



**NRW.BANK**

Promoting Ideas

**United Nations Global Compact  
Communication on Progress  
2022**



We Promote Sustainability  
**Sustainability Report 2021**



**NRW.BANK**  
Promoting Ideas

# 01 Strategy and Governance



3 Foreword

11 Living Corporate Responsibility

# 02 Promotional Business



26 Shaping Sustainable Promotion for Customers

# 03 Sustainable Capital Market Business



33 Further Development of Sustainable Capital Market Business

# 04 Eco-Balance



65 Protecting the Climate and the Environment

# 05 Human Resources



75 Assuming Social Responsibility for Employees

# 06 Corporate Citizenship



88 Showing Commitment to Society

This is an unofficial translation of the Nachhaltigkeitsbericht 2021 (German Sustainability Report 2021) and is provided for convenience purposes only. In the event of any ambiguity, the German text will prevail.

92 Copyright

# Foreword by the Managing Board



Dear Readers,

North Rhine-Westphalia has set itself the goal of becoming one of the most modern and most climate and environmentally friendly industrial regions in Europe by 2030 – this is the great opportunity we at NRW.BANK are also working to realise. We are driving the development of North Rhine-Westphalia – towards an economy and society that is environmentally and socially sustainable as well as digitally and structurally modernised.

Sustainability is the key task of our time. It is about creating affordable housing and stopping climate change or adapting to the already existing weather impacts. And one thing has become more obvious than ever in recent months, namely that our resources are finite. The war in Ukraine shows how important it is to free the energy transition from dependencies and to implement it as quickly as possible as well as to develop innovations with the help of which companies can make their production processes more energy-efficient and thus save resources and cut costs.

Enterprises and municipalities need to invest to become future-proof. NRW.BANK supports them in this process. After all, sustainable action is not only our statutory mission, but also a central guiding principle and essential criterion in our business policy decisions. For instance, we promote innovative enterprises which, in turn, help other enterprises to operate sustainably. We support, for example, investments in the more efficient consumption of raw materials and energy or in the development of climate-friendly products. This also makes economic sense for enterprises.

The renaturation of the Emscher and Lippe rivers shows that sustainable action works. North Rhine-Westphalia's largest infrastructure project also includes the expansion of flood retention basins along the Emscher. These prevented major flooding in the Emscher area after the heavy rainfalls in July 2021. As the renaturation of the Emscher continues, flood prevention efforts will be intensified. For several years, NRW.BANK has provided material support in funding the overall project through the NRW.BANK.Green Bonds.

Last year saw us successfully place our tenth and eleventh Green Bond. Each of the Green Bonds has a volume of € 500 million. They are used to fund environmentally friendly projects. Besides the renaturation of the Emscher, the focus was placed on the promotion of renewable energy, energy efficiency and clean transport.

NRW.BANK is one of the pioneers in sustainability bonds. In line with the United Nations Sustainable Development Goals (SDGs), we are committed not only to the environmental but also to the social goals of sustainability. In 2021, we issued four new Social Bonds with a total volume of roughly € 2 billion. The NRW.BANK.Social Bonds focus on projects aimed at promoting private home ownership, at protecting and creating jobs and at supporting municipalities, e.g. in the field of school education.

NRW.BANK promotes the development of North Rhine-Westphalia towards an environmentally and socially sustainable as well as digitally and structurally modernised economy and society. In doing so, we are guided also by other established and meaningful sustainability initiatives, such as the ten principles of the UN Global Compact and the Principles for Responsible Investment. In addition, we have revised our Sustainability Guidelines and are aligning our product and service portfolio with the goal of effectively achieving climate neutrality by 2045.

NRW.BANK also acts as a sustainable and responsible employer. Our banking operations have been entirely climate-neutral for several years. Climate certificates are used to offset emissions that we cannot avoid.

Great importance is attached to the needs and requirements of our employees. The atmosphere is characterised by respectful cooperation and fair, cooperative and appreciative interaction. This is confirmed by several awards, some of which we have received multiple times, also in 2021. We were voted one of the best employers and providers of vocational training and won an award as a family-friendly company. We received the “Top Career Opportunities for Women” seal. Various aspects of our sustainable actions come together in another award: according to a study by the F.A.Z. Institute, NRW.BANK is one of the most future-proof companies in Germany.

The following pages of our Sustainability Report will give you an idea of how we actively contribute to improving the lives of present and future generations in North Rhine-Westphalia in economic, environmental and social terms. We wish you interesting reading.

June 2022

#### The Managing Board of NRW.BANK



Eckhard Forst  
Chairman of the Managing Board



Claudia Hillenherms  
Member of the Managing Board



Gabriela Pantring  
Member of the Managing Board



Michael Stölting  
Member of the Managing Board

# Profile of NRW.BANK and Key Performance Indicators

NRW.BANK is the promotional bank of North Rhine-Westphalia (NRW). Its mission is to support its owner, the State of North Rhine-Westphalia, in the completion of its structural and economic policy tasks. In its three promotional fields Economy, Housing and Infrastructure/Municipalities, NRW.BANK uses a wide range of promotional tools – from low-interest promotional loans to equity financing and syndicated loans to advisory services. It cooperates with all banks and savings banks on a competition-neutral basis. The clients of NRW.BANK benefit from favourable conditions as well as from long maturities and fixed interest periods. The Bank secures access to promotional loans through optional liability releases for on-lending house banks.

It is a strong and reliable partner to small and medium-sized enterprises in North Rhine-Westphalia and supports them with the right products in any phase of their lifecycles.

In the context of subsidised housing construction, NRW.BANK advises the approval authorities of the responsible municipal or local governments as well as prospective developers and owners on the possibilities to make social housing construction modern, flexible and profitable using the right promotional programmes.

Municipal financing also forms part of NRW.BANK's public mission. The Bank is the ideal partner of the North Rhine-Westphalian municipalities, which it supports with advisory services and promotional products also in times of low interest rates.

This is already the seventh time that NRW.BANK publishes a separate Sustainability Report which is based on the criteria of the [German Sustainability Code](#). This ensures that the progress made is presented in a transparent manner.

## Sustainability Balance

| Economic Performance Indicators                             | 2021       | 2020    | 2019     | Unit         |
|---|------------|---------|----------|--------------|
| <b>Financial performance indicators</b>                     |            |         |          |              |
| Total assets  | 153,132    | 155,787 | 149,235  | € millions   |
| Equity capital pursuant to the German Commercial Code (HGB) | 17,986     | 17,985  | 17,984   | € millions   |
| Net interest and net commission income                      | 750        | 802     | 737      | € millions   |
| Administrative expenses                                     | 273        | 273     | 263      | € millions   |
| Operating result  | 260        | 308     | 195      | € millions   |
| CET1 capital ratio  | 44.4       | 43.9    | 43.5     | %            |
| Leverage ratio  | 21.0       | 11.2    | 11.1     | %            |
| Liquidity coverage ratio                                    | 442        | 260     | 221      | %            |
| <b>NRW.BANK.Green Bonds (new issues)<sup>1)</sup></b>       |            |         |          |              |
| Volume  | 500; 500   | 500     | 500; 500 | € millions   |
| Maturity  | 10         | 10      | 10       | years        |
| Focus   | Energy     | Energy  | Energy   |              |
| CO <sub>2</sub> equivalent savings per year                 | 340; 500   | 220     | 260; 260 | t/€ m        |
| <b>NRW.BANK.Social Bonds (new issues)<sup>1)</sup></b>      |            |         |          |              |
| Volume  | 1,000; 500 | 1,000   | –        | € millions   |
| Maturity  | 7; 20      | 15      | –        | years        |
| Volume  | 600; 125   | –       | –        | AUD millions |
| Maturity  | 5; 10      | –       | –        | years        |
| <b>Promotional fields (new commitments)</b>                 |            |         |          |              |
| Economy   | 3,973      | 5,642   | 2,737    | € millions   |
| Housing   | 3,606      | 3,728   | 2,624    | € millions   |
| Infrastructure/Municipalities                               | 4,434      | 7,645   | 4,930    | € millions   |

## Sustainability Balance

| Social Performance Indicators                              | 2021  | 2020  | 2019  | Unit       |
|--|-------|-------|-------|------------|
| <b>Employee structure</b>                                  |       |       |       |            |
| Number of permanent employees                              | 1,442 | 1,421 | 1,392 | employees  |
| Share of women in total workforce                          | 50.6  | 50.8  | 51.9  | %          |
| Share of women in management positions                     | 33.9  | 33.1  | 34.1  | %          |
| Share of part-time employees in total workforce            | 35.9  | 39.3  | 38.0  | %          |
| Turnover ratio   | 3.2   | 3.9   | 3.7   | %          |
| Average period of employment                               | 16.5  | 16.5  | 16.6  | years      |
| Average age  | 46.1  | 45.9  | 45.7  | years      |
| Additionally: temporary employees                          | 62    | 57    | 40    | employees  |
| Additionally: apprentices/trainees                         | 44    | 52    | 52    | employees  |
| <b>Vocational and further training</b>                     |       |       |       |            |
| Participation in internal seminars                         | 523   | 598   | 1,030 | employees  |
| Participation in external seminars                         | 763   | 624   | 564   | employees  |
| In-house trainers  | 245   | 222   | 209   | employees  |
| <b>Work/family life balance</b>                            |       |       |       |            |
| Part-time employees  | 517   | 558   | 529   | employees  |
| Executives working part-time                               | 54    | 71    | 69    | employees  |
| Employees on leave according to BEEG and LGG <sup>2)</sup> | 48    | 47    | 40    | employees  |
| <b>Corporate Citizenship</b>                               |       |       |       |            |
| Total  | 1.2   | 1.2   | 0.8   | € millions |
| Science & Education  | 37    | 37    | 46    | %          |
| Society & Social Affairs                                   | 35    | 37    | 19    | %          |
| Arts & Culture   | 28    | 26    | 35    | %          |



## Sustainability Balance

| Environmental Performance Indicators                | 2021      | 2020      | 2019      | Unit                |
|---|-----------|-----------|-----------|---------------------|
| <b>Greenhouse gas emissions<sup>3)</sup></b>        |           |           |           |                     |
| Total emissions                                     | 1,819     | 1,613     | 1,973     | t CO <sub>2</sub> e |
| thereof direct emissions (Scope 1 <sup>4)</sup> )   | 569       | 378       | 548       | t CO <sub>2</sub> e |
| thereof indirect emissions (Scope 2 <sup>4)</sup> ) | 679       | 609       | 502       | t CO <sub>2</sub> e |
| thereof indirect emissions (Scope 3 <sup>4)</sup> ) | 571       | 627       | 923       | t CO <sub>2</sub> e |
| Emissions per employee                              | 1.20      | 1.05      | 1.33      | t CO <sub>2</sub> e |
| thereof offset <sup>5)</sup>                        | 100       | 100       | 100       | %                   |
| <b>Building energy</b>                              |           |           |           |                     |
| Total electricity consumption                       | 7,619,761 | 7,062,185 | 6,105,858 | kWh                 |
| thereof from green electricity                      | 100       | 100       | 100       | %                   |
| Electricity consumption per employee                | 5,017     | 4,584     | 4,128     | kWh                 |
| Total heating energy                                | 7,483,249 | 6,705,356 | 5,525,128 | kWh                 |
| Heating energy per employee                         | 4,927     | 4,353     | 3,735     | kWh                 |
| <b>Business travel</b>                              |           |           |           |                     |
| Total kilometres travelled                          | 1,833,889 | 2,304,183 | 4,984,679 | km                  |
| Kilometres travelled per employee                   | 1,208     | 1,496     | 3,370     | km                  |

## Sustainability Balance

| Environmental Performance Indicators         | 2021   | 2020   | 2019   | Unit      |
|--|--------|--------|--------|-----------|
| <b>Paper</b>                                 |        |        |        |           |
| Total paper consumption <sup>6)</sup>        | 13,710 | 19,797 | 30,096 | kg        |
| Paper consumption per employee <sup>6)</sup> | 9.0    | 12.9   | 20.3   | kg        |
| thereof recycled paper <sup>7)</sup>         | 63.2   | 59.1   | 71.5   | %         |
| <b>Waste</b>                                 |        |        |        |           |
| Total waste <sup>8)</sup>                    | 139.5  | 120.2  | 139.8  | t         |
| Recycling ratio                              | 79.4   | 62.6   | 73.4   | %         |
| Waste per employee                           | 92     | 78     | 95     | kg        |
| <b>Full-time equivalents</b>                 |        |        |        |           |
| For the calculation per employee             | 1,519  | 1,541  | 1,479  | employees |

<sup>1)</sup> Second Party Opinion by ISS ESG; Impact Analysis by Wuppertal Institute.

<sup>2)</sup> As of 31 December. Figure does not include employees who work part-time during parental leave. They are shown under "Part-time employees".

<sup>3)</sup> The conversion factors correspond to the 2022 VfU update version 1.0. The figures for 2019 and 2020 have been recalculated accordingly.

<sup>4)</sup> Distinction between direct and indirect emissions: direct greenhouse gas emissions come from sources owned or controlled by NRW.BANK. Indirect greenhouse gas emissions result from the business activity of NRW.BANK – but their sources are owned or controlled by third parties. In accordance with the "Greenhouse Gas Protocol", emissions are divided into three categories depending on the degree of influence exerted by NRW.BANK:

– Emission category (Scope 1): all direct emissions.

– Emission category (Scope 2): all indirect emissions produced, for instance, in the generation of electricity, steam or thermal energy sourced by NRW.BANK from external sources.

– Emission category (Scope 3): all other indirect emissions in the field of logistics, material consumption, supplies and disposal. This also includes the emissions produced by service providers or manufacturing companies and their upstream suppliers.

<sup>5)</sup> NRW.BANK offsets its CO<sub>2</sub> emissions by using certificates from global climate protection projects.

<sup>6)</sup> Office paper, excl. printed matter, envelopes and marketing materials

<sup>7)</sup> In percent of total paper consumption

<sup>8)</sup> Only office waste, excl. kitchen and other waste

### Abbreviations:

CO<sub>2</sub>e: carbon dioxide equivalents

kg: kilogramme

km: kilometre

kWh: kilowatt hour

m: million

t: tonnes

## Sustainability Ratings

| ISS ESG  | Moody's ESG Solutions                              | MSCI ESG                                       | Sustainalytics   |
|--|--|--|--|
| ESG Corporate Rating   | ESG Score  | ESG Rating <sup>1)</sup>                       | ESG Risk Rating <sup>2)</sup>                                      |
| Prime (C)  | Robust (53/100)                                    | Leader (AA)                                    | Negligible risk (8.2)  |
| (October 2020)   | (July 2021)  | (February 2021)                                | (November 2021)  |
| <a href="http://www.issgovernance.com">www.issgovernance.com</a> | <a href="http://www.moodys.com">www.moodys.com</a> | <a href="http://www.msci.com">www.msci.com</a> | <a href="http://www.sustainalytics.com">www.sustainalytics.com</a> |

<sup>1)</sup> The use by NRW.BANK of any MSCI ESG RESEARCH LLC or its affiliates ("MSCI") data and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of NRW.BANK by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

<sup>2)</sup> Copyright ©2022 Sustainalytics. All rights reserved. This annual report contains information developed by Sustainalytics ([www.sustainalytics.com](http://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

## Credit Ratings

|                   | Fitch Ratings | Moody's | Standard & Poor's |
|-------------------|---------------|---------|-------------------|
| Long-term rating  | AAA           | Aa1     | AA                |
| Short-term rating | F1+           | P-1     | A-1+              |
| Outlook           | stable        | stable  | stable            |

**Living Corporate Responsibility**

Promoting Environmental, Economic and Social Sustainability in North Rhine-Westphalia

Sustainability Objectives

Sustainability Objectives and Activities 2021–2024

Sustainability as a Part of Strategic Management

Sustainability Communications

Statutory Framework and Internal Regulations

Initiatives and Memberships

Sustainable Products

Responsible External Presentation



## Living Corporate Responsibility Strategy and Governance

Transparent, responsible and conscientious dealings with its owner, its customers, its employees, its business partners and society form the basis of the sustainable operations of NRW.BANK.

The Bank is committed to living up to its corporate responsibility and to evolving it in a far-sighted manner across all areas of the company.

# Promoting Environmental, Economic and Social Sustainability in North Rhine-Westphalia

In accordance with the law under which it was founded as the promotional bank of North Rhine-Westphalia, NRW.BANK accepts its corporate responsibility. Its activity is geared to the principle of sustainability, which it has defined as follows: “Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs”.<sup>1)</sup>

Sustainability is a central guiding principle and a key criterion for NRW.BANK’s decisions on business policy. It is reflected in all phases of NRW.BANK’s corporate activities, starting from its strategic and business policy decisions to the shaping of its range of products and services down to the implementation of specific financings, its capital market activities and the advisory services it provides. NRW.BANK understands the economic, environmental, social and corporate governance aspects of sustainability as being inextricably linked. The ethical principles are derived from the values of NRW.BANK’s mission statement and its [Sustainability Guidelines](#). In accordance with its sustainability strategy, NRW.BANK specifically promotes such projects and programmes which are designed to improve the economic and environmental living conditions, social development as well as environmental and climate protection in North Rhine-Westphalia.

The essential cornerstones of the sustainability efforts pursued by NRW.BANK include transparent and responsible relations with its owner, customers, employees and society at large. NRW.BANK lives up to this commitment based on its [Public Corporate Governance Code](#). In addition, NRW.BANK has defined the core elements of its corporate mission in its corporate mission statement.

## Sustainability Guidelines

To make further progress in the field of sustainability, NRW.BANK introduced Sustainability Guidelines in early 2018, which govern the Bank’s approach to sustainability and its continuous further development. Their purpose is to document the already established sustainability processes and to anchor them more firmly in the organisational structure and Bank-wide strategy of NRW.BANK. The Sustainability Guidelines define the entrepreneurial approach of the Bank, taking sustainability aspects into account. Besides the economic viability of the projects funded by NRW.BANK, compliance with the interests of its customers and with all other aspects of sustainability are key preconditions for the Bank’s promotional activities.

The specifications in the Sustainability Guidelines define detailed rules for NRW.BANK’s treatment of controversial business practices (e.g. human rights violations, child labour, violations of labour law, environmental behaviour, economic behaviour and animal testing) and controversial business fields (e.g. arms industry, gambling, controversial business activities relating to the environment, nature and animals).

In the reporting year, the Bank again prepared an updated version of its Sustainability Guidelines, which became effective on 1 January 2022. In these Guidelines, NRW.BANK also describes and explains the introduction of the Sustainability Committee installed in the reporting year. To do justice to the special strategic importance of sustainability for NRW.BANK, the Managing Board decided to establish a Sustainability Committee (NH-Ko for short) in mid-2021. As a sub-committee of the Asset Liability

<sup>1)</sup> Source: Brundtland Report, 1987

Committee (ALCO), it monitors the regulatory and market-induced developments in the field of sustainability and ensures their reconciliation with the requirements of the borrowers or house banks as well as with the Bank's objectives. Strategic decisions are additionally coordinated with the ALCO. In keeping with the principle of overall responsibility, the management circle is informed about the status of sustainability.

### Sustainability Objectives

The promotional strategy is at the core of the Bank's overall strategy and describes fundamental objectives and activities with the help of which NRW.BANK supports the State of North Rhine-Westphalia in its structural and economic policy tasks. To underpin NRW.BANK's efforts to make a contribution to achieving the climate and environmental targets set by the Federal Republic of Germany and the State of North Rhine-Westphalia, the current promotional strategy primarily encompasses the further development of the promotional offerings aimed at protecting resources, increasing efficiency and implementing the energy transition. This further development always takes place on the basis of regular cooperation with the competent state ministries.

Today already, the promotional business of NRW.BANK is largely aligned with the United Nations Sustainable Development Goals (SDGs). The promotional funds made available by NRW.BANK primarily work towards Goal 11 (Sustainable Cities and Communities) and Goal 8 (Decent Work and Economic Growth). This includes extensive municipal promotion and the promotion of business start-ups. About 34% of the volume of new commitments granted by NRW.BANK in 2021 support SDG 11, while about 26% of the volume of new commitments take special account of SDG 8. Sustainable Development Goals 13 (Climate Action) and 7 (Affordable and Clean Energy) are also supported by NRW.BANK's promotional programmes, such as NRW.BANK.Energieinfrastruktur. The associated [Methodology Paper](#) shows further details of the calculation of the SDG contributions made by the promotional business.

**Contribution made by the promotional products to achieving the UN Sustainable Development Goals by share in NRW.BANK's volume of new commitments in 2021 (in %)**



Source: Based on UN Sustainable Development Goals; own presentation

In pursuing the objectives derived from its overall strategy, the Bank is guided by the following overall principle: “The Bank’s activities are geared towards sustainability. The strategic approach to sustainability issues and specific details are outlined in the Sustainability Guidelines of NRW.BANK.” Considering the latter, objectives for the further development of sustainability are determined annually for a four-year period. They represent the fields of action in which the Bank wants to achieve further progress in its sustainability efforts by taking suitable measures and which should have a positive influence on the future of North Rhine-Westphalia.

#### **Sustainability Objectives and Activities 2021–2024**

Save for a few exceptions, NRW.BANK was able to achieve the objectives and activities planned for 2021. In this context, it should be noted that the coronavirus pandemic and its effects led again to special circumstances and difficulties in 2021, which had to be mastered by NRW.BANK and its customers.

In 2021, emphasis was placed, for instance, on improving the promotional offerings for social enterprises, for which NRW.BANK expanded its advisory services with a focus on providing advice on financing. Besides this, NRW.BANK invested in two third-party-managed social impact funds.

In addition, NRW.BANK successfully completed the “[audit berufundfamilie](#)” (job and family audit) again in the reporting year. The Bank also laid the foundation stone for an internal “[Fathers Network](#)”. The latter was established by NRW.BANK in order to promote the balance of work and family life from a father’s perspective and to further strengthen the exchange between fathers, e.g. in the form of meetings and events.

## A. Living Corporate Responsibility

| Sustainability objective  | Activity  | Period  | Status           |
|---|---|---------|------------------|
| Intensify the dialogue with the stakeholders that are relevant for sustainability | Regular and open discussion in the context of advanced stakeholder dialogue   | Ongoing | ✓                |
|   | Employee survey on sustainability – review the option to include employee proposals in the objectives development process | Ongoing | ✓                |
| Increased communication of sustainability   | Further development of sustainability-related topics on the internet  | Ongoing | ✓                |
|   | Initial reporting in accordance with DNK (German Sustainability Code) – creation of prototype and implementation          | 2021    | no <sup>1)</sup> |
|   | Rivise reporting in catalogue of objectives and measures  | 2021    | ✓                |
|   | Examine signing of the UNEP FI PRB  | 2021    | ✓                |
| Further development of sustainability-related topics within NRW.BANK              | Further development of NRW.BANK's Sustainability Guidelines   | Ongoing | ✓                |
|   | Regular dialogue on sustainability-related topics with other market players (at conferences, forums, bilateral meetings)  | Ongoing | ✓                |
|   | Support the EU Sustainable Finance Action Plan  | Ongoing | ✓                |
|   | Develop a sustainability roadmap  | 2021    | ✓                |

<sup>1)</sup> In view of the expected changes to the requirements for non-financial reporting, the Bank decided not to issue a declaration of conformity with the DNK and thus not to commit itself to a specific reporting standard, also with the aim of achieving synergies.



## B. Shaping Sustainable Promotion for Customers

| Sustainability objective                               | Activity  | Period  | Status |
|--|---|---------|--------|
| Strengthen and expand sustainable promotional products | Consider sustainability aspects in consulting as an ongoing task both in commercial promotion and in consulting for "Public Clients"  | Ongoing | ✓      |
|  | Support the implementation of sustainability guidelines in dialogue with house banks, savings banks and banking associations as well as „Public Clients“ in direct business | Ongoing | ✓      |
|  | Improve the promotional offerings for social enterprises  | 2021    | ✓      |
|  | Analyse market demand for the promotion of sustainable corporate investments and, based on this, examine the development of new promotional offerings                       | 2021    | ✓      |
|  | Improve the promotional offerings for sustainable construction  | 2021    | ✓      |
|  | Create affordable housing   | 2021    | ✓      |
|  | Improve the promotional offerings for sustainability-related infrastructure projects  | 2021    | ✓      |
|  | Analyse market demand for promoting climate protection projects and examine the development of new promotional offerings on this basis                                      | 2021    | ✓      |
|  | Improve the promotional offerings in favour of measures aimed at increasing climate resilience  | 2021    | ✓      |
|  | Develop a promotional concept for using innovative climate-friendly processes and technologies  | 2021    | ✓      |

### C. Further Development of Sustainable Capital Market Business

| Sustainability objective                                   | Activity  | Period       | Status |
|--|---|--------------|--------|
| Promote and expand the sustainable capital market business | Continue established sustainable portfolio management using the MSCI sustainability rating  | Ongoing      | ✓      |
|  | Expand the green bond portfolio to create a sustainable bond investment portfolio with a volume of €500 million by the end of 2021  | 2021         | ✓      |
| Promote the expansion of sustainable funding               | Annual issue of at least one green bond in compliance with the requirements of the EU Green Bond Standard   | 2021 et seq. | ✓      |
|  | Annual issue of at least one social bond in compliance with the requirements of the ICMA Social Bond Principles   | 2021 et seq. | ✓      |
|  | Continue the “green” funding curve, taking into account the EU Taxonomy Regulation, also in the context of granting green municipal loans; examine the potential introduction of further money and capital market instruments for sustainable funding (e.g. green/social commercial papers) | Ongoing      | ✓      |

## D. Assuming Social Responsibility for Employees

| Sustainability objective  | Activity  | Period  | Status           |
|---|---|---------|------------------|
| Further development of a value-oriented corporate culture       | Further expand employer branding for the target group of trainees/apprentices   | Ongoing | ✓                |
|   | First aid refresher courses   | Ongoing | no <sup>1)</sup> |
|   | Optimise NRW.BANK's internal further training offerings   | Ongoing | ✓                |
|   | Include "dealing with mental illness", "healthy leadership" and "emotional skills" as fixed elements of the mandatory executive development   | Ongoing | ✓                |
|   | Continue the "internal before external" recruitment principle   | Ongoing | ✓                |
| Expand ways to achieve a better balance of work and family life | Continue the flexible working time schemes  | Ongoing | ✓                |
|   | Examine further participation in the "audit berufundfamilie" (job and family audit)   | 2021    | ✓                |
| Further development of health management offerings              | Continuation and target-oriented further development of internal activities relating to "diet", "exercise", "relaxation" and "prevention" based on employee interests and new medical insight | Ongoing | ✓                |
|   | Regular health check-ups  | Ongoing | ✓                |
|   | Continue to offer social counselling for employees  | Ongoing | ✓                |
|   | Continue to offer comprehensive health promotion services and financial support for employees when booking prevention programmes via the "machtfit" health platform                           | Ongoing | ✓                |

<sup>1)</sup> Due to the restrictions caused by the Covid-19 pandemic, the measure had to be cancelled for 2021.

