

# **Board Policy Statement of Oldenburgische Landesbank AG**

**according to section 6 (2) LkSG on the human rights strategy**

for the year 2024

# Declaration of Principles of Oldenburgische Landesbank AG

## Preamble

Due to its workforce of more than 1,000 employees, Oldenburgische Landesbank AG (OLB) will fall within the scope of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) as of 1 January 2024. With the legally prescribed goal of preventing or minimising human rights or environmental risks or ending the violation of human rights or environmental obligations, the company management must issue a declaration of principle on the following points:

- 1 The description of the process by which the company fulfils its due diligence obligations,
- 2 the priority human rights and environmental risks identified for the company on the basis of the risk analysis, and
- 3 The definition of the human rights and environmental expectations that the company has of its employees and suppliers in the supply chain, based on the risk analysis.

We, the members of the Board of Managing Directors of Oldenburgische Landesbank AG, expressly acknowledge our responsibility with respect to human rights and environmental standards within our own business operations and our supply chain. The well-being and rights of every individual are firmly anchored in OLB's core values, and we are aware of our duty to take all necessary measures to minimise and proactively counteract potential negative effects of our business activities.

With this document, we are issuing our policy statement for the OLB Group in this regard.

Oldenburg, 19 December 2023

Oldenburgische Landesbank AG

Management Board

## 1 Description of the process used

The procedure with which we fulfil our duty of care within the meaning of Section 3 LkSG includes

- risk management in accordance with Section 4 (1) LkSG,
- the risk analysis in accordance with Section 5 (1) LkSG,
- Preventive measures in accordance with Section 6 (3) to (5) LkSG,
- Remedial measures according to § 7 LkSG,
- a complaints procedure in accordance with Sections 8 and 9 LkSG and
- the documentation and reporting obligation according to § 10 LkSG.

We have set up a risk management system to ensure compliance with due diligence obligations, the integration of which into our business processes is described below. The Head of Sustainability, who reports directly to the Executive Board via the Chief Financial Officer's department and informs us regularly, at least once a year, about implementation, is responsible for monitoring the measures taken for this purpose in accordance with Section 4 (3) LkSG.

We use the software solution and expertise of a leading provider of sustainability ratings for global supply chains to carry out the risk analysis, implement the preventive and corrective measures and for the documentation and reporting obligations.

### 1.1 Risk analysis

As part of our LkSG risk management, we carry out an annual and ad hoc risk analysis (Section 9 (3) LkSG) with the aim of determining the human rights and environmental risks in our own business area and at our direct suppliers. The risk analysis is carried out in two consecutive steps:

In the first step, all direct business partners in the supply chain are analysed and assigned to a risk category based on inherent country and industry risks ("abstract risk analysis") in order to identify suppliers with increased risks or strategic importance. In the second step, we subject this group to a detailed supplier rating, which is based on internationally recognised sustainability standards and includes criteria from the areas of the environment, labour and human rights, ethics and sustainable procurement ("individual risk analysis").

For both steps, we use the database of our supplier rating provider.

### 1.2 Preventive measures

Depending on the type and scope of the risk identified in the risk analysis, we take preventive measures. We differentiate between preventive measures in our own business area and those taken against a direct supplier.

The preventive measures in our own business area include the implementation of the human rights strategy set out in this declaration of principles, including the implementation of suitable purchasing practices, the organisation of training courses for employees in relevant business areas and checks to verify compliance with the due diligence obligations set out in the declaration of principles.

At the level of our direct suppliers, we place a stronger focus on human rights and environmental issues in tenders and market analyses. Our expectations in this regard are taken into account when concluding new supplier contracts. In order to enforce these assurances, the implementation of training and further education as well as the agreement of appropriate control mechanisms become mandatory contractual components.

## Declaration of Principles of Oldenburgische Landesbank AG

The implementation of preventive measures is supported in terms of process and content by our supplier rating software solution.

### 1.3 Remedial measures

In the event of an actual or imminent violation of a human rights or environmental obligation in our own business area or at a direct supplier, we immediately take appropriate remedial measures to prevent or end this violation or to minimise the extent of the violation.

The implementation of corrective measures is supported by the software solution of our supplier rating provider in terms of process and content by creating suggestions for improvement and corrective action plans and coordinating, prioritising and monitoring them with the supplier.

