Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Oldenburgische Landesbank AG (LEI: 5299008I0TO44SUINZ71) published on 15th January 2024

Summary

Oldenburgische Landesbank AG considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Oldenburgische Landesbank AG.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1st January to 31st December 2022.

Oldenburgische Landesbank AG (hereinafter referred to as "OLB") defines the principal adverse sustainability impacts as those impacts of investment decisions that have adverse effects on the following sustainability factors:

- Environmental, social and employee matters
- Respecting human rights and
- Anti-corruption and bribery.

To comply with due diligence obligations at the corporate level, aspects of adverse sustainability impacts are also considered as part of OLB's financial portfolio management. For this purpose, data on the financial instruments are collected with regard to their sustainability in the dimensions of environmental, social and governance. The information needed for this purpose is provided by a recognised external data provider that specialises in sustainability analyses (currently MSCI ESG Research).

However, OLB does not pursue a sustainability strategy at the product level of its financial portfolio management.

OLB's financial portfolio management does not advertise environmental or social characteristics (financial products under Article 8 of the SFDR), nor does it seek to make sustainable investments (financial products under Article 9 of the SFDR). The investments underlying this financial service do not take into account the EU criteria for ecologically sustainable economic activities.

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

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Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies					
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	115,000.32	Sum of portfolio companies' carbon emissions - Scope 1 (tCo_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage[1]: 92.46%	
		Scope 2 GHG emissions	9,349.56	Sum of portfolio companies' carbon emissions - Scope 2 (tCo_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage[1]: 92.46%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

		Scope 3 GHG emissions	523,580.00	Sum of portfolio companies' Scope 3 – total emission estimated (tCO_2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage[1]: 92.42%	
		Total GHG emissions	648,187.43	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage [1]: 92.44%	
	2. Carbon footprint	Carbon footprint	981.28	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage [1]: 92.39%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

	3. GHG intensity of investee companies	GHG intensity of investee companies	1,293.24	The portfolio's weighted average of its holding issuers' GHG intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue). Coverage [1]: 96.38%	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	22.71%	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal. Coverage [1] 96.58%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	74.40%	The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated. Coverage [1]: 89.40%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	NACE Code A: 0.62	The portfolio's weighted average of energy consumption intensity (GWh/million EUR revenue) for issuers classified within NACE Code A (agriculture, forestry and fishing) Coverage [1]: 84.53%	
			NACE Code B: 2.41	The portfolio's weighted average of energy consumption intensity (GWh/million EUR revenue) for issuers classified within NACE Code B (mining and quarrying) Coverage [1]: 84.53%	
			NACE Code C: 0.90	The portfolio's weighted average of energy consumption intensity (GWh/million EUR revenue) for issuers classified within NACE Code C (manufacturing) Coverage [1]: 84.53%	
			NACE Code D: 9.73	The portfolio's weighted average of energy consumption intensity (GWh/million EUR revenue) for issuers classified within NACE Code D (electricity, gas, steam and air conditioning supply) Coverage [1]: 84.53%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

			NACE Code E: 3.93	The portfolio's weighted average of energy consumption intensity (GwH/million EUR revenue) for issuers classified within NACE Code E (water supply; sewerage, waste management and remediation activities) Coverage [1]: 84.53%	
			NACE Code F: 0.19	The portfolio's weighted average of energy consumption intensity (GwH/million EUR revenue) for issuers classified within NACE Code F (construction) Coverage [1]: 84.53%	
			NACE Code G: 0.08	The fund's weighted average of energy consumption intensity (GwH/million EUR revenue) for issuers classified within NACE Code G (wholesale and retail trade; repair of motor vehicles and motorcycles) Coverage [1]: 84.53%	
			NACE Code H: 0.60	The portfolio's weighted average of energy consumption intensity (GwH/million EUR revenue) for issuers classified within NACE Code H (transportation and storage) Coverage [1]: 84.53%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