## E. Protecting the Climate and the Environment

| Sustainability objective                          | Activity  | Period  | Status           |
|---|---|---------|------------------|
| Optimise the company's consumption/save resources | Stabilise the proportion of recycled paper and the paper consumption per employee   | Ongoing | ✓                |
|   | Digitize of the application process (exclusively digital applications/initial interviews with external applicants to be conducted via video conference) | Ongoing | ✓                |
|   | Increased digitization of processes (authorisations, applications)  | Ongoing | ✓                |
|   | Raise awareness regarding the use of resources  | Ongoing | ✓                |
|   | Increase energy efficiency by switching light sources to LED technology   | Ongoing | ✓                |
|   | "Handys für die Umwelt" (mobile phones for the environment) initiative  | 2021    | ✓                |
|   | Examine EMAS certification  | 2021    | no <sup>1)</sup> |
| Further development of sustainable procurement    | Increase the use of sustainable consumables   | Ongoing | no <sup>2)</sup> |
|   | Change the milk supply for employees (tea kitchen) to organic products  | 2021    | ✓                |
| Promote eco-friendly mobility                     | Certification as a "bicycle-friendly employer"  | Ongoing | ✓                |
|   | Expand the charging infrastructure in line with increased e-mobility  | 2021    | ✓                |
|   | Examine the creation of additional incentives for the use of eco-friendly means of transport for the daily commuting of employees                       | 2022    | 2022             |

<sup>1)</sup> The EMAS certification process was started in 2021, but could not be completed until 2022 due to limited resources.

<sup>2)</sup> The total volume of office materials used in 2021 was below the prior year level due to the Covid-19 pandemic and the associated high share of employees working mobile outside the bank buildings. Significant here is the reduced consumption of recycled office paper. As a result, the share of sustainable "Green Tree" products used also declined compared to the previous year.

<sup>3)</sup> Due to the restrictions caused by the Covid-19 pandemic, the measure had to be cancelled for 2021.

## F. Showing Commitment to Society

| Sustainability objective   | Activity  | Period  | Status           |
|--|---|---------|------------------|
| Constant alignment of corporate responsibility with current corporate citizenship topics | Annual blood donation campaign in cooperation with the Red Cross                                  | Ongoing | no <sup>3)</sup> |
|  | Permanent option for HLA typing in cooperation with the Bone Marrow Donation Centre in Düsseldorf | Ongoing | ✓                |
|  | Integrate people with disabilities and those of equal status                                      | 2022    | 2022             |
|  | Promotion of young up-and-coming artists  | Ongoing | ✓                |

The [objectives and activities of NRW.BANK for the years 2022–2025](#) are published on NRW.BANK’s Sustainability Portal. The systematisation of the objectives and activities is based on the sustainability principles set out in NRW.BANK’s Sustainability Guidelines.

**Sustainability as a Part of Strategic Management**

Considering sustainability to be a central leitmotif, NRW.BANK does not regard the implementation and further development of this issue as a separate process but as an integral component of strategic management and thus as a general principle of overarching importance in the Bank’s strategy. On the basis of the Bank’s generally decentralised organisation, responsibility for specific operational aspects relating to sustainability lies with the relevant business units. As part of a central coordination function, the Strategy Development and Sustainability Department ensures that the necessary framework conditions and regulations are in place and transfers current market developments into the Bank.

Important strategic sustainability aspects are discussed in the newly established Sustainability Committee, which is composed of the Managing Board Chairman, the Chief Risk Officer and seven business unit heads. It monitors, in particular, the implementation of the objectives and discusses and defines the further development of the Sustainability Guidelines, also taking input from major stakeholders into account. In keeping with the principle of overall responsibility, the management circle is informed about the status of sustainability as required. The participation of all business units at all organisational levels in this established control process ensures that the different points of view are considered.

The chart shows the established working structures and committees that deal with the issue of sustainability at NRW.BANK.



The fact that NRW.BANK has developed a strategic sustainability roadmap also reflects the great importance of topics such as climate change, transformation and sustainability. This roadmap defines the Bank's focus for the coming years, creates transparency and shows NRW.BANK's long-term approach to sustainability. The strategic roadmap was pursued throughout the Bank in 2021 and is implemented in the context of the constantly evolving internal and external requirements.

### Stakeholder Dialogue

In the course of preparing the Sustainability Guidelines, NRW.BANK decided to expand the regular exchange with its stakeholders. The Bank believes that the consideration of external input is a key aspect in the further development of the topic of sustainability. In 2021, current sustainability developments were therefore intensively discussed with relevant stakeholders. Material inputs provided by these discussions were debated and assessed by the Bank taking their feasibility and benefits into account. The relevant insights gained from the stakeholder dialogue were either implemented at short notice or were integrated into the Sustainability Guidelines or included in the sustainability objectives and measures of the Bank.

### Sustainability Communications

The Annual Report and the Non-financial Report are important communication tools used by NRW.BANK to supply its stakeholders with transparent information about the measures taken to ensure that the Bank fulfils its corporate responsibility. The present Sustainability Report and the [Sustainability Portal](#) on the Bank's website provide additional information. Sustainability communications transparently document the progress and effects of NRW.BANK's sustainability efforts. NRW.BANK uses all available communication options to implement the guiding principles of its Sustainability Guidelines.

### Statutory Framework and Internal Regulations

The consideration of the sustainability principle is firmly anchored in the Act on NRW.BANK (section 3, para. 1) and in the Bank's statutes (section 5, para. 1). Special aspects resulting from the framework conditions of NRW.BANK such as "Verständigung II", the public mission and the house bank principle are also taken into account. In addition, the Bank has developed internal policies addressing various aspects of sustainability at NRW.BANK.

### Labour Standards and Human Rights

Compliance with human rights and with the labour standards that are applicable in Germany as well as the rejection of child and forced labour are a matter of course for NRW.BANK and has been anchored in its Sustainability Guidelines.

### Equal Opportunities and Principle of Non-discrimination

To offer its employees a fair and good working environment, the Bank attaches importance to mutual respect and avoiding discrimination. This is why equal opportunities and the principle of non-discrimination are laid down in the Sustainability Guidelines and in special internal guidelines.

### Compliance and Money Laundering Prevention

The business model of NRW.BANK hinges on its owner, its employees, customers, business partners and the public trusting in its expertise, performance and integrity.

The Bank is committed to compliance with regulatory and statutory provisions as well as with internal requirements, which forms the basis for such trust.

Compliance-related topics are implemented in accordance with the Minimum Requirements for Risk Management (MaRisk), the Anti Money Laundering Act (GwG), the Banking Act (KWG) and the Securities Trading Act (WpHG).

The Compliance Department, which forms part of the Risk Control unit, is the central body that is responsible for addressing these tasks. The Bank has appointed a Compliance Officer (MaRisk, WpHG) as well as Officers for the Prevention of Money Laundering and the Prevention of Terrorist Financing Risks as well as deputies for exercising the various Compliance functions. They report directly to the Managing Board and are bound by instructions only from the latter in performing their tasks.

The tasks of these Officers primarily include: development, communication and review of the Bank-wide Compliance and Money Laundering Prevention framework, managing the compliance risk whilst taking other risk types into account, such as reputational and operational risks. In addition, they carry out Bank-specific risk analyses to assess the appropriateness and effectiveness of the principles, resources and processes and refine and update them. In particular, the Bank ensures the appropriateness and effectiveness of the established organisational and work instructions as well as the business and customer-related internal safeguard systems through risk-based monitoring activities as part of a structured approach.

The promotional bank pursues a preventive approach to raise awareness of compliance matters. It has established a set of detailed, written internal Compliance Regulations as well as mandatory regular training courses on compliance, money laundering prevention as well as the 'other criminal acts' (sonstige strafbare Handlungen) as defined in the German Banking Act (KWG) for all its employees.

In addition, NRW.BANK publishes transparent information on how "compliance and money laundering prevention" issues are handled on its [website](#), where the Bank also offers the possibility to use its complaint management system, if required.

### Data Protection

Being a bank with a public mission, NRW.BANK considers compliance with data protection requirements to be an integral element of its business policy. The personal data of employees, customers and business partners are processed in accordance with the applicable legal provisions on the protection of personal data and data security.

NRW.BANK promotes and encourages awareness and understanding of data protection. Regular awareness-raising and training measures on data protection and data security are an integral part of the Bank's operational processes.

### Corruption Prevention

Besides its regulations on compliance, money laundering prevention and data protection, NRW.BANK's set of written policies and instructions also includes general instructions and regulations relating to other criminal acts as defined in section 25h of the German Banking Act (KWG). These are addressed at all employees of the Bank and also include the prevention of corruption.

NRW.BANK has also established effective processes for receiving and pursuing reports of suspicious behaviour. In the event of infringements or the detection of other criminal acts, the central function established in the Risk Control unit in accordance with section 25h KWG takes action. It receives potential reports and coordinates the entire process relating to reports of suspicious behaviour and risk notifications relating to other criminal acts. Charges are filed by the Legal unit only in consultation with the central function.

In the reporting year, no such infringements or reports of suspicious behaviour were evident at NRW.BANK. Nor were any fines or non-monetary penalties imposed on the Bank.

### Sustainable Procurement

NRW.BANK is committed to the economic, strictly consumption-oriented, efficient and sustainable procurement of goods as well as construction, supply and other services. All purchases are made in accordance with the applicable regulations of public procurement law.

NRW.BANK places orders which exceed the EU thresholds in accordance with the Act against Restraints on Competition (GWB), the Procurement Regulations (VgV), the Construction Contract Procedures (VOB/A), the North Rhine-Westphalian Act on Compliance with Collective Agreements and Procurement (TVgG NRW) as well as the Minimum Wage Act (MiLoG). NRW.BANK has decided to implement a structured procurement process in accordance with public procurement law also for orders that do not exceed the EU thresholds for tenders as of an amount of € 25 thousand.

In this context, sustainability is always a central guiding principle of NRW.BANK and a key criterion in all its decisions. As part of its business activities and when awarding contracts, the Bank considers economic, environmental (e.g. environmental protection, energy efficiency) as well as social and ethical aspects. Taking this into account, contractors are requested to ensure that they and their subcontractors comply with

- human rights as in the Universal Declaration on Human Rights by the UN General Assembly (first published on 10 December 1948) as well as
- the resulting definition of human rights according to the Basic Law of the Federal Republic of Germany;
- the prohibition of child and forced labour under the UN Convention on the Rights of the Child (CRC) of 1989/1990;
- the protection against systematic/discriminatory labour law violations according to the ILO Core Labour Standards;
- the principles of gender equality;

- the provisions of the Federal Nature Conservation Act, the Environmental Damage Act and the Animal Welfare Act as well as
- European and national laws on corruption, bribery, fraud, accounting fraud, anti-trust violations, money laundering, insider trading and tax compliance.

In the context of its procurement policy, the Bank integrates environmental aspects also into the procurement of office materials as well as the ordering and logistic processes. An example is the carbon neutral sending of mail through Brief und mehr GmbH & Co. KG as well as the GoGreen programme of Deutsche Post DHL Group. In the reporting year, NRW.BANK again demonstrated its commitment to assuming responsibility towards society at its two locations in Düsseldorf and Münster, where the Bank promoted the employment of disabled people by commissioning corresponding workshops to provide such services as laundry and cleaning.

### Public Corporate Governance Code

Being a promotional bank, NRW.BANK is very much committed to transparent and responsible action towards the public, its guarantor and owner as well as investors, customers and employees. This commitment is based on the Public Corporate Governance Code, as last amended on 1 July 2019, with which the members of the Managing Board, the Supervisory Board and the Board of Guarantors fully identify. Building on this basis, the Bank publishes an annual [Report on Public Corporate Governance](#) to inform about material corporate governance developments. This report is contained in the Annual Report and is additionally published as a separate document on NRW.BANK's website.

For many years, the Bank has implemented transparency and responsibility in its dealings with its stakeholders. In early 2006, NRW.BANK was one of the first public-sector companies in Germany to adopt a Public Corporate Governance Code and to officially commit itself to this standard of corporate governance.



### Freedom of Association and Right to Collective Bargaining

The Bank's staff council represents the interests and needs of the employees of NRW.BANK based on the North Rhine-Westphalian State Staff Representation Act. In 2021, the staff council again monitored compliance with applicable laws, regulations, collective bargaining agreements as well as work agreements and informed the employees of both head offices at the annual staff assembly, which was held digitally in the reporting year.

Being an institution under public law, NRW.BANK is subject to the collective bargaining agreement for the private sector and the public banking industry. It implements the collectively agreed results for its employees under collective agreements. This is also done on a voluntary basis for the majority of employees not covered by collective agreements.

### Initiatives and Memberships

In accordance with its Sustainability Guidelines, NRW.BANK contributes to the tasks identified also outside its own business activity. The Bank is a signatory of the following sustainability-relevant initiatives and/or the voluntary commitments for sustainable corporate activity developed by the latter:

- [Germany's "Diversity Charter"](#)
- [ICMA Green Bond Principles](#)
- [ICMA Social Bond Principles](#)
- [ICMA Sustainability Bond Guidelines](#)
- [UNEP FI](#)
- [UN Global Compact](#)
- [Principles for Responsible Investment](#)
- [VfU e.V.](#)

As an ordinary member of the [Association of German Public Banks \(VÖB\)](#) and the [European Association of Public Banks \(EAPB\)](#), NRW.BANK actively participates in working groups and panel discussions on sustainability, sustainable finance and green bonds.

### Sustainable Products

NRW.BANK continuously optimises its business activities with regard to sustainability and has anchored these efforts in its Sustainability Guidelines. The focus is placed on the core business segments and, hence, on the integration of the individual sustainability issues in its promotional products in order to design sustainable promotion for clients.

Special attention is paid to sustainability risks and to compliance with the Sustainability Guidelines also when launching new products. The Bank has established an internal process in which each new promotional product of NRW.BANK is checked for compliance with sustainability values.

### Responsible External Presentation

The Bank is firmly committed to treating customer information confidentially. The Bank's Data Protection Officer is involved in all dialogue-based marketing measures based on customer data to ensure responsible marketing.

In compliance with the provisions of the TVGG NRW, NRW.BANK considers important aspects of corporate responsibility when making purchases or placing orders in the context of its external presentation.

NRW.BANK integrates all facets of sustainability also in its advertising, thus giving its economic, social and environmental sustainability aspects a stronger presence. Since 2021, the Bank has additionally used a new seal to highlight the topic of sustainability even more strongly.

The Bank's advertising materials also reflect its commitment to sustainability and include, for instance, articles made from recycled or renewable, biodegradable materials.

The growing importance of sustainability is also reflected in NRW.BANK's corporate citizenship activities and events. Examples include the following:

- Start of the second edition of the NRW.Umweltwirtschaftspreis in 2021
- New event format "Digital nachhaltig oder nachhaltig digital" (digitally sustainable or sustainably digital)
- Event on the European Green Deal
- Sponsorships and implementation of the "QuartiersCheck.NRW" project in cooperation with Innovation City Ruhr
- Sponsorship of the Circular Valley project, Wuppertal
- First-time participation in the Impact Friends trade fair/congress, Dortmund
- Continued cooperation with the Innovation Hub Ruhr as part of the Climathon 2021

## Sustainability Ratings

Rating agencies specialising in sustainability have rated NRW.BANK's performance in fields such as environment, social and governance for several years.

At present, the Bank's sustainability performance is regularly rated by ISS ESG, Moody's ESG Solutions, MSCI ESG and Sustainalytics. In 2021, the Bank again scored good [ratings](#).

### Promotional Business

#### Shaping Sustainable Promotion for Customers

Supporting the Transformation to a Sustainable Society

Partnership and Cooperation

Focus of the Promotional Business

Performance Indicators in the Promotional Business

Economic Development

Housing Promotion

Infrastructure and Municipal Promotion

Trusting Customer Relationships

## Shaping Sustainable Promotion for Customers

# The Promotional Business of NRW.BANK

NRW.BANK's promotional offerings are designed to secure the standard of living of future generations and to improve climate and environmental protection in North Rhine-Westphalia. In addition, the Bank supports a balanced social development in the North Rhine-Westphalian regions with the aim of strengthening the stability of society. In its various facets, NRW.BANK's promotional business thus makes an important contribution to the sustainable development of North Rhine-Westphalia.

# Supporting the Transformation to a Sustainable Society

Sustainable action is a central guiding principle and a key criterion for NRW.BANK's decisions on business policy. It is reflected in all phases of NRW.BANK's entrepreneurial activities and considers social, economic and environmental objectives as well as ethical concerns. A key focus of NRW.BANK's promotional business is the support of sustainable transformation processes, for which the Bank draws on a wide range of promotional instruments and contributes its lending expertise to the promotional process.

The main instruments used are promotional loans with low interest rates and/or long-term fixed-interest options, risk sharing with house banks as well as the provision of equity and mezzanine capital. In 2021, NRW.BANK recorded a volume of new commitments of € 12.0 billion.

Apart from the provision of funds, forward-looking and requirement-oriented promotion also requires customer-oriented advisory services. This is why NRW.BANK has made advisory services a second – increasingly important – pillar of its range of services, which also takes various sustainability aspects into account. In the reporting year, for instance, the Bank launched the new "Klimaschutz im Mittelstand" (climate protection for SMEs) seminar for small and medium-sized enterprises. It is the result of an ideas competition at the Climathon 2020 and supports enterprises in pragmatically implementing climate protection in their organisation.

For detailed information on the promotional business, please refer to the chapter "[The Promotional Business of NRW.BANK](#)" in the Annual Report.

## Partnership and Cooperation

NRW.BANK cooperates with other financial and promotional institutions in a spirit of partnership. NRW.BANK conducts its commercial promotional business in cooperation with the banks and savings banks in a competition-neutral manner based on the "house bank principle". According to this principle, the Bank usually has no direct contacts with its clients but extends its promotional loans via banks and savings banks, which act as intermediaries.

As defined in the Act on NRW.BANK, municipal loans and promotional loans to central, regional and local governments as well as to public-sector special-purpose associations and subsidised housing construction programmes are extended directly by NRW.BANK.

## Focus of the Promotional Business

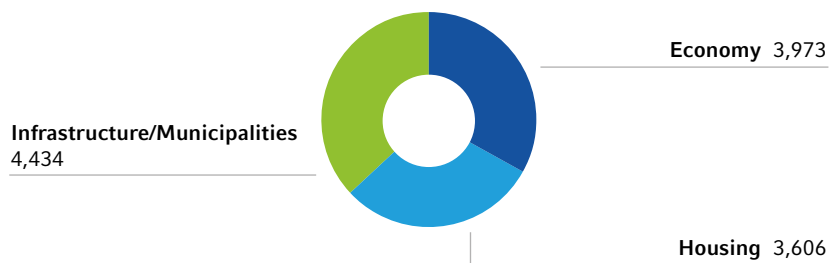
NRW.BANK's promotional business is theme-oriented. This is reflected in the subdivision into three promotional fields, Economy, Housing and Infrastructure/Municipalities.

€ 12.0 bn

in new commitments were achieved by NRW.BANK in 2021

NRW.BANK’s offerings in the promotional field Economy cover the full lifecycle of small and medium-sized enterprises. Besides the general promotion of SMEs, the Bank focuses on the effective promotion of investments in the protection of resources and in increasing corporate energy efficiency. Targeted support for start-ups and innovations is another special promotional theme. The promotional field Housing comprises NRW.BANK’s offerings for the creation of affordable housing including the modernisation of the existing housing stock. When buildings are modernised, special attention is paid to energy efficiency aspects as well as aspects of suitability for the elderly. Here, the subsidised housing construction programmes under the Law on the Promotion and Use of Housing for the State of North Rhine-Westphalia (Gesetz zur Förderung und Nutzung von Wohnraum für das Land Nordrhein-Westfalen, WFNG NRW) play a particularly important role. The promotional activities reflect the State of North Rhine-Westphalia’s annual Housing Promotion Programme (Wohnraumförderungsprogramm, WoFP), which operationalises the guidelines of the promotional policy into specific promotional conditions.

**Volume of New Commitments by Promotional Fields in € Millions**



The promotional field Infrastructure/Municipalities covers financing and advisory services supporting the solid capitalisation of municipalities and the implementation of infrastructure projects. NRW.BANK promotes both

public and private projects for the improvement of infrastructures. Among other purposes, its products effectively support infrastructure measures for climate protection, e.g. in the form of the energy transition.

The aspects of energy transition and environmental protection relate to all three promotional fields of NRW.BANK, albeit with different facets and promotional measures. Promotional funds in the total amount of around € 3.3 billion were made available in this promotional theme in 2021.

In the further development of the contents of its promotional offerings, NRW.BANK takes current challenges for North Rhine-Westphalia into account. In the reporting year, the focus was again also placed on the Covid-19 pandemic, which is why the special promotional programmes launched in 2020 were continued. In summer 2021, a new challenge occurred in the form of the heavy rainfalls in some North Rhine-Westphalian regions. The extent of the damage required rapid relief measures. The challenge was to provide the individuals, businesses and municipalities affected by the flood damage with timely and targeted support in repairing the damage and rebuilding the infrastructure. For this purpose, the Bank has expanded its range of promotional loans and also supported the State of North Rhine-Westphalia as a paying and granting agent within the scope of handling the reconstruction fund. The introduction of negative funding rates for house banks and negative interest rates for the programme-based direct business with municipalities in 2021 made it possible to regain scope for interest rate reductions that had been lost due to the low interest rates, which increased the attractiveness of many promotional loan programmes – also in the context of sustainability.

**Performance Indicators in the Promotional Business**

NRW.BANK’s objectives are geared to providing the State of North Rhine-Westphalia with long-term support in performing its structural and economic tasks. Due to NRW.BANK’s public mission as the promotional bank of North Rhine-Westphalia, promotion is the primary business objective and the volume of new commitments represents a key performance indicator. The volume of new commitments comprises the commitments

for promotional funds made in the respective fiscal year. Budget values exist for these and all other performance indicators. The Bank regularly subjects these values to plan/actual comparisons as well as scenario and forecast analyses in order to provide appropriate control stimuli.

NRW.BANK additionally records other special promotion-typical performance indicators for its promotional business. The number of funded residential units, for instance, is a performance indicator for its subsidised housing construction operations and is reported regularly. In the various special programmes of the Bank for the promotion of environmental protection, innovations and society, suitable additional promotion-related information such as the purpose of the funded environmental projects is documented in addition to the promotion volume.

The use of promotional funds is always linked to certain conditions, whose compliance is secured by NRW.BANK especially in cooperation with the house banks. Compared to more broadly based programmes, the Bank's special programmes are characterised by more comprehensive promotional conditions to ensure the specific promotional purpose. In return, these special programmes benefit from a stronger promotional stimulus from NRW.BANK – usually in the form of a higher interest rate subsidy.

### Economic Development

In 2021, the two broad-based programmes NRW.BANK.Mittelstandskredit and NRW.BANK.Universalkredit were the cornerstones of the Bank's economic development activities. The latter is aimed at both established SMEs and company founders. Under these programmes, NRW.BANK granted interest-subsidised loans in the total amount of € 1.3 billion to some 3,100 enterprises for investments and working capital in 2021.

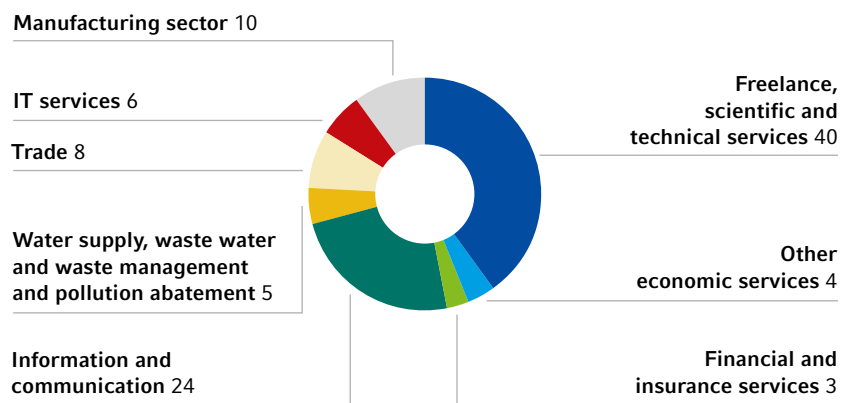
Like NRW.BANK.Universalkredit, NRW.BANK.Gründungskredit is targeted at business start-ups and young companies. Around 750 start-up and growth projects received funding under this programme in 2021, with loans totalling € 211.7 million. Micro start-ups receive generalised promotion

through the NRW.Mikrodarlehen. As this programme focuses on the viability of the concepts and the personality of the founder, projects may be financed also without proof of equity capital or the usual collateral required for bank loans. This makes it possible for people without equity or formerly unemployed people to set up their own businesses. To complement the NRW.Mikrodarlehen programme, the Bank offers an innovative combination product, which consists of a microloan and external crowdfunding via a digital platform. NRW.BANK's new NRW.MicroCrowd programme supports projects of start-ups and young companies that are at least 20% crowdfunded. In addition to sole proprietorships, civil law enterprises (GbR) and limited liability entrepreneurial companies (UG), the programme is also open to small social enterprises with a socially sustainable business purpose in the legal form of GmbH and gGmbH which are unable to obtain bank financing due to a reduced profit-making intention or a limited distribution of profits.

