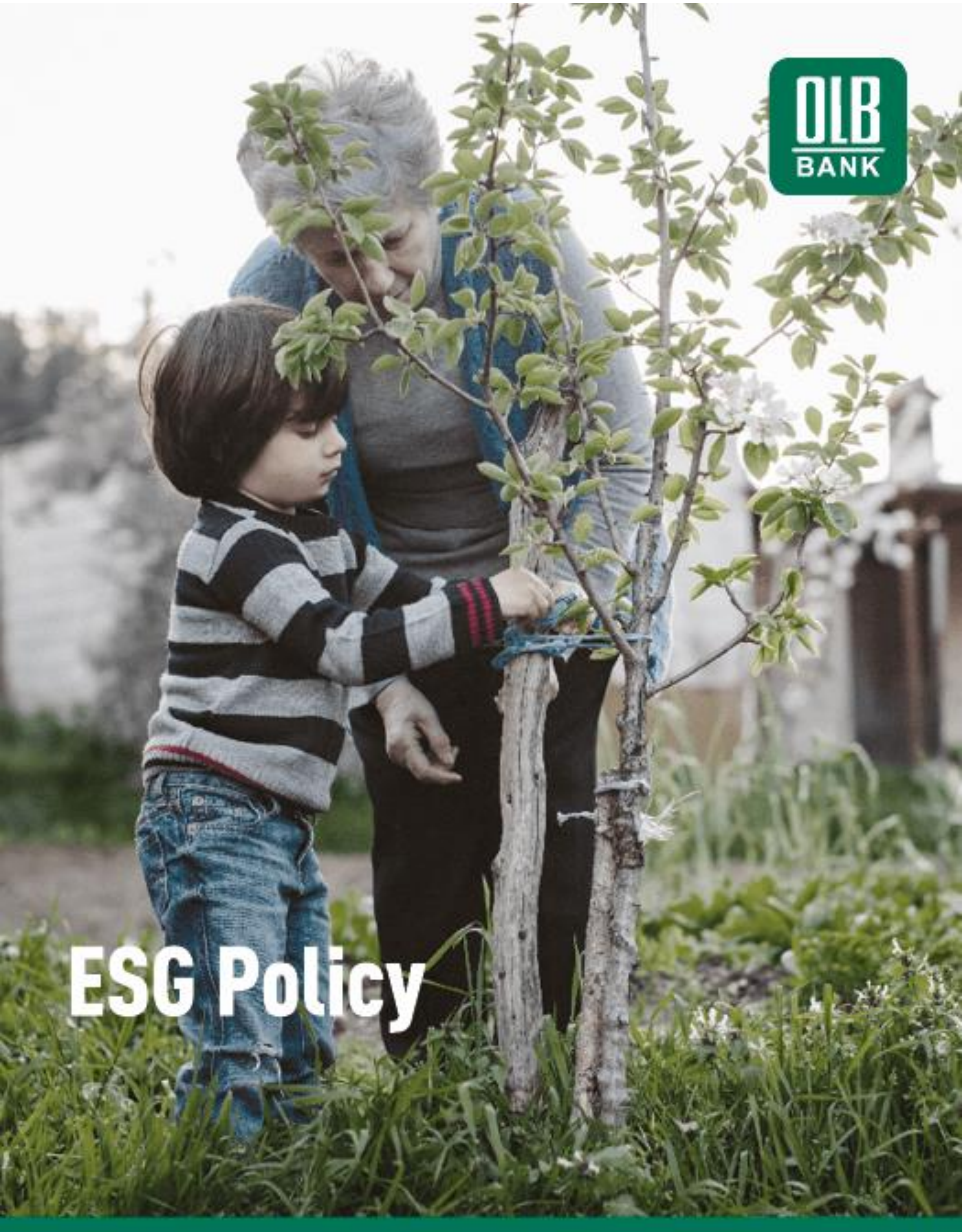

ESG Policy

ESG Policy

Version: 2.0 from 19 December 2023

Sustainability

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Preamble

With the Paris Climate Agreement adopted in 2015, which sets the goal of limiting man-made global warming to well below 2°C compared to pre-industrial levels, climate protection was declared a central topic of international politics. As a result, the European Commission adopted its "Action Plan: Financing Sustainable Growth" (EU Action Plan). In addition to environmental aspects, sustainability also includes the areas of social affairs and corporate governance. These three areas are also abbreviated or summarised as "ESG" using the initial letters of the corresponding English terms "Environmental", "Social" and "Governance".

The EU action plan aims to channel financial flows towards sustainable investments. Specifically, the action plan aims to support the transition to a low-carbon, resource-efficient and environmentally friendly economy. By promoting sustainable investment, the aim is to achieve long-term and stable economic development that takes social aspects into account alongside these environmental concerns. The implementation of the EU action plan includes the following three measures in particular:

1. Introduction of a standardised classification system for sustainable activities
2. Embedding sustainability in risk management
3. Disclosure of sustainability information to promote transparency and long-term sustainability

In their function as financial intermediaries, banks play a central role in implementing the EU Action Plan. In its business strategy, Oldenburgische Landesbank AG (OLB) has defined a sustainability mission statement that is based on the Principles for Responsible Banking. Accordingly, OLB aligns its business model so that it contributes to meeting the needs of people and the goals of society, as expressed in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

The aim of this policy is to further specify this mission statement for the Bank and to set out principles in order to deepen the concept of sustainability and anchor it in the organisational regulations. The ESG policy is divided into three parts:

- Part A describes the sustainability mission statement anchored in the Bank's business strategy and explains the governance structure established in this regard
- Part B explains the principles of the bank in its role as an economic participant and the associated impact of its own business activities, including financing and investment decisions, on sustainability factors such as climate, environment or social aspects (impact or "inside-out” perspective)
- Part C covers the handling of the external impact of sustainability factors on the bank, in particular the consideration of sustainability risks (financial or "outside-in” perspective)

The ESG policy is regularly reviewed by the Sustainability function, at least once a year, and approved by the full Executive Board. The document is updated and further developed in consultation with the relevant departments.

At the time the policy was revised, the closing of the acquisition of Degussa Bank had not yet taken place. The closing, in turn, is a prerequisite for the legal and technical merger of Degussa Bank into OLB, which is planned for 2024. In the period between the closing and the merger, OLB and Degussa Bank will form a group structure with OLB as the parent company and Degussa Bank as a subsidiary. The new group and later the merged company are expected to exceed total assets of EUR 30 billion, which will result in a transition from national to European financial services supervision with expanded supervisory requirements upon closing.

Insofar as applicable to individual aspects or not otherwise described, this policy also applies in connection with the completion of the acquisition of Degussa Bank in an existing Group structure in this respect.

A. Sustainability mission statement and ESG governance

The term *sustainability* describes "*a principle of conduct for the utilisation of resources. The aim is to ensure that needs are met in the long term by preserving the natural regenerative capacity of the systems involved, especially living organisms and ecosystems. This principle is literally recognisable in the corresponding English word sustainable: to sustain in the sense of 'endure' or 'bear'. In other words, the systems involved can 'permanently endure' a certain level of resource utilisation without suffering damage. The principle was first applied in forestry: Only as much wood is to be felled in the forest as will permanently grow back. When it was recognised in the second half of the 20th century that all the world's raw materials and energy supplies were in danger of running out, the principle was applied to the use of all resources.*"[1]

A.1 Sustainability mission statement

The Bank pursues the principle of acting in a long-term and sustainable manner, both in its banking business and with regard to social and environmental aspects. The issue of sustainability is integrated as a strategic factor throughout the Bank. First and foremost, this is a principle of action derived from business management, in which the development of business activities is planned and carried out in a manner which permanently guarantees the Bank's own operationally essential substance. In addition, events and conditions in the environmental, social and corporate governance areas that may have an actual or potential impact on the bank's net assets, financial position, results of operations and reputation are taken into account.

Focus of our sustainability activities

The financial services sector has a key role to play in supporting ecologically and socially responsible entrepreneurial action and enabling sustainable investments and innovations. OLB would like to actively fulfil this role and is pursuing the following approaches:

- OLB accompanies its customers on the path to climate neutrality

  The Bank sees the impending transformation of the economy as both a challenge and an opportunity. To accompany its customers on this path, OLB is successively expanding its advisory and product offerings to include sustainable solutions, both on the lending side and in relation to investments.

- OLB actively contributes to climate and environmental protection

  For years now, the Bank has been calculating its ecological footprint, including the greenhouse gas emissions associated with its own business operations (Scope 1, Scope 2 and Scope 3 upstream). OLB has set itself the goal of reducing its own emissions and using natural resources in an environmentally conscious and careful manner. This also includes reducing waste and favouring recycling solutions over disposable ones.

- OLB integrates sustainability aspects into its governance

  Both lending and investment decisions can have a negative impact on sustainability, which the bank minimises by establishing investment and lending principles. In addition, it measures and analyses the indirect greenhouse gas emissions financed by lending (Scope 3 downstream).

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[1] According to Wikipedia https://de.wikipedia.org/wiki/Nachhaltigkeit ("Sustainability", accessed on 4 October 2023)

Further to the effects of its own economic activities, OLB also assesses the external effects of sustainability factors on the Bank, especially sustainability risks. OLB strives to recognise both perspectives in its business management and planning, and in its pricing policy.

- OLB combines its entrepreneurial activities with social responsibility

  The Bank is aware of its social responsibility and wants to be perceived by its stakeholders as a fair business partner. As an employer, it creates framework conditions that enable equal opportunities and diversity within the company. It pays attention to sustainability criteria when selecting its suppliers. The Code of Conduct is an important element of the Bank's own corporate and compliance culture, and respect for and observance of human rights is a matter of course for OLB.

- OLB publicly advocates sustainability

  Sustainability, in particular the transformation of the economy towards climate neutrality, cannot be achieved by one person, one company or one state alone. It is a task for society as a whole, to which every individual and every institution can make a contribution. OLB wants to be a multiplier for sustainability. It therefore creates transparency with regard to its own sustainability efforts, promotes sustainable commitment and involves its stakeholders.

The overarching, prospective goal of these activities is to establish sustainability as a new, additional dimension in bank management at both portfolio and individual transaction level. In doing so, the Bank is applying the principle of dual materiality (see chapter A.4) by recognising both the impact of its own financing and investment decisions on sustainability factors (impact or "inside-out" perspective) and the external impact of sustainability factors on the bank (financial or "outside-in" perspective) as a target. The cornerstones of impact measurement are CO_2 accounting and the EU taxonomy (see chapter B.1). From a financial perspective, ESG scoring was introduced to determine ESG risk in the lending business, among other things, and risk management was generally expanded to include ESG aspects (see chapter C.1).