			NACE Code L: 0.52	The portfolio's weighted average of energy consumption intensity (GWh/million EUR revenue) for issuers classified within NACE Code L (real estate activities) Coverage [1]: 84.53%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.08%	The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment. Coverage [1]: 96.60%	At company level, the share of selected financial instruments based on market value may not exceed 5%.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	41.64	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage [1]: 1.63%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	3.35	The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage [1]: 41.25%	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	3.59% (Note: only direct investments in companies and certificates with a company as the underlying asset: 0.1%)	The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products. Coverage [1]: 96.57%	At company level, the proportion resulting from direct investments in companies (shares or bonds of individual companies) and certificates with a company as the underlying asset is limited to a maximum of 5% based on the market value. Investment

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

					funds, ETFs and certificates with a basket of securities as the underlying asset are not taken into account.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	24.50%	The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact. Coverage [1]: 96.54%	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14.67%	The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings. Coverage [1]: 28.08%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	36.68%	The portfolio holdings' weighted average of the ratio of female to male board members. Coverage [1]: 96.11%	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.10%	The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical or biological weapons. Coverage [1]: 96.55%	At company level, the share of selected financial instruments based on market value may not exceed 5%.
Indicators applicable to investments in sovereigns and supranationals					
Environmental	15. GHG intensity	GHG intensity of investee countries	454.80	The portfolio's weighted average of sovereign issuers' GHG emissions intensity (Scope 1, 2 and 3 emissions/EUR M GDP) Coverage [1]: 14.82%	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee	0	absolute number Coverage [1]: 60.16%	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

		countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0%	relative number Coverage [1]: 60.16%	
Indicators applicable to investments in real estate assets					
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0	No investments were made in real estate during the reporting period.	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0	No investments were made in real estate during the reporting period.	

[1] Proportion of investment values for which data on the metric was available. The share is based on data obtained in cooperation with third-party data providers (MSCI ESG Research).

Other indicators for principal adverse impacts on sustainability factors

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies					
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	33.62%	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.	
		Share of investments in investee companies that neither implement initiatives to reduce CO2 emissions in the sense of the Paris Agreement nor have independent initiatives to reduce CO2 emissions.	27.05% (Note: only direct investments in companies and certificates	The percentage of the portfolio's market value exposed to issuers that have no initiatives to reduce carbon emissions (neither own company initiatives nor initiatives aimed at compliance with the Paris Agreement).	At company level, the proportion resulting from direct investments in companies (shares or bonds of individual companies) and certificates

			with a company as the underlying asset: 0.3%)		with a company as the underlying asset is limited to a maximum of 5% based on the market value. Investment funds, ETFs and certificates with a basket of securities as the underlying asset are not taken into account.

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Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Adverse sustainability impact	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Indicators applicable to investments in investee companies					
Anti-corruption and anti-bribery	Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	3.84%	The percentage of the portfolio's market value exposed to issuers without an anti-corruption and anti-bribery policy consistent with the United Nations Convention against Corruption.	

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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

At the entity level, investment decisions regarding the strategies for determining and weighting the most important adverse effects on sustainability factors are relevant for OLB exclusively for financial portfolio management. Approval by the entire OLB Board of Managing Directors takes place within the framework of OLB's published ESG Policy (approved on: 19th December 2023). The ESG Policy is the central element of the Bank's governance framework in sustainability and is further operationalized through the description of responsibilities and processes by means of technical guidelines.

OLB's financial portfolio management is the responsibility of the "Asset Management" department. Accordingly, this is also where the responsibility for implementing the strategy at company level lies.

OLB obtains the data required for determining the impact of the main adverse effects on sustainability factors from MSCI ESG Research, a recognized external data provider specializing in sustainability analyses. If there are data gaps in the data supplied by MSCI Research, OLB endeavors to fill them. The approach does not assume that the negative impact is zero in the case of missing data. For indicators based on quantitative data, the data gaps are closed by reweighting the securities with data at fund/portfolio level. For this purpose, the securities with missing data are essentially filled with the average of the existing data.

For financial instruments acquired via financial portfolio management, the main adverse sustainability impacts are determined, which are based on the main adverse sustainability impacts defined by the legislator.