NRW.BANK supports seed financings of business start-ups and young companies in high-technology sectors by offering equity-strengthening solutions in the context of NRW.Venture. The Bank also continued its investments in regional funds focusing on the seed phase. These funds make an important contribution to reducing the high market inefficiencies in the German venture capital market, thus providing important stimulation for innovation and the future competitiveness of North Rhine-Westphalia. In the venture capital segment, the Bank acts as a co-investor in equity financings in sectors such as information and communication technology, life sciences and medical engineering, sustainability technologies, robotics and digital economy companies. The seed financing activities are handled by NRW.BANK via investments in funds specialising in this phase. By acquiring minority shares in such seed funds, the Bank implements the co-investment principle.

Start-ups and newly established companies also benefit from effective support in the form of equity investments which are granted in addition to investments by business angels. This offering complements the established “win NRW.BANK Business Angels Initiative”, in the context of which the Bank helps capital-seeking innovative companies gain access to business angels. In response to the coronavirus pandemic, NRW.BANK has additionally been offering convertible loans to innovative companies in the seed or start-up phase since mid-2020.

**Industry Structure of NRW.BANK.Venture Fonds and NRW.BANK.Seed Fonds in %**



NRW.BANK.Effizienzcredit is a central offering to support the energy transition and to promote environmental protection in the field of economic development. This loan offers strongly interest-subsidised terms for investments with clear ecological merits. To qualify for promotion, borrowers must prove that their projects will permanently increase energy efficiency by at least 20% or resource efficiency by at least 6%. Replacement investments with lower efficiency increases are eligible for promotion only on the

basis of certified environmental protection processes (e.g. PIUS Check or environmental management system). In July 2021, the promotional programme was expanded to include the aspect of sustainable construction by giving special promotional impulses to the construction of energy-efficient new buildings and the modernisation of existing buildings into energy-efficient buildings. NRW.BANK thus complements the new federal promotion scheme for energy-efficient buildings (Bundesförderung für energieeffiziente Gebäude, BEG) with a loan programme that offers companies not only favourable interest rates but also long fixed-interest periods.

To help North Rhine-Westphalia make noticeable progress in sustainable mobility and encourage the purchase of clean vehicles, NRW.BANK offers the highly subsidised NRW.BANK.Elektromobilität programme. Both the purchase of electric, fuel cell and hydrogen vehicles and the conversion of vehicles to electric drives or investments in charging infrastructure are eligible for promotion. Enterprises may also receive low-interest financing for research and development projects in the field of electromobility.

The NRW.BANK.Digitalisierung und Innovation programme is available to support companies’ digitalisation investments as well as investments in adding new, technologically advanced products to their product ranges or in the adoption of high-tech production processes. This NRW.BANK promotional solution effectively complements the digitalisation drive as well as the “10 impulses to strengthen the economy and growth” initiated by the State of North Rhine-Westphalia. The aim is to further accelerate the digital transformation of the North Rhine-Westphalian economy. The product is complemented by the NRW.BANK.Innovative Unternehmen programme. It provides special promotion for the proprietary development and production of innovative products, processes and services and offers favourable terms and conditions as well as an obligatory 70% liability release for the on-lending house bank. The programme thus takes account of the fact that it is often difficult for innovative companies to raise loans because of a lack of unencumbered collateral.

### Housing Promotion

As part of its subsidised housing construction activities, NRW.BANK made available new commitments of € 957.0 million (previous year: € 1 billion) for the creation of affordable, high-quality housing for low-income earners in 2021. This promotion is designed, among other things, to increase the supply of housing also in densely populated areas characterised by rising rents. A total of 7,319 residential units were funded in 2021 within the scope of the Bank's subsidised housing construction activities.

At € 768.2 million, some 5,200 rent-controlled and occupancy-controlled rental housing units accounted for the bulk of the promotional funds spent on subsidised housing construction; this also includes the creation of dormitories for apprentices and students as well places in care homes for people with disabilities. Another focus is placed on supporting home ownership by promoting the construction of new buildings and the acquisition of owner-occupied housing. Modernisation measures in the existing housing stock primarily comprise investments aimed at preserving and creating an adequate housing quality. These include energy-efficient building standards, the removal of barriers, protection against burglary as well as digital housing and building technology including an attractively designed environment. Within the framework of the promotion of neighbourhoods, the combination of different promotion modules facilitates the development of residential areas meeting specific local needs. Neighbourhood-related measures (e.g. playgrounds, recreation rooms, local mobility services) are also eligible for funding.

As a complement to its subsidised housing construction activities, NRW.BANK grants low-interest loans under the NRW.BANK.Gebäude-sanierung programme to support projects for raising energy efficiency as well as barrier-free refurbishment measures for privately used buildings. Under its NRW.BANK.Wohneigentum programme, the Bank additionally grants loans for the construction and purchase of privately used residential properties with a very long fixed-interest term. A social component in this new offer is ensured by basing the income thresholds for eligible applicants on the federal government's child-related construction grants. Since July

2021, NRW.BANK has additionally offered the new NRW.BANK.Nachhaltig Wohnen programme, which facilitates the financing of sustainable, owner-occupied housing. If proof of a BEG subsidy or a sustainability certificate is provided, private homeowners receive a fixed-interest term of up to 30 years in addition to low-interest conditions if required. After the market launch, NRW.BANK was able to extend promotional loans totalling € 71.5 million in the second half of 2021, thus making a substantial contribution to energy-efficient construction in North Rhine-Westphalia.

### Promotion example: Climate protection settlement in Düsseldorf-Lichtenbroich

Over the past years, as many as 53 climate protection settlements have been built in North Rhine-Westphalia, which provide some 10,000 people with energy-efficient and climate-friendly homes. One of these [lighthouse projects](#) for saving greenhouse gases is located near Düsseldorf Airport, in the Lichtenbroich district.

### Infrastructure and Municipal Promotion

NRW.BANK supports the expansion of the infrastructure in North Rhine-Westphalia through both standardised promotional programmes and customised, individual financing solutions. The latter are provided for corporate financings and for project financings.

In the context of its infrastructure promotion activities, NRW.BANK offers the North Rhine-Westphalian municipalities, their enterprises and municipal cooperatives specific low-interest and long-term investment loans. Municipalities may use these loans for their investment measures. As a general rule, all investments in municipal infrastructure are co-financed via



this promotional offering, with investments in climate protection and climate resilience receiving an additional interest subsidy since 2021.

NRW.BANK offers municipal school operators and municipal school associations long-term loans with maturities of up to 30 years to support the construction and refurbishing of school buildings. The volume of new commitments under the NRW.BANK.Moderne Schule programme was increased to € 172.9 million in 2021 (previous year: € 73.6 million), not least thanks to more attractive interest rate conditions.

Infrastructure improvements require not only public-sector investments but also private investments. NRW.BANK.Infrastruktur is a good example of a programme to mobilise private capital in a broad range of areas. It may be used to finance projects in the fields of environmental protection, urban development measures, social affairs or education and qualification. In view of the role of non-profit organisations as important players for the social infrastructure in North Rhine-Westphalia, NRW.BANK offers a promotional product – in combination with federal funds from KfW – to support this target group. The NRW.BANK.Gemeinnützige Organisationen programme is aimed at foundations, clubs and associations as well as other non-profit organisations, irrespective of their legal form, size or sponsor. For instance, support is provided not only to inpatient care and nursing facilities for the elderly but also for healthcare organisations or women's shelters, multigenerational centres and kindergartens. A focus is also placed on inclusive hotels and restaurants as well as inclusion workshops.

In addition, NRW.BANK has special programmes to support, for instance, the preservation of monuments, flood protection measures as well as investments in sports facilities. With a view to offering promotion from a single source, NRW.BANK has assumed the approval function for the "Moderne Sportstätten 2022" subsidy programme as a complement to its established range of loans for sports facilities.

Investments in plants for the generation, storage and distribution of energy are promoted under the NRW.BANK.Energieinfrastruktur programme. In 2021, the Bank granted promotional loans with a total volume of

€ 672.4 million under this programme, of which a bit more than half was used to finance wind power turbines and community wind farms.

The restoration of the natural habitats along the Emscher and Lippe rivers is one of the largest sustainability projects in North Rhine-Westphalia. For several years, NRW.BANK has actively supported the renaturation of the Emscher and Lippe rivers, for which the Bank makes available long-term loans under the NRW.BANK.Grüne Emscher-Lippe programme.

It is the Bank's first programme that is compliant with EU taxonomy, which means that the Bank uses NRW.BANK.Grüne Emscher-Lippe to fund only those projects that meet the already known criteria of the new European classification system for sustainable economic activities. Under this new promotional credit line, the Bank will make a total of € 1.6 billion available to EmscherGenossenschaft and Lippeverband.

In addition to these infrastructure development and promotion programmes, NRW.BANK again was a reliable partner to the North Rhine-Westphalian municipalities in the reporting year. Its municipal loans and liquidity loans to North Rhine-Westphalian municipalities made an important contribution to ensuring the municipalities' ability to act, also in the event of sudden financing requirements. For instance, the Bank offered those municipalities that were affected by the local heavy rainfalls in the summer of 2021 not only improved conditions for investment loans but also additional scope for raising liquidity loans. The Bank additionally supported the municipal sector with a wide range of advisory services.

### Trusting Customer Relationships

Potential recipients of promotional loans increasingly inform themselves independently about available promotional options and hence expect promotional banks to provide targeted and objective information about promotional funds. Against this background, NRW.BANK revamped its website in 2021 and is also active on social media.

**Further Development of Sustainable Capital Market Business****NRW.BANK.Green Bond Reporting 2021****Summary of the Environmental Impact of the NRW.BANK.Green Bonds****Impact Analysis for the NRW.BANK.Green Bond #1 2021****Impact Analysis for the NRW.BANK.Green Bond #2 2021****Green Bond Projects****NRW.BANK.Social Bond Reporting 2021****Impact Analysis for the NRW.BANK.Social Bond Asset Pool 2021****Social Bond Projects****Considering Sustainability in Capital Investments****NRW.BANK.Sustainable Bond investment portfolio****Integrating Sustainability Criteria in the Investment Portfolio****Further Development of Sustainable Capital Market Business****Sustainable Capital Market Business**

NRW.BANK implements the sustainability principles also in its capital market business. Building on its sustainable promotional business, the Bank issues Green and Social Bonds and enables investors to participate in projects with special environmental and social benefits. The Bank thus generates sustainable income for its investors. For many years, NRW.BANK has also been pursuing the integration of sustainability in capital investments and is making steady progress in this field.

# NRW.BANK.Green Bond Reporting 2021

In 2013, NRW.BANK was Europe's first regional promotional bank to successfully launch a Green Bond. Since then the Bank's issues of at least one Green Bond per year have established a close link between NRW.BANK's environmentally oriented promotional business and its own funding activities in the international capital market.

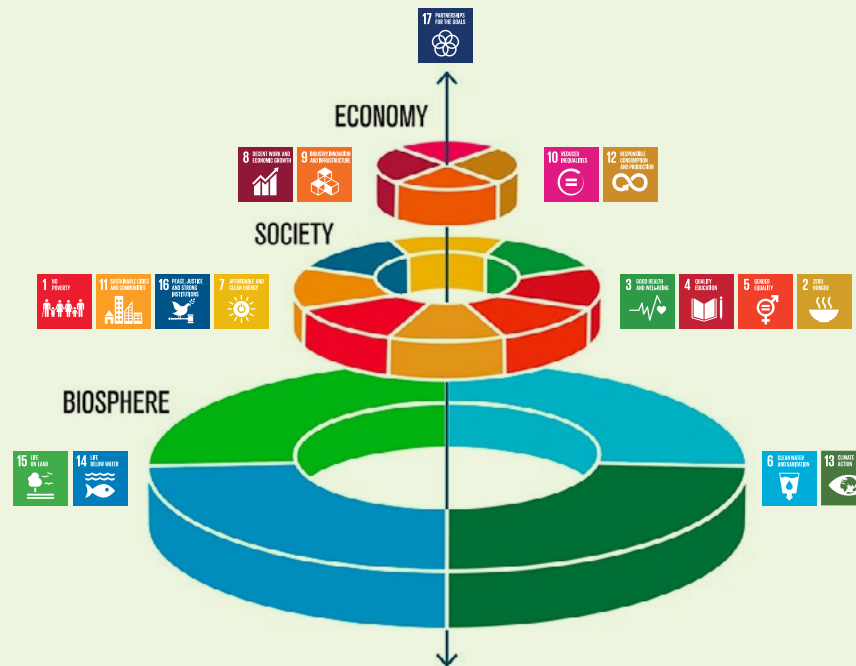
The funds raised under the Green Bond programme are exclusively used to fund previously identified promotional projects in North Rhine-Westphalia that have a special environment and climate benefit.

- EU taxonomy and Green Bond Principles define the framework
- NRW.BANK.Green Bonds are use-of-proceeds bonds
- Projects are selected by the Green Bond Team
- Selection of the assets to be refinanced:
  - All selected projects have to support North Rhine-Westphalia's climate and sustainability strategy as well as the UN Sustainable Development Goals (SDGs)
  - Eligible fields include "Climate Mitigation" and "Climate Adaptation" or SDGs 6, 7, 11, 13, 14 and 15
  - Focus on climate protection
  - Climate benefits to be maximised by selecting projects on the basis of the highest carbon footprint reduction
  - Loans and the issue itself are closely linked: (re)financing of loans that are not older than twelve months at the time of the issue of the SPO (Second Party Opinion)
- All projects are "live"
- No risk of "green default". The maximum term of the issue is determined by the shortest loan maturity
- Internal designation of the loans
- Loan portfolio remains unchanged during the term of the issue
- Comprehensive one-off reporting
- ISS ESG research confirms the sustainability of the projects (Second Party Opinion)
- The Wuppertal Institute for Climate, Environment, Energy prepares impact analysis; reporting about the projects and their environmental benefits is transparent
- The NRW.BANK.Green Bonds 2021 are a material element of NRW.BANK's [Non-financial Report](#). This report was submitted to a voluntary review by the auditor and deemed lawful and appropriate in light of the result of the audit

NRW.BANK was able to maintain its lending in support of environmentally friendly projects at a high level also in 2021. This allowed the Bank to issue two Green Bonds with a total volume of € 1.0 billion in the reporting year.

To be eligible for selection under the Green Bond programme, projects must have a commitment date within the past twelve months from the issue of the Second Party Opinion (SPO) and match the defined themes. The focus is on contributing to the State of North Rhine-Westphalia’s climate protection policy, supporting adaptation to the unavoidable implications of climate change, the EU taxonomy (TEG draft) and the United Nations Sustainable Development Goals (SDGs 6, 7, 11, 13, 14 and 15).

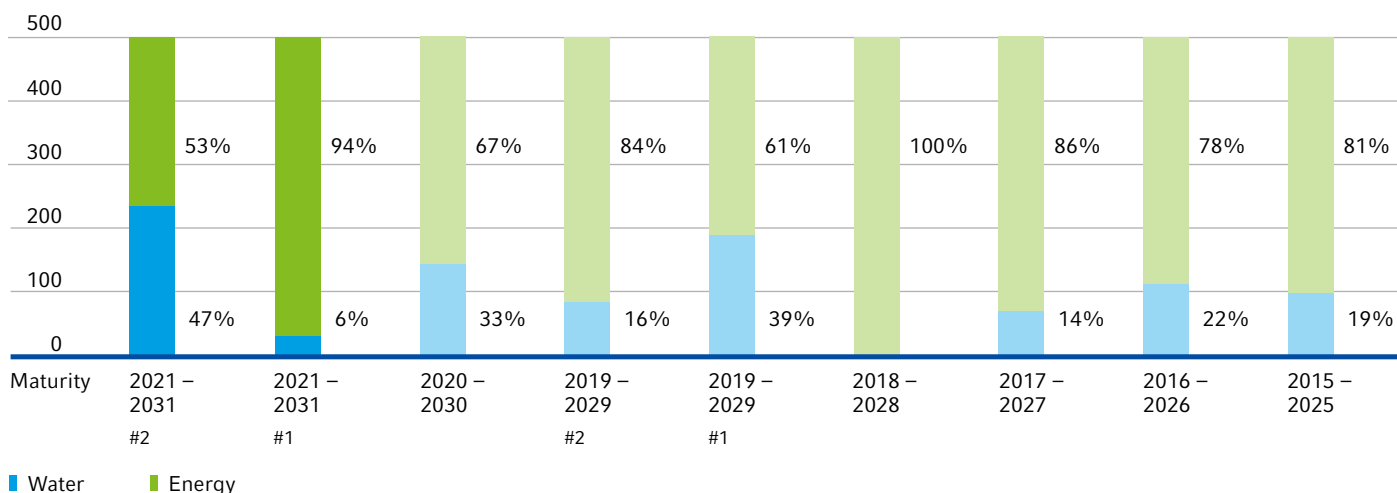
### United Nations Sustainable Development Goals



Source: Azote Images for Stockholm Resilience Centre

The measures supported by the Green Bonds thus serve to reduce and avoid adverse influences on the climate (mitigation) and to manage the consequences of climate change (adaptation). As the main emphasis is on climate protection, the selection of the projects primarily focuses on the highest carbon savings to be expected.

**Overview of All Outstanding NRW.BANK.Green Bonds (Volume in € Millions)**



Between them, the NRW.BANK.Green Bonds issued to date have a total volume of € 5.3 billion, of which an amount of € 4.5 billion was outstanding as of 31 December 2021.

Since 2014, the ecological benefit and quality of the projects selected for the NRW.BANK.Green Bonds have been analysed and assessed by ISS ESG, an independent sustainability rating agency. These SPOs confirm their consistently sustainable concept and compliance with the requirements of the [Green Bond Principles](#) (GBPs).

2020 saw NRW.BANK update its [Green Bond Framework](#), in which the Bank clearly defines its Green Bond concept in a manner that is transparent and comprehensible to investors. Moreover, the Framework embeds the Bank’s Green Bond issues in its mission, its general sustainability efforts and its funding strategy. The update was prompted by the publications of the draft EU Green Bond Standard and the EU taxonomy by the Technical Expert Group (TEG).

### **NRW.BANK's Approach to the EU Green Bond Standard and the EU Taxonomy**

In June 2020, the European Commission published a consultation on the EU Green Bond Standard (EU-GBS) with the aim of integrating sustainability aspects into its financial policy efforts in line with the EU Green Deal. The EU-GBS, in turn, builds on the EU taxonomy and its technical standards – the first two of its six environmental goals were adopted as Delegated Acts in the reporting year. These define economic activities that materially contribute to achieving a climate-neutral economy by 2050 or to the adaptation to likely climate change impacts without causing significant harm to other environmental goals.

Here, too, NRW.BANK wants to make a proactive contribution to reaching the 1.5-degree target. Accordingly, the Bank has already updated its Green Bond Framework designed in 2019 with the aim of aligning it as closely as possible with the draft EU-GBS.

Even though this is a draft and only the first two environmental goals of the taxonomy have been finalised for the time being, NRW.BANK believes that it makes sense to address the new frameworks already now as they will contribute to further standardisation and credibility of the green bond market. ISS ESG has already confirmed that the Bank's current Green Bond Framework complies with the draft EU-GBS of the technical expert group. This means that the Green Bonds issued under the new framework predominantly consider projects that comply with the technical audit criteria of the EU taxonomy (TEG version of March 2020). In this context, NRW.BANK benefits from the fact that the first two environmental goals of the taxonomy, which have so far been adopted in the form of Delegated Acts, correspond to the thematic fields that have been used by the Bank to select suitable loans since 2013, i.e. "Climate Mitigation" and "Climate Adaptation".

### **NRW.BANK Green Curve Established**

A key objective of NRW.BANK's Green Bond concept was to build a green euro benchmark curve. For this reason, NRW.BANK's liquid Green Bonds have so far been issued exclusively in Euros. A price differentiation between the green NRW.BANK curve and the regular NRW.BANK benchmark curve can thus be presented in the best possible way. The current maturities are four to ten years.

The price differentiation of about three basis points in favour of green bonds, which had already become apparent in previous years, has been confirmed. On this basis, NRW.BANK decided to introduce a low-interest "green" funding curve within the Bank – the NRW.BANK Green Curve. In the interest of sustainable economic development, NRW.BANK has been offering funding recipients particularly favourable terms for projects that are in line with the EU taxonomy since 2019. This can systematically strengthen the promotion of projects that are in line with the EU Green Deal.

The projects financed are automatically eligible for refinancing under the Green Bond. The entire Emscher loan programme, for instance, has been aligned with the EU taxonomy since summer 2020 and thus benefits from the preferential conditions of the green refinancing curve. The NRW.BANK.Elektromobilität and NRW.BANK.Gebäudesanierung programmes also meet the technical standards of the EU taxonomy (TEG version of March 2020). By contrast, projects from the energy industry or the local public transport sector are subjected to a case-by-case assessment.

NRW.BANK's green refinancing curve is anchored in the Bank's guidelines.

### Focus on the Environmental Impact

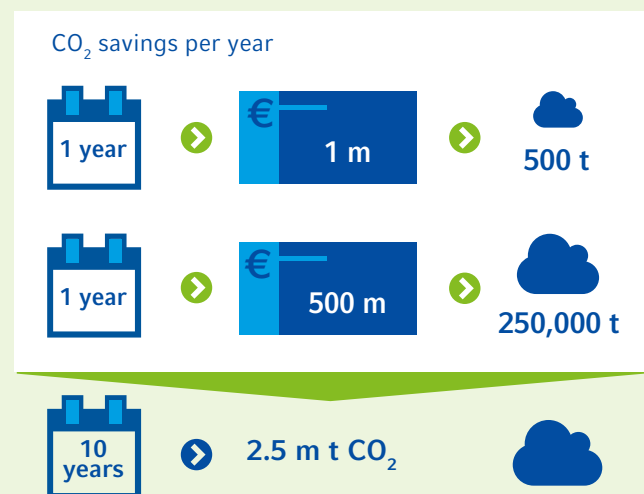
NRW.BANK has assessed the environmental impact of its Green Bonds since 2015 with the aim to publish the CO<sub>2</sub> emissions that have been saved and/or avoided by investing in its Green Bonds on an annual basis. Since the issue of the 2015 NRW.BANK.Green Bond, the [Wuppertal Institute for Climate, Environment, Energy](#) has been NRW.BANK's competent partner for analysing the positive environmental impact of the "Climate Mitigation" projects. In cooperation with the latter, NRW.BANK has published a detailed impact analysis since 2016 and thus also for the [NRW.BANK.Green Bond #1 2021](#) and the [NRW.BANK.Green Bond #2 2021](#) issued in the reporting year.

The Wuppertal Institute prepares the analyses in accordance with the recommendations of the [Harmonized Framework for Impact Reporting](#), which were developed by multilateral development banks under the umbrella of the ICMA/GBPs. This framework permits the preparation of a transparent and comparable impact analysis of green bonds as recommended by the GBPs.

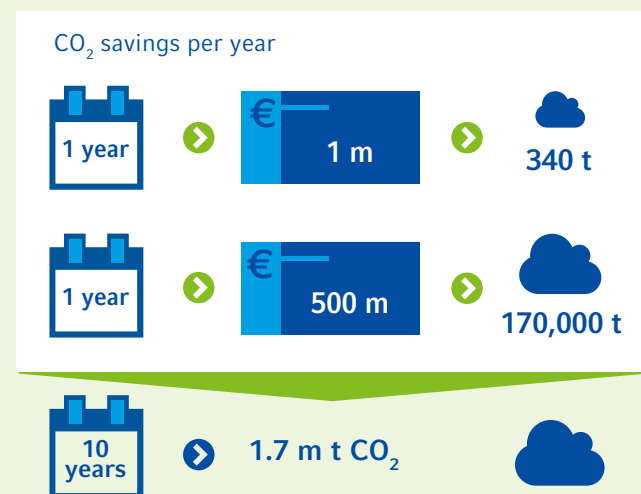
The projects in the "Climate Adaptation" field also have positive environmental impacts. Thanks to the close exchange with Emschergenossenschaft, the Bank is again able to make available information on the [progress made and the environmental value added of the Emscher renaturation](#) for the NRW.BANK.Green Bonds issued in the reporting year.

