



## Sustainability Strategy 2020

## **NORD/LB Luxembourg S. A. Covered Bond Bank (NORD/LB CBB) supports its customers in global change**

### **Our conviction**

For NORD/LB CBB, as 100% subsidiary of NORD/LB Norddeutsche Landesbank Girozentrale (NORD/LB), sustainability is first and foremost a question of attitude: it is part of the bank's self-image to support sustainable development directly and indirectly in its own business activities.

NORD/LB CBB is convinced that many aspects of global change result in opportunities and risks for its customers and investors and will therefore also affect its business activities. The sustainability strategy picks up the key aspects of global change for NORD/LB CBB and its customers and investors and shows how arisen opportunities can be realized efficiently and risks can be managed responsibly. With this strategy the bank is pursuing the following basic direction:

### **Strategic direction**

The long-term trends of issues such as climate change, demographic development, urbanization process and raw materials restrictions have to be considered with differing degrees of urgency and intensity by NORD/LB CBB's customers and investors and the bank itself. They have to adjust their proven business models constantly in good time to take into account the complex effects of these trends and to find solutions. The staff of NORD/LB CBB helps the bank's customers and investors and the bank to consider the alterations of global change in their decision-making and in doing so contribute towards sustainable development.

With its systematic approach to sustainability, NORD/LB CBB ensures that necessary sustainability aspects are considered in its business activities:

- Transactions which are recognizably in breach of the fundamental principles of sustainable development, such as transactions involving controversial weapons or pornography, are identified by means of exclusion criteria and rejected.
- A framework of sustainability guidelines of NORD/LB which are also valid for NORD/LB CBB establishes the link between the individual transaction and the relevant specific sustainability standard from the bank's viewpoint. As a result, sustainability can be managed on an individual basis and in a target-oriented manner.

NORD/LB CBB and its staff consider it their duty above all else to support their customers and investors and help them to give greater consideration to sustainable development in their business activities and investment decisions.

NORD/LB CBB regularly reports on the progress the bank has made on implementing its sustainability strategy. This particular reporting is integrated in the sustainability report of NORD/LB and is prepared in accordance with generally recognized standards. With this the bank reports on the contributions made for customers, investors and society.

The report considers the different facets of business activity, including the direct and indirect contributions towards sustainability generated by the core business of NORD/LB CBB for its customers, investors and society as well as the contributions by additional activities accompanying its core business.

## **Focus and specific objectives:**

NORD/LB CBB faces the challenges of our time and is focusing on the following and aiming to achieve the objectives stated below by 2020.

## **Governance**

NORD/LB CBB maintains and structurally develops its management approach towards sustainability. This includes revising the strategic direction of sustainability management continually. This is done by the established Sustainability Management division, and by the Sustainability Control Committee which supports the Managing Board.

In order to create impetus for the direction of sustainability management, NORD/LB CBB consults relevant stakeholder groups. This ensures that our business activities are in line with the needs of stakeholders and as a result guarantees that the bank will remain successful and competitive in the long term.

## **Customers and investors**

NORD/LB CBB ensures that sustainability aspects are considered in all relevant operations and in so doing ensures an approach to business which considers not only economic aspects for the benefit of customers and investors but also environmental and social governance aspects.

By consulting customers and investors on sustainability issues and by offering “green products”, the bank is making an ever-increasing contribution towards the financing of the Green Economy.

In its business activities NORD/LB CBB considers economic, environmental and social aspects in order to improve the conscious of customers and investors and in doing so strengthens the risk position of the NORD/LB CBB. The sustainability objectives for the respective operations are the focus of the strategy process.

## **Staff**

The staff is the future of the NORD/LB CBB and ensures its long term success. Therefore, there is a vital responsibility towards the staff to create conditions which allow them to develop fully and to “live diversity”. A key element of this is the creation of a healthy work environment for employees and a value-oriented cooperation.

The professional and personal development of the staff is supported by an extensive range of seminars of NORD/LB. By providing information and training courses, NORD/LB CBB promotes and raises awareness of sustainable business and makes it possible for these competences to be used.

## **Society**

As a corporate citizen, the NORD/LB CBB participates in social projects and contributes to society with its financial expertise. In its core regions NORD/LB CBB is sponsor of cultural and social projects and welcomes its staff doing voluntary work. In all of these activities NORD/LB CBB focuses its non-commercial activities on contributions which are of benefit to society as well as for the bank. In implementing a sustainable approach to business, NORD/LB CBB urges its suppliers and service providers to act with the same environmental and social principles and standards.

## **Environment**

NORD/LB CBB intends to contribute to an optimization of the use of resources by its business activities. By saving resources, energy and reducing emissions, the NORD/LB Group's environmental efficiency should be improved as a result. Here particular focus lies on energy efficiency.