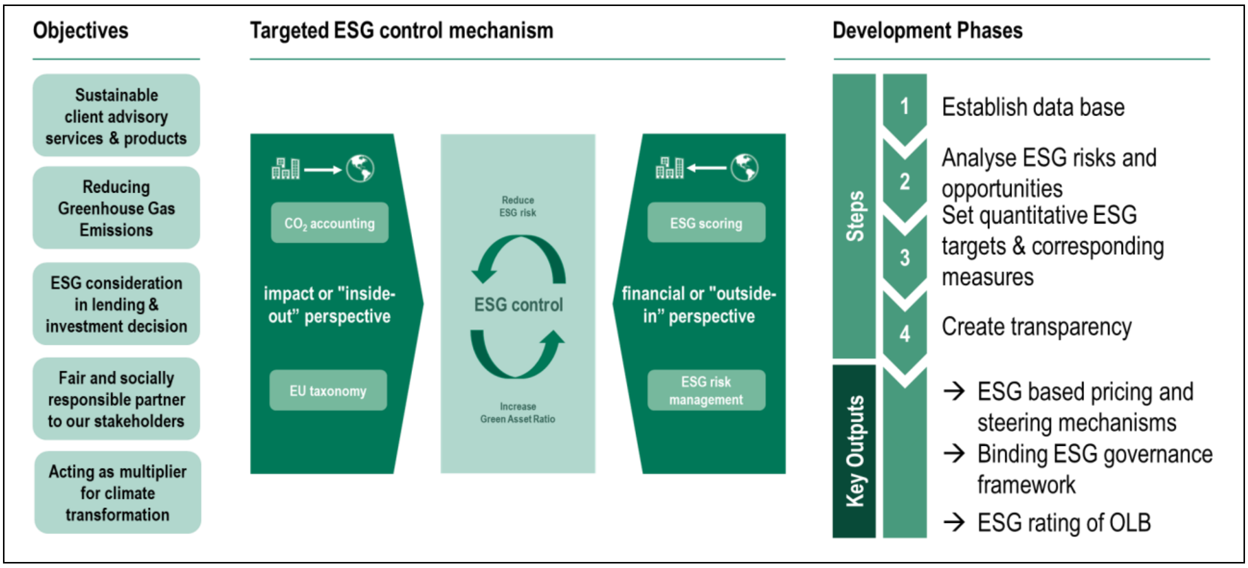

Fig. 1 Establishing sustainability as a further dimension in bank management

The control cycle described above is still under development, meaning that the intended mechanism described does not yet have any effect on prices, interest rates or margins. This strategic framework will be implemented in four development phases:

1. OLB creates a reliable database

   The creation of a reliable database in the ESG environment is an absolute prerequisite for the further development of the strategic framework and all subsequent steps. In addition to determining the ecological footprint of our own business operations, determining the financed, indirect greenhouse gas emissions and the ESG risks of the loan portfolio are of particular importance.

2. OLB analyses ESG risks and opportunities

   The data is then analysed in detail with regard to the associated opportunities and risks. The bank also analyses the strengths and weaknesses of its ESG governance. By establishing an ESG-based pricing and steering mechanism, the aim is to reduce ESG risks on the one hand and to utilise business opportunities associated with the transformation on the other.

3. OLB sets itself sustainability goals

   The bank sets binding quantitative targets in the three dimensions of environment, social affairs and corporate governance and defines measures to achieve them, in particular with regard to the continuous reduction of greenhouse gas emissions to comply with the climate target pathway. It also creates internal structures and processes to drive forward the implementation of its future sustainability strategy.

4. OLB creates transparency

   The Bank publishes sustainability information above and beyond the legal and regulatory requirements in order to inform stakeholders transparently about its own sustainability strategy and to enable independent rating agencies to assess OLB's sustainability goals and activities.

Quantitative sustainability targets

The development of a reliable ESG database is one of the core areas in the implementation of the strategic framework for the Bank's sustainability activities. Such a database serves as a starting point for defining and measuring quantitative sustainability targets and linking them to measures in the event of deviations. The sustainability targets are set by the Management Board and reviewed at least once a year as part of the strategy review. Monthly management reporting also includes monthly reporting on the development of key performance indicators (KPIs) during the year. Given that the database is still being compiled, not all ESG KPIs have been finalised and assigned specific target values, which is why the KPI system is constantly being refined.

In addition to ESG KPIs, OLB regularly takes into account a number of other non-financial performance indicators. These include, in particular, key figures on environmental matters (including the climate-related performance indicators of the Bank's own business operations, especially Scope 1 and Scope 2 greenhouse gas emissions), employee matters (for example, employee structure, full-time and part-time ratios), social matters (for example, funding projects and volumes), customer matters (for example, customer satisfaction, customer development, processing quality or complaint indicators) and money laundering/fraud prevention.

A.2 Consideration of guidelines and international standards

In addition to the economic aspect, OLB also aims to act sustainably in ecological and social terms. In this regard, the Bank is guided by the *Principles for Responsible Banking*. The business strategy is designed to help meet the needs of people and the goals of society, as expressed in the *Sustainable Development Goals (SDGs)* and the *Paris Climate Agreement.*

Principles for responsible banking

The Principles for Responsible Banking were developed by the United Nations in collaboration with leading international banks and are intended to serve as a framework for the banking industry worldwide to achieve the 17 Sustainable Development Goals of the United Nations and the goals of the 2015 Paris Climate Agreement. With over 300 banks that have joined this initiative to date (as of October 2023), it is the leading ESG framework in the financial sector.

Through its membership in the Association of German Banks (BdB), OLB is an indirect supporter of the Principles for Responsible Banking. It is guided by these principles and has adopted key parts of its business strategy based on the original text in a slightly revised form.

OLB sustainability mission statement
Alignment: The business strategy is aligned in such a way that it contributes to meeting the needs of people and goals of society as expressed in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.
Impact: OLB strives to increase the positive effects of its activities, products and services on people and the environment, while at the same time reducing the negative effects in this context and managing the corresponding risks.
Clients: OLB works responsibly with its clients to encourage sustainable practices and to enable economic activities that can create shared prosperity for present and future generations.
Interest groups: OLB will involve relevant interest groups (stakeholders) as needed and engage with them in a spirit of partnership in order to achieve social objectives.
Corporate governance and objectives: These principles should be implemented through effective corporate governance and a responsible corporate culture. The endeavour and responsibility should be reflected in corresponding objectives.
Transparency and accountability: OLB will review its individual and collective contributions to the implementation of these principles and, where necessary, report on the positive and negative effects and contributions to the social objectives.

Tab. 1 OLB sustainability mission statement

The Bank therefore attaches great importance to responsible banking and is aware of the impact of its business activities on the environment and society. It reports on this in a separate report ("Non-financial report"), the content of which is based on the requirements of the German Sustainability Code (DNK) and, among other things, discloses a selection of quantitative performance indicators from the Global Reporting Initiative (GRI) specified by the DNK in the following five dimensions: Environmental concerns, employee concerns, social concerns, respect for human rights and combating corruption and bribery.

Sustainable Development Goals

OLB's business strategy is designed to contribute to the achievement of sustainable development goals.

The 17 Sustainable Development Goals (SDGs) are political objectives of the United Nations (UN) that are intended to ensure sustainable development at an economic, social and ecological level worldwide.

Fig. 2 17 Sustainable Development Goals of the UN (Sustainable Development Goals)

OLB strives to increase the positive effects of its activities, products and services on people and the environment, while at the same time reducing the negative effects in this context and managing the corresponding risks. Beyond its banking business, the Bank also pursues the goal of acting sustainably in ecological and social terms. Where there are overlaps, the sustainability goals pursued by OLB contribute to the United Nations' Sustainable Development Goals.[2]

Paris Climate Agreement

OLB's business strategy is designed to contribute to the implementation of the Paris Climate Agreement.

In Paris in December 2015, the member states of the United Nations Framework Convention on Climate Change, including Germany and the entire European Union (EU), agreed on the goal of limiting global warming to well below 2°C and also committed to a 1.5°C scenario with less dramatic climate impacts. According to the EU Commission, greenhouse gas emissions are to be reduced to net zero by 2050.

Germany ratified the Paris Climate Agreement in September 2016 and amended the Federal Climate Protection Act to specify Germany's climate protection targets: Greenhouse gas emissions in Germany are to be reduced by at least 65 per cent by 2030 and by 88 per cent by 2040. The goal of greenhouse gas neutrality is to be achieved in Germany by 2045.

UN Principles for Responsible Investment

The UN Principles for Responsible Investment are an initiative supported by the United Nations that has developed and aims to implement six principles for responsible investment. The aim is, among other

[2] For examples of how OLB is already making an active contribution to the SDGs, see pages 10f of the Non-financial Report 2022

things, to understand the impact of sustainability for investors and to incorporate these issues into their investment decision-making processes.

Although OLB is not a signatory to the initiative and is not currently seeking to sign, it is guided by its principles. In principle, OLB will

- integrate environmental and social governance issues into investment analysis and decision-making processes,
- be an active owner and integrate ESG issues into ownership policy and practice,
- ensure appropriate disclosure of ESG issues by the companies in which it invests,
- promote the acceptance and implementation of the principles in the investment industry,
- work together to increase their effectiveness in implementing the principles, and
- report on their activities and progress in implementing the principles.

UN Global Compact

The UN Global Compact is an agreement between companies and the United Nations to make globalisation more social and ecological. Even though OLB is not a signatory for reasons of cost and relevance, it observes the ten principles in its business activities, according to which companies must

- respect internationally proclaimed human rights and promote their observance within their sphere of influence,
- ensure that they are not complicit in human rights violations,
- respect the rights of their employees to join trade unions and effectively recognise their right to collective bargaining,
- exclude all forms of forced or compulsory labour,
- contribute to the abolition of child labour,
- exclude any discrimination in terms of employment and occupation,
- adopt a precautionary approach to environmental hazards,
- take initiatives to promote greater environmental awareness,
- encourage the development and diffusion of environmentally friendly technologies, and
- work against all forms of corruption, including extortion and bribery.