## Summary of the Environmental Impact of the NRW.BANK.Green Bonds<sup>1)</sup>

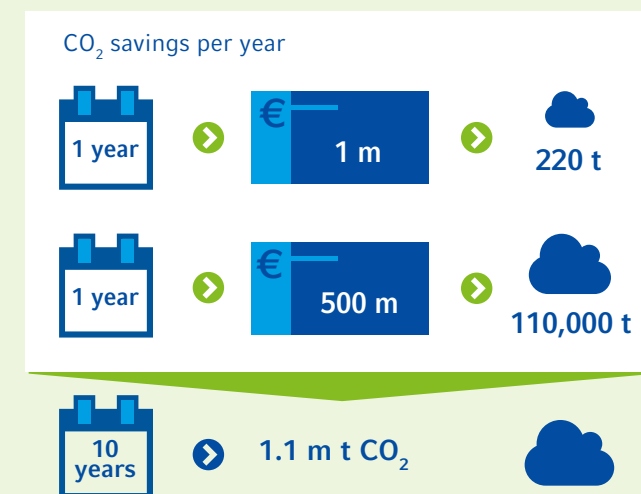
### NRW.BANK.Green Bond #2 2021



### NRW.BANK.Green Bond #1 2021



### NRW.BANK.Green Bond 2020



#### Field "Climate Adaptation" – Rebuilding the River Emscher

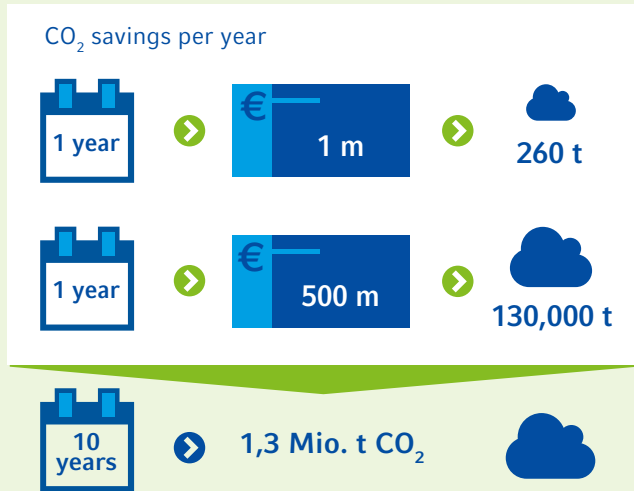
- Single biggest water management project in the EU-27 to implement the European Water Framework Directive
- Project period: almost three decades to the "Blue Emscher"
- Direct participation of citizens
- Conversion of the river and its tributaries into semi-natural waters:
  - 156 km of 328 km renaturalised (48%)
  - Significant increase in biodiversity:
    - all species that colonise the riverbed (macrozoobenthos species)
    - 353 different species counted
- Creation of a modern sewage system:
  - Emscher Central Sewer (AKE) with a total of 132 pumping stations, five sewage treatment plants as well as a central sewage sludge and 87 rainwater treatment plants completed (100%)

- Sewage-free Emscher achieved
- Sewers: 418 km of 435.8 km completed (95%)
- Resilience improved:
  - Flood and rainwater retention basins: 3.2 million m<sup>3</sup> of 3.3 million m<sup>3</sup> completed (96%)
  - Total newly created wetlands: 1.6 million m<sup>2</sup>, of which 65,952 m<sup>2</sup> in 2021
  - Heavy rainfalls in 2021:
    - Water retention in Lake PHOENIX at 68% capacity on 14 July 2021
    - The rainwater catchment basins built and the infiltration areas created helped to absorb the flood wave in Dortmund

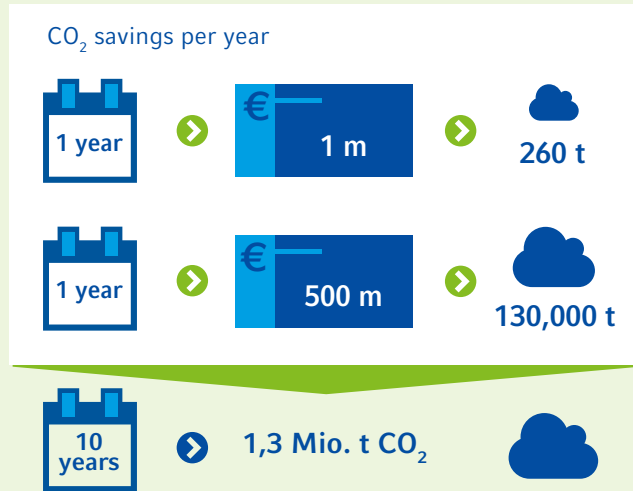
<sup>1)</sup>The results of the impact analysis of the NRW.BANK.Green Bonds 2021 and all CO<sub>2</sub> savings of NRW.BANK.Green Bonds determined so far by the Wuppertal Institute are summarised here. The changes in CO<sub>2</sub> savings are in direct proportion to the share of projects from the "Renewable Energy" category assigned to the respective Green Bond. Accordingly, this is only an excerpt of the total environmental value added.



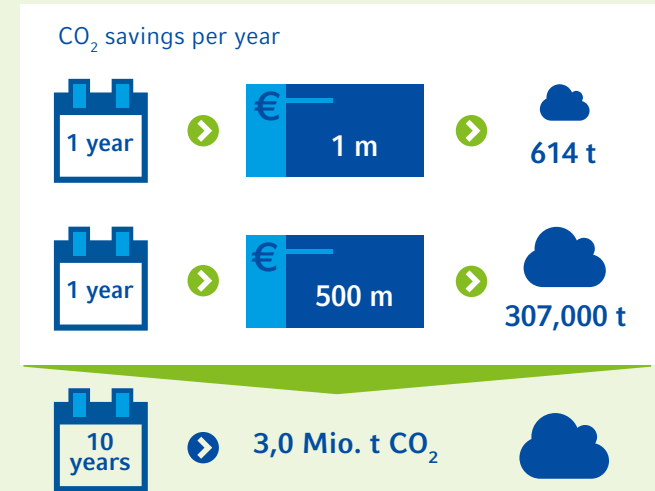
### NRW.BANK.Green Bond #2-2019



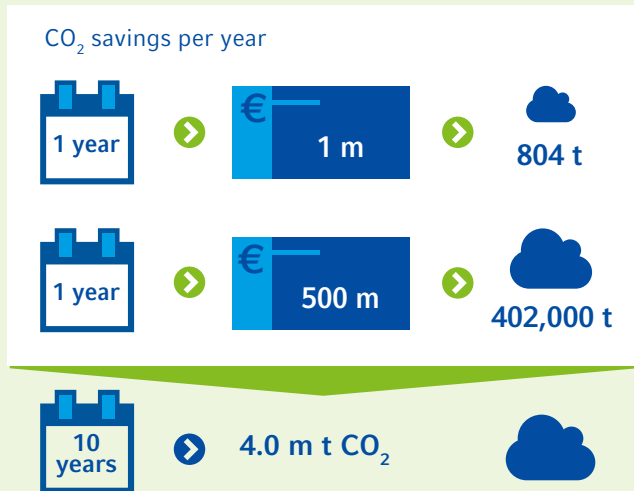
### NRW.BANK.Green Bond #1-2019



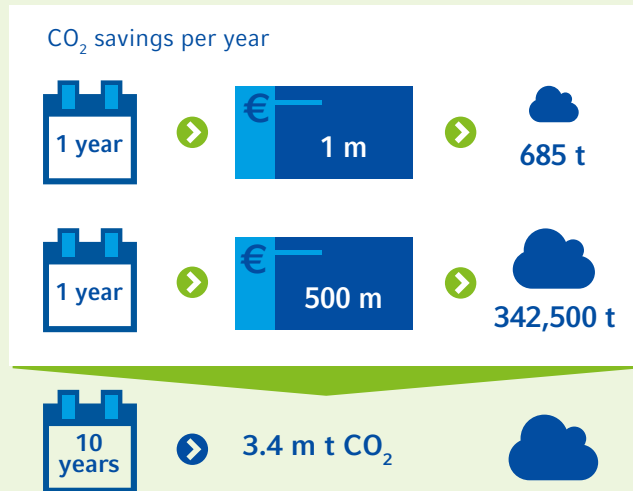
### NRW.BANK.Green Bond 2018



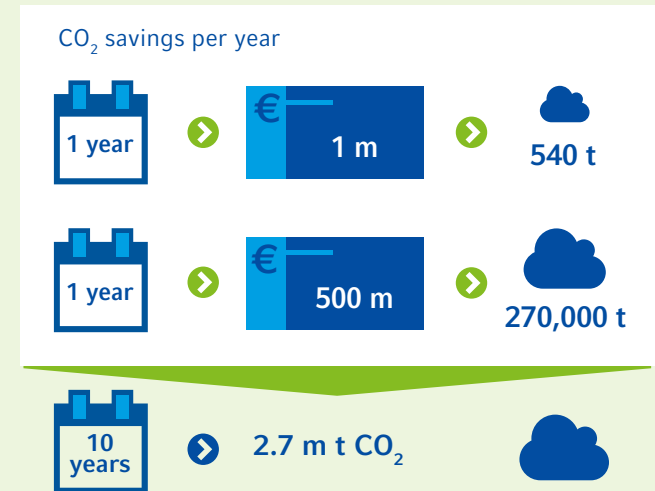
### NRW.BANK.Green Bond 2017



### NRW.BANK.Green Bond 2016



### NRW.BANK.Green Bond 2015



### NRW.BANK.Green Bond #1 2021

Suitable promotional projects relating to “Mitigation” were clearly assigned to the NRW.BANK.Green Bond #1 2021 in an internal selection process. At € 198.7 million, the main focus was placed on the topic of “renewable energy”. This breaks down into a good € 157.6 million for wind energy, approx. € 36.9 million for the expansion of the necessary grid infrastructure and a good € 4.2 million for solar energy. The modernisation of public buildings accounted for approx. € 163.2 million. About € 86 million went into “Clean Transport”, more specifically local public transport, electric cars and freight transport. Loans for energy-efficient refurbishment accounted for a good € 20.8 million.

Loans in the total amount of € 31.2 million related to “Adaptation”. The funds will again be used for the renaturation of the River Emscher.

The loans chosen were earmarked by NRW.BANK as Green Bond #1 2021.

ISS ESG confirmed the sustainability and environmental benefit of these projects through a positive Second Party Opinion.

On the basis of this asset pool, NRW.BANK successfully issued its tenth Green Bond with a volume of € 500.0 million and a 10-year term in February 2021. The funds raised are allocated at 100%.

| Area   | Field      | Topic                                   | Promotion volume in € millions |
|--------|------------|---|--------------------------------|
| Energy | Mitigation | <b>Renewable energy</b>                 | <b>200</b>                     |
|        |            | – Wind parks                            | 158                            |
|        |            | – Photovoltaics (rooftop)               | 3                              |
|        |            | – Photovoltaics (ground mounted)        | 2                              |
|        |            | – Grids                                 | 37                             |
| Energy | Mitigation | <b>Clean transport</b>                  | <b>86</b>                      |
|        |            | – Local public transport                | 58                             |
|        |            | – E-mobility                            | 11                             |
|        |            | – Freight transport                     | 17                             |
| Energy | Mitigation | <b>Energy efficiency</b>                | <b>184</b>                     |
|        |            | – Building modernisation                | 21                             |
|        |            | – Modernisation of university hospitals | 163                            |
| Water  | Adaptation | <b>River renaturation</b>               | <b>31</b>                      |

### Impact Analysis for the NRW.BANK.Green Bond #1 2021

The Wuppertal Institute determined the [positive environmental impact](#) of the selected projects in the field of "Climate Mitigation" with a total volume of a good € 429.8 million.

#### Field "Climate Mitigation"

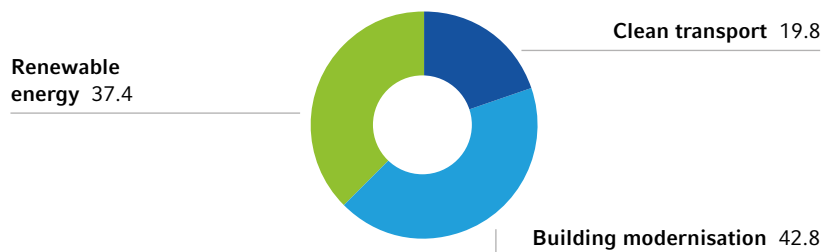
The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond #1 2021 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

- renewable energy (wind energy and photovoltaics),
- energy-efficient buildings (flats and university hospitals) and
- clean transport.

Grid expansion was not taken into account in the Wuppertal Institute's analysis, as the environmental impact from the construction of the distribution infrastructure cannot be measured directly and the benefit lies rather in securing a climate-friendly energy supply.

#### Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 429.8 m)

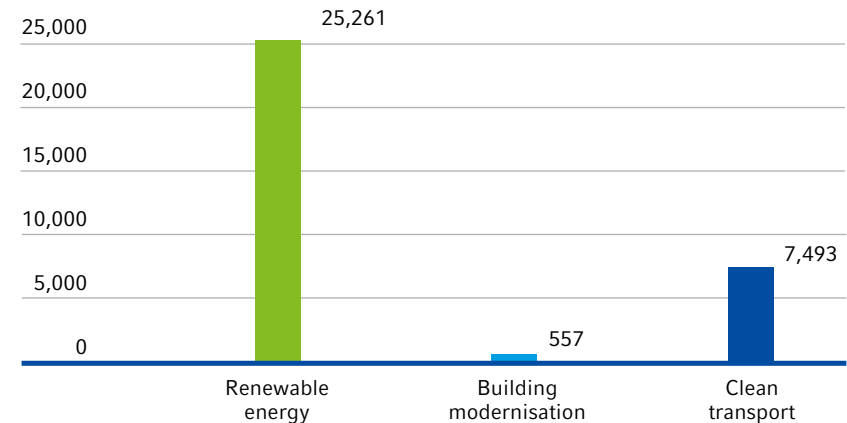
in %



## Green Bond #1 2021 Saves 1.7 Million Tonnes of CO<sub>2</sub> Equivalents

It has been calculated that these projects avoid greenhouse gas emissions of approximately 1.7 million t of CO<sub>2</sub> equivalents over the 10-year term of the NRW.BANK.Green Bond #1 2021. Measured by the size of the Green Bond asset pool of € 500.2 million, approx. 340 t of CO<sub>2</sub> equivalents are saved per € 1.0 million per year.

#### CO<sub>2</sub> Equivalents Avoided Through a € 1.0 Million Investment Over a Ten-year Period in Tonnes<sup>1)</sup>



<sup>1)</sup> Basis for calculation to be seen from the [Wuppertal Institute's impact analysis](#).

### Renewable Energy

€ 157.6 million of the Green Bond asset pool is attributable to newly erected onshore wind parks with a total capacity of 134.3 MW (promotion portion: 100%). They produce an estimated 223 GWh of electricity per year. Onshore wind turbine generators once again proved to be the most efficient form of investment for the avoidance of greenhouse gas emissions in the Green Bond. Compared to the German energy mix, the wind power turbines save an estimated 153 kt CO<sub>2</sub> per year (NRW: 274 kt CO<sub>2</sub>; EU: 96 kt CO<sub>2</sub>).

€ 2.8 million of the Green Bond asset pool 2021 was used to promote the expansion of rooftop PV systems (promotion portion: 100%). This will generate an additional renewable energy output of 3.8 MW, resulting in annual savings of 2.3 kt CO<sub>2</sub> compared to the German energy mix (NRW: 4.4 kt CO<sub>2</sub>; EU 1.3 kt CO<sub>2</sub>). In addition, € 1.5 million is attributable to ground-mounted PV systems (promotion portion: 100%), whose output of 0.9 MW saves around 500 t of CO<sub>2</sub> per year. All projects will continue to avoid greenhouse gases also beyond the maturity of the Green Bond.

### Building Modernisation

The Bank used funds in the total amount of € 163.2 million from its Green Bond to support the modernisation of university hospitals. Compared to existing buildings, the greenhouse gas emissions are thus reduced by approx. 1,660 t of CO<sub>2</sub> equivalents per year.

Another € 20.8 million are assigned to the energy-related refurbishment of residential buildings. As a result, 270 t of CO<sub>2</sub> equivalents were saved per year compared to the heating requirements of the existing housing stock.

### Clean Transport

The purchase of electric cars, electric buses and charging stations accounted for € 9.9 million of the asset pool. Compared to conventional vehicles, these avoid 800 t of CO<sub>2</sub> per year (taking into account the production of the vehicles). The use of modern trams allows saving 190 t of CO<sub>2</sub> equivalents per year. An amount of € 58.4 million (at a promotion portion of 100%) was invested here,

Another € 16.8 million is attributable to the purchase of traction engines for freight trains (promotion proportion: 100%). Compared to conventional freight transport by truck, this financing saves 1,120 t of CO<sub>2</sub> per year.

### NRW.BANK.Green Bond #2 2021

Suitable promotional projects relating to “Mitigation” were clearly assigned to the NRW.BANK.Green Bond #2 2021 in an internal selection process. At approx. € 227.9 million, the main focus was placed on the topic of “renewable energy”. This breaks down into a good € 209.4 million for wind energy, approx. € 17.5 million for the expansion of the necessary grid infrastructure and € 0.9 million for solar energy. “Bioenergy” accounts for € 30 million. This relates to a combined heat and power plant using waste wood. Loans for energy-efficient construction account for about € 5.6 million, while the modernisation of public buildings represents € 2.5 million.

Loans in the total amount of € 237.0 million related to “Adaptation”. The funds will again be used for the renaturation of the River Emscher.

The projects chosen were earmarked by NRW.BANK as Green Bond #2 2021.

ISS ESG confirmed the sustainability and environmental benefit of these projects through a positive Second Party Opinion.

On the basis of this asset pool, NRW.BANK successfully issued its eleventh Green Bond with a volume of € 500.0 million and a 10-year term in July 2021. The funds raised are allocated at 100%.

| Area   | Field      | Topic  | Promotion volume in € millions |
|--------|------------|--|--------------------------------|
| Energy | Mitigation | <b>Renewable Energy</b>                          | <b>228</b>                     |
|        |            | – Wind parks                                     | 209                            |
|        |            | – Photovoltaics (rooftop)                        | 1                              |
| Energy | Mitigation | – Grids  | 18                             |
|        |            | <b>Biomass</b>                                   | <b>30</b>                      |
| Energy | Mitigation | – Combined heat and power plant using waste wood | 30                             |
|        |            | <b>Energy efficiency</b>                         | <b>9</b>                       |
| Energy | Mitigation | – Building modernisation                         | 6                              |
|        |            | – New high school building                       | 3                              |
| Water  | Adaptation | <b>River renaturation</b>                        | <b>237</b>                     |

**Impact Analysis for the NRW.BANK.Green Bond #2 2021**

The Wuppertal Institute determined the [positive environmental impact](#) of the selected projects in the field of "Climate Mitigation" with a total volume of a good € 266 million.

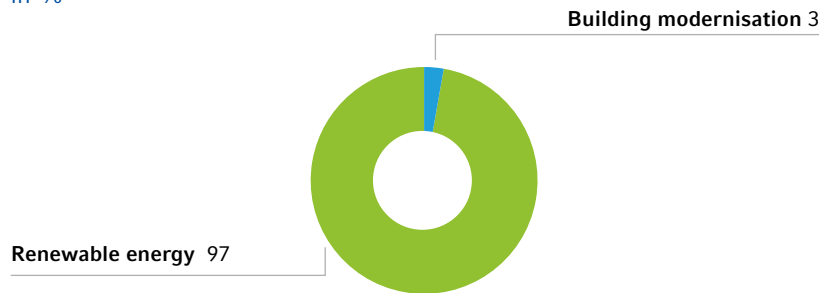
**Field "Climate Mitigation"**

The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond #2 2021 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

- renewable energy (wind energy, grid infrastructure, biomass and photovoltaics), and
- energy-efficient buildings (flats and schools).

**Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 266 m)**

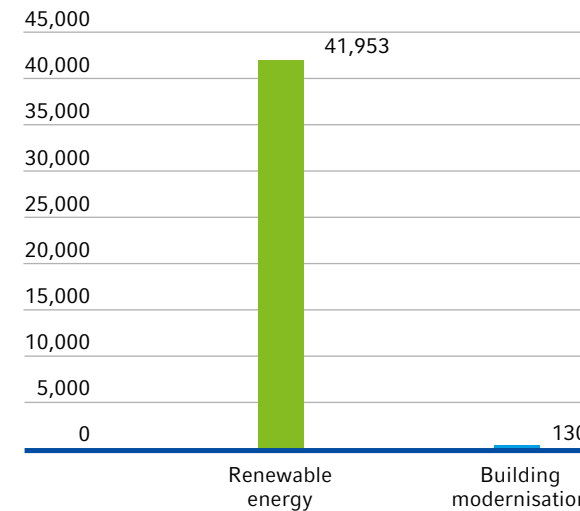
in %



**Green Bond #2 2021 Saves 2.5 Million Tonnes of CO<sub>2</sub> Equivalents**

It has been calculated that these projects avoid greenhouse gas emissions of approximately 2.5 million t of CO<sub>2</sub> equivalents over the 10-year term of the NRW.BANK.Green Bond #2 2021. Measured by the size of the Green Bond asset pool of € 503.0 million, approx. 500 t of CO<sub>2</sub> equivalents are saved per € 1.0 million per year.

**CO<sub>2</sub> Equivalents Avoided Through a € 1.0 Million Investment Over a Ten-year Period in Tonnes<sup>1)</sup>**



<sup>1)</sup> Basis for calculation to be seen from the [Wuppertal Institute's impact analysis](#).

### Renewable Energy

€ 209.5 million of the Green Bond asset pool is attributable to newly erected onshore wind parks with a total capacity of 91 MW (promotion portion: 100%). They produce an estimated 203 GWh of electricity per year. Compared to the German energy mix, the wind power turbines save an estimated 224 kt CO<sub>2</sub> per year (NRW: 315.7 kt CO<sub>2</sub>; EU: 137.7 kt CO<sub>2</sub>).

€ 0.9 million of the NRW.BANK.Green Bond #2 2021 was used to promote the expansion of rooftop PV systems (promotion portion: 100%). This will generate an additional renewable energy output of 1.4 MW, resulting in annual savings of 0.6 kt CO<sub>2</sub> compared to the German energy mix (NRW: 0.9 kt CO<sub>2</sub>; EU 0.4 kt CO<sub>2</sub>).

### Grid Expansion

The Green Bond asset pool is also used to finance the expansion of the grid for the transport of the wind energy generated in the north to the south of Germany. The total amount of € 17.5 million (promotion portion: 0.4%) comprises the costs for the expansion of the high-voltage DC grid and the onshore and offshore production of additional wind energy. This will lead to future CO<sub>2</sub> savings of an estimated 3.3 kt per year (minimum 1.6 kt CO<sub>2</sub> and maximum 5.0 kt CO<sub>2</sub>).

### Biomass

An amount of € 30.0 million of the Green Bond asset pool is used to finance a combined heat and power plant using waste wood (estimated promotion portion: 17.5%). The plant produces 16.9 GWh of electricity and enables annual savings of 10.7 kt CO<sub>2</sub> per year (NRW: 14.7 kt CO<sub>2</sub>; EU: 6.4 kt CO<sub>2</sub>). The plant additionally produces 63.3 GWh of heat, which avoids 13.2 kt CO<sub>2</sub> per year.

### Building Modernisation

Another € 5.6 million is assigned to the energy-related refurbishment of residential buildings (promotion portion: 90%). As a result, 90 t of CO<sub>2</sub> equivalents were saved per year compared to the heating requirements of the existing housing stock.

A total amount of € 2.5 million of the Bank's Green Bond is used to support the construction of a new high school building (promotion portion: about 9%). Compared to existing buildings, the greenhouse gas emissions are thus reduced by approx. 30 tonnes of CO<sub>2</sub> equivalents per year.

### Field "Climate Adaptation"

For over a century, the Emscher was used as an open sewage system. This had devastating consequences for flora and fauna – resulting in a severe loss of biodiversity. The canalisation also led to the loss of the natural floodplains that are typical of an ecologically intact river course. As a result, there was an increase in flood-related damage after heavy rainfalls. The project for the renaturation of the Emscher and its tributaries started already back in 1992. The 30-year project is compliant with EU Water Framework Directive 2000/60/EC and is the largest of its kind in the entire EU. Its implementation increases the resilience of the Emscher catchment area against increasing climate-related extreme weather events. The project also has a positive impact on biodiversity, creates important natural and recreational areas and supports the structural transformation of a region formerly characterised by mining and heavy industry.

The Emschergenossenschaft and the Lippeverband are actively engaged abroad and communicate the experience gained from the multi-generation "Emscher conversion" project to delegations and experts from Serbia, Israel, Jordan, Brazil, China, Namibia and many more.

The NRW.BANK.Green Bonds form a central funding basis for the renaturation of the river. Around € 163 million from the two 2021 Green Bonds was used to refinance measures implemented by Emschergenossenschaft for the conversion of the River Emscher. The funds once again enabled a large number of water engineering measures in 2021. All of them are aimed at achieving a sustainable, ecologically renewed river landscape in the Emscher region.

Emschergenossenschaft reported on the progress made in the renaturation of the Emscher system in 2021:

### Construction of Sewers in the Emscher Catchment Area

At the turn of 2021/2022, the Emscher and its tributaries became “sewage-free”. The last connections to the Emscher sewer (AKE) have been made.

With the large, modern sewer along the Emscher completed in 2019, the focus in 2021 was placed on the construction of sewers in the Emscher catchment area. Here, 95.3% of the 435.8 km were completed in the year under review. These sewers are another indispensable prerequisite for the development of the river system into a renaturalised river landscape, as they ensure the separation between fresh water and waste water.

### Flood Protection Expanded

As urban water management systems, the new water bodies also include the necessary rainwater treatment plants. In 2021, another rainwater retention basin with a capacity of 56,200 m<sup>3</sup> was created. The total capacity is 2.9 m<sup>3</sup> (target: 3.3 million m<sup>3</sup>). The additional retention volume created in floodplains along the renaturalised river courses is approx. 1.1 million m<sup>3</sup>. According to Emschergenossenschaft, flood damages worth almost € 2 million p.a. have been avoided this way.

In midsummer of the reporting year, North Rhine-Westphalia experienced devastating heavy rainfalls. The rainwater catchment basins built and the infiltration areas created in the context of the Emscher project helped to absorb the flood wave in Dortmund. Lake PHOENIX in Dortmund played a key role in this context, as the diversion of the water masses into this lake prevented the water from entering the city railway system, thus avoiding a flood disaster.

### Biodiversity Doubled

Of the 328 km of rivers and streams in the Emscher system, 156 km have already been renaturalised and are developing so well that they are demonstrably enabling a new urban biodiversity. To date, around 1.5 million square metres of real wetlands (water areas, floodplains and adjacent land areas) have been created as part of the Emscher conversion. This is equivalent to the size of 208 football pitches. The newly created replacement floodplains along the renaturalised river courses are also part of this and, apart from providing protection against flooding, ensure that the biodiversity of animals, plants and fungi in the river and its surroundings increases strongly. Close to 70 species can today be found again in the Emscher system. They reflect the naturalness of the renaturalised waters, where only three species were found in 2006.