As part of its financial portfolio management, OLB may invest in stocks or bonds of individual companies, certificates, mutual funds or ETFs. For certificates, the underlying asset or basket of securities (e.g., an index) is considered.

OLB reflects the most important adverse sustainability impacts in the selection of financial instruments solely on the basis of the exclusion criteria defined at the corporate level. At the company level, the share of the following adverse sustainability impacts with respect to the selected financial instruments may not exceed 5% on the basis of market value:

- Activities negatively affecting biodiversity-sensitive areas (in accordance with Annex I Table 1 of the SFDR - Adverse sustainability indicator No. 7)

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (according to Annex I Table 1 of the SFDR - Adverse sustainability indicator No. 14)

In addition, at company level, the proportion of the following adverse sustainability impacts resulting from direct investments made in companies (shares or bonds of individual companies) and certificates with a company as the underlying asset is limited to a maximum of 5% based on the market value (investment funds, ETFs and certificates with a basket of securities as the underlying asset are not taken into account):

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (in accordance with Annex I Table 1 of the SFDR - Adverse sustainability indicator No. 10)

- Investments in companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement or independent corporate initiatives (in accordance with Annex I Table 2 of the SFDR - Adverse sustainability indicator No. 4, supplemented by the assessment of independent initiatives of the companies)

Engagement policies

OLB provides financial portfolio management services to its clients. However, OLB does not exercise any shareholder rights pursuant to Section 134b (1) AktG on behalf of its clients as part of these financial portfolio management services. OLB defines the mandate entrusted to it by its clients as the professional management of the clients' assets. In this context, the main focus is on risk-appropriate growth of the clients' assets. OLB does not regard itself as a legitimate representative of shareholder rights. Apart from this, the bank would not be in a position to do justice to the diversity of its clients' interests when it comes to exercising shareholder rights.

Our engagement policy has thus been defined as follows:

- OLB does not exercise any shareholder rights within the meaning of Section 134b (1) No. 1 AktG. The bank exercises the right to a share in profits as defined in Sections 60 ff. AktG and to subscription rights in the interests of its clients.
- Important matters relating to the companies within the meaning of Section 134b (1) No. 2 AktG are monitored via the statutory disclosure of information by the companies in their financial reports and ad hoc announcements.
- An exchange of opinions with the company's corporate bodies and/or stakeholders pursuant to Section 134b (1) No. 3 AktG does not take place.
- Collaboration with other shareholders pursuant to Section 134b (1) No. 4 AktG does not take place.
- In the event of conflicts of interest within the meaning of Section 134b (1) No. 5 AktG, such conflicts will be disclosed to the parties concerned in accordance with the statutory provisions.
- Annual reporting on the implementation of the engagement policy pursuant to Section 134b (2) AktG is not required, as the bank does not exercise any corresponding rights.
- Voting behavior within the meaning of Section 134b (3) AktG is not disclosed as the bank does not participate in any voting.

OLB does not pursue an engagement policy in accordance with Article 3g of Directive 2007/36/EC of the European Parliament and of the Council. For the reasons stated above, the financial portfolio management strategy does not provide for an adjustment of the engagement policy if no reduction in the principal adverse impacts is observed over several reporting periods.

References to international standards

In addition to the economic aspect, OLB also aims to act sustainably in an ecological and social sense. In this pursuit, the bank adheres to the UN Principles for Responsible Banking. The business model is designed to contribute to the realization of people's needs and society's goals as expressed in the UN Sustainable Development Goals and the Paris Climate Agreement.

OLB is also guided by the principles for responsible investment and observes the ten principles of the UN Global Compact in its business activities.

In the context of investment decisions, consideration is given by setting a maximum percentage of investments in companies that have been involved in violations of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises (cf. Commission Delegated Regulation (EU) 2022/1288 annex I table 1 Adverse sustainability indicator no. 10). The data required for this is provided by a recognized external data provider specializing in sustainability analyses (currently MSCI ESG Research).

Historical comparison

A historical comparison will be possible for the first time with the report as of 30th June 2024.