Diversity Charter

In 2015, OLB signed the "Diversity Charter" for the first time, thereby publicly expressing its commitment to implementing diversity. The goal of regular internal communication and open employee participation on various dimensions of diversity is to make diversity visible, make everyone aware of it and value it. The Diversity Charter in full:

> *"The diversity of society, influenced by globalisation, demographic and social change, is also shaping the world of work in Germany. We can only be successful economically and as a society if we recognise, promote and utilise the diversity that exists. This applies to the diversity in our workforce and the diverse needs of our business partners and citizens. The diversity of our employees with their different skills and talents opens up opportunities for innovative and creative solutions.*
>
> *The implementation of the "Diversity Charter" in our organisation aims to create a respectful working environment for all employees - regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and ideology, sexual orientation and social background. Recognising and promoting diverse potential creates economic benefits for our organisation.*

We create a climate of mutual respect and trust. This has a positive impact on our reputation in Germany and in other countries around the world.

To implement this charter, we will

- *cultivate an organisational culture that is characterised by mutual respect and appreciation. We create the conditions for managers and employees to recognise, share and live these values. They have a special obligation to do so.*
- *review our HR processes and ensure that they do justice to the diverse skills and talents of all employees as well as our performance standards.*
- *recognise diversity within and outside the organisation, value its potential and use it to the benefit of the company or institution.*
- *make the contents of the charter the subject of internal and external dialogue.*
- *publicly report annually on our activities and progress in promoting diversity and appreciation.*
- *inform our employees about the added value of diversity and involve them in the implementation of the charter.*

We are convinced that living diversity and valuing this diversity has a positive impact on our organisation and on society in Germany."

A.3 Governance Framework

The governance framework comprises the organisational documentation in the area of sustainability, competencies and responsibilities as well as rules, processes and controls.

Written policies

The ESG policy is the central element of the Bank's governance framework in the area of sustainability and is further operationalised through the description of responsibilities and processes by means of specialist policies, guidelines and work instructions. The Bank discloses its rules and activities in this area both on the basis of statutory and regulatory requirements and also by means of voluntary disclosures in various reports and on its website.

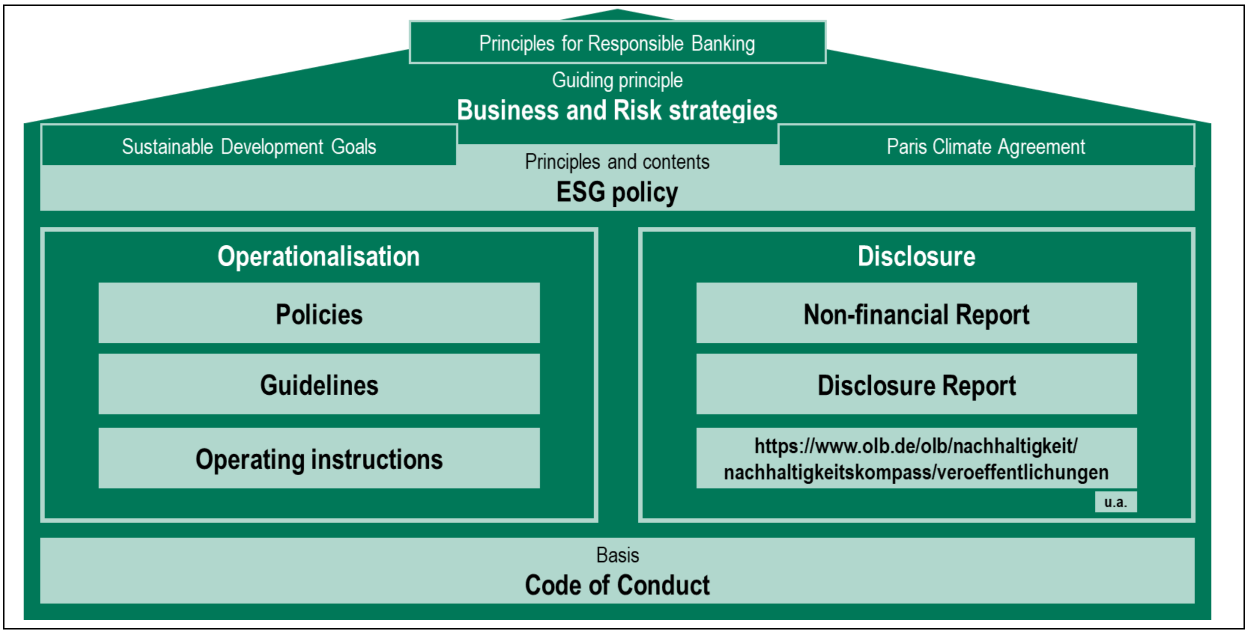

Fig. 3 Governance framework in the area of sustainability

The basis of the governance framework is the Code of Conduct, which is an important element of the corporate and compliance culture and therefore also of the Bank's sustainability endeavours.

OLB Code of Conduct

OLB depends on the trust of its customers, shareholders, employees and the public in the Company's performance and integrity. This trust depends largely on how employees, managers and the Board of Managing Directors conduct themselves, and how they use their abilities for the benefit of customers, shareholders and the Company. The Bank has therefore established a Code of Conduct for all employees, managers and the management board. The principles of conduct described therein implement generally accepted principles for integrating sustainability and social responsibility into OLB's business activities. They describe guidelines that are intended to help employees in particular when they are not sure what behaviour is appropriate in a particular situation. In addition to describing basic values and standards, the Code of Conduct addresses specifically the honest and compliant conduct of business, customer protection, the prevention of bribery and corruption, and responsible corporate governance.

The OLB Code of Conduct attaches particular importance to the protection of natural resources. Employees should ensure that they protect natural resources in their work and minimise their impact on the environment, for example by conserving materials and energy, by avoiding or reducing and recycling waste, and, where appropriate, by carefully planning, constructing and operating buildings (see page 33 of the Code of Conduct). For the selection and cooperation with suppliers and other service providers as well as for the selection and use of advertising materials and other services, this attitude means that employees should take ecological and social criteria into account in addition to economic aspects.

The OLB Code of Conduct is publicly available on the OLB website.

Responsibilities and processes

The Executive Board manages the Company and conducts business under the joint responsibility of its members. As part of its management duties, the Executive Board determines the Company's objectives, strategic direction and business policy. The Executive Board therefore also defines the sustainability strategy and objectives as well as measures for their implementation. The sustainability strategy is therefore part of the regular, at least annual, discussion of the business strategy with the Supervisory Board.

The Head of Sustainability is responsible for implementing the ESG strategy. To this end, he coordinates ESG activities in collaboration with the individual specialist departments. His other tasks include

- Monitoring of ESG target achievement and coordination of the implementation of corresponding measures
- Compliance with regulatory requirements and joint implementation with the responsible specialist department
- Continuous further development of sustainability management
- Coordination and assurance of disclosure requirements

The Head of Sustainability is the central point of contact for stakeholders regarding sustainability issues and acts as a driving force on the topic. He heads the Sustainability function and is assigned to the CFO's department.

With the application of the Supply Chain Due Diligence Act (LkSG) to OLB, the monitoring of risk management pursuant to Section 4 (3) LkSG will also be part of the Head of Sustainability's responsibilities as of 1 January 2024. In this role, he will submit the annual report on the fulfilment of human rights and environmental due diligence obligations in the supply chain for the first time for the 2024 fiscal year.

A.4 Reporting, disclosure and notification requirements

In its annual Non-Financial Report, OLB reports on its sustainability concept and the material qualitative and quantitative aspects of sustainability. Reporting requirements arise from EU Regulation 2020/852 (Taxonomy Regulation) with information on the Green Asset Ratio and, in the future, from the Capital Requirements Regulation (CRR) with regard to the ESG risk profile in the transition from national to European financial services supervision. In addition, in its role as a financial advisor and financial market participant, the Bank discloses sustainability information on its website in accordance with EU Regulation 2019/2088 (Disclosure Regulation). The annual report on the fulfilment of due diligence obligations in accordance with the LkSG will also published there.

Non-financial report

A credit institution must add a non-financial statement to its management report if it has an annual average of more than 500 employees (Section 340a (1a) HGB). In accordance with Section 289b of the German Commercial Code (HGB), the management report does not need to be expanded if the non-financial statement is prepared separately, published on the company's website and referred to in the management report. The report must be published within four months of the reporting date and kept available on the website for at least ten years. OLB, to which these provisions apply, has decided to prepare a separate non-financial report in accordance with the *German Sustainability Code (DNK)* for use as a non-financial statement. Pursuant to Sec. 289c (2) of the German Commercial Code, the framework provided by the DNK takes into account the following five non-financial aspects:

- Environmental concerns
- Employee concerns
- Social issues
- Respect for human rights and
- Combating corruption and bribery

The provision of Section 289c (4) HGB allows the application of the "comply or explain" approach, according to which a company subject to reporting requirements can waive disclosure of one or more of the five aspects mentioned, whereby the waiver must be justified.

The non-financial report is prepared annually by a separate working group under the leadership of the Head of Sustainability. The accuracy of the information must be formally confirmed by the departments involved.

After completion or subject to the formal completeness check by the DNK office, the non-financial report is approved by the Executive Board and reviewed by the Audit Committee of the Supervisory Board. The results of the review are presented to the full Supervisory Board. After review and approval by the Supervisory Board, the Non-Financial Report is published on the websites of the German Sustainability Code and OLB no later than four months after the reporting date. The auditor examines whether the Non-Financial Report was submitted in due time and form in accordance with Section 289b (3) sentence 1 no. 2 b) HGB.

Reporting requirements

With the closing of the acquisition of Degussa Bank and the anticipated exceeding of the consolidated balance sheet total of EUR 30 billion at the Group level, OLB must fulfil new obligations to disclose ESG risks every six months pursuant to Art. 449a CRR in conjunction with the EBA-ITS (implementing technical standard) (CRR/EBA-ITS report).[3]

Irrespective of this, OLB is obliged under Art. 8 of EU Regulation 2020/852 (Taxonomy Regulation) to disclose the volume of sustainable (taxonomy-compliant) economic activities in its credit portfolio and calculate the green asset ratio for the first time annually as of 31 December 2023.

Information in accordance with the Disclosure Regulation (SFDR)

Relevant information in accordance with EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector ("Disclosure Regulation") can be found on the page

https://www.olb.de/olb/nachhaltigkeit/nachhaltigkeitskompass/fuer-unsere-kunden.[4]

In accordance with Article 12 of the Disclosure Regulation, Marketing/Products/Business Intelligence (MPBI), as the responsible department, ensures that the information published in accordance with Articles 3, 5 or 10 of the Disclosure Regulation is always up to date, whereby the department's internal responsibilities are coordinated with the Head of Sustainability. To this end, regular coordination takes place between the Head of Sustainability and MPBI at least every six months. Significant changes are summarised in key words before the published report.