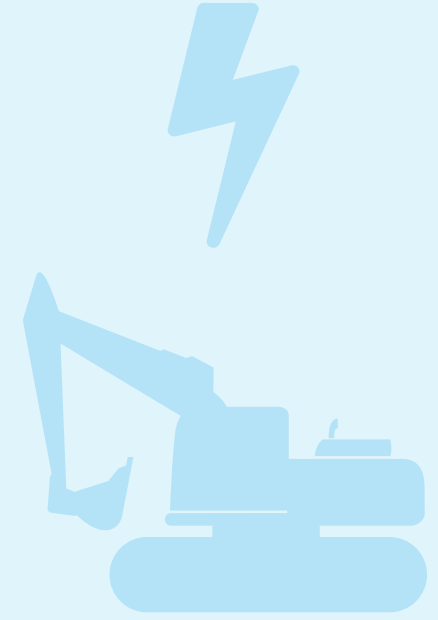
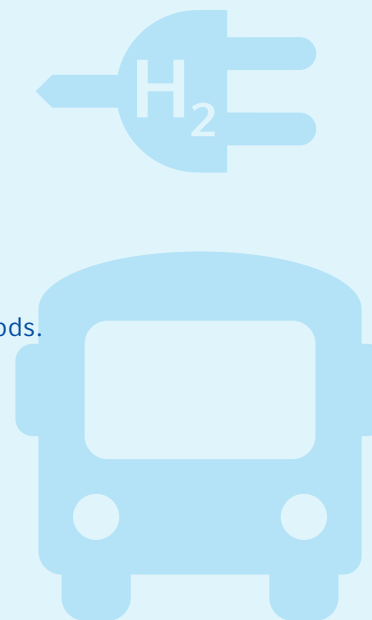
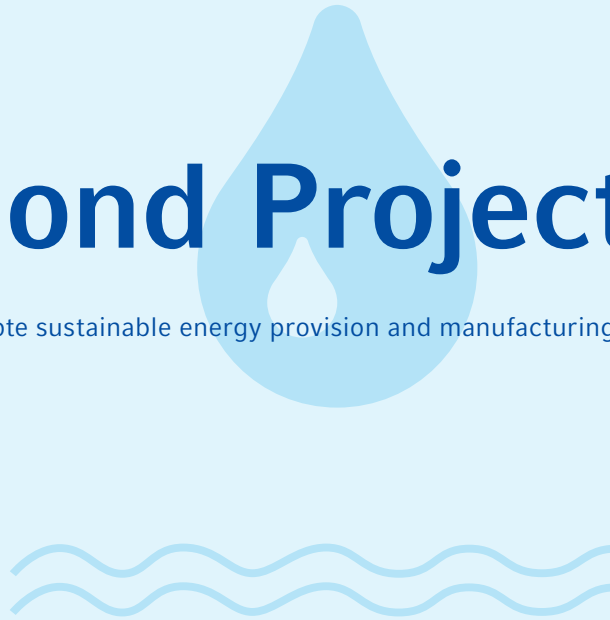
### Outlook

The completion of the Emscher sewer also marks the completion of the first and most important phase of the renaturation of the Emscher. In the coming years, the focus will be on the now-freshwater-carrying Emscher and its feeder streams. NRW.BANK will also support this project and make an additional amount of up to € 1.6 billion available to Emschergenossenschaft until the mid-2020s. As the Emscher project meets the strict criteria of the EU taxonomy, the topic will continue to feature in the NRW.BANK Green Bonds going forward.



# Green Bond Projects

Green Bond funding is used to promote sustainable energy provision and manufacturing methods.



# STADTWERKE DINSLAKEN

## CLIMATE

[www.stadtwerke-dinslaken.de](http://www.stadtwerke-dinslaken.de)

**380 GWh**  
of heat per year



Heat for  
**31,000**  
average  
households

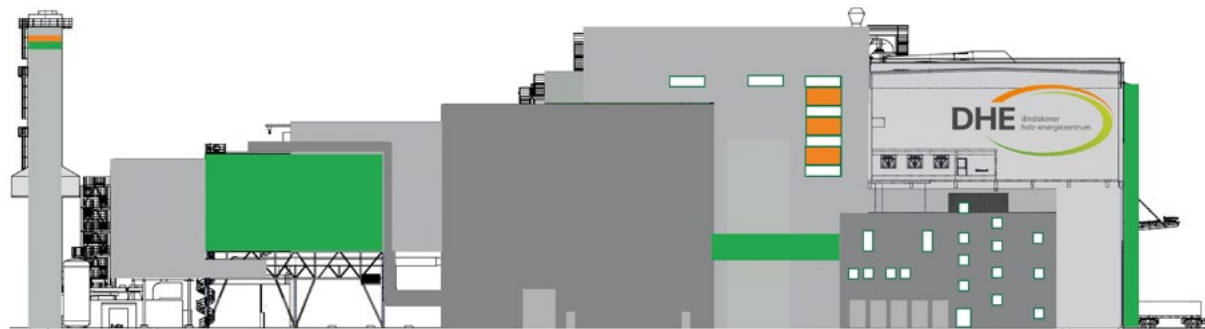


Thermal  
utilisation of  
**187,000**  
tonnes of waste  
wood per year

### Climate-friendly District Heat from the Holz-Energiezentrum

With the construction of the Dinslaken Holz-Energiezentrum (DHE – Wood Energy Centre), Stadtwerke Dinslaken is making an important contribution to reducing greenhouse gas emissions. The plant will feed district heat into the grid from the winter of 2023/2024, taking the Lower Rhine region a step further towards a carbon-neutral heat and electricity supply, as the Wood Energy Centre will generate heat in an almost entirely climate-neutral manner. Waste wood of categories A I to A III serves as fuel. These are untreated woods, euro-pallets or furniture. At the same time, the DHE produces electricity using combined heat and power, which makes the plant particularly climate-friendly and efficient. The DHE produces some 380 GWh of heat per year alone, which is sufficient to cover the demand of 31,000 average households. What is more, the DHE will also contribute to achieving a large degree of independence from energy prices in the world market.

NRW.BANK supports the DHE's heating plant and the laying of the district heating pipelines under the NRW.BANK.Energieinfrastruktur programme, which is refinanced via the NRW.BANK.Green Bond 2021.



# EMSCHER- GENOSSEN- SCHAFT

## INFRASTRUCTURE

[www.eglv.de](http://www.eglv.de)



### Renaturation Pays Off

The renaturation of the Emscher is one of the largest infrastructure projects in North Rhine-Westphalia. The conversion of the river, which was formerly used as an open sewer, into a natural watercourse represents an important step forward towards increased sustainability. The renaturation is made possible by a logistical and economic tour de force: Emschergenossenschaft, a water management association under public law, has invested almost € 5.5 billion in the project to date. This effort is paying off, as the numerous measures for the conversion of the Emscher system and the renaturation of the river course also include the expansion of the retention basins along the Emscher. These prevented major flooding in the Emscher area after the heavy rainfalls in July 2021. As the renaturation continues, Emschergenossenschaft will intensify the flood prevention efforts.

NRW.BANK has been instrumental in financing the project for several years, e.g. with funds from the NRW.BANK.Grüne Emscher-Lippe programme. The NRW.BANK.Green Bonds are also playing an important role in funding the project up to the completion of the conversion. Over € 1 billion in funding has already been refinanced through the bonds.



Approx. **€ 163 million**  
refinanced through  
the NRW.BANK.Green Bond 2021

**156 km** of  
renaturalised river  
courses (as of 2021)



Over  
**€ 1 billion**  
refinanced through  
NRW.BANK.Green  
Bonds to date



# HYDROGEN BUSES

## ELECTROMOBILITY

[www.rvk.de](http://www.rvk.de)

Range of up to **350 km**



At present, **52** hydrogen buses are operating in RVK's regular service

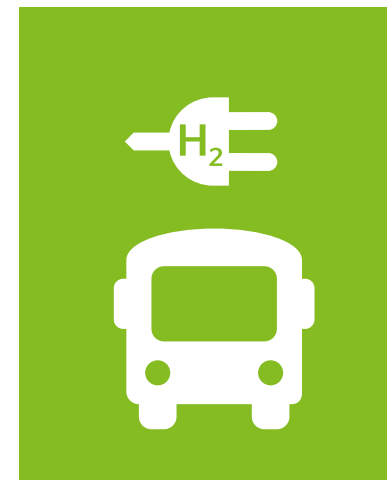


Refuelling time **< 10 minutes**

### Regional Transport Running on Hydrogen

Regionalverkehr Köln GmbH (RVK) has the largest fleet of hydrogen-powered fuel cell buses in Europe. Most recently, the transport company took another 15 of these climate-friendly buses into operation. A total of 52 hydrogen buses are now on the road in RVK's regular service. With a range of up to 350 km all year round and refuelling times of less than ten minutes, their parameters are similar to those of diesel buses – but they are much more environmentally friendly. This is because hydrogen-powered buses run purely on electricity: in the fuel cell, hydrogen (H<sub>2</sub>) and oxygen (O) react to form water (H<sub>2</sub>O) while releasing electrical energy. The electricity thus generated can be stored in a high-voltage battery or directly drive the electric motors. The only "emission" from these vehicles is pure water in the form of water vapour. What is more, the buses are absolutely silent.

NRW.BANK provided € 2.8 million to support the acquisition of the 15 new fuel cell buses. The funds come from the NRW.BANK.Elektromobilität programme, which is refinanced via the NRW.BANK.Green Bond 2021.



# ELECTRIC EXCAVATORS

## INFRASTRUCTURE

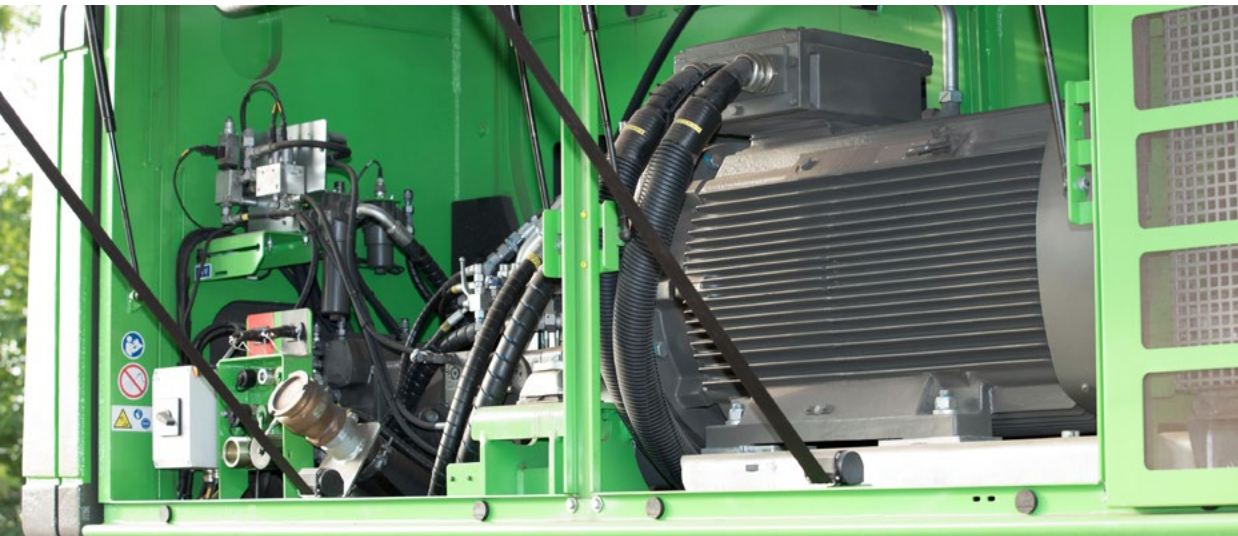
[www.sennebogen.com](http://www.sennebogen.com)



### Electric Excavators in the Port of Duisburg

GUD Gesellschaft für Umweltdienste GmbH now uses two electric excavators for its bulk handling operations in the Port of Duisburg. The 250 kW excavators are used for loading and unloading ships at the company's around 800-m-long own quay. Along the route, there are power sources about every 50 metres, close to which the excavator can operate by cable. To cover the distance to the next power socket, the vehicle briefly uses a diesel engine. Handling up to 800 t per hour, the electric excavator achieves the same capacity as a pure diesel-operated excavator. However, maintenance requirements are lower and operating costs are reduced by around 50%.

NRW.BANK helped to finance the acquisition of one electric excavator with funds from the NRW.BANK.Elektromobilität programme, which is refinanced via the NRW.BANK.Green Bond 2021.



Output of  
**250 kW**



**800 tonnes**  
handling capacity  
per hour

Operating  
costs reduced  
by approx.  
**50%**



# NRW.BANK.Social Bond Reporting 2021

For NRW.BANK, promoting sustainable development in North Rhine-Westphalia is of enormous importance. The Bank aims to reconcile economic goals with environmental and social responsibility. To this end, NRW.BANK supports the regional economy, finances affordable housing and secures the liquidity of the municipalities. The promotional programmes created for this purpose constitute the basis of NRW.BANK's Social Bond concept.

Seven years after its premiere as a Green Bond issuer, NRW.BANK expanded and deepened its ESG approach in 2020, when it successfully issued its first NRW.BANK.Social Bond. This made NRW.BANK the first German promotional bank to be active in the social bond segment.

In the reporting year, the Bank further expanded its activities in this segment and successfully issued two Social Bonds in Euros with a total volume

of € 1.5 billion. In addition, 2021 saw NRW.BANK issue the first two Social Bonds in kangaroo format – i.e. in Australian dollars (AUD). The issue volume totalled AUD 725 million (AUD 125 million and AUD 600 million). These issues satisfied broadly based investor demand. NRW.BANK's Social Bond programme creates a close link between the positive social impact of its promotional business and the capital market.

The NRW.BANK.Social Bonds of the year 2021 are based on the [NRW.BANK Social Bond Framework 2020](#), which the Bank developed in 2020. The framework for it is provided by the ICMA's Social Bond Principles (SBPs). The main components are described below:

- Social Bond Principles define the framework
- Concept: pool-to-bond approach
- NRW.BANK.Social Bonds are Use-of-Proceeds bonds
- In selecting the asset pool to be refinanced, NRW.BANK applies the following criteria:
  - Affordable housing (SDGs 1 and 11)
    - Low/mid-income families
  - SME financing and employment security (SDG 8)
    - Small and medium-sized enterprises (SMEs) → Labour market
  - Access to essential services (SDG 4)
    - Municipalities → Education → Labour market
  - Access to public goods and services (SDGs 1 and 10)
    - Municipalities → Public goods and services in economically disadvantaged communities
- “Do No Significant Harm” criteria and Sustainability Guidelines are taken into account
- Project assessment and selection
  - Second Party Opinion: ISS ESG confirms sustainability benefit of the pool
  - (Re-)financing of loans whose commitments date back to no more than 36 months before the year of issue
- Management of proceeds
  - Ring-fencing not necessary
  - Top-ups possible
  - Internal designation of the loans
- Comprehensive annual reporting
  - Wuppertal Institute prepares impact analysis; reporting based on asset pool

### Pool-to-Bond Approach

Unlike NRW.BANK’s Green Bond concept, the Social Bond concept is a pool-to-bond approach. The qualifying loans are collected in a pool and specifically support five of the [United Nations Sustainable Development Goals](#) (SDGs):

- (1) No poverty
- (4) Quality education
- (8) Decent work and economic growth
- (10) Reduced inequalities
- (11) Sustainable cities and communities

The pool-to-bond approach results in a direct link between the bond and the pool, but not the loan itself. No loan in the pool (use-of-proceeds) is older than three years – relative to the year of issue.

ISS ESG verified compliance with the ICMA Social Bond Principles in a Second Party Opinion and confirmed the social value added of the asset pool as well as compliance with minimum criteria.

In accordance with the requirements of the ICMA Social Bond Principles, NRW.BANK provides an overview of the composition of the 2021 asset pool below and presents the impact analysis:

### 2021 Asset Pool

The 2021 asset pool, which formed the basis for the NRW.BANK.Social Bonds issued in the reporting year, has a volume of around € 8.5 billion. Besides bonds, the pool may also be used for commercial papers (CPs). The high volume of the asset pool also makes flexible volumes and currencies possible.

### Distribution of Loans Considered for the 2021 Asset Pool in € Billions

| Project Category                 | 2018<br>t <sub>-3</sub> | 2019<br>t <sub>-2</sub> | 2020<br>t <sub>-1</sub> | 2021 Asset Pool<br>(t <sub>0</sub> ) | NRW.BANK.Social Bonds |
|----------------------------------|-------------------------|-------------------------|-------------------------|--------------------------------------|-----------------------|
| <b>Affordable home ownership</b> | 0.1                     | 0.3                     | 0.3                     |                                      |                       |
| <b>SMEs</b>                      |                         |                         |                         |                                      |                       |
| _ General loans                  | 2.0                     | 1.4                     | 1.0                     |                                      |                       |
| _ Special loans                  | > 0.1                   | 0.2                     | 0.1                     |                                      |                       |
| <b>Municipalities</b>            |                         |                         |                         |                                      |                       |
| _ “Gute Schule”                  | 0.3                     | 0.2                     | 0.4                     |                                      |                       |
| _ General loans                  | 0.6                     | 0.7                     | 0.9                     |                                      |                       |
| <b>Total</b>                     | <b>3.1</b>              | <b>2.8</b>              | <b>2.7</b>              |                                      |                       |

The volume of the asset pool is made up of loans to promote affordable home ownership, to support small and medium-sized enterprises, to improve school education, as well as of loans and liquidity support for economically disadvantaged communities. The asset pool reflects material parts of NRW.BANK’s promotional business.

### Affordable Home Ownership

The “affordable home ownership” project category mainly includes loans to low/medium-income families to whom rising property prices would otherwise make home ownership inaccessible. Eligible recipients include, for instance, couples with a taxable annual income of up to € 75 thousand, based on the federal government’s “Baukindergeld” (family housing grant).

### SME Financing and Employment Security

The “SME” project category includes loans to family-owned enterprises with fewer than 250 employees. The revenues of enterprises which are both family-owned and family-managed may exceed the usual threshold for SMEs of € 50.0 million, as the economic structure has evolved over time. Enterprises are often owned by the founding family over several generations. They are successful, grow continuously and also establish themselves in new markets. NRW.BANK’s promotional programmes (NRW.BANK.Universalkredit and NRW.BANK.Digitalkredit) are aimed at securing and creating jobs. Their focus is on reducing long-term and youth unemployment.

### Municipalities

The “municipalities” project category comprises loans for the modernisation and expansion of school infrastructure<sup>1)</sup> as well as general loans to economically disadvantaged municipalities in North Rhine-Westphalia. The aim of the NRW.BANK.Gute Schule programme is to make school buildings digital, barrier-free and energy-efficient. Modern, inclusive and digital schools are the foundation for good, sustainable school education and have a positive impact on the qualification of pupils.

The asset pool in the “loans to economically disadvantaged municipalities” project category exclusively comprises loans without specific purpose.

Municipalities whose per-capita gross domestic product is in the lowest quartile in North Rhine-Westphalia and which have an unemployment rate above the state average are considered economically challenged. These loans and liquidity aid serve to maintain or improve the supply of public goods and services to the population.

The breakdown of the 2021 asset pool by project category is as follows:

| Project Category          | Target Group                              | € 8.5 bn |
|---------------------------|---|----------|
| Affordable home ownership | Low/mid-income families                   | 9%       |
| SMEs                      |   |          |
| _ General loans           | Long-term and youth unemployment          | 53%      |
| _ Special loans           | Long-term and youth unemployment          | 1%       |
| Municipalities            |   |          |
| _ “Gute Schule”           | Students                                  | 11%      |
| _ General loans           | Economically disadvantaged municipalities | 26%      |

ISS ESG has confirmed the social value added in its [Second Party Opinion](#) and also rated the asset pool positively with regard to the overall concept.

As with the NRW.BANK.Green Bonds, the social benefit achieved by the loans selected is reviewed by the [Wuppertal Institute for Climate, Environment, Energy](#).

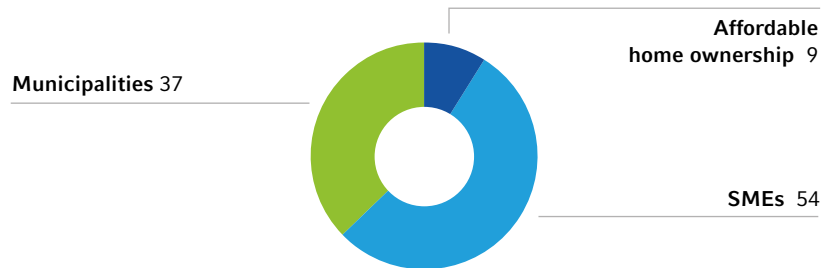
<sup>1)</sup> The programme is open not only to municipalities but also to independent or church school sponsors.



### Impact Analysis for the NRW.BANK.Social Bond Asset Pool 2021

There is no established standardised impact analysis to assess the effects of projects financed by a social bond. The Social Bond Principles of the ICMA focus on the definition of appropriate project categories and the verification by SPO providers. It is also recommended that the projects and measures considered be assigned to the SDGs – this has already been done, e.g. as part of the ISS ESG Second Party Opinion. However, the precise qualification, quantification and reporting of the impact of social projects on society are still in their infancy. To nevertheless address this issue, NRW.BANK decided to cooperate with the [Wuppertal Institute for Climate, Environment, Energy](#). The good experience gained in connection with the impact analysis for the NRW.BANK.Green Bond programme already showed that the close scientific support from an independent partner is extremely valuable. A methodology that can be further developed over time and that is structured in a scientifically comprehensible way is one of the strengths of the Institute. The overarching goal is to create the greatest possible transparency vis-à-vis investors, but also to obtain our own insights for the further development of the social bond concept and the selection of projects.

### Breakdown of the 2021 Asset Pool by Project Category in %



### Methodology

In 2021, the impact analysis covers loans in the amount of € 7.8 billion (90.9% of the total asset pool). For a loan to be considered in the analysis, sufficient and reliable data availability is required. The impact analysis is based on the recommendations of the ICMA's [Harmonized Framework for Impact Reporting](#) (2021) and its current [Social Bond Principles](#). The method developed by the Wuppertal Institute for this purpose is based on the Theory of Change (ToC). The ToC makes it possible to determine the impact of the social value added on the basis of an "outcome pathway". The overarching goal is to link target-oriented lending and impact in terms of the SDGs in order to quantify them in the best possible way. An attempt is made to define a cause-impact chain ("Input", "Activities", "Outputs", "Intermediate & Long-term Outcomes") to aim for a certain impact. The starting point is always the desired outcome – which in the case of the NRW.BANK.Social Bonds is currently based on one or more of SDGs 1, 4, 8, 10 and 11, depending on the project category. To facilitate implementation, the Wuppertal Institute has developed an indicator classification for the NRW.BANK.Social Bonds. A detailed description of the method is published on the [website of the Wuppertal Institute](#) as well as on the [Social Bond Portal of NRW.BANK](#).

### Results

For the projects included in the analysis (91% of the 2021 asset pool), concrete impacts within the meaning of the SDGs were identified also in the reporting year. The Wuppertal Institute found, for instance, that low-income households were given access to 1,471 residential units ("affordable housing" project category). Also, some 38 thousand additional jobs were created in North Rhine-Westphalia ("SME financing" product category). Amounts of up to € 1.7 million per project were made available for the modernisation of schools, and investments of € 127 per inhabitant were made possible in structurally weak communities. While it was again not possible to determine concrete impact indicators for all project categories in 2021, the data basis in many cases enabled an assignment to a specific purpose. The results determined for the individual project categories are described below.

### Affordable Home Ownership

Of the total amount of € 724 million, 55% (€ 396 million) could be assigned to direct loans for new residential units (NRW.BANK.Wohneigentum) in North Rhine-Westphalia. Of this, € 184 million relates to loans for North Rhine-Westphalian households with annual incomes below € 50 thousand. The Wuppertal Institute found that this provided access to a total of 1,471 newly built or acquired residential units. In addition, the Wuppertal Institute estimates that € 14 million (3.5% of the total loans in this category) was used to provide access to 110 housing units in regions with above-average rent levels. In addition, 819 borrowers live in regions where the cost of living is reduced by home ownership loans. The available income of these borrowers is increased by up to € 450 per month.

### Access to Quality Education

Of the approximately € 889 million from the NRW.BANK.Gute Schule programme, € 366 million was assigned to the general modernisation of school buildings (on average € 468 thousand per project). Another € 323 million (on average € 688 thousand per project) went into the construction and equipment of school buildings. In addition, € 125 million was used to build sports facilities (on average € 1.7 million per project), with the remaining approx. € 74 million used to provide IT equipment and to improve the IT infrastructure (on average € 314 thousand per project).

### Access to Public Goods and Services

An impact analysis for the loans of € 2.2 billion granted to 14 economically disadvantaged municipalities was not yet possible within the framework of this study. It is estimated, however, that close to half of the funds (€ 1.0 billion) were used to reduce the financial burden (repayments of bank loans as well as loans granted by municipalities to municipal enterprises). In relation to the population, the financial burden on the municipality was reduced by an estimated € 120 per capita. The other half of the loans granted by NRW.BANK to economically disadvantaged municipalities serves investment purposes. These loans allow the investments in the respective municipality to be increased by about € 133 per capita.

### SME Financing and Employment Security

Of the approx. € 4.3 billion in the "SME financing" project category, the Wuppertal Institute was able to attribute 27.7% (about € 2 billion) to structurally weak regions. It estimates that the loans in the 2021 asset pool create up to 38,000 additional jobs in economically disadvantaged regions. In fact, employment effects will be higher, as commuter flows are not taken into account. This category comprises a total of roughly 11,000 loans.