If a direct supplier fails to implement the required remedial measures, the business relationship may initially be temporarily suspended. The termination of a business relationship is considered as the last possible measure after all other options have been exhausted.

### 1.4 Complaints procedure

Effective 1 January 2024, we established an appropriate complaints procedure pursuant to Section 8 LKSG. The grievance procedure enables individuals to point out possible human rights and environmental risks and, where appropriate, violations of human rights or environmental obligations that have arisen as a result of the business activities of OLB or one of its affiliated companies, a direct supplier or an indirect supplier.

The complaints procedure is handled by the external ombudsman, who can be contacted by telephone, e-mail or via a reporting platform that has been set up. He is impartial and is not subject to any instructions from OLB regarding the handling of the matter. The confidential lawyer is bound to secrecy. If requested, he shall maintain the confidentiality of the identity of a whistleblower.

The rules of procedure are set out in text form and are publicly accessible on our website at <https://www.olb.de/informationen/rechtliche-hinweise/hinweisgebersystem>. In addition to the process description, the rules of procedure contain information on the protection of the whistleblower, data protection and the annual and ad hoc review of the effectiveness of the complaints procedure.

If we have substantiated knowledge of a violation of a human rights-related or environmental obligation by indirect suppliers in accordance with Section 9 LkSG, we will immediately

1. carry out a risk analysis,
2. establish appropriate preventive measures vis-à-vis the polluter,
3. create and implement a concept for prevention, termination or minimisation and
4. update this policy statement accordingly, if necessary.

### 1.5 Documentation and reporting

The analyses, results and any measures taken in our due diligence processes are documented on an ongoing basis and stored for at least seven years. To this end, we utilise the extensive documentation functions of our supplier rating software solution, which are aligned with legal requirements.

We will prepare a report on the fulfilment of our due diligence obligations for the first time for the 2024 financial year and annually thereafter. While maintaining business and trade secrets, we will provide information on whether human rights and environmental risks or violations of a human rights or environmental obligation have been identified and, if so, provide a clear explanation

## Declaration of Principles of Oldenburgische Landesbank AG

1. what we have done with reference to the measures taken to fulfil our due diligence obligations,
2. how we evaluate the impact and effectiveness of the measures and
3. what conclusions we draw from the evaluation for future measures.

The fulfilment of the documentation and reporting requirements is supported by the dashboard and export functions of our supplier rating software solution in accordance with the requirements of the Federal Office of Economics and Export Control (BAFA). The report is made publicly available free of charge on our website no later than four months after the end of the financial year for a period of seven years.

### **2 Findings of the risk analysis**

During the initial review of all significant direct business partners in our supply chain, we did not identify any prioritised human rights or environmental risks as part of the abstract risk analysis, i.e. a general overall risk rating of "high" or "very high".

Of all suppliers assessed in the abstract risk analysis, less than 2% have an overall risk rating of "medium high", which is why they are subject to an individual risk analysis in the short term.

### **3 Human rights and environmental expectations**

We expressly acknowledge our responsibility with respect to human rights and environmental standards within our own business operations and our supply chain. The well-being and rights of every individual are firmly anchored in OLB's core values, and we are aware of our duty to take any necessary measures to reduce and proactively counteract potential negative effects of our business activities.

This claim goes hand in hand with the following expectations of OLB's employees and suppliers:

- **Respect for human rights:** Employees and suppliers are required to respect and promote human rights in all their activities. This includes the avoidance of child labour, forced labour and any form of discrimination. They are also expected to help prevent human rights violations and actively report them if they become aware of them.
- **Environmental protection:** Employees and suppliers are encouraged to integrate environmentally friendly practices into their operations. This includes compliance with all relevant environmental laws and regulations as well as the promotion of resource efficiency and sustainable development.
- **Transparency and accountability:** We expect our employees and suppliers to take responsibility for their actions and to be transparent about their business practices. This includes a willingness to undergo regular reviews and audits to ensure compliance with human rights and environmental standards.
- **Training and awareness-raising:** OLB will train and sensitise its employees in the relevant business units to issues of human rights and environmental protection. At the same time, we expect our suppliers to take similar measures to ensure that their employees have the necessary knowledge and skills to implement human rights and environmental standards.

OLB endeavours to work with partners in its supply chain who share and actively implement these values.