The governing body's policy decision regarding the *strategies for identifying and prioritising the principal adverse impacts of investment decisions on sustainability factors* (Principal Adverse Impacts, PAI) is chapter B.6 (Assessment of sustainability factors in the securities business and for proprietary investments).

Report on the fulfilment of due diligence obligations in accordance with the LkSG

OLB will be subject to the LkSG as of 1 January 2024. Pursuant to Section 10 (2), starting in the following year, the Bank will prepare an annual report on the fulfilment of its human rights and environmental due diligence obligations for the previous fiscal year.

Principle of double materiality

In structuring and prioritizing sustainability topics, OLB follows what is known as the *principle of double materiality*. This principle is of particular importance because of the Corporate Sustainability Reporting Directive (CSRD), which will be binding for the Bank starting in fiscal 2024, since a large part of the reporting obligations specified in the EU Sustainability Reporting Standards (ESRS) in this regard depend on a materiality analysis.

In this materiality analysis, the relevance of the 37 sustainability aspects designated as subtopics in the ESRS is evaluated according to various criteria. On the one hand, it considers how OLB's banking business affects the respective sustainability aspect ("inside-out" perspective). On the other hand, it assesses how the sustainability aspect affects OLB's net assets, financial position and results of

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[3] In terms of terminology, the CRR/EBA-ITS is strictly speaking a "disclosure".

[4] Until the merger, Degussa Bank will be publishing its financial statements accordingly at https://www.degussa-bank.de/wertpapiere-depot.

operations (“outside-in” perspective). Both actual and potential effects, and both positive and negative effects, are taken into account.

OLB has already provisionally determined its material sustainability aspects using a weighted assessment procedure ("default assessment"). The preliminary default assessment will be successively validated and, if necessary, revised in the course of 2024 with the affected stakeholder groups (e.g. employees, customers) as part of stakeholder dialogues. The stakeholder groups relevant for this are initially defined by OLB along the value chain, which extends from purchasing ("supplier/service provider" stakeholder group) through service provision ("employee" stakeholder group) to service acceptance ("customer" stakeholder group). In addition, OLB identifies other stakeholder groups through their actively expressed or legally justified interest in the Bank, including shareholders and investors ("Shareholders/Investors" stakeholder group), the public ("Public/Media" stakeholder group), and the financial services regulator ("Supervision" stakeholder group).

The results of the materiality analysis are generally used by the bank for several years. The EFRAG Implementation Guidance on the materiality analysis is updated if the business model or external conditions have changed materially compared to the time of the last materiality analysis.

B. Impact of business activities on sustainability factors

This section explains the bank's principles in its role as an economic player and the associated positive and negative impact on sustainability factors such as climate, environment or social aspects and the resulting responsibility.

The impact of OLB's own business operations on sustainability factors is relatively small compared to the effects that derive especially from the Bank's role as a lender, financial advisor and financial market participant. One indicator of this assessment is the emission of greenhouse gases (GHG) from the Bank's own business operations, which are 600 times lower than the financed GHG emissions.[5] From a sustainability perspective, the Bank therefore assigns greater weight to its roles as a lender, financial advisor and financial market participant than to its own business operations.

B.1 ESG impact measurement

The cornerstones of measuring the impact perspective are CO_2 accounting and the EU taxonomy. The use of both approaches is still in its infancy. Until they can be used reliably as a management tool, the focus in the short term is on establishing the necessary data structures and, where possible, automated information procurement processes, and in the medium term on continuously improving data quality and shortening regular calculation cycles.

EU taxonomy

The EU Taxonomy Regulation establishes a framework for the disclosure of information by banks and companies that defines which of their economic activities are considered environmentally sustainable. It focuses on six key environmental objectives: 1) climate change mitigation, 2) climate change adaptation, 3) protection of water and marine resources, 4) transition to a circular economy, 5) pollution prevention and 6) protection and restoration of biodiversity and ecosystems. Delegated acts specify which economic activities fall within the scope of the taxonomy and are therefore considered taxonomy-eligible, as well as the criteria according to which they can be categorised as taxonomy-aligned. The taxonomy-eligible or taxonomy-compliant assets of a bank are based on the financing volume of the corresponding economic activities of its customers.

OLB is required to disclose comprehensive taxonomy figures annually. It strives to integrate these indicators, and thus the EU taxonomy, into the sustainability-based dimension of bank management (see section A.1).

CO_2 -accounting

The Bank has been calculating the greenhouse gas emissions of its own business operations for years and categorising them according to Scope 1 (direct emissions, primarily from self-generated heat and heating energy), Scope 2 (indirect emissions, primarily from the generation of externally sourced electricity) and Scope 3 (indirect emissions, primarily in the energy procurement value chain and through business-related travel). The Bank's long-term goal is to reduce these emissions to net zero by 2045. The following principle applies: "1. minimise - 2. substitute - 3. offset". The highest priority is therefore the reduction of energy requirements and thus the implementation of energy-saving measures, followed by a

[5] The bank reported GHG emissions (Scope 1-3, location-based emissions) of 6,044 tonnes of CO_2 e for its own business operations in 2022. The total financed emissions for 2022 amounted to 3,638,323 tonnes of CO_2 e (PCAF Data Quality Score 4). The "financed emissions" include the Scope 1 and Scope 2 emissions of the economic activities of the sub-portfolios (according to the PCAF definition) Mortgages, CRE and Business Loans financed by OLB loans.

switch to lower-emission energy sources, which, among other things, is assessed from a business perspective. Compensation measures are generally only considered once the potential of the first two approaches has been exhausted and there is a risk that the long-term target will not be met.

For reasons of materiality, the actual CO_2 accounting primarily considers the financed greenhouse gas emissions of the loan portfolio. The basis is the regular, at least annual calculation of greenhouse gas emissions in accordance with the *Partnership for Carbon Accounting Financials* (PCAF) standard. On this basis, a climate target pathway is successively calculated for individual sub-portfolios (where possible) of the loan book in accordance with the Science Based Targets initiative (SBTi) or comparable standards (e.g. target values of the Climate Protection Act). Here too, the Bank's long-term goal is to reduce emissions to net zero by 2045 in order to fulfil the requirements of the German Climate Protection Act and contribute to achieving the goals of the Paris Climate Agreement. CO_2 accounting is therefore used to constantly compare the financed actual emissions of the loan book with the climate target path. Specific measures are taken in the event of deviations between actual emissions (according to PCAF) and target emissions (according to SBTi or similar).

B.2 Own business operations as well as procurement and supplier processes

Although only a few parts of OLB's value chain are outsourced, the upstream services required to provide banking services are quite extensive, and are performed in large part by suppliers or service providers. These upstream services essentially comprise the procurement of infrastructure for data processing (including network technology and telecommunications), the provision of market data, specialist services (such as legal advice, external personnel services, mobility services), and building work (such as construction services, building operation and technology), logistics and insurance.

Sustainability aspects are taken into account in the procedures governing purchasing processes, business transaction monitoring, reputational risk management and compliance et al.

Supplier selection

All purchasing and procurement transactions must comply with current legislation and case law. Against the background of national and international guidelines, sanctions, embargoes or similar restrictions to which OLB is subject, new contractual partners must be reviewed on the basis of the Bank's internal guideline for reviewing contractual partners before contracts are concluded. Contracts with an annual order value of currently EUR 15,000 or more must include OLB's anti-corruption/integrity clause or a version of the service provider that has been reviewed by Compliance. In addition, OLB's Code of Conduct must be observed. In selecting suppliers, aspects to be considered include the pursuit of personal interests, maintaining independence in decisions, confidentiality, fairness and honesty, as well as the guidelines on antitrust compliance and the Anti-Corruption Guideline. From a threshold value of currently EUR 100,000, an integrity assessment of the supplier must always be carried out.

As part of its risk management for compliance with the due diligence obligations described in the LkSG, OLB conducts an annual and ad hoc risk analysis to determine the human rights and environmental risks in its own business and at suppliers, and to weigh and prioritise them where appropriate. In doing so, the Bank takes into account any findings from the processing of information from the complaints procedure established for this purpose. The results of the risk analysis are communicated to the Management Board and other relevant decision-makers.

This process is described in a policy statement issued by the Executive Board, as are the priority human rights and environmental risks identified on the basis of the risk analysis and the expectations that the Company has of its employees and suppliers in the supply chain in this regard.

Human rights and working conditions

Respect for and observance of human rights and the strict rejection of forced labour, child labour and exploitation are a matter of course for OLB as a company and for its employees. OLB supports and respects the protection of human rights, and any known violation of human rights would not be tolerated. The Bank ensures that it is not complicit in human rights violations, upholds freedom of association and the effective recognition of the right to collective bargaining; OLB also advocates the elimination of all forms of forced labour and the effective abolition of child labour; OLB furthermore supports the elimination of discrimination in employment and occupation.

B.3 Customer and product responsibility

OLB's portfolio of products and services is consistent with the Bank's strategic goals, and contributes to the necessary transformation of the economy. With its commitment to financing renewable energies in particular, Oldenburgische Landesbank is making important contributions to enabling the energy transition in Germany. The range of products and services extends from financing energy-saving solutions for construction and renovation to supporting small and medium-sized enterprises in the use of wind power and solar energy to complex financing projects such as wind and solar parks of various sizes. In cooperation with public development institutions, OLB offers customised solutions for companies to increase efficiency, reduce CO_2 emissions and ultimately remain competitive. There is particularly strong demand among private customers for programmes offered by development institutions to improve the energy efficiency of residential buildings.

Responsible marketing

OLB is interested in long-term, partnership-based relationships with its customers, and therefore gears its products and services to customer needs. The Bank's marketing activities reflect this principle, and are guided by the principles of truthfulness, clarity and transparency.

For Oldenburgische Landesbank, responsible marketing means communicating the Bank's values and attitudes to its customers using standardised, understandable language. The Bank is paying greater attention to the sustainability aspects of its advertising, for which all advertising measures without exception are managed centrally by the Marketing & Client Communications group. Digital forms of advertising (e.g. digital signage boards) are increasingly being used for comprehensive advertising communication and the use of printed posters is being reduced. Advertising letters to customers are increasingly being made available through digital advertising in the customer inbox in the bank's online banking. The Bank is thus systematically reducing its print advertising and, for each customer communication, is examining whether the use of digital media can replace the production of printed products. The production and distribution of small gifts (e.g. on World Savings Day) is being increasingly dispensed with. In individual cases, regional products with environmentally friendly packaging are used.