Further information, such as a more detailed description of the results and an outlook on the further development of the underlying analysis, can be found in the impact analysis on NRW.BANK's Social Bond Portal.

# Social Bond Projects

The NRW.BANK.Social Bond is used to promote sustainable social projects in North Rhine-Westphalia.



# LVR-DAVID-LUDWIG-BLOCH SCHOOL

## EDUCATION

[www.david-ludwig-bloch-schule.lvr.de](http://www.david-ludwig-bloch-schule.lvr.de)



### New Building Provides Low-noise Learning Environment

To continue offering optimum conditions for learning to the pupils of the LVR-David-Ludwig-Bloch School in Essen, Landschaftsverband Rheinland (LVR) invested some € 7 million in the new building for the open all-day care service. After about two years of construction, the new building was completed in August 2021. The institution in the Bedingrade district of Essen is a school for hearing-impaired children and young people up to the tenth grade. In addition to the two-storey entrance hall, which serves as the central area, the new building comprises eight group rooms. Other facilities include a canteen and a kitchen. As the school places a special focus on the promotion of hearing and communication, the wooden ceilings and the acoustic panels on the walls meet the highest demands for audibility in the common rooms and ensure low-noise and sound-insulated room acoustics.

NRW.BANK contributed a total of € 2.9 million to finance the measures. The funds come from the NRW.BANK.Moderne Schule and NRW.BANK.Gute Schule 2020 programmes, which are included in the Social Bond asset pool.



Canteen  
with **72** seats

Investments  
in the amount of  
**€ 7 million**

**760 sqm**  
floor space



# THE BOOZ FAMILY

## HOME OWNERSHIP

150 m<sup>2</sup>  
of own living  
space created



### Living in Their Own Four Walls

A new home for the Booz family of five from Essen. The 150 sqm property had been extensively refurbished and renovated since summer 2020. This also included switching the heating from oil to heat pump. In February 2021, the couple and their three children were able to move into their new home in the Ruhr city. Without NRW.BANK, they would most probably not have been able to make their dream of owning their own home come true. They financed the property with the NRW.BANK.Wohneigentum programme, which the promotional bank for the State of North Rhine-Westphalia uses to promote the construction or purchase of owner-occupied homes. Making home ownership affordable for low and medium-income households and thus increasing their economic resilience are just two of the objectives of the promotional programme.

The Booz family benefits from the favourable interest rate on their subsidised loan, which is fixed over the entire term. The programme is part of the Social Bond asset pool 2021 and is thus refinanced via the NRW.BANK.Social Bond.



# Considering Sustainability in Capital Investments

Since 2017 already, NRW.BANK has considered ESG (Environment, Social, Governance) issues in its investment analysis and decision-making processes. For many years, the Bank has been guided by the first of the six Principles for Responsible Investment, to which it has also officially committed itself since signing the UN PRI in 2020. In addition to a [thematic investment approach](#), which is pursued via a separate [Sustainable Bond Investment Portfolio](#), NRW.BANK manages its capital investment via a traffic light system based on standards-based screening and a best-in-class approach. Going forward, the Bank intends to continue pursuing the ESG integration taking into account the six Principles.

## The six UN Principles for Responsible Investment (PRI)

1. We will incorporate ESG issues into the investment analysis and decision-making processes.
2. We will be active shareholders and incorporate ESG issues into our investment policies and practices.
3. We will seek appropriate disclosure on ESG issues by the companies and entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will report on our activities and progress towards implementing the Principles.

**Thematic Investment:**

**The NRW.BANK.Sustainable Bond Investment Portfolio**

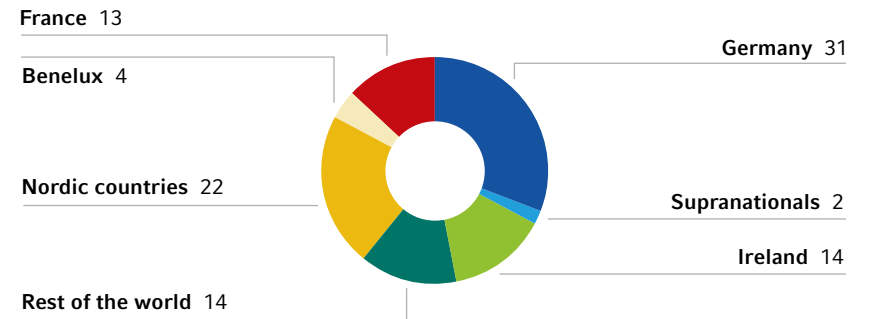
In 2017, NRW.BANK established a Green Bond Investment Portfolio, which was expanded into a NRW.BANK.Sustainable Bond Investment Portfolio in 2021. The Bank thus makes a contribution to climate protection and to developing the market for sustainable bonds not only as an issuer but also as an investor in the context of its own financial investments.

To qualify for the portfolio, bonds must meet the requirements of either the EU Green Bond Standard (TEG version), the ICMA Green Bond Principles (GBPs), the Social Bond Principles (SBPs) or the Sustainability Bond Guidelines (SBGs) as well as the corresponding reporting requirements. In addition, the sustainability benefit of the bond must be determined by a Second Party Opinion or a certificate meeting the standards of the Climate Bond Initiative. NRW.BANK primarily invests in climate protection and climate adaptation projects. In order to maximise the contribution to climate protection, so-called light green bonds as defined in the CICERO Shades of Green are not purchased.

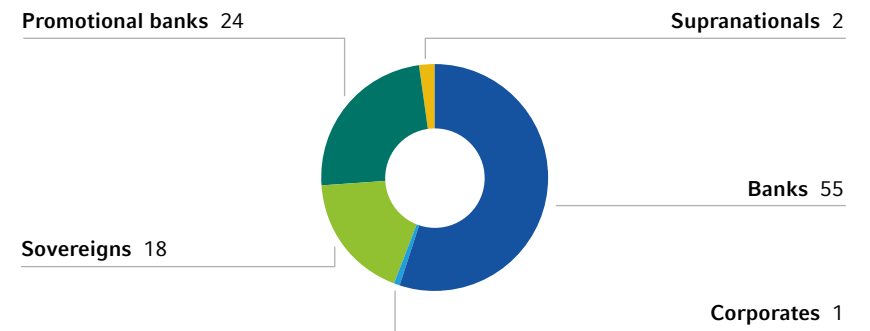
At € 531 million, the Bank’s goal of increasing its Sustainable Bond Investment Portfolio to € 500 million by 2020 has been exceeded. With a view to continuously supporting the market and permanently expanding its thematic investment, NRW.BANK has increased its target to € 600 million by the end of 2021.

As of 31 December 2021, the portfolio comprised sustainable bonds with maturities until 2031 from the following countries/regions and sectors:

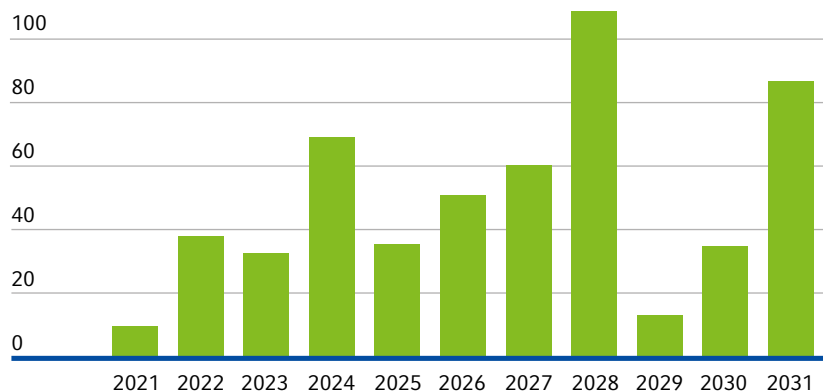
**NRW.BANK.Sustainable Bond Investment Portfolio by Countries in %**



**NRW.BANK.Sustainable Bond Investment Portfolio by Sectors in %**



**Maturity Structure of the Sustainable Bond-Investment-Portfolio**  
in € Millions



Most of the bonds in the NRW.BANK.Sustainable Bond Investment Portfolio are Green Bonds. The funds raised are thus invested in environmental projects, e.g. to promote renewable energy, sustainable buildings, low carbon transport and (waste) water management. By adding bonds that offer not only environmental but also social value added, the funds also serve to support projects that reduce unemployment, mitigate income losses, support health-related measures as well as inclusion and promote education. The projects (re-)financed with the funds from the Green, Social and Sustainability Bonds mainly have positive impacts on SDGs 3, 6, 7, 8, 9, 11, 13, 14 and 15. All issuers of the bonds included in the portfolio state that they publish impact analyses. Allocation reports and impact analyses are available for 98% of the portfolio, with one issuer reporting only every two years, though.

The impact analyses of the issuers are based on different frameworks. With regard to the Green Bonds in the portfolio, the MDB Harmonized Framework for Impact Reporting or national benchmarks are often used as a reference. The Green Bond issuers also use regional standards such as the Nordic Public Sector Position Paper on Green Bonds Impact Reporting. The [methodology used by the European Investment Bank to determine the carbon footprint](#) is also beginning to play an increasingly important role. While there is currently no uniform reporting standard in the market for funds with a social benefit, the recommendations of the ICMA Social Bond Principles are used most frequently. NRW.BANK welcomes the efforts of all issuers to identify the positive impact of green bonds. Because of the great heterogeneity of the reporting methods and the benchmarks used for comparison, reliable aggregation is not yet possible, though.

**Integrating Sustainability Criteria in the Investment Portfolio**

Since 2017 already, NRW.BANK has managed its sustainable investments in the investment portfolio in cooperation with MSCI ESG Research. To integrate ESG criteria into the selection of the investments and the management of the portfolio, NRW.BANK developed its own sustainability traffic light system, which is monitored via a daily report. It builds on the MSCI ESG Corporate Rating, the MSCI ESG Government Rating and the MSCI ESG Controversies. The latter is based on flags ranging from green to red. Very serious violations of international standards (the canon of values is based on some 50 generally accepted global standards, such as the UN Global Compact and the ILO Core Labour Standards) are indicated by red flags and are subject to an investment ban. This ensures that the UN Global Compact standards are taken into account also for capital investments. For a detailed description of the approach, see pages 14 and 15 of the [Sustainability Guidelines](#).

The ESG market and the related demands and framework conditions are evolving very dynamically. EU efforts under the EU Green Deal aim, for instance, to improve transparency, the data basis and comparability for



ESG-related decision-making processes. Even though this process is only at the beginning, it is required to make capital available in a targeted manner and in the sense of sustainable transformation and to identify ESG risks and opportunities. NRW.BANK is proactively responding to these developments, also with a view to their integration in capital investments, and is closely accompanying them. Building on the implementation to date using the traffic light system, the primary goal is to continue pursuing the ESG integration in a far-sighted manner and in line with established market standards. The UN PRI provide an adequate framework and guidance for this. At the same time, coordination between the front office, the back office and the Bank's overall strategy is essential. It is, for example, important to take into account findings from internal risk controlling processes and meaningful support of the transformation to achieve the Paris climate protection goals in the capital investment as well. To ensure this, the newly established [Sustainability Committee](#) has commissioned the Capital Markets business unit to establish a Bank-wide working group. The working group has the primary objective of developing the ESG integration in a forward-looking manner.

The progress made in this process and the results of the working group will be described in the Sustainability Report and in the annual UN PRI Report, which will be mandatory for NRW.BANK as of the reporting year 2022.

Protecting the Climate and the Environment

Conserving Resources in Banking Operations

Scope and Period of Reporting

Data Collection and Reference Values

Building Energy

Business Travel

Paper

Water

Waste

Coolant and Extinguishing Agent Losses

Greenhouse Gases

Avoiding Preferred to Offsetting

## Protecting the Climate and the Environment

# Eco-Balance

For many years, NRW.BANK has been committed to the responsible use of our natural resources and the protection of our environment and climate. As part of its continuous improvement process, NRW.BANK reviews the sustainability of its actions on an ongoing basis.

# Conserving Resources in Banking Operations

NRW.BANK actively supports the political and social sustainability efforts and is doing everything possible also within the Bank to conserve resources and ensure sustainable operations. The Bank thus helps implement the North Rhine-Westphalian government's guiding principle of "sustainability".

The Bank uses resources consciously and carefully to reduce carbon emissions from its operations to a minimum. It is the Bank's declared objective to vigorously cut the use of resources and to largely offset unavoidable impacts to the extent possible. To ensure that the positive trend in its environmental performance indicators continues, the Bank pays attention to resource-efficient and energy-efficient technology, uses district heat and energy-efficient IT hardware in all its buildings and sources 100% certified green electricity from run-of-river hydropower plants. In order to conserve resources, the focus also remains on the digitalisation of internal and external processes.

For 15 years, NRW.BANK has prepared a balance sheet of its environmental data and consumption figures in accordance with the standards of the Association for Environmental Management and Sustainability in Financial Institutions (VfU).

## Data Collection

As the data are collected in accordance with the VfU standard, they can be compared with data of companies applying the same standard. The basis is formed by the VfU's revised guidelines in conjunction with the conversion factors of the 2022 update version 1.0 of 1 March 2022. The data presented here represent an extract from the 2021 eco-balance, which was prepared by consulting firm [wertsicht GmbH](#), Düsseldorf.

## Scope and Period of Reporting

To prepare its eco-balance for 2021, NRW.BANK determined the environmental impacts resulting from its business operations. These were strongly

influenced by the Covid-19 pandemic. For instance, employees increasingly used the possibility to work from home. At the same time, the Bank implemented comprehensive hygiene measures at its locations.

In accordance with the 2022 update version 1.0 (VfU standard), the electricity consumption of the external data centres has also been included in the report for the first time. Apart from this, the scope of the eco-balance remained confined to the buildings as no distinction is made between work in the office and mobile work when recording the business activities.

The reporting period corresponds to the calendar year. The consumption and flow data (input and output) were collected for the period from 1 January 2021 to 31 December 2021. Information relating to vehicles and employees is stated as of the reporting date 31 December 2021. The floor space data correspond to the status of the existing buildings as of 31 December 2021. Due to a software change, there was a rounding difference of 5.17 sqm in the floor space compared to the previous year. In 2021, the Bank operated at three locations in Düsseldorf and at a building complex in Münster.

## Reference Values

The number of employees provides the basis for the formation of relative environmental performance indicators (consumption per employee). Part-time employees are added up to full-time employees, and external employees working temporarily for the Bank are covered for the duration of their employment.

Staff numbers of 1,519 for 2021, 1,541 for 2020 and 1,479 for 2019 were taken as the basis.<sup>1)</sup>

<sup>1)</sup> Staff numbers are rounded to full employees.

To calculate water consumption per employee/day the number of working days was fixed at 250 days.

### Building Energy

Resource-efficient energy sources such as certified green electricity from run-of-river hydropower plants and district heat from combined heat and power units are the most important elements of NRW.BANK's sustainable building management efforts. These high environmental standards are implemented at all of the Bank's locations. In addition, the photovoltaic systems in Münster produced roughly 18,090 kWh of electricity to cover the Bank's own requirements in 2021. Overall, NRW.BANK makes a point of using energy-efficient technology.

### Energy Consumption in kWh

|                            | 2021      | 2020      | 2019      |
|----------------------------|-----------|-----------|-----------|
| Heating energy             |           |           |           |
| – total                    | 7,483,249 | 6,705,356 | 5,525,128 |
| – per employee/year        | 4,927     | 4,353     | 3,735     |
| – per m <sup>2</sup> /year | 112.4     | 100.7     | 96.2      |
| Electricity                |           |           |           |
| – total                    | 7,619,761 | 7,062,185 | 6,105,858 |
| – per employee/year        | 5,017     | 4,584     | 4,128     |
| – per m <sup>2</sup> /year | 104.3     | 106.1     | 106.3     |

In 2021, NRW.BANK's consumption of heating energy was up by approximately 11.6% on the previous year. The specific indicator per employee rose by 13.2%. Besides the weather conditions, this is attributable to the fact that the operating hours of the ventilation systems were temporarily

extended significantly, as they were used to improve air hygiene against the background of the Covid-19 pandemic. As a result, the thermal losses of the buildings increased.

In 2021, electricity consumption for the first time also includes the consumption of the outsourced data centres (DCs), which totalled 677,010 kWh. If this is not taken into account, the electricity demand for the buildings declined by 1.7% compared to the previous year in absolute terms and by 0.3% per employee, which was more or less on a par with the previous year. This is attributable to the continuation of the electricity-intensive hygiene measures taken against the background of the Covid-19 pandemic, as the Bank not only extended the operating times of the ventilation systems but also made intensive use of mobile air purifiers to improve the indoor air quality. The weather conditions and the high share of employees working from home had a reducing effect on consumption in 2021.

### Business Travel

NRW.BANK's success hinges on good contacts with its clients and the maintenance of its business relationships. Business travel usually makes an important contribution in this context, but it has been greatly reduced in the wake of the Covid-19 pandemic and increasingly replaced by video and telephone conferences. To facilitate appealing customer contacts even without on-site visits, additional media studios were used for roadshows. Regardless of the Covid-19 pandemic, NRW.BANK's travel guidelines suggest the use of virtual forms of communication, local public transport or rail to reduce the emissions caused by business travel.

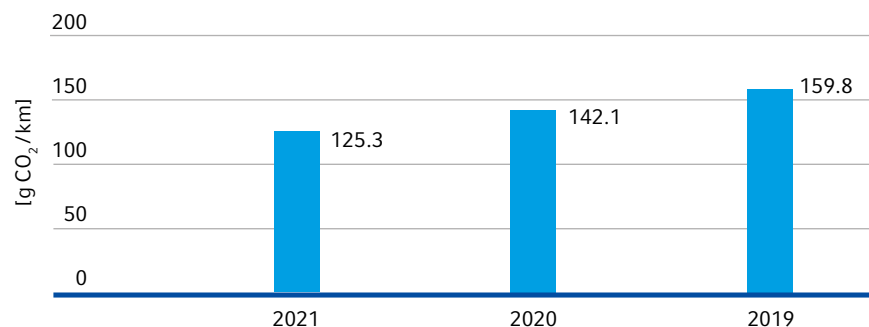
All rail trips made with Deutsche Bahn AG (103,943 km) are fully carbon neutral and are included in the CO<sub>2</sub> balance at a reduced conversion factor. Another 364 km were travelled by Thalys, which were counted at the full conversion factor for CO<sub>2</sub> emissions according to the VfU standard.

As in the previous years, multi-leg flights were broken down into segments for the reporting of short-haul and long-haul flights.

With regard to NRW.BANK’s fleet of 79 company vehicles, the carbon emissions of all vehicles have been recorded in accordance with the Worldwide Harmonized Light-Duty Vehicles Test Procedure (WLTP), which was introduced for new vehicles in September 2018. As another seven company cars were converted to hybrid drives, bringing the total to 22 vehicles with hybrid drives and one with electric drive (thus a total of 29% of all company cars), the average carbon emission factor of the vehicle fleet for 2021 was reduced by 11.8% to 125.3 g/km compared to the previous year.

Ongoing expert advice on the selection of new company cars remains an important element in finding the best possible compromise between the necessary mobility of NRW.BANK’s employees and their efforts to actively protect the climate.

### Average CO<sub>2</sub> Emissions of the Company Cars in g/km



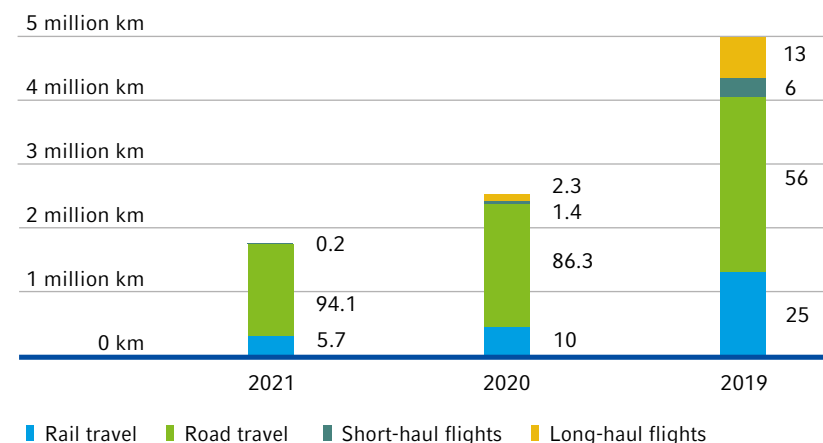
Across all means of transport, NRW.BANK’s employees travelled a total of 1,833,889 kilometres on business trips in 2021. This is equivalent to 1,208 km travelled per employee. Compared to the previous year, the total kilometres travelled thus declined by 20.4% and the kilometres travelled per employee were down by 19.3%. This is largely due to the Covid-19 pandemic, which had a material impact on the distribution of travel activi-

### Number of Kilometres Travelled on Business Trips per Means of Transport in km

|                    | 2021             | 2020             | 2019             |
|--------------------|------------------|------------------|------------------|
| Rail               | 104,307          | 230,387          | 1,227,187        |
| Road <sup>1)</sup> | 1,725,036        | 1,987,615        | 2,815,788        |
| Short-haul flights | 4,546            | 33,125           | 278,189          |
| Long-haul flights  | 0                | 53,056           | 663,515          |
| <b>Total</b>       | <b>1,833,889</b> | <b>2,304,183</b> | <b>4,984,679</b> |
| km per employee    | 1,208            | 1,496            | 3,370            |

<sup>1)</sup> Total kilometres travelled on business trips with the Bank’s cars, rental cars and private vehicles

### Share of Means of Transport in %



ties over the individual means of transport. While in 2021 the share of rail travel dropped to 5.7% (previous year: 10.0%) and the share of air travel declined to 0.2% (previous year: 3.7%), the share of road travel climbed from 86.3% to 94.1%. On the one hand, this was due to the fact that in times of the Covid-19 pandemic, the means of transport exposed to a higher risk of infection were avoided. On the other hand, business trips to international destinations were virtually non-existent and physical events were cancelled.

### Paper

For the 2021 eco-balance, NRW.BANK recorded all paper used in the offices including printed matter (e.g. letterhead), envelopes, communication materials (e.g. annual reports, brochures, flyers, etc.) as well as the external printed output.

Total consumption in 2021 amounted to 22.3 t (previous year: 27.9 t), while per-capita consumption reached 14.7 kg (previous year: 18.1 kg). As a result, total paper consumption declined by 18.9% compared to the previous year. This was primarily due to the intensified digitalisation of business processes in combination with the reduced presence in office buildings as a result of the Covid-19 pandemic. Ongoing awareness-raising among employees also contributed to the reduction in paper consumption.

The table below exclusively shows the consumption of office paper. Excluding envelopes and printed matter, there was a reduction of 30.7% in absolute terms or 29.8% per employee compared to the previous year.

#### Office Paper Consumption<sup>1)</sup> in kg

|                 | 2021   | 2020   | 2019   |
|-----------------|--------|--------|--------|
| Total           | 13,710 | 19,797 | 30,096 |
| kg per employee | 9.0    | 12.9   | 20.3   |

<sup>1)</sup> Office paper, excl. printed matter, envelopes and marketing materials

Besides the quantity consumed, the quality of the paper used is also an important item in the eco-balance. To determine the share of recycled paper, the total paper consumption was also included in the overview. In 2021, recycled paper accounted for 63.2%, up 4.1 percentage points on the previous year. This is essentially attributable to the fact that awareness among employees is raised continuously for the best possible conversion of office paper to recycled paper.

#### Paper Types of Total Paper Consumption in %

|  | 2021 | 2020               | 2019 |
|--|------|--------------------|------|
| Recycled paper                             | 63.2 | 59.1               | 71.5 |
| Primary fibre paper, ECF (incl. wood-free) | 8.8  | 20.2 <sup>1)</sup> | 10.9 |
| Primary fibre paper, FSC and PEFC          | 28.0 | 20.7 <sup>1)</sup> | 17.6 |

<sup>1)</sup> In the last report, the figure for ECF paper was swapped with that for FSC/PEFC paper, which resulted in a negligible 0.5% shift in the percentages.

### Water

Water is a precious resource and NRW.BANK is actively promoting its sparing use. The Bank's sanitary facilities use grey water from the air scrubbers and recooling systems and thus ensure that this water is reused. When retrofitting or buying new technical equipment, water-saving technology is considered by the Bank besides other environmental aspects. In the reporting year, the introduction of a water management system in some recooling systems helped to noticeably reduce water consumption.

The following figures show the total water consumption, which also includes the water consumption of the kitchens at the locations in Münster and at Kavalleriestraße in Düsseldorf.

Absolute water consumption across all locations was down by 21.0% on the previous year, while per-capita consumption declined by 19.9%. Changes in water consumption are also attributable to weather-related factors, which affect, for example, the water consumption for the recooling systems and the irrigation of green areas.

### Process and Drinking Water

|  | 2021   | 2020   | 2019   | Einheit        |
|--|--------|--------|--------|----------------|
| Total consumption                            | 21,477 | 27,191 | 25,056 | m <sup>3</sup> |
| Daily consumption per employee <sup>1)</sup> | 56.6   | 70.6   | 67.7   | l              |

<sup>1)</sup> To calculate water consumption per day, the number of working days was fixed at 250 days per employee.

### Waste

The 2021 eco-balance covers the following waste types: paper (incl. documents shredded), mixed packaging, food residues, waste fats, green waste, glass, residual waste, sludge from the company's own water treatment, mixed scrap, electronic waste, metals, wood, batteries, data carriers, bulky waste, oily waste and fluorescent lamps.

The specific average weights of the waste fractions determined for the individual sites in 2017 were also used to determine the weight quantities in 2021 as the composition of the waste remained unchanged.

Where available, the concrete quantities and weights determined and supplied by the waste management service providers for individual waste disposal processes were again used for the evaluation.

