not complicit in human rights abuses.
- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- the elimination of all forms of forced and compulsory labour,
- the effective abolition of child labour,
- the elimination of discrimination in respect of employment and occupation.
- supporting a precautionary approach to environmental challenges.
- promoting greater environmental responsibility.
- encourage the development and diffusion of environmentally friendly technologies.
- work against corruption in all its forms, including extortion and bribery.

In addition to applying the applicable laws and regulatory requirements, NORD/LB is guided by leading international and national standards and incorporates these into its actions, in particular:

- the General Declaration of Human Rights
- the International Covenant on Economic, Social and Cultural Rights
- the International Covenant on Civil and Political Rights
- the core labour standards of the ILO (International Labour Organization)
- the UN Guiding Principles on Business and Human Rights
- the OECD Guidelines for Multinational Enterprises

NORD/LB implements respect for human rights with an internal guideline for dealing with human rights in order to prevent or minimise risks to human rights and to prevent, end or minimise the extent of violations of human rights.

To achieve this goal, NORD/LB has implemented appropriate measures in its own business segment and in its procurement processes. NORD/LB's own employees and the employees of its service providers and suppliers are at the centre of every measure. NORD/LB is particularly concerned to include and consider the interests of those potentially affected in all areas.

By applying the guideline, NORD/LB:

- securing structures and responsibilities

- take into account the importance of human rights requirements for employees, market partners and society in its business activities,
- provide guidance to employees and market partners with regard to potential human rights violations,
- further develop processes for creating transparency, assessing, analysing and monitoring potential human rights violations, and
- ensure that human rights aspects are taken into account in complaints management.

By systematically taking human rights and labour standards into account in its business activities, NORD/LB aims to actively promote the sustainable development of the economy and society in its supply chain, primarily in the areas of

- respect for the human rights of our own employees,
- avoidance of human rights violations through its business relationships with service providers and suppliers.

Accordingly, human rights and the protection of the environment are also integrated into NORD/LB's Code of Conduct.

4.2 Fulfilment of legal due diligence obligations

NORD/LB fulfils the legal requirements of the LkSG with regard to risk analysis, preventive measures, complaints procedures, remedial measures, effectiveness testing, documentation and reporting.

NORD/LB has established human rights risk management in its own business segment and in its supply chain in order to identify and minimise human rights and environmental risks and to prevent, end or minimise the extent of violations of human rights or environmental obligations.

The risk management of NORD/LB's own business segment encompasses all NORD/LB employees in the context of their employment in the relationship between the company and employees as well as between employees themselves. This has developed from the established and partly legal requirements and structures as well as through the creation and application of concepts, requirements and operational regulations relating to human rights matters such as working hours, holidays, pay and their processing in the respective specialist departments based on operational requirements.

Risk management for the supply chain is the Bank's actions with regard to the selection and commissioning of external service providers and suppliers and the organisation of cooperation.

NORD/LB has appointed a human rights officer to monitor the human rights and environmental due diligence processes in its organisation.

The Managing Board is informed about the work of the Human Rights Officer at least once a year.

The implementation of human rights and environmental due diligence obligations is a continuous process, depending on changing contextual conditions, the type of business activity and the size and structure of the company. This process is constantly reviewed and continuously developed.

The results of the review of human rights and environmental risks and impacts are incorporated into corporate management and corporate decision-making processes with regard to supplier selection.

The risk analysis forms the basis for the identification of appropriate measures. In addition, NORD/LB uses the results as a basis for creating and, where necessary, adapting internal regulations, processes and training in order to take account of the changing requirements for corporate due diligence processes.

4.3 Carrying out risk analyses

NORD/LB carries out risk analyses for its own business division and its suppliers once a year and on an ad-hoc basis.

As part of an abstract risk analysis, potential human rights and environmental risks are first identified on the basis of defined risk factors. If a potential risk is identified, a concrete risk analysis is carried out in the next step, taking into account the appropriateness criteria. The supplier concerned or the company's own business segment in question is analysed in greater depth.