The Bank has established marketing guidelines that govern corporate design and corporate language, among other things. The Bank pays attention to sustainability aspects in its brand management. The corporate language is clear, understandable and formulated in simple language. When using images, Oldenburgische Landesbank takes care to use inclusive depictions and not to discriminate against any group of people.

The protection of personal data is an important European fundamental right and is especially protected in the Charter of Fundamental Rights of the European Union. OLB is fully committed to the provisions of the EU General Data Protection Regulation, the German Federal Data Protection Act and other regulations relating to data protection, and implements them in full. This is also reflected in the Bank's marketing activities: Advertising approaches to customers are made only after precisely analysing their needs, so that mass mailings are avoided. In regular sales training sessions, trainees and store employees are trained in how to address customers precisely and in legal requirements. In addition, customer satisfaction is part of the variable remuneration of non-tariff employees.

Responsible handling of customers with credit repayment problems

To ensure a long-term business relationship with its customers, Oldenburgische Landesbank takes numerous steps to prevent potential overindebtedness among its private and corporate customers. For example, before granting a loan, the Bank examines the material debt service capacity (including a possible stress scenario) and informs its customers of the risks of possible overindebtedness in the course of the business relationship. When products are concluded, reference is made to the possibility of involving complaints management, for example as a result of the right of cancellation.

Oldenburgische Landesbank offers various credit protection instruments for customised financing. For mortgage and instalment loan financing, the Bank provides transparent information about the options and requirements for financial protection against the risks of unemployment, disability and other risks.

In accordance with the EU Residential Property Directive, the Bank provides an advisory service for customers with corresponding warning indicators. In addition, credit monitoring systems help to identify and address customers with anticipated financial difficulties. For customers with suspected financial difficulties (e.g. maturity extensions), concessions by the Bank are reviewed as part of a forbearance process. Restructuring in the event of financial difficulties is carried out in line with market pricing and the applicable credit processes.

The Bank does not sell non-performing consumer receivables by transferring the collateral provided. As part of a restructuring, interested customers are offered a cancellation agreement with the aim of selling the property on the open market within a foreseeable period (six to nine months). To this end, the loan relationship is cancelled bilaterally. The customer can also use the time granted to find other accommodation. In addition, the relevant laws apply to the initiation of the forced sale.

B.4 Personnel responsibility and social integration

The objectives set out in the business strategy are to be achieved through needs-based employee recruitment and continuous personnel development. Respectful consideration of employee interests, defined in accordance with national standards, and constructive and targeted information and involvement of employees are key points of this intention. OLB also strives to create a working environment that provides equal opportunities and diversity within the Company.

Employee rights

Cooperation between OLB as employer, on the one hand, and its employees and employee committees (such as the Works Council), on the other hand, is constructive and based on trust. The co-determination rights resulting from the Works Constitution Act and other legal norms are observed, and the Bank supports the employee committees in performing their duties at all times. The operational structures were regulated by mutual agreement with the ver.di trade union in a separate collective bargaining agreement.

OLB considers the Bank's compliance with employee rights (including national and international standards, working conditions, respect for trade union rights, respect for employees' rights to information, health protection and occupational safety) to be fulfilled. This status quo is to be maintained in the future.

Equal opportunities and diversity

The Bank attaches great importance to equal opportunities and diversity. The cornerstones of our concept for ensuring equal opportunities and diversity are in particular:

- Public commitment to diversity

  OLB strictly rejects discrimination and disparagement of any kind. OLB is a signatory to the Diversity Charter and thus publicly declares its willingness to support diversity, to make it visible, to raise awareness of it and to value it (cf. chapter A.2). The principles of behaviour set out in the Code of Conduct and our Diversity Policy implement these principles, among others, and provide corresponding guidelines. The aim is to avoid discrimination and create an open, diverse corporate culture. With training courses as part of the compliance principles for the General Equal Treatment Act, OLB makes it clear that discrimination in everyday work on the basis of ethnic origin, gender, religion, ideology, disability, age or sexual identity must be prevented or eliminated.

- Equal promotion of the sexes

  The corporate philosophy is to promote women on an equal footing and to appoint them to management positions based on their performance. To this end, the Bank uses personnel development programmes that specifically prepare women for future management or specialist tasks. Other personnel development measures are regularly discussed and highlighted in personnel policy meetings.

- Gender-neutral organisation of the remuneration system

  The remuneration system is designed to ensure that all employees are remunerated appropriately and in line with the market, taking regulatory requirements into account. Remuneration for the majority of the workforce is based on the provisions of the collective labour agreement for the private banking sector and takes into account the function performed and individual qualifications. The remuneration system is designed to be gender-neutral, i.e. pay discrimination based on gender is excluded.

Occupational health and safety management

OLB supports all employees and managers in their efforts to maintain and achieve their health by creating healthy conditions in the workplace and providing suitable health-promoting offerings. This objective goes beyond mere compliance with existing legal regulations (such as the Occupational Health and Safety Act, the Workplace Ordinance or the Display Screen Equipment Ordinance) and is achieved by creating healthy and flexible conditions and processes in the Company and providing suitable health-promoting offers. The framework conditions for flexible working and the consideration of professional qualifications and health conditions provide support here. As part of occupational health management, preventative measures are taken to systematically identify physical and mental stress in the workplace and prevent or reduce it from the outset.

Training and further education

OLB sets high standards for the qualifications of its employees. To keep employees' knowledge and skills up to date and at a high level at all times, the Bank attaches great importance to extensive training and continuing education. The core element of the programme is the "iQ" learning management system with extensive digital offerings, so that training and further education can be provided both on a job-related and cross-divisional basis, regardless of location. Additional training programmes are available in the form of face-to-face seminars and webinars. External further education and in-house training courses round off the programme.

The Bank offers its employees a wide range of career and development opportunities. Employees may receive support for part-time further training. Corresponding guidelines regulate both financial and intangible support. Succession planning and further training requirements are determined in regular discussions between the Human Resources department and managers. In addition, high performers and high-potential employees are systematically identified and promoted. Talent management is being successively expanded.

Compatibility of work and private life

OLB attaches great importance to the compatibility of work and private life. Above all, this includes flexibility in terms of working hours and place of work. Through company agreements on variable working hours, mobile working, and the option of working from home, arrangements have been implemented that offer employees a high degree of flexibility and enable individual working time models in all areas of the Bank. Individual assistance is offered in the event of special family situations.

OLB Foundation

The OLB Foundation was established on the occasion of OLB's 125th anniversary in 1994. In doing so, the Bank followed a decades-old tradition of supporting the development of its business territory beyond its business purpose in the narrower sense.

The purpose of the OLB Foundation is to promote culture, science and environmental protection. The foundation's work focuses on projects that emphasise the strengths of the Weser-Ems region and provide new ideas and impetus for the development of the Northwest of Germany.

In addition, the OLB Foundation is the sponsor of OLB-Glückssparen, OLB's lottery savings programme. The net proceeds of this lottery are used for charitable projects in the areas of youth, culture, sports, social affairs and science,

Political influence

In keeping with its aim for independence, OLB does not seek intensive networking and influence at the political level. Donations and contributions to political parties in the name of OLB require the express approval of the responsible Board of Managing Directors in every case. If employees wish to participate actively in political events, OLB recognises this commitment, but at the same time requires that this activity take place exclusively in the private sphere.

B.5 Sustainability principles in the lending business

As a universal bank with extensive expertise in the lending business, we are aware of the corporate, social and overall societal responsibility of lending. Sustainability and responsible banking are demanding topics that also require our employees to have increased expertise and understanding of the challenges.

Our employees therefore also scrutinise loans for potential risks in terms of their environmental, ethical and social impact. If necessary, the Bank's compliance, legal and risk management departments are involved. If necessary, questionnaires are used to assess specific industry and sustainability criteria in a structured manner. Depending on the industry under consideration, possible areas to be critically analysed include regional and social impacts of financing (resettlement, health risks, etc.), biodiversity and species protection, compliance risks and climate protection.

Business or credit enquiries from certain sectors and industries are subject to special scrutiny from a reputational point of view or are completely prohibited:

We subject business or credit enquiries relating to the sensitive areas listed below to special scrutiny:	In accordance with the bank's internal guidelines, it is prohibited to enter into business or credit enquiries relating to the following areas:
▪ Animal welfare ▪ Agriculture ▪ Mining ▪ Oil & Gas ▪ Nuclear energy ▪ Hydropower ▪ Major infrastructure projects ▪ Investment in agricultural commodities ▪ Human rights ▪ Clinical studies ▪ Animal testing	▪ Forced prostitution, child pornography, child abuse, sexual abuse, porn film industry, brothels ▪ Illegal gambling ▪ Manufacture of prohibited weapons, nuclear weapons, manufacture of weapons banned internationally under the UN Weapons Convention and export or import of weapons of any kind to crisis areas ▪ Tax evasion ▪ Infringement of sanctions and embargoes ▪ Terrorist associations, banned parties and organisations as well as extremist, radical, criminal or controversial organisations, associations or sects.

The above list of sensitive or prohibited areas is not exhaustive and may change in the future. In case of doubt, financing requests from areas not listed here will also be subject to a separate, individual review. Further internal bank review obligations may result from increased due diligence obligations in connection with the prevention of money laundering or the avoidance of country risks.

The questionnaires are also always used before a loan commitment is presented to the Supervisory Board's Credit Committee for the first time. If the employee identifies an increased reputational risk as part of this evaluation, Corporate Communications is involved, which categorises the risk into one of five different levels using a reputation matrix and makes a recommendation for action. If the consultant wishes to pursue the business despite an increased risk, it must be presented to both the risk and sales managers via the Credit Committee, who decide whether to grant the loan. The decision is reported to the entire Management Board, which has a right of veto. In the case of a high risk, the approval of the Risk Committee is also required. The results are recognised accordingly in the vote when a loan is granted. Due to the binding Reputation Policy, which includes ESG risks, among other things, loans may be rejected in individual cases.

For the following industries and projects, OLB is guided by the lending principles listed below:

Nuclear energy

Contrary to EU regulations, Germany does not consider the generation and use of nuclear energy to be a green bridge technology, in part because of the unresolved issue of final storage and incalculable health risks. OLB does not finance any projects that pursue the construction of new nuclear power plants or the expansion of capacity at existing nuclear power plants.

Agriculture, fisheries and aquaculture

The support of our borrowers' investment projects generally requires extensive authorisations. The German Building Code (BauGB) and the Federal Immission Control Act (BImSchG, Act on Protection against Harmful Environmental Impacts from Air Pollution, Noise, Vibration and Similar Processes) are expressly mentioned.