Taking the waste types mentioned as well as the empirically determined conversion factors into account, the Bank produced a total of 292.9 t of waste in 2021 (previous year: 240.7 t). This is equivalent to 192.8 kg of waste per employee (previous year: 156.2 kg).

Total waste and waste per employee thus rose by 21.7% and 23.4%, respectively. This increase is mainly due to the larger quantity of documents to be shredded. Moreover, the replacement of office furniture and the clean-up of warehouses led to an additional amount of unplanned waste for special disposal.

The following table shows the amounts of waste produced exclusively as a result of the banking activity and excluding waste primarily produced in conjunction with the operation of the kitchen:

### Waste Volume in t

|                               | 2021         | 2020         | 2019         |
|-------------------------------|--------------|--------------|--------------|
| Waste paper                   | 16.7         | 27.6         | 24.7         |
| Document shredding            | 65.4         | 27.4         | 65.1         |
| Residual waste                | 42.6         | 50.3         | 39.6         |
| DSD ("Green Dot")             | 13.9         | 14.9         | 10.4         |
| Paper towels                  | 1.0          | n.a.         | n.a.         |
| <b>Total<sup>1)</sup></b>     | <b>139.5</b> | <b>120.2</b> | <b>139.8</b> |
| kg per employee               | 91.9         | 78.0         | 94.5         |
| Recycling ratio <sup>1)</sup> | 79.4%        | 62.6%        | 73.4%        |

<sup>1)</sup> Excl. other and kitchen waste

Used paper, residual and DSD waste volumes were lower than in the previous year. This is due to the fact that mobile work was used intensively throughout the year 2021. The increased total amount of waste fractions from the banking activity is attributable to the larger quantity of documents shredded.

In 2021, recycled paper towels were introduced and disposed of in a closed recycling loop for the first time and thus no longer included in residual waste.

### Refrigerant and Extinguishing Agent Losses

Since 2019, NRW.BANK's eco-balance has also included the CO<sub>2</sub>e emissions from refrigerant and extinguishing agent losses in the reporting period. In 2021, losses amounted to 153.0 kg (previous year: 7.8 kg) of refrigerant R134a and 28.0 kg (previous year: 13.5 kg) of refrigerant R449a. These losses are essentially due to leaks at a solenoid valve. The refrigerant leakage was so minimal that the response limit of the monitoring sensor was not reached, but over the longer term it caused the material increase in losses.

### Greenhouse Gases

NRW.BANK's CO<sub>2</sub> balance covers all the above-mentioned environmentally relevant consumption figures as well as the kilometres travelled on business trips, waste and refrigerant losses summarised in a single performance indicator. This performance indicator, which is based on CO<sub>2</sub> equivalents (CO<sub>2</sub>e) is an important variable for assessing the Bank's environmental performance.

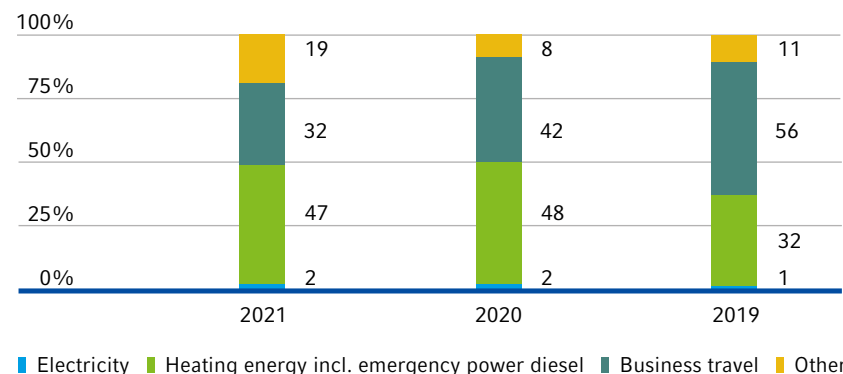
For the 2021 eco-balance, the conversion factors of the VfU standard (2022 Update, Version 1.0) were used as the basis for the calculation of the CO<sub>2</sub>e emissions.

In order to ensure comparability, the emission values for 2019 and 2020 were recalculated with the updated factors. This may result in deviations from the data published for 2019 and 2020.

### CO<sub>2</sub>e Emissions in kg CO<sub>2</sub>e

|   | 2021             | 2020             | 2019             |
|---|------------------|------------------|------------------|
| Electricity                                 | 29,349           | 27,491           | 23,380           |
| Heating energy incl. emergency power diesel | 864,311          | 778,573          | 643,121          |
| Business travel                             | 575,278          | 674,544          | 1,101,113        |
| Paper                                       | 18,331           | 23,078           | 40,502           |
| Drinking water                              | 13,260           | 16,788           | 15,469           |
| Waste                                       | 60,637           | 62,967           | 59,230           |
| Refrigerant and extinguishing agent losses  | 257,906          | 30,014           | 90,068           |
| <b>Total emissions</b>                      | <b>1,819,071</b> | <b>1,613,454</b> | <b>1,972,883</b> |
| CO <sub>2</sub> e/employee                  | 1,198            | 1,047            | 1,334            |
| Offset by climate certificates              | 1,819,071        | 1,613,454        | 1,972,883        |
| <b>Total</b>                                | <b>0</b>         | <b>0</b>         | <b>0</b>         |

### CO<sub>2</sub>e Emissions by Producers in %





In 2021, NRW.BANK emitted a total of 1,819.1 t of CO<sub>2</sub>e.

This is equivalent to 1,197.8 kg of CO<sub>2</sub>e per employee. Compared to the previous year, this represents an increase by 12.7% in absolute terms and by 14.4% per employee. The increased emissions are primarily attributable to the refrigerant losses described above.

#### Direct and Indirect CO<sub>2</sub>e Emissions at NRW.BANK in 2021 According to VfU (Update 2022, Version 1.0) in kg CO<sub>2</sub>e

| Greenhouse Gas Sources                      | Scope 1 <sup>1)</sup> | Scope 2 <sup>1)</sup> | Scope 3 <sup>1)</sup> | Total          |
|---|-----------------------|-----------------------|-----------------------|----------------|
| <b>Electricity</b>                          |                       |                       |                       | <b>29,349</b>  |
| – renewable                                 |                       |                       | 27,366                | 27,366         |
| – photovoltaic plant                        |                       |                       | 1,983                 | 1,983          |
| <b>Heating energy</b>                       |                       |                       |                       | <b>864,311</b> |
| – district heat                             |                       | 679,329               | 174,060               | 853,390        |
| – emergency power diesel                    | 9,514                 |                       | 1,407                 | 10,921         |
| <b>Travel</b>                               |                       |                       |                       | <b>575,278</b> |
| – rail                                      |                       |                       | 20                    | 20             |
| – rail, carbon-neutralised                  |                       |                       | 1,663                 | 1,663          |
| – road, company car                         | 301,805               |                       | 200,499               | 502,303        |
| – road, rental car                          |                       |                       | 70,755                | 70,755         |
| – short-haul flights                        |                       |                       | 536                   | 536            |
| – long-haul flights                         |                       |                       | 0                     | 0              |
| <b>Paper</b>                                |                       |                       |                       | <b>18,331</b>  |
| – recycled paper                            |                       |                       | 10,909                | 10,909         |
| – primary fibre paper (ECF, TCF, FSC, PEFC) |                       |                       | 7,421                 | 7,421          |
| <b>Water</b>                                |                       |                       |                       | <b>13,260</b>  |
|   |                       |                       | 13,260                | 13,260         |

| Greenhouse Gas Sources                            | Scope 1 <sup>1)</sup> | Scope 2 <sup>1)</sup> | Scope 3 <sup>1)</sup> | Total            |
|---|-----------------------|-----------------------|-----------------------|------------------|
| <b>Waste</b>                                      |                       |                       |                       | <b>60,637</b>    |
| – waste incineration                              |                       |                       | 59,007                | 59,007           |
| – special waste                                   |                       |                       | 1,630                 | 1,630            |
| <b>Refrigerant and extinguishing agent losses</b> |                       |                       |                       | <b>257,906</b>   |
| – R134a   | 218,790               |                       |                       | 218,790          |
| – R449a   | 39,116                |                       |                       | 39,116           |
| <b>Total</b>                                      | <b>569,225</b>        | <b>679,329</b>        | <b>570,517</b>        | <b>1,819,071</b> |
| <b>kg CO<sub>2</sub>e/employee</b>                |                       |                       |                       | <b>1,198</b>     |

<sup>1)</sup> Distinction between direct and indirect emissions:

Direct greenhouse gas emissions come from sources owned or controlled by NRW.BANK. Indirect greenhouse gas emissions result from the business activity of NRW.BANK – but their sources are owned or controlled by third parties. In accordance with the “Greenhouse Gas Protocol”, emissions are divided into three categories depending on the degree of influence exerted by NRW.BANK:

- Emission category (Scope 1): all direct emissions.
- Emission category (Scope 2): all indirect emissions produced, for instance, in the generation of electricity, steam or thermal energy sourced by NRW.BANK from external sources.
- Emission category (Scope 3): all other indirect emissions in the field of logistics/transport, material consumption, supplies and disposal. This also includes the emissions produced by service providers or manufacturing companies and their upstream suppliers.

### Avoiding Preferred to Offsetting

Since 2013, NRW.BANK has consistently aimed to make its banking operations carbon-neutral. In this context, top priority is attached to avoiding emissions from being generated in the first place. To achieve this aim, the Bank has implemented the above-described measures for many years – including the use of certified green electricity, environmentally friendly district heat, recycled office paper and grey water from air scrubbers and recooling systems as well as providing expert assistance when it comes to choosing new company cars.

NRW.BANK sends its mail in a carbon-neutral way via [Deutsche Post DHL Group](#) and [Brief und mehr GmbH & Co. KG](#). The CO<sub>2</sub>e emissions caused by transport were neutralised by the purchase of certificates, with which climate protection projects were supported.

## Compensation

In spite of the savings measures, not all emissions are avoidable. Since 2013, NRW.BANK has therefore continuously decided to offset unavoidable emissions from its banking operations with the help of climate certificates. These certificates stem from climate protection projects in developing and emerging countries and help to achieve the highest possible CO<sub>2</sub> savings in relation to the financial expenses incurred in the process.

The CO<sub>2</sub>e emissions of 1,820 t caused by the business operations in 2021 were voluntarily offset by the Bank by using certificates. NRW.BANK's banking operations are thus carbon-neutral. Most of the certificates (approx. 1,600 t CO<sub>2</sub>e) stem from a wind park project in Namibia. The "Ombepo Wind" project focuses on the construction and operation of a 10-MW wind power plant near the town of Luderitz. By feeding the green electricity produced into the national grid, emissions are reduced and the country's energy self-sufficiency is

improved. In addition, this VCS-certified (Verified Carbon Standard) project creates both short-term and long-term jobs for the local population.

The remaining part of the certificates required for compensation stems from the "Kariba REDD+" forest protection project in Zimbabwe. The afforestation of the southern shore of Lake Kariba helps to create a huge biodiversity corridor, thus significantly improving the daily life of the local population.

In addition to the purchase of the emission certificates mentioned here, NRW.BANK offsets the emissions by supporting afforestation measures in North Rhine-Westphalia in cooperation with the public forestry companies.

**Assuming Social Responsibility for Employees****Responsible Human Resources and Training Strategy****Securing Junior Staff****Promoting Development****Life-long Learning****Equal Opportunities and Fair Working Conditions****Maintaining Performance**

## Assuming Social Responsibility for Employees

# Human Resources

As a public-law institute NRW.BANK has a special responsibility to act as a role model for a sustainable human resources policy. This comprises all aspects from offering future-proof jobs to balancing work and family life to ensuring gender equality and implementing a modern health management.

# Responsible Human Resources and Training Strategy

The knowledge, commitment and performance of the staff are important factors which underpin the long-term success of the Bank's business activity. The strategic objectives of the Bank's Human Resources activities therefore include winning and retaining qualified employees and preserving their performance to ensure that NRW.BANK can successfully fulfil its tasks as the promotional bank for North Rhine-Westphalia now and also in future.

In the context of the Bank's human resources strategy, this overriding goal involves three fields of action which ensure that all activities and measures support the accomplishment of the strategic objectives:

- securing junior staff,
- promoting development and
- maintaining performance.

The high relevance of these goals is not least reflected in the fact that the strategic fields of action and the medium and long-term objectives derived from them form part of the Bank's overall strategy.

## Securing Junior Staff

"Securing junior staff" sums up NRW.BANK's commitment to training young people and improving their qualifications. To ensure that junior staff can integrate smoothly into the Bank's existing workforce, their training is carefully aligned with the Bank's needs in general and the individual departments' needs in particular.



## Award-winning Vocational Training

The results of a survey among the 20,000 companies with the largest number of employees in Germany conducted by business magazine "Focus Money" in March 2021 ranked NRW.BANK as the industry winner among the state and promotional banks in Germany, with the Bank scoring 100 out of a possible 100 points. This makes it one of the best training companies in Germany for the fourth year in a row.

For many years, NRW.BANK has additionally supported the [Fair Company](#) initiative, which specifically addresses job starters as well as young professionals. As a "Fair Company", NRW.BANK is primarily committed to reliable quality standards and verifiable rules for interns and graduates joining the Bank.



The requirements forecast by the Bank's divisions with regard to the number and qualifications of junior staff are continuously incorporated into the planning of training, as are the development of the dual study courses. NRW.BANK provides the following vocational training places:

- four places for the Bachelor of Arts "Management & Digitalisation" dual study course, of which two in Düsseldorf and two in Münster,
- two places for the Bachelor of Arts "Finance & Banking" dual study course and
- three places for the Bachelor of Science "Business IT" dual study course.

This means that NRW.BANK has further intensified its training activities, especially in IT-related fields. For all students, the Bank offers not only well-qualified trainers for the practical vocational part, but also extensive support in the form of target group-specific seminars and business games.

Given that NRW.BANK trains young people to cover its own requirements, permanent employment contracts are offered to all those who complete their vocational training with good results. In 2021, six trainees from the "banking clerk" traineeship as well as three students each from the "Finance & Banking" dual study course and the "Business IT" study course were taken on as regular employees. Two trainees left the Bank after completing their training.

In view of the age structure of NRW.BANK's workforce, the Bank continues to pay great attention to its objective to "secure junior staff". The Bank wants its dual students and trainees to replace at least part of the employees who will leave the Bank due to age in the coming years.

### Promoting Development

In order to ensure their long-term retention, NRW.BANK offers its junior staff – as well as all its other employees – numerous development opportunities and prospects.

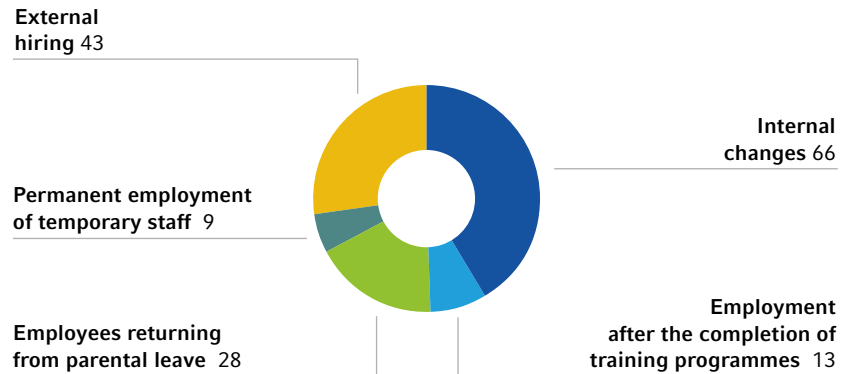
This includes challenging tasks and growing independence, which encourage professional and personal growth, as well as the possibility to get to learn new topics and to assume more demanding tasks. This is why the aspects of independence, development and recognition are key topics in the annual planning and feedback meetings between executives and employees. This process was extended to include structured bottom-up feedback, which supports employees in taking an active creative role. By institutionalising a mutual feedback process, the Bank continues to support a modern, open and trusting feedback culture. In addition, all employees may initiate an exchange about their individual development opportunities and the necessary implementation steps independently of the appraisal process.

Realising development opportunities means above all taking on new tasks and responsibilities. To ensure that this can be done on the largest possible scale, NRW.BANK fills vacant positions according to the motto "internal promotion is preferable to external hiring" wherever this is possible. Where this cannot be done, vacant positions are advertised externally.

In 2021, 66 employees took advantage of the opportunity to move to a new position within the Bank. As internal staffing usually results in a new vacant position, a consistently pursued internal staffing policy is ideally suited to offer the Bank's own employees the widest possible range of internal career development opportunities. Moreover, 28 employees returned to the Bank from parental leave or from leave granted under the "Landesgleichstellungsgesetz" (State Equal Opportunities Act) in the year under review.

As not all vacant positions could be filled with the Bank's own employees and training graduates, the Bank again hired people from the external market in 2021.

### Vacant Positions Filled in 2021

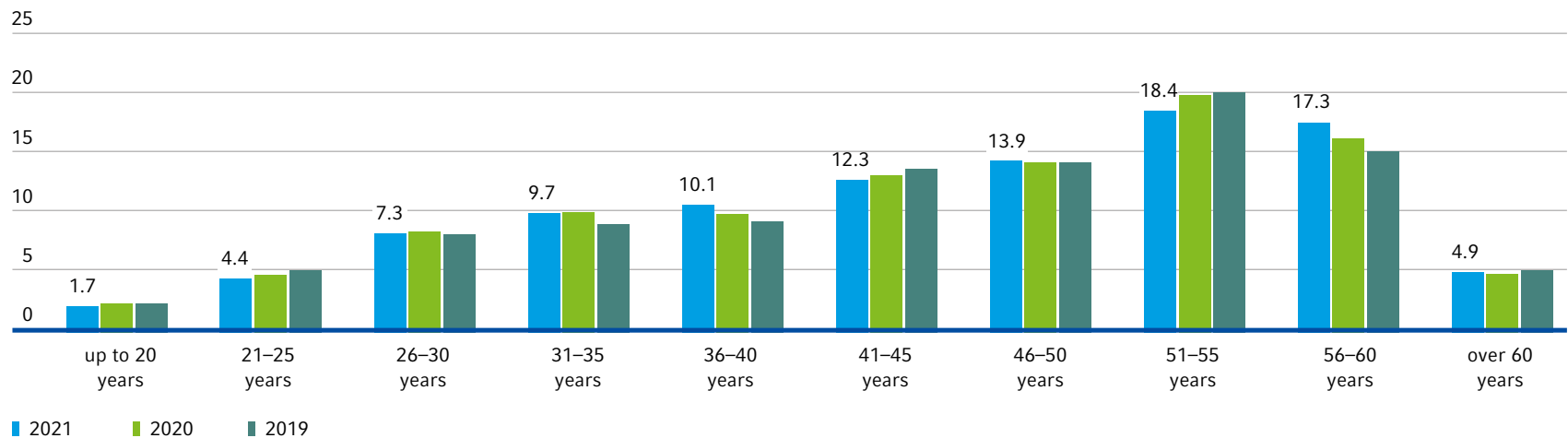


Age-related resignations will remain at a similar level in the coming years as a result of the workforce’s age structure. Forward-looking planning ensures that measures to retain expertise within the Bank are taken at an early stage. In accordance with the Bank’s strategic objective, these foreseeable resignations will be used to offer junior staff suitable career development opportunities.

### Life-long Learning

Knowledge and experience are indispensable when it comes to accepting and mastering new challenges. NRW.BANK provides a wide variety of HR development measures to support its employees in this respect. After the initial training, NRW.BANK assists employees, for instance, in obtaining the above-mentioned qualifications and degrees by bearing (part of) the study and examination fees. In 2021, 14 employees obtained such a degree with support from the Bank, including two Bachelor and eight Master degrees as well as four specialist qualifications. As of 31 December 2021, 60 employees were still in such qualification programmes, with the Bachelor and Master programmes recording the highest demand (20 and 30 participants respectively).

### Age Structure<sup>1)</sup> in %

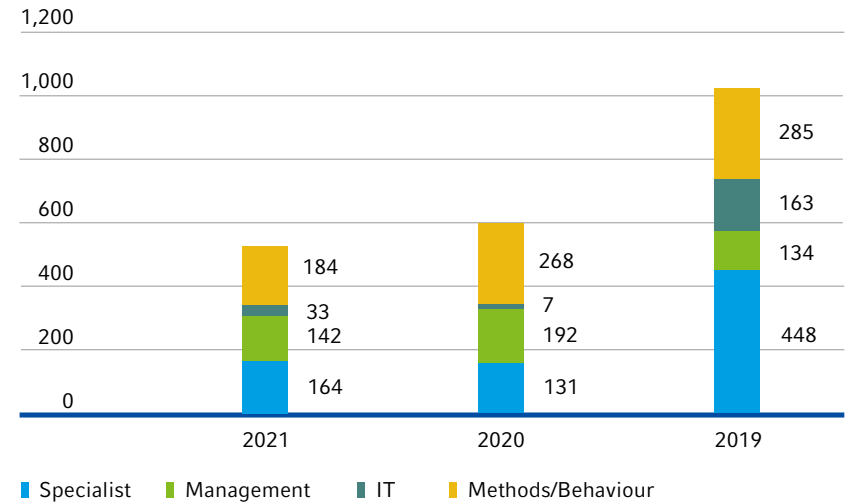


<sup>1)</sup> Excluding employees on parental leave as well as employees under temporary contracts

In addition, NRW.BANK offers its employees a comprehensive range of seminars for professional and personal growth. The Bank organises many of these seminars internally<sup>1)</sup>. Over time this form of training has proven to be a great success and has met with a very positive response from all employees due to the high quality of courses offered and how pertinent they are to the Bank’s needs and requirements.

A comprehensive catalogue of regular seminars covers a range of professional subjects both at basic and specialist level, aspects of methodological and behavioural competence as well as structured and multi-layered leadership skill acquisition. This catalogue has been developed and refined in recent years, with current professional subjects being added in response to actual demand on an ongoing basis.

### Internal Seminar Attendance by Topic



In 2021, NRW.BANK’s HR development activities were again influenced considerably and restricted in many cases by the effects of the Covid-19 pandemic. Furthermore, a large part of the internal training offerings were realigned during this period within the framework of an EU-wide tender. This has created the basis on which the Bank will be able to continue offering further training that is up-to-date in terms of both content and methodology also in the future. The availability of behavioural/methodological seminars, in particular, was temporarily restricted as a result and seminar attendance declined compared to the previous year. At the same time, with increasing adaptation to the Covid-19 pandemic, a stronger focus was

<sup>1)</sup> Internal seminars are all events organised exclusively for the Bank’s employees at NRW.BANK’s special request and whose contents and concepts closely meet the Bank’s specific requirements and needs; such seminars may be held by in-house or external trainers.



again placed on specialist and IT seminars. Moreover, various seminars could be adapted to digital formats and existing virtual offerings were further optimised. At the bottom line, internal seminar attendance was slightly lower than in the previous year. In the year under review, the internal catalogue of seminars comprised 32 different subjects, for which 65 seminars with a total of 523 participants were organised. About 40% of the seminar attendance in the reporting year related to internal seminars.

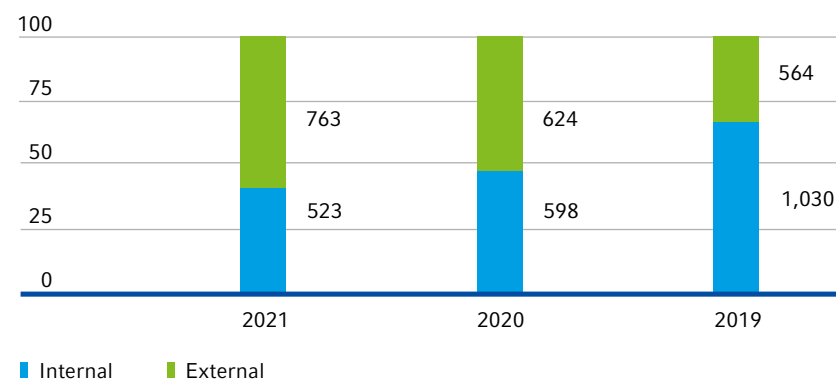
To train its executives, NRW.BANK offers them a multi-part systematic executive development programme, completion of which is mandatory. In addition to an entry module, there are two follow-up modules for more experienced executives. All modules comprise several days of training, which are spread over a longer period of time to enable participants to process developments and improve the transfer of learnings into practice. More than 60% of NRW.BANK’s executives have meanwhile completed the final module. In order to support an ongoing consideration and discussion of leadership issues, the Bank regularly offers workshops on related topics for this target group. The changed working conditions and new leadership realities against the backdrop of the cooperation experienced during the Covid-19 pandemic became the Bank’s topic in 2021. As in the previous workshops, the focus was on a joint reflection of the experiences made in this regard. With a view to the new challenges, the internal seminar “Leading at a Distance – Retrospective” presented the executives with a helpful tool. The offerings for executives are rounded off by supplementary measures enabling executives to handle special leadership situations.

Individualised seminars were offered also for other employee groups. Apart from the still popular workshop series for employees aged 50+, the “Strengths Seminar”, which focuses on the strengths of the individual and on positive attitudes, is also highly appreciated. A seminar for women gives inspirations and strategies for more efficient and less stressful handling of the dual roles typically still fulfilled by women, namely as members of the workforce on the one hand and as family managers on the other. Cross mentoring for women in management and junior management situations

is designed to further promote equal opportunities for women. The Bank additionally developed and launched a new digital seminar on stress management to strengthen the resilience and networking of employees under the ongoing stress of the pandemic.

2021 saw NRW.BANK place a special focus on the topic of cooperation. In this context, the Bank offered training series on agile and innovation-promoting working methods and on the topic of “Virtual Moderation and Discussion Management”. In addition to the extensive range of internal offerings, the employees of NRW.BANK may also take part in seminars organised by external providers. During the tendering process for internal training, it was possible to effectively meet selected training needs through external measures. The absolute number of external seminar participations increased slightly compared to the previous year. Over 80% of external seminar attendance related to specialist seminars. As the contents covered by these seminars are relevant for only a limited number of employees, it would have been uneconomical to organise them internally.