4.4 Prevention measures in our own business division

If NORD/LB identifies a relevant risk in its own business segment on the basis of the completed risk analysis, it will take appropriate preventive measures, in particular:

- the implementation of the human rights strategy set out in the declaration of principles in the relevant business processes,
- the development and implementation of suitable procurement strategies and purchasing practices to avoid or minimise identified risks,
- organising training courses in the relevant areas,
- the implementation of risk-based control measures to verify compliance with the human rights strategy contained in the Declaration of Principles in its own business segment.

4.5 Preventive measures towards suppliers

If NORD/LB identifies a relevant risk at a direct supplier on the basis of the completed risk analysis, it will take appropriate preventive measures, in particular:

- the consideration of NORD/LB's human rights and environmental expectations when selecting a direct supplier,
- Obtaining contractual assurances from a direct supplier that it complies with NORD/LB's human rights and environmental requirements and addresses them appropriately along the supply chain,
- the agreement of appropriate contractual control mechanisms and the implementation of training and further education to enforce the contractual assurances of the direct supplier,
- the agreement of appropriate contractual control mechanisms and their risk-based implementation in order to verify compliance with the human rights strategy described in the declaration of principles at the direct supplier.

4.6 Remedial measures

In the event that NORD/LB becomes aware of an existing or imminent violation of a human rights or environmental obligation in its own business segment, appropriate remedial measures are taken immediately, taking into account the legal due diligence obligations, in order to prevent or end such a violation or to minimise its extent. With regard to the direct supplier, the specific remedial

measures to be taken are determined on a case-by-case basis. Remedial measures may lead to the temporary suspension or termination of the business relationship.

4.7 Due diligence obligations towards indirect suppliers

If NORD/LB obtains substantiated knowledge of the possible violation of a human rights or environmental obligation by an indirect supplier, the following measures in particular are taken as appropriate and taking into account the legal due diligence obligations:

- Carrying out a risk analysis,
- Establishment of appropriate preventive measures towards the polluter, such as the implementation of control measures, support in the prevention and avoidance of a risk or the implementation of industry-specific or cross-industry initiatives to which the company has signed up.
- Creation and implementation of concepts to prevent, end or minimise the violation of a human rights or environmental obligation and
- updating this policy statement as necessary.

4.8 Complaints procedure

NORD/LB has set up a complaints procedure in order to be informed at an early stage of human rights and environmental risks or violations that have already occurred in its supply chain and to be able to offer support and take remedial action in good time. People can use this complaints procedure, which can be accessed via the NORD/LB website - [Submitting a note/complaint to NORD/LB: NORD/LB \(nordlb.com\)](#) - to submit written information to the office responsible for receiving complaints within NORD/LB.

A corresponding procedural regulation with a description of how to deal with complaints is published in the same place.

4.9 Documentation and reporting

NORD/LB continuously documents the measures taken as part of risk management. An annual report is prepared based on the risk analyses carried out. This report is submitted to the responsible supervisory authority, the Federal Office of Economics and Export Control, and is made available to the public on NORD/LB's website.

4.10 Effectiveness control

NORD/LB reviews the effectiveness of the preventive measures, the remedial measures, and the complaints procedure once a year and on an ad-hoc basis.

5 Results of the risk analysis

The risk analysis for suppliers only results in isolated abstract risks that result from industry risks combined with country risks and represent ancillary services in relation to the Bank's products and services. The completed risk analysis for the Bank's own business segment does not give rise to any specific risks in relation to the Bank's own employees.

6 Continuous further development

This declaration is subject to continuous further development. This includes, among other things, the presentation of the results of future risk analyses and any measures based on them.

Hanover, 3 December 2024

The Managing Board

7 Attachment

Companies over which NORD/LB exercises significant influence

- NORD/FM Norddeutsche Facility-Management GmbH, Hans-Böckler-Allee 1, 30173 Hanover, Germany
- NORD/LB Leasing GmbH, Markt 12, 26122 Oldenburg
- NORD/LB Luxembourg SA Covered Bond Bank, 7 Rue Lou Hemmer, 1748 Findel Niederaanven, Luxembourg
- KreditServices Nord GmbH, Friedrich-Wilhelm-Platz, 38100 Braunschweig
- Finpair GmbH, Friedrichswall 10, 30159 Hanover
- Caplantic, Adenauerallee 10, 30175 Hanover