The credit check is carried out, among other things, with the submission of the building application, which contains all the essential information to fulfil legal requirements. We attach great importance to the complete submission of these documents. As construction work may only begin after approval has been granted, we will always have the approval when the loan is approved, or at the latest when the funds are drawn down.

In the case of livestock facilities, these licences also include the number of approved animal places. This number is relevant for us, e.g. in order to check the profitability of the project. However, the authorised animal places are also monitored by external (state) authorities in order to prevent overcrowding. One example of this is the Lower Saxony State Office for Consumer Protection and Food Safety (LAVES).

This comprehensive legal framework regulates all areas of agriculture, forestry, fisheries and aquaculture.

The clearing of forest areas or the removal of trees is linked to reforestation obligations. Fishing quotas must be observed.

Credit approvals at OLB include, to a not insignificant extent, the review of these approvals and compliance with the extensive legal framework, even during the term of our financing.

OLB does not finance obvious violations of the legal framework.

Irrespective of the aforementioned exclusions and audit requirements, no loans are currently granted to the following sectors:

- Coal mining (NACE code 05.x)
- Extraction of crude petroleum and natural gas (NACE code 06.x)
- Ore mining (NACE code 07.x)
- Tobacco processing (NACE code 12.x)

OLB assumes country risks because of its business strategy. These are monitored by setting limits for non-euro countries in/with which business is currently being conducted or has been conducted in the past. Business with countries with a "high" risk rating according to the risk assessment by Compliance is generally undesirable. ESG aspects are also included in the overall risk assessment.

Transition Finance

In order to fulfil the regulatory disclosures regarding ESG risks in accordance with Article 449a CRR, the Bank distinguishes between the following three lending business classes from a sustainability perspective:

(1) Taxonomy-compliant lending business in the narrow sense of the EU Taxonomy Regulation for the disclosures of the green asset ratio in the reporting forms 6, 7 and 8 on Article 449a CRR.
(2) Transition finance lending that supports the transition and adaptation process with regard to climate change mitigation and adaptation goals, but cannot or may not be categorised under the green asset ratio. The identification criteria are defined separately on the basis of transaction type, loan purpose, funding programme number, etc.
(3) General lending business that fulfils the minimum standards of the ESG policy and does not fall under any exclusion criteria.

There are currently no ecological credit facilities within the meaning of point 58f of the EBA Guidelines on Loan Origination.

B.6 Assessment of sustainability factors in the securities business and for proprietary investments

As part of its investment advisory services, OLB advises clients on financial instruments (such as stocks or mutual funds), or invests in such products as part of its asset management (financial portfolio management). In addition, OLB itself holds a portfolio of highly liquid securities with high credit ratings as part of its liquidity reserve.

The business activities or operations of companies, industries or countries can have both positive and negative effects on the environment and society. Principal adverse impacts (PAIs) are negative, material or probable material impacts on sustainability factors that are caused or exacerbated by the investment decisions made by OLB, the advice it provides, or directly related thereto. Sustainability factors include environmental, social and employee concerns, respect for human rights, and the fight against corruption and bribery.

Consideration of adverse sustainability impacts

OLB considers adverse impacts on sustainability factors as part of its due diligence at the corporate level. The governing body's policy decision regarding the *strategies for identifying and prioritising the most significant adverse impacts of investment decisions on sustainability factors* in accordance with SFDR[6] is as follows:

> *OLB reflects the most important adverse sustainability impacts in the selection of financial instruments on the basis of exclusion criteria.*

The current version of the specific exclusion criteria is available on OLB's website in the "Sustainability" section. These exclusion criteria are part of Appendix 1 of the Regulatory Technical Standards (RTS) for the sustainability indicators listed in the SFDR. For reasons of materiality, the Bank reserves the right to set tolerance thresholds for the selected exclusion criteria for an exclusion to take effect.

OLB's participation policy

OLB does not participate in companies that the Bank recommends as part of its investment advice or acquires for its clients as part of financial portfolio management mandates.

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[6] Article 4(3) of the SFDR requires financial market participants with more than 500 employees to make a statement about their strategies at the corporate level for exercising due diligence in connection with the main adverse impacts of investment decisions on sustainability factors. OLB only acts as a financial market participant within the meaning of the SFDR in the context of financial portfolio management, so that this policy decision taken at the company level implicitly also becomes part of the disclosure regarding the consideration of adverse sustainability impacts at the level of the financial product (financial portfolio management) in accordance with Article 7 of the SFDR.

Financial portfolio management is performed on the basis of a corresponding mandate agreement in the form of an authorisation. OLB may also invest in equity securities for the account of third parties, under the investment strategies agreed with each client. Under the financial portfolio management mandate, however, the Bank does not become the owner of the securities, and thus does not exercise any shareholder rights. The exercise of voting rights in the context of fund management is instructed in the interests of the respective management.

Sustainability principles for own investments

When making our own investments for portfolio A, we are guided by the principles of the UN Global Compact and the Principles for Responsible Investment. Where possible, all treasury transactions are only concluded with trading partners that explicitly embed an ESG orientation in their business model or aim to do so in the future. In portfolio A, we prioritise investments over alternative investment opportunities where we assume that the issuers comply with the ESG standards we have defined. This applies equally to countries, supranationals, agencies and financials. Purchases of corporates are not planned for our portfolio A. We exclude investments in government bonds in countries with authoritarian regimes as well as investments in companies with human and labour rights violations, child labour, forced labour, fraud and corruption as well as indications of environmental destruction. If we become aware of a violation by an issuer of the above-mentioned principles or our OLB ESG standards, we will immediately review the sale of the respective investment and realise it, if possible.

C. Dealing with external impacts of sustainability factors

This section covers the handling of the external impact of sustainability factors on the Bank and provides an overview of the Bank's risk and compliance culture.

Particular attention is paid to dealing with sustainability risks. Sustainability risks are events or conditions in the areas of the environment, social affairs or corporate governance, the occurrence of which could have an actual or potential negative impact on the net assets, financial position, results of operations and reputation of the Bank. Sustainability risks can arise in the area of the environment, for example, from weather events caused by climate change such as heavy rainfall, storms and drought (physical risks) or from the transition to a low-carbon economy, e.g. through increased prices of emission certificates for emission-intensive sectors of the economy or changes in social attitudes and consumption patterns (transitory risks). In the area of social issues, these include risks from non-compliance with labour law standards and, in the area of corporate governance, the occurrence of reputational damage due to violations of anti-corruption rules.

At the same time, the Bank also wants to utilise the opportunities arising from the transformation of the economy, particularly for the lending business. The prevailing risk strategy principle described in detail in the risk strategy - ensuring structural profit-generating potential while keeping risks under control - is also applied in the ESG area.

C.1 Consideration of sustainability risks in the risk management system

Sustainability risks are not a direct independent risk type, but rather factors or drivers of existing risk types. Sustainability risks are recognised as a sub-risk in the RiskMap in order to appropriately acknowledge their growing importance. In order to be able to take them into account, the existing implementation in the established risks is reviewed. The management and limitation of sustainability risks are currently governed by risk and business principles such as the *principles for responsible banking.*

The Bank has established a Code of Conduct for all employees, managers and the Board of Managing Directors. The principles of conduct described in the OLB Code of Conduct implement generally recognised principles for integrating sustainability and social responsibility into the Bank's business activities. Against the backdrop of increasing regulatory requirements and disclosure obligations on the topic of sustainability, the Bank has bundled the coordination of its key implementation activities in this regard in the *Sustainability* function. In addition, the requirements stipulated by the European Banking Authority (EBA) in the *EBA guidelines on loan origination and monitoring* are observed when dealing with ESG risks.

As part of the annual risk inventory, the Bank regularly analyses the extent to which its business model is susceptible to ESG risk drivers. To date, this has shown that credit risk in particular is affected by ESG risk drivers and that climate-related and environmental risks are the biggest ESG risk drivers. The qualitative assessment was supplemented by quantitative scenario calculations for credit risk - the risk type with the highest impact.

Scenario analyses were implemented as stress tests, taking into account the elements "Floods", "NGFS GDP scenarios", "CO2 price" and "Storm surge in East Frisia" from the ESG area.

In addition to the risk inventory and scenario calculations, the assessment of specific ESG risks is another component of the Bank's risk framework. In the private customer business, in the freelancer segment and for business customers, ESG risks are taken into account when valuing properties as part of property collateral. In the commercial lending business, the direct or indirect risks associated with ESG factors are identified, analysed and assessed in a process comprising up to three stages:

- First stage: Risk identification and categorisation using an ESG sector scoring, which is based solely on the borrower's sector.
- Second stage: Supplementing the industry score determined in the first stage with an individual assessment relative to the industry result.
- Third stage: If the ESG score result indicates an increased ESG risk, the ESG risk is mapped, analysed and assessed in detail.

The results are used at both borrower and portfolio level to assess existing ESG risks for the loan portfolio.

C.2 Dealing with sustainability risks in investment advice, financial portfolio management and own investments

As a financial market participant and financial adviser, OLB currently includes in its selection procedures the relevant financial risks that could have a significant negative impact on the return on an investment or an advisory service. These include, for example, market price risks, strategic risks and reputational risks. As a matter of principle, OLB recommends a breakdown into various asset classes, sectors and regions, in order to achieve a customised risk/reward profile (diversification).

Dealing with sustainability risks in investment advice and financial portfolio management

Sustainability risks are included in the upstream selection of products, both for investment advice and for financial portfolio management. For this purpose, the Bank uses a recognised external data provider that specialises in assessing sustainability risks, in order to ensure that sustainability risks are assessed independently of OLB. Financial instruments with a very high sustainability risk (ESG rating "B" and "CCC") are excluded from investments. The absence of an ESG rating also leads to exclusion.

Dealing with sustainability risks for own investments

The market values of our investments in portfolio A are subject to a daily review. Should the market values deteriorate, the sale of the respective investment is reviewed immediately and realized, if possible.

C.3 Risk and compliance culture

With its business activities, OLB pursues a concentrated and sustainable business model that will safeguard its own operating substance, which is essential to its business, over the long term. Meanwhile, the conscious assumption of risks and credit risks is part of OLB's business and risk strategy. The Board of Managing Directors attaches particular importance to promoting an appropriate risk culture at all levels.

Shared ethical values and a company-wide risk culture that is coherent with the risk strategy are important success factors for OLB's sustainable business development. A strong corporate and risk culture can sustainably reduce employee misconduct. The culture practiced within OLB also influences the external perception of the Bank, and thus its reputation. Cultural values such as credibility, reliability, trustworthiness and a sense of responsibility are at the heart of this, and can affect OLB's financial performance and thus its future viability.