Ratio of Internal and External Seminar Attendance in %



## Equal Opportunities and Fair Working Conditions



For many years, NRW.BANK has pursued a policy of supporting the balance of work and family life and promoting equal opportunities. In 2015, this NRW.BANK policy received the “[berufundfamilie](#)” (job and family) certification. The second re-audit in 2021 confirmed that NRW.BANK may bear the certificate for another three years. Aspects that were regarded as particularly positive include the

self-management of working time, the individual and flexible part-time schemes and the possibility to assume management roles also when working reduced hours.

Also, employees very much appreciate the comprehensive child care support in the form of day care places, emergency and holiday care options and a child care subsidy. These offerings especially for children below school age assist young families in balancing work and family life.

Employees whose relatives are in need of care receive support in the form of advice and services for their care and support, especially through the implementation of an in-house care coach.

In its Equality Plan, NRW.BANK publishes measures to promote gender equality and to improve the work-life balance. As a new measure, a “Fathers Network” was set up in 2021 with support from an external consultant with a view to strengthening the role of fathers. This has been very well received and – together with the many other measures already established – had a positive impact on the gender equality indicators in 2021. In particular, employees made greater use of individual part-time arrangements and the flexibility provided in choosing the place of work. The foundation for mobile work was laid by the Bank already back in 2019. In addition, since 2020, NRW.BANK has temporarily extended the working hours to the maximum possible range of 6 am to 10 pm.

Based on the experience gained during the pandemic, the Bank updated its regulations on mobile work and concluded a new work agreement that will take effect in 2022. There are two types of mobile work at NRW.BANK:

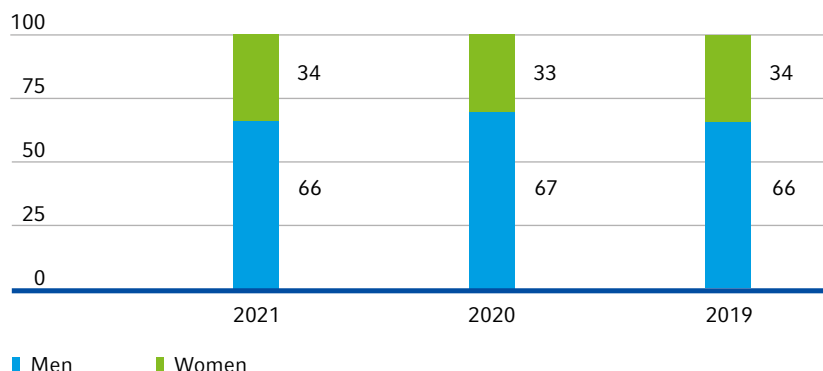
- Sporadic/occasional mobile work of up to 200 hours per year is possible after consultation with the superior.
- Regular mobile work is possible for 50% of the individual target working time and may be freely distributed over the calendar year. This requires prior consultation with the superior and the confirmation that the home workplace meets the applicable occupational health and safety requirements.

The upper limit was defined on the basis of numerous talks with employees, executives and the staff representatives as well as an employee survey conducted in early 2021. The future demands made on cooperation between employees and the different wishes regarding the extent of mobile work were discussed intensively. The new work agreement relies on a balanced solution in the form of a hybrid working scheme that combines individual flexibility with personal contacts in a familiar working environment.

The Bank’s employees continued to make strong use of the flexible options for reducing their working hours. Due to the Covid-19 pandemic, however, fewer employees took advantage of the possibility to reduce their annual working hours by taking additional leave or a sabbatical. As a result, the share of part-time employees declined slightly compared to the previous year to 35.9%. Women who work part-time worked 72.3% of the full working hours on average, which was essentially unchanged from the previous year, while men worked 86.4% on average, which was slightly below the prior year level. In the reporting year, the use of part-time work also declined among executives working part-time. As of 31 December 2021, 22.9% of the executives worked part-time.

The share of women in executive positions across all management levels including the Managing Board increased slightly from 33.1% to 33.9% as of 31 December 2021. The share of women in specialist roles not covered by collective bargaining agreements is much higher (36.6%). The Bank upgraded this category in 2020, so that the financial and personal development opportunities of specialists are now the same as for executives in comparable functions.

### Changes in the Share of Women and Men in Executive Positions in %



NRW.BANK's Equal Opportunities Officer is closely involved in the current activities aimed at improving the development opportunities for women. This applies in particular to social, organisational and personnel-related measures including job offers, selection processes and job interviews.



NRW.BANK's image as a top employer is rounded off by the "Top Career Opportunities for Women" award from Focus Money. This was the third year in a row that NRW.BANK won this seal. The "Working climate" and "Corporate culture" categories are each assessed with a weighting of 25% and "Equal opportunities" with a weighting of 50%.

To promote fair dealings with each other, prevent discrimination and harassment (on the basis of ethnic origin, gender, religion or belief, disability, age or sexual identity) and raise awareness of these issues among all employees, the Bank concluded the "Fairness at Work" convention already back in 2007. It defines measures as well as structures and processes for following up on incidents reported. The Complaints Office, which was established in accordance with the German General Act on Equal Treatment (AGG) when the work agreement came into force, is run by NRW.BANK's Equal Opportunities Officer. If employees experience discrimination or harassment despite the measures implemented by the Bank, they may contact the Complaints Office – also anonymously. As in the previous years, no incident was reported to the Complaints Office in 2021.

A fair and adequate remuneration system is one of the working conditions that have a notable impact on the satisfaction and the loyalty of the employees. Since its inception, NRW.BANK has, in consensus with its owner, focused its remuneration system and remuneration parameters on the promotional and development tasks performed by it. Accordingly, its remuneration strategy is derived from the Bank's overall strategy taking into account its statutes, corporate culture and values. For a detailed presentation of the remuneration strategy, please see the [Annual Report 2021](#).

In accordance with the requirements of the German Remuneration Transparency Act (Entgelttransparenzgesetz) the Bank prepares a “Report on Equal Opportunities and Equal Pay”, the first issue of which was published in the notes to the 2017 management report. In this report, the Bank describes the measures taken to promote equal opportunities for women and men in terms of the filling of vacant positions, personnel development and work-life balance and how structural inequalities in the remuneration policy are excluded. The latter is ensured, in particular, by means of a job appraisal that is exclusively based on the requirements of the respective position, i.e. irrespectively of the person. In doing so, the Bank bases its decisions regarding positions covered by collective agreements on the requirements of the “Manteltarifvertrag für das private Bankgewerbe und die öffentlichen Banken” (basic collective agreement for private sector and public-sector banks) and for positions not covered by collective agreements on external remuneration comparisons. Both the results of the previous enquiries and further internal analyses on this issue show that there is no structural unequal treatment in pay between women and men in comparable positions at NRW.BANK.



Based on ratings from former and current employees with regard to criteria such as satisfaction with the corporate culture, working atmosphere and salary, Focus Business and kununu have identified Germany’s thousand top employers with more than 500 employees in 29 sectors.

The thousand best employers from a total of 100,000 enterprises analysed won the title of “LEADING EMPLOYERS Germany”. In 2021, NRW.BANK ranked 54th and achieved a recommendation rate of 91%.



The Bank obtained a very high score in the “Employer qualities” category, where it ranks among the top 100 and even among the top 3 in a city and sector comparison.

## Maintaining Performance

### Occupational Safety and Health Management

Good working conditions and exemplary health and safety policies form part of NRW.BANK’s corporate responsibility. For many years, the Bank has implemented this in the context of its occupational health management system, which has been continuously expanded and adapted to its needs since 2006. Services range from a company doctor to a social worker offering confidential help to a variety of offerings revolving around such topics as preventive medicine, nutrition and sports.

For NRW.BANK, health means much more than just the absence of illness. Its health promotion activities therefore aim to encourage healthy behaviour and reduce avoidable strains in the workplace. Therefore, the focus is on the question “what keeps people healthy in the long term”?

The important thing is to identify stress factors at an early stage. For this purpose, NRW.BANK carries out a systematic hazard analysis in the context of which all employees are regularly asked about potentially hazardous circumstances and stress factors at work. The survey and the problem solution are managed digitally. Thanks to the collaboration between the responsible persons – especially the Occupational Safety Officer, the Occupational Medical Service, the staff council, the Social Officer, the HR managers, building management and the IT Department as well as the managers and executives – any strains identified by the survey are usually eliminated in an unbureaucratic way.

Basically, NRW.BANK has two working groups which are responsible for all health protection issues for the benefit of all employees:

- The Occupational Safety Committee advises the Bank on all matters of occupational safety as well as accident prevention. Its members comprise representatives of the Bank, the staff council, the Occupational Medical Service, the representatives of the severely disabled, a Safety Officer and the Occupational Safety Officer.
- The Health Working Circle further develops NRW.BANK’s health management and decides concrete measures. In addition to the human resources staff responsible for health management, the regular meetings are attended by the Occupational Medical Service, the social counsellor, the Occupational Safety Officer, the representatives of the severely disabled as well as a representative of the staff council. To ensure that the services provided by the staff restaurant can also be reasonably integrated, the catering services unit is also invited to the Health Working Circle depending on the occasion.

NRW.BANK’s Health Management unit is also represented in the “Covid-19 Crisis Team” launched in February 2020. Due to the Covid-19-related restrictions, the Bank was unable to implement health promotion measures as originally planned. Instead, such measures were guided by the requirements resulting from the Covid-19 pandemic and were initially aimed at protecting employees against infection. As a result, however, various measures were taken to avoid potential problems that may arise from the protective measures. The executives, for instance, were trained in “leading from a distance” in addition to the existing seminars. The Bank implemented offers for an “active lunch break” and the Social Officer provides active advice on issues of isolation, excessive demands and other risks related to working from home. In 2021, the focus was on NRW.BANK’s Covid-19 vaccination campaigns.

The Bank’s diverse health management offerings, which are usually free, are available to all employees. All internal health promotion measures have been pooled on a central, digital health platform. Besides comprehensive information, the platform offers employees the opportunity to easily and flexibly book external health and fitness courses. NRW.BANK subsidises the participation in certified prevention programmes with up to € 150 per employee per year; in 2021, the Bank increased the cost sharing for such programmes to 75%. Clearly more than 80% of the employees have registered on this platform to take advantage of the opportunity to find information about health topics including nutrition or to book courses. Due to the Covid-19 pandemic, the provider has also switched to mostly online courses.

In 2021, NRW.BANK’s Equal Opportunities Officer again organised “MOVEMBER” – the Men’s Health Month – which included digital presentations, texts and stimulating impulses on the topics of nutrition, mental stability and exercise.

As a bicycle-friendly company, NRW.BANK offers its employees the perfect infrastructure for cycling to and from work. To promote this activity and the physical well-being resulting from it, NRW.BANK offers its employees the opportunity to lease a bicycle by providing financial support for the payment of the monthly lease instalment.

The health management programme also includes regular, mandatory online fire safety training for all employees as well as recurring training for the Bank's 130 first-aiders.

Under the motto "Wir für andere" (We are there for others), employees of NRW.BANK also make health-related contributions to society, e.g. as part of the annual blood donation campaign organised in cooperation with the German Red Cross at both Bank locations, in which a large number of employees participate every year. Due to the restrictions imposed to fight the Covid-19 pandemic, however, this campaign could not take place in 2021. In cooperation with the Bone Marrow Donation Centre in Düsseldorf, NRW.BANK gives its employees the constant opportunity to have their bone marrow typed by the company doctor. Since 2019, the Bank has offered all employees a short training course to refresh their first-aid skills in cooperation with Die Johanniter. In 2021, training courses were again offered on several dates at the Bank's locations in Düsseldorf and Münster. All current occupational health and safety measures as well as NRW.BANK's future plans are detailed in the annual health report, which is published on the Bank's intranet.

Preventive check-ups, no matter how expertly planned and performed, cannot entirely prevent illnesses. NRW.BANK's post-illness reintegration management system – an offering aimed at defining individualised measures matched to the working environment through personal talks with employees affected by illness – helps employees restart work after long illness and stabilise their health in the long term. The Bank is very much aware of the sensitive personal issues touched by this process and attaches the utmost importance to respecting the discretionary decision of the people affected to accept or reject this option as well as to ensuring absolute confidentiality and data protection.

### Flexible Annual Working Hours

NRW.BANK offers its employees very flexible arrangements to reduce their regular working hours. In addition, the Bank provides two more possibilities that allow employees to increase the flexibility of their annual working hours:

- Since 2013, NRW.BANK has offered its employees the option to take up to three months of unpaid leave of absence in addition to the paid vacations. As the possibilities for travel were restricted by the Covid-19 pandemic, interest in this option declined noticeably, with only three employees taking additional time off in 2021.
- Demand for an additional five or ten days of leave was also lower in 2021 due to the Covid-19-related travel restrictions. 190 employees took advantage of this possibility.

### Flexible Working Lifetime

Especially against the background of the age structure and the expected retirement of a large number of specialists in the coming years, NRW.BANK developed a regulation governing the old-age part-time work scheme in 2018. This has several advantages for both the Bank and its workforce: NRW.BANK will have a better possibility to control and manage critical age-related staff departures as well as the necessary know-how transfer. Successor planning will be possible over a longer-term period, allowing the Bank to offer specific development opportunities to qualified junior staff at an earlier stage. Old-age part-time work also caters to employees' wish for a flexible transition into retirement. At the end of the third year after the launch, 30 employees were working old-age part-time, seven of whom had already entered the passive phase. In addition, a further 15 applications for the start of old-age part-time work in the following year were submitted and approved in 2021.

## NRW.BANK Personnel Figures as of 31 December 2021

|   | 2021     |      | 2020     |      | 2019     |      |
|---|----------|------|----------|------|----------|------|
|   | absolute | in % | absolute | in % | absolute | in % |
| <b>Active employees, total<sup>1)</sup></b> | 1,442    | 100  | 1,421    | 100  | 1,392    | 100  |
| By sex                                      |          |      |          |      |          |      |
| – women                                     | 730      | 50.6 | 722      | 50.8 | 723      | 51.9 |
| – men                                       | 712      | 49.4 | 699      | 49.2 | 669      | 48.1 |
| By company location                         |          |      |          |      |          |      |
| – Düsseldorf                                | 1,016    | 70.5 | 993      | 69.9 | 977      | 70.2 |
| – Münster                                   | 426      | 29.5 | 428      | 30.1 | 414      | 29.7 |
| By type of employment                       |          |      |          |      |          |      |
| – full time                                 | 925      | 64.1 | 863      | 60.7 | 863      | 62.0 |
| – part time                                 | 517      | 35.9 | 558      | 39.3 | 529      | 38.0 |
| By function group                           |          |      |          |      |          |      |
| – management (incl. Managing Board)         | 236      | 17.0 | 248      | 17.8 | 255      | 18.3 |
| – specialists/project workers               | 755      | 54.2 | 719      | 51.7 | 626      | 45.0 |
| – case workers                              | 353      | 25.4 | 351      | 25.2 | 411      | 29.5 |
| – secretaries                               | 46       | 3.3  | 47       | 3.4  | 46       | 3.3  |
| – non-commercial functions                  | 46       | 3.3  | 50       | 3.6  | 48       | 3.4  |
| – special functions <sup>2)</sup>           | 6        | 0.4  | 6        | 0.4  | 6        | 0.4  |
| By remuneration                             |          |      |          |      |          |      |
| – collective pay                            | 863      | 59.8 | 855      | 60.2 | 850      | 61.1 |
| – non-collective pay                        | 579      | 40.2 | 566      | 39.8 | 542      | 38.9 |

<sup>1)</sup> Excluding employees on leave according to BEEG and LGG, excluding apprentices/trainees as well as employees under temporary contracts

<sup>2)</sup> Staff council members released from their duties

|   | 2021     |      | 2020     |      | 2019     |      |
|---|----------|------|----------|------|----------|------|
|   | absolute | in % | absolute | in % | absolute | in % |
| Total average age (in years)            | 46.1     |      | 45.9     |      | 45.7     |      |
| Average period of employment (in years) | 16.5     |      | 16.5     |      | 16.6     |      |
| Total departures                        | 46       | 3.2  | 55       | 3.9  | 51       | 3.7  |
| – due to termination                    | 12       | 0.8  | 25       | 1.8  | 26       | 1.9  |
| – due to age                            | 34       | 2.4  | 30       | 2.1  | 25       | 1.8  |
| Additionally: temporary employees       | 62       |      | 57       |      | 40       |      |
| Additionally: apprentices and trainees  |          |      |          |      |          |      |
| – trainees                              | 2        |      | 3        |      | 1        |      |
| – apprentices                           | 42       |      | 49       |      | 51       |      |
| – thereof new apprenticeships           | 9        |      | 14       |      | 14       |      |
| – completed apprenticeships             | 14       |      | 16       |      | 12       |      |
| – hiring rate (permanent)               |          | 86   |          | 81   |          | 75   |





## Showing Commitment to Society

# Corporate Citizenship

NRW.BANK is aware of its social responsibility. Every year, it supports projects from the fields of “Science & Education”, “Arts & Culture” as well as “Society & Social Affairs” that contribute to society and the quality of life in North Rhine-Westphalia.

# Acting Responsibly

NRW.BANK also lives up to its corporate responsibility through its contributions to public and community life in North Rhine-Westphalia. Suitable measures are supported in accordance with the Bank's "[Guidelines for Corporate Citizenship and Other Services](#)" (in German) adopted by the Supervisory Board. The Bank is committed to making its decisions on grants and sponsorships transparent and comprehensible.

The Bank has established a fixed internal process for the allocation of funds. It documents requests for project support in a central place, votes on them according to uniform assessment criteria and submits them to the Managing Board for decision on a quarterly basis.

An essential prerequisite is that the funds granted are used to finance projects in North Rhine-Westphalia.

The Executive and Nomination Committee is the supreme control body for the allocation of the corporate citizenship funds. Before the beginning of each fiscal year, NRW.BANK submits a budget for all activities under the Corporate Citizenship Programme to the Committee for approval and outlines the projects planned up to that point. After the end of each fiscal year, NRW.BANK reports in detail to the Executive and Nomination Committee on the use of the corporate citizenship funds.

As part of its commitment to society and under its remit as a promotional bank, NRW.BANK endeavours to shape a subsidiarity-based and project-related collaboration with its partners. In this context, the Bank strives to ensure the social and regional balance of its activities in North Rhine-Westphalia. The corporate citizenship budget is divided into the following three categories: "Science & Education", "Arts & Culture" and "Society & Social Affairs".

Just like in the previous year, the Bank supported projects in the area of "sustainability and environmental protection" as well as institutions committed to children's rights and inclusive living in 2021. The Bank donated over 46% of the total budget to socially sustainable projects and close to 10% to environmental projects. Compared to the previous year, it supported more projects in the cultural area in 2021, especially in the context of the Covid-19 pandemic. In addition, the Bank donated € 100 thousand to the "NRW hilft!" alliance after the heavy rainfalls in July 2021. Accordingly, the promotional funds in the field "Science & Education" changed to € 453 thousand (previous year: € 458 thousand) and in the field "Society & Social Affairs" to € 425 thousand (previous year: € 446 thousand); in the field "Arts & Culture", they rose to € 351 thousand (previous year: € 325 thousand).

The Bank thus committed a total of approx. € 1.2 million (previous year: € 1.2 million) in the form of donations, sponsorships and memberships in 2021. The distribution of the budget varied only slightly compared to the previous year: 36.9% for "Science & Education" (previous year: 37.3%), 28.5% for "Arts & Culture" (previous year: 26.4%) and 34.6% for "Society & Social Affairs" (previous year: 36.3%). Some of these projects are presented below.

## Science & Education

The Bank's concept of corporate citizenship calls for the promotion of creativity and ideas as well as education-related topics for a young target group. The Bank consequently focused on sponsorships related to education in 2021 and supported several projects from the field of "Science & Education". The most important promotional projects, apart from cooperation with universities, were:

### EDUCATION Y Bildung. Gemeinsam. Gestalten. e.V., Düsseldorf

Since 2015, NRW.BANK has supported the state programme of the NRW Ministry for School and Education developed by [EDUCATION Y](#) in cooperation with UNICEF on “primary school children’s rights”. Teachers and educational staff are trained in implementing the participatory idea of the UN Convention on the Rights of the Child in schools using suitable formats such as the installation of class councils. The idea is to offer school children effective development opportunities, to allow them to assume responsibility by helping to shape their own learning process and to give them protection.

### Eine Welt Netz NRW

The donation for the digitalisation project contributes to the topics of ESG, SDGs, social sustainability and digitalisation. Funding is made available in cooperation with “Stiftung Umwelt und Entwicklung Nordrhein-Westfalen” and “Engagement Global gGmbH” (on behalf of the Federal Development Ministry). The association aims to reach the development policy makers in North Rhine-Westphalia who actively help to shape the digital space and thus make important contributions to achieving the 2030 Agenda.

### Arts & Culture

In 2021, NRW.BANK’s sponsoring activities in the field “Arts & Culture” again focused on the promotion of young talent.

### NRW.BANK.Kunstpreis

In accordance with its arts policy, NRW.BANK has sponsored up-and-coming artists since 2010. Since 2017, the Bank has awarded an annual art award at all state art schools in North Rhine-Westphalia.

The principals of the participating colleges and universities nominate students or graduates who graduated no more than two years ago for the categories “Painting & Graphic Design”, “Photography & Media Design”, “Sculpture & Installation” and “Performance”. The winners of the art award are chosen by a jury of renowned regional arts experts. Due to the

Covid-19 pandemic, the art award was organised digitally in 2021. The competition entries were shown on the [website](#), where the prize ceremony including the welcome address by the patron, Minister Isabel Pfeiffer-Poensgen, was also presented in video format. In 2021, the Bank again awarded prize money in the total amount of € 33 thousand.

### Lit.COLOGNE, Cologne

Besides the 2021 sponsorship, an additional donation was made by NRW.BANK in the reporting year to help realise the children and youth programme.

### Society & Social Affairs

NRW.BANK attaches special importance to promoting responsible behaviour in socially relevant areas.

In 2021, the promotional activities had two focal points, i.e. environmental sustainability and social sustainability.

### Eine Welt Mobil in Münster

Beyond the planned 10-year funding period, NRW.BANK again supported the “Eine Welt Mobil” project in Münster last year, which teaches school-children and kindergarten children how to act in a responsible and social manner. Additionally, in 2020 and 2021, the Bank funded a study and the creation of a database to evaluate evidence on “Eine Welt” (One World) activities for North Rhine-Westphalia.

### Umbrella Organisation of the Biologische Stationen NRW

With its donation, the Bank supported the 40 Biological Stations in North Rhine-Westphalia to implement small-scale nature conservation measures – especially for still waters, water-independent amphibians and insects.

### Employee Commitment/Christmas Activity

Since 2017, NRW.BANK has made available a total annual amount of € 20 thousand to support the honorary work of its employees in charitable organisations. In 2021, the Bank donated € 4 thousand each to:

- **Verein zur Förderung des Feuerschutzes und der Jugendfeuerwehr in Neuss e.V.**, to enable young people to transform a brownfield site at the fire station in an ecologically sustainable way
- **Ruderverein Münster von 1882 e.V.**, which supports people with disabilities and makes the club motto “Inclusion through sport” a hands-on experience
- **Rudolf-Steiner-Schule / Waldorfschulverein Wuppertal e.V.** for the carbon-neutral conversion of the school
- **TSV Bayer Dormagen e.V.** for the digital optimisation of youth training in times of the Covid-19 pandemic
- **Wassersportverein Niederrhein e.V.** for the inclusive training of children with and without handicap

Besides the measures described above, which merely serve as examples, NRW.BANK supported many other projects in the fields of “Science & Education”, “Arts & Culture” as well as “Society & Social Affairs” in 2021.

In accordance with the “Guidelines for Corporate Citizenship and Other Services” set by the Supervisory Board, NRW.BANK made neither direct nor indirect donations to political parties or party-related foundations in the reporting year. Moreover, the Bank places no advertisements in their publications.

## NRW.BANK

### Düsseldorf

Kavalleriestraße 22  
40213 Düsseldorf  
Phone +49 211 91741-0  
Fax +49 211 91741-1800

Investor Relations  
Phone +49 211 91741-5555  
investorrelations@nrwbank.de

### Sustainability

Phone +49 211 91741-8081  
nachhaltigkeit@nrwbank.de

### Münster

Friedrichstraße 1  
48145 Münster  
Phone +49 251 91741-0  
Fax +49 251 91741-2921

www.nrwbank.de  
info@nrwbank.de



twitter.com/nrwbank

### Responsible (under press law)

Caroline Gesatzki,  
Head of Communications NRW.BANK

### Concept, Design

vEGK Werbeagentur GmbH & Co. KG,  
Essen

### Photo Credits

Cover/back cover: fotografiecor/stock.adobe.com;  
p. 2 and 11 weerachaipphoto/stock.adobe.com;  
p. 2 and 26 zapp2photo/stock.adobe.com;  
p. 2 and 33 Uwe Lütjohann/stock.adobe.com;  
p. 2 and 65 Maria Sbytova/stock.adobe.com;  
p. 2 and 75 Jacob Lund/stock.adobe.com;  
p. 2 and 88 zinkevych/stock.adobe.com;  
p. 3 NRW.BANK/Svenja Klein;  
p. 49 Burkard Krüger, Martin Büttner;  
p. 50 Andreas Fritsche, Essen;  
p. 50 Jochen Tack/Alamy Stock Photo;  
p. 51 RVK/Cologne;  
p. 52 NRW.BANK/Lokomotiv;  
p. 59 LVR-Medienzentrum, Essen;  
p. 60 Booz family, Essen



**NRW.BANK**  
Promoting Ideas