As part of its risk culture, OLB's goal is to strengthen and develop risk awareness as part of risk management at all levels of the organisation, and thus to promote customer confidence in a risk-oriented bank. This document therefore defines the risk culture sought by the Board of Managing Directors, and summarises the measures, responsibilities and processes implemented and introduced within OLB to promote, develop and integrate an appropriate risk culture.

Definition of behaviour and culture

Corporate culture is generally understood and characterised as the defined set of values, the attitude and the philosophy or mission statement on the basis of which the bank implements its business model. In addition, the corporate culture embodies the lived organisational structure, which is shaped by the basic values and the willingness of all employees to take risks.

A corporate culture is created and developed when employees and managers have to overcome external and internal challenges and pass on their experiences to new employees. The adaptation of the behaviours exemplified by managers shapes, among other things, the external perception of the bank. A corporate culture supports employees in complying with and implementing appropriate and expected behaviour through appropriate standards of conduct. Risk culture in general characterises the way in which employees deal with risks in the course of their work or (should) interact with each other for the benefit of the company.

Principles of risk culture

OLB strives for a competence-based and sustainable risk policy. On the one hand, this is reflected in the limitation to material risks in which OLB has a high level of expertise. On the other hand, material risks are consistently limited as part of the internal processes for determining risk-carrying capacity.

The target image of OLB's risk culture is based on the four principles proposed by the Financial Stability Board (FSB)[7] : [1] *Tone from the Top*, [2] *Accountability*, [3] *Effective Communication and Challenge*, and [4] *Appropriate Incentive Structures.*

Identification of an appropriate risk culture

With the expansion of the requirements profile for the compliance organisation as part of the 4th MaRisk amendment in 2012, OLB introduced a central committee for the coordination and implementation of regulatory requirements. Since then, the Regulatory Compliance Circle/Committee has been responsible for the early identification of regulatory changes at the Bank. The committee is made up of the heads of key central departments, among others, and reports to the entire Board of Management. The technical coordination of this panel is currently the responsibility of the Compliance department. As part of the standard process for identifying regulatory changes, the topic of risk culture was recognised as a key issue at an early stage.

The quality of risk management achieved within OLB is not only due to compliance with internal and external regulations. Rather, the risk culture and risk awareness, and compliance with the risk appetite defined in the risk strategy, are to be regarded as fundamental elements of a functioning risk management process.

In recent years, OLB has already taken numerous measures to promote a risk culture as part of its corporate philosophy and culture, based on a comprehensive awareness of risk. The associated instruments and approaches are being continuously refined. Examples of some of these measures are explained below.

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[7] See Financial Stability Board (2014), Guidance on Supervisory Interaction with Financial Institutions on Risk Culture: A Framework for Assessing Risk Culture, p. 3 f.

To exert a lasting influence on the risk culture and effectively minimise behavioural risks, a deeper understanding of the factors that influence risk behaviour within OLB is indispensable. To this end, the risks that jeopardise the desired risk culture within the Bank must be identified and analysed. The identified risk potentials and their solution concepts must be communicated by the Board of Managing Directors and by managers at all organisational levels to promote the risk culture.

- **Committees**

  OLB has established various committees, boards and panels that the Bank believes are essential for a functioning risk management system, and thus for an appropriate risk culture. Individual central committees have been established below the Board of Managing Directors, each of which is chaired by a member of the Board of Managing Directors. These include the Bank Management Committee, which is responsible for ensuring the standardised measurement of results and risk, the Credit Committee, which is responsible for selected lending decisions, and the Risk Committee, which is responsible for monitoring and managing risk-bearing capacity.

  In accordance with their respective rules of procedure, the committees support the Board of Managing Directors in its work, unless laws, the Articles of Association or the rules of procedure of the Supervisory Board and the Board of Managing Directors expressly provide for the responsibility of the management or supervisory body. This makes the committee members responsible for preparing risk-conscious decisions in the interests of OLB, and/or for making such decisions within the scope of their authority.

- **Structural and process organisation**

  By strictly separating front and back office functions at all organisational levels, the Bank maintains the independence of these functions in order to identify and avert potential conflicts of interest between business transactions and risk assessment as early as possible.

  OLB strives for an organisational structure that promotes effective and prudent management of the Bank. Reporting channels, the allocation of responsibilities, and the rules governing authority in the risk management system should also be described transparently and in a manner that is accessible to all concerned, in the interests of an appropriate risk culture. They should be precisely categorised and understood and accepted by each individual within the bank. Planned changes to the structural and procedural organisation as well as adjustments to IT and rating systems are examined and assessed in advance by a committee of the Risk Committee with regard to their impact on the internal control system and the risk management system.

- **Written rules and whistleblower system**

  OLB continues to develop its risk culture by defining and communicating guidelines, work instructions and training measures for employees in accordance with their respective areas of responsibility and job descriptions. In the spirit of comprehensive risk awareness, every employee is made responsible for behaving in accordance with the values that OLB strives to uphold. At the same time, this means that not only managers but also employees should recognise their own deficits so that they can proactively develop a solution concept together with their manager. Every employee has access to an extensive catalogue of training measures designed to enable employees in their respective areas of responsibility to fully meet the requirements placed on them. This also includes various training courses on lending, credit assessment and credit risk analysis in order to create an appropriate credit risk culture in these areas in particular.

In addition, OLB has a zero-tolerance policy toward illegal acts, because fraud and reputational risk are among the key risks in the financial services industry. A whistleblower system, which is available to both employees and external stakeholders, can be used to report possible violations of legal regulations or compliance rules, either by name or anonymously ("whistleblowing"). Detailed and OLB-specific explanations of money laundering and fraud prevention are available to all employees on the intranet. In addition, principles of conduct are published and appropriately communicated as part of a generally applicable code of conduct or as topic-specific guides (e.g., on fraud prevention).

The responsibility for identifying and promoting an appropriate risk culture lies with the entire Management Board. Each member of the Management Board manages the area of responsibility assigned to them independently and is obliged to promote the desired risk culture, recognise events that jeopardise these values and initiate suitable countermeasures.

- **Code of Conduct**

  The Code of Conduct is a fundamental element of the values that OLB lives by, and serves as a binding guideline for the conduct of all employees. In addition to the topics of corruption, money laundering and discrimination, the principles of conduct set forth in the Code of Conduct also address potential conflicts of interest and how to avoid them.

  OLB's Code of Conduct is published on the Internet, where it can be viewed by anyone. The content of the Code of Conduct, as well as compliance with it, is reviewed on an ad hoc basis, but at least once a year, and updated if necessary.

- **Remuneration and incentive systems**

  The guidelines for OLB's compensation policy are set forth in separate compensation policies for the Board of Managing Directors and for employees. They are regularly disclosed to the Supervisory Board as part of internal reporting. To give employees an appropriate share in the Company's success, to give appropriate recognition to individual and collective performance, and to support the achievement of the corporate goals set forth in OLB's business and risk strategy, variable compensation components are granted in addition to fixed components. In particular, the appropriate inclusion of risk-adjusted performance targets and other risk-specific indicators ensures risk-appropriate action.

  The total amount of variable remuneration is determined annually as part of a formalised, transparent and comprehensible process, taking into account risk-bearing capacity, multi-year capital planning and profitability. This ensures that the granting and payment of variable remuneration components are in line with the regulatory and internal requirements for adequate equity and capitalisation. The effectiveness of the implemented remuneration system is monitored, in particular by the Remuneration Officer and the supervisory body. Ensuring a risk-adequate remuneration and incentive system thus contributes to an appropriate risk culture.

  At no time does OLB wish to create incentives to take inappropriately high risks. To avoid excessive dependency on variable compensation and thus creating incentives for inappropriate behaviour from a business and risk strategy perspective, the focus of employee compensation is generally on fixed compensation. Separate remuneration regulations apply to the Bank's identified risk takers, which comply with the relevant regulatory requirements and take into account the particular influence of these employees on the Bank's risk profile.

Internal upper limits for variable remuneration have been introduced to support this. Behaviour that is immoral or contrary to duty, in the sense of violations of corporate guidelines, legal requirements or customer interests, is reviewed for a potential reduction in variable compensation. The compensation policy is thus consistent overall with OLB's value system, the defined business strategy, the defined risk appetite, and the long-term interests of shareholders and various stakeholder groups. To strengthen companywide compliance awareness and the risk culture for the long term, goals that affect implementation of and compliance with regulatory requirements are anchored in the managers' target agreements.

- **Selection and appointment of persons at senior management level**

  Appointments to positions on the Supervisory Board and Board of Managing Directors, and to key functions, are governed by a suitability policy at OLB, to ensure that risk-relevant positions are filled by knowledgeable and reliable personnel. In particular, the suitability policy specifies the skills and competences that are essential for sufficient expertise and reliability. Furthermore, in accordance with the suitability and diversity policy, balanced diversity is taken into account when filling key and management positions. Targets have been defined for the proportion of women on the Management Board and Supervisory Board as well as in the two management levels below the Management Board.

  In accordance with the criteria of the suitability policy, OLB's governing body consists of a sufficient number of members and has an appropriate composition, taking into account the Bank's size and complexity. The entire Board of Managing Directors has all the expertise needed for prudent management. In addition, all members of the Board of Managing Directors have the specific skills required for prudent management of their areas of responsibility.

Measurement and assessment of an appropriate risk culture

The appropriateness of the risk culture within OLB is measured using various control parameters and assessed in summarised reports, so that an individual and timely response can be made in the event of undesirable developments. Whether the elements implemented are sufficient for an appropriate risk culture is assessed as a whole in the annual risk inventory and in the strategy process. The resulting adjustments are recorded in this policy.

- **Provision and assessment of information**

  The controlling portal provides overall bank, regional and special analyses that serve, among other things, to measure and assess the risk culture in the Bank in a way that is appropriate for the target group. A monthly management cockpit provides the Management Board with risk and quality indicators in addition to earnings, business and operating figures. Critical developments, such as a disproportionate increase in the number of complaints, which could indicate an inadequate risk culture, can be identified at an early stage using the control logic set out in this reporting.

  The assessment of risks by means of existing regular reports and the performance and quality indicators integrated into them, including the initiation of appropriate measures, is generally the responsibility of the relevant manager and the head of department.

- **Risk management and controlling**

  OLB's risk management system uses guidelines, business processes, limit systems and controls to ensure not only the early and ongoing identification of risks, but especially their measurement and assessment. In addition to the overall bank risk strategy and the sub-risk strategies for the major types of risk, the risk strategy also includes the principles of risk management. The functioning of the risk management and controlling system is explained in more detail in the risk policy. Further requirements for risk management are set forth, among other things, in methodological concepts for individual risk quantification models, for integrated multi-year planning, and for determining risk-bearing capacity, as well as in target process descriptions and system manuals for the software used. As part of OLB's authority structure, risk management is included in the performance appraisals of managers and employees.

- **Credit processing quality**

  To measure and assess the processing quality in the lending business, monthly analyses are prepared on credit-related topics and made available to the managers of the responsible front and back office functions and, in some cases, to the responsible members of the Management Board. In addition, a consolidated evaluation is prepared on a quarterly basis to show the development of the quality/non-fulfilment rates in the individual areas; this provides indications of possible weaknesses in the credit risk culture and is made available to the entire Management Board. Random checks are also carried out in non-risk-relevant business. The results of the checks are summarised in a report and made available to the managers in the market as well as the responsible specialist board members and the Chief Risk Officer. These reports also form the basis for a more in-depth problem analysis by managers in order to set incentives where necessary to increase risk awareness.

- **Complaints management**

  Analysing customer complaints gives OLB a valuable assessment of critical issues. Based on this analysis, Risk Control identifies potential operational risks. The Internal Audit and Compliance departments also receive regular analyses of complaint trends. The volume of complaints also flows into the Bank's management cockpit as a monthly key figure. The half-yearly complaints report is made available to all employees on the intranet.

- **Risk inventory**

  The goal of the regular risk inventory is to prepare OLB's overall risk profile at least once a year. The results of the risk inventory provide an overview and a differentiation of the individual risks according to their materiality, as well as the concentrations of risk and earnings associated with the (material) risks at OLB; this creates the basis for the Bank's annual strategy and capital planning.

  The annual risk inventory includes a formalised, qualitative assessment of the appropriateness of the existing risk culture at OLB. The Risk Control department and the Board of Managing Directors are responsible for conducting this assessment. The data are collected with the help of a questionnaire that is answered by managers at the level below the Board of Managing Directors.

As a comparatively lean and communicative solution, the Bank deliberately opted for this qualitative evaluation system in order to obtain as meaningful a picture as possible of the "lived" risk culture at the Bank.

- **Strategy process and revision**

  As part of a structured strategy process, OLB's strategic positioning is reviewed annually for changes in conditions, objectives and risks, and adapted to a changing environment. A major goal of the structured strategy process is to ensure a consistent overall concept of business and risk strategy that is free of contradictions, and to update OLB's business and corporate planning.

  The Supervisory Board monitors this strategy process and scrutinises the revisions constructively with the Board of Managing Directors in the annual strategy discussion. Specifically, it examines the willingness to take risks and the risk appetite, and assesses whether the performance standards are compatible with OLB's long-term goals. The discussion of the business and risk strategy with the Supervisory Board also includes analysing the causes of any observed deviations from targets. The follow-up process ensures that the business and risk strategy is adequately communicated and internalised by every employee.

  The strategic guidelines from the business and risk strategy are in turn monitored by the Executive Board with regard to the achievement of objectives and reported to the Supervisory Board on a quarterly basis and, if necessary, on an ad hoc basis.

- **Provision and assessment of information**

  In principle, the controlling portal on the intranet ensures an appropriate measurement and assessment of an appropriate risk culture in the Bank by means of overall bank, regional and special analyses and is supported by many decentralised indicators.

  The monthly Management Cockpit informs the Management Board about the result and key figures, the risk overview and key figures, the quality and operating key figures as well as the business key figures. The business segments are also listed by result and key figures. Critical developments such as a disproportionate increase in risk provisioning, which could be caused by an inadequate risk culture, can be identified by the Management Board at an early stage using the traffic light logic set out in the reporting.

  The measurement and assessment of risks, key figures and other control parameters, and the specifications of the business and risk strategy by means of existing regular reporting and the KPIs and quality indicators integrated therein, are fundamentally the responsibility of the responsible division and department head or member of the Board of Managing Directors and the Board of Managing Directors. Open communication and the initiation of appropriate measures in the respective area of responsibility must be guided by OLB's values.

Monitoring an appropriate risk culture

Both the Board of Managing Directors and the Supervisory Board have defined recurring reporting obligations at OLB (monitoring the consistency of conditions in the customer business with the business model and risk structure; reviewing the incentives set by the compensation system with regard to consideration of the risk, capital and liquidity structure, and the probability and maturity of income;

monitoring the expertise and reliability of the members of the Board of Managing Directors and Supervisory Board; reviewing and determining the total amount of variable compensation for the Board of Managing Directors, etc.), which are supplemented by individual assignments and reports as needed. As part of their monitoring duties, the Executive Board and/or the Supervisory Board initiate appropriate countermeasures in the event of reporting anomalies with the aim of ensuring a consistent and appropriate risk culture within the bank.

- **Supervisory Board**

  OLB's Supervisory Board appoints, monitors and advises the Board of Managing Directors, and is directly involved in decisions of fundamental strategic importance for the Bank. Detailed reporting obligations and competences of the Board of Managing Directors have been incorporated into the rules of procedure of the Board of Managing Directors and the Supervisory Board, among other things, to reinforce an appropriate risk culture. In addition, the Chair of the Supervisory Board and the Chair of the Audit and Risk Committees can obtain further information from the Heads of Compliance, Risk Control and Internal Audit as required.

- **Management Board**

  Promoting risk awareness at all levels of the organisation is the overall responsibility of the Board of Managing Directors, and has been defined in its rules of procedure. The Board of Managing Directors regularly provides the Supervisory Board with sufficient information needed to assess and monitor OLB. This is ensured, among other things, by neutral reporting by the independent auditor and the Internal Audit and Compliance departments in the committees of the Supervisory Board.

  The Board of Directors as a whole has defined topics that are regularly reported on at Board meetings. The Board Office assumes the coordinating function here, with responsibility for the recurring handling of the reports assigned to specialised departments. The agenda for each Board meeting is derived from the available documents. In the event of reporting anomalies, the Board of Directors derives appropriate measures and, if necessary, formulates follow-up orders for resubmission. The departments concerned are informed promptly by the Board Office of the Board of Directors' decisions and orders.

- **Internal Audit**

  The Internal Audit department monitors the effectiveness and appropriateness of risk management in general and of the internal control system in particular, as well as the regularity of all activities and processes at OLB, on a risk-oriented and process-dependent basis. The audit result is classified as either "Good," "Satisfactory," "Sufficient" or "Poor". Significant deficiencies, as well as dangers and risks for the Bank, are emphasised in the audit report. Measures to rectify deficiencies are specified and documented, naming the responsible function. The audit report is forwarded to the entire Management Board and the managers responsible for the audited units in disciplinary and technical terms. The Internal Audit department also reports to the Audit Committee of the Supervisory Board on a quarterly basis. Further, stricter reporting obligations apply in the event of serious deficiencies. The details of the audit process are set out in the internal audit rules of procedure, which are available to all employees on the intranet.

- **Compliance**

  Whether the Bank's processes and the behaviour of its employees comply with the rules is monitored through regular control and monitoring activities in the Compliance functions in accordance with AT 4.4.2 MaRisk, Delegated Regulation (EU) 2017/565, MaDepot, the German Money Laundering Act (GwG) and Section 25h of the German Banking Act (KWG). The risk assessment is based on the residual risk. This is determined from a combination of the inherent risk and the effectiveness of the existing risk minimisation measures. In the case of medium and high risks, suitable preventive measures to further reduce the residual risk are addressed and documented, stating the target implementation period and the department responsible. The measures are monitored with regard to the implementation of compliance and open or overdue measures are reported to the Management Board on a monthly basis.

  The Compliance department informs the Executive Board during the year by summarising quarterly reports and once a year in a detailed annual report on the activities and implementation of the effectiveness of the control system in the above-mentioned areas. In addition, there are event-driven reports where necessary. Consolidated reporting in an overall report provides the Executive Board with a summarised overview of all material compliance risks and relevant compliance processes. In addition, Compliance also reports annually to the Audit Committee of the Supervisory Board.

Communicating and promoting an appropriate risk culture

OLB considers open and transparent communication to be an essential foundation of good corporate governance. The Bank's channels of communication are chosen according to the occasion and addressee. Rules of procedure, guidelines, process descriptions, etc., generally include communication-related requirements.

The strategy process, for example, provides for a cascading communication of business and risk strategy. After the annual discussion with the Supervisory Board, the Management Board's explanation of the strategy is part of one of the management conferences, if necessary. Managers are required to act as multipliers and inform their employees about the Bank's strategic direction and any significant changes. At the same time, they serve as a point of contact for their employees for questions regarding the Bank's strategic direction. At the same time, the business and risk strategy is published on the intranet and, if necessary, an e-mail is sent to all employees and additional explanations are posted on the intranet homepage.

In any case, the intranet plays an important role in communicating and promoting an appropriate risk culture. The intranet provides assistance on a wide range of topics in order to minimise the risk potential in the bank as far as possible. The intranet communication channel nevertheless obliges each individual to independently obtain the information required to carry out their own activities in a risk-conscious manner. This communication channel is not a one-way street: employees are invited to use the comments function on the intranet to openly and critically share their views on published topics. For specific questions and comments on the risk culture, the bank has set up its own intranet page, which acts as a portal for all information on the risk culture. It is also possible to contact the company management on the subject via a dedicated e-mail address (risikokultur@olb.de). This is also possible in anonymised form via a special function on the portal.

Issues that are of particular interest to all employees of the bank are communicated either on an ad-hoc basis via a bank-wide conference call or, with a little more lead time, as part of information events organised by the Management Board on site or virtually. Both communication formats also offer all employees the opportunity to address questions directly to the management body. In addition, the members of the Board of Managing Directors are represented on the Bank's committees that have been established to communicate OLB's goals and strategy, among other things.

The communication channels established at OLB are appropriate from today's perspective, and promote open and critical dialogue across all levels of the organization. In principle, the Bank views the disclosure of errors as a culture of opportunities, meaning that deficiencies are openly addressed, communicated and discussed within OLB in order to avoid them in the future, in keeping with the desired risk culture.

As described above, the appropriateness of the risk culture within OLB is monitored by means of various reports and control parameters, so that an individual and primarily timely response can be made to undesirable developments. As part of the annual risk inventory, a formalised, qualitative assessment is made of the appropriateness of the existing risk culture at OLB.

The topic of risk culture remains an important item on the Bank's communication agenda in order to sustainably link the term with the values, processes and competences already practised.