

Sustainability Report 2019

We Promote Sustainability



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This is an unofficial translation of the Nachhaltigkeitsbericht 2019 (German Sustainability Report 2019) and is provided for convenience purposes only. In the event of any ambiguity, the German text will prevail.



Foreword by the Managing Board



Dear Readers,

If we want future generations to enjoy the same standard of living we are enjoying today as well as an environment worth living in, we must protect both the climate and the environment. For this reason, and out of our own conviction, we support and assist companies and municipalities in improving the economic, environmental and social living conditions in North Rhine-Westphalia in our capacity as the promotional bank for NRW. We have been fully committed to this important task for many years. Based on our holistic understanding of sustainability, we also follow the ten recognised principles of the UN Global Compact.

We are happy to provide information on the sustainable orientation of our Bank. The contents of our report for 2019 are based on the requirements of the German Sustainability Code and on EU Directive 2014/95/EU.

Our banking operations are entirely climate-neutral. Unavoidable emissions are compensated by the use of certificates. Our sustainability guidelines are implemented in NRW.BANK's set of rules and regulations and are refined on an ongoing basis. These rules and regulations set out in detail what we do to ensure that we operate sustainably as a promotional bank, taking into account economic, environmental, social and ethical aspects, now and in the future. This includes, for example, our dealings with customers, but also the increasingly strong concentration of our promotional business on sustainable enterprises and enterprises that are embarking on the transformative path towards greater sustainability. This way, we are advancing and shaping the transformation to a sustainable economy.

Our corporate culture is characterised by forward-looking and sustainable cooperation. This includes further training opportunities as well as career prospects within NRW.BANK. Our dealings with each other are based on mutual respect. Independent studies confirm that we are among the best employers in Germany, e.g. the "LEADING EMPLOYERS Germany 2019" award. A survey on the best German companies offering vocational training commissioned by the Focus Money magazine shows that we create the best professional conditions for our trainees with a view to securing the next generation of skilled labour. Finally, the occupational compensation fund for North Rhine-Westphalia has confirmed the excellent quality of our occupational and health protection measures.

We promote what moves NRW – by providing the right promotional products and advisory services. In 2019, our sustainably oriented business model again achieved a strong result. As in the previous year, the volume of new commitments amounted to € 10.3 billion. We place a special focus on our Green Bonds, which offer investors the opportunity to deploy their capital in ecological and sustainable investments. In 2019, we placed our 7th and 8th Green Bond, each with a volume of € 500 million, to refinance climate and environmental protection projects in North Rhine-Westphalia. Over their ten-year term, all projects will save a total of around 2.6 million tonnes of CO₂ equivalents, according to estimates by the Wuppertal Institute.

The following pages of our Sustainability Report will give you a detailed idea of what we do to improve the lives of future generations in economic, environmental and social terms. We wish you informative reading and are happy to introduce you to the aspects of our sustainable activities as a promotional bank.

The Managing Board of NRW.BANK



Eckhard Forst
Chairman of the
Managing Board



Gabriela Pantring
Member of the
Managing Board



Michael Stölting
Member of the
Managing Board



Dietrich Suhlrie
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 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.

The Bank 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 fifth 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	2019	2018	2017	Unit
Financial performance indicators				
Total assets	149,235	149,083	147,584	€ millions
Equity capital pursuant to the German Commercial Code (HGB)	17,984	17,984	17,983	€ millions
Net interest and net commission income ¹⁾	737	698	722	€ millions
Administrative expenses	263	249	219	€ millions
Operating result	195	196	395	€ millions
Common Equity Tier 1 (CET1) capital ratio	43.52	41.56	41.34	%
Leverage ratio ²⁾	11.08	11.15	11.37	%
Liquidity coverage ratio	> 100	> 100	> 100	%
NRW.BANK.Green Bonds (new issues)				
Volume	1,000	500	500	€ millions
Maturity	10	10	10	years
Focus	Energy	Energy	Energy	
Second party opinion	ISS ESG	oekom research	oekom research	
Capture of CO ₂ equivalents per year	260	614	804	t/€ m
Promotional fields (new commitments)				
Economy	2,737	3,592	3,667	€ millions
Housing	2,624	2,215	2,609	€ millions
Infrastructure/Municipalities	4,930	4,487	5,359	€ millions

Sustainability Balance

Social Performance Indicators	2019	2018	2017	Unit
Employee structure				
Number of permanent employees	1,392	1,365	1,319	employees
Share of women of total workforce	51.9	51.9	52.2	%
Share of women in management positions	34.1	32.9	31.1	%
Share of part-time employees in total workforce	38.0	33.5	32.6	%
Turnover ratio	3.7	2.9	3.9	%
Average period of employment	16.6	16.6	16.3	years
Average age	45.7	45.4	45.0	years
Additionally: temporary employees	40	36	33	employees
Additionally: apprentices/trainees	52	49	47	employees
Vocational and further training				
Participation in internal seminars	1,030	753	1,121	employees
Participation in external seminars	564	524	404	employees
In-house trainers	209	202	192	employees
Balance of work and family life				
Part-time employees	529	457	430	employees
Executives working part-time	69	47	42	employees
Employees on leave according to BEEG and LGG ³⁾	40	35	41	employees
Corporate citizenship				
Total	0.8	0.8	0.8	€ millions
Science & Education	46	48	45	%
Society & Social Affairs	19	14	16	%
Arts & Culture	35	38	39	%

Sustainability Balance

Environmental Performance Indicators	2019	2018	2017	Unit
Greenhouse gas emissions⁴⁾				
Total emissions	2,009	1,861	1,902	t CO ₂ e
thereof direct emissions (Scope 1 ⁵⁾)	521	423	442	t CO ₂ e
thereof indirect emissions (Scope 2 ⁵⁾)	501	459	489	t CO ₂ e
thereof indirect emissions (Scope 3 ⁵⁾)	987	979	971	t CO ₂ e
Emissions per employee	1.36	1.28	1.33	t CO ₂ e
thereof offset ⁶⁾	100	100	100	%
Building energy				
Total electricity consumption	6,105,858	5,918,385	5,678,066	kWh
thereof from green electricity	100	100	100	%
Electricity consumption per employee	4,128	4,075	3,977	kWh
Total heating energy	5,525,128	5,060,700	5,386,870	kWh
Heating energy per employee	3,735	3,484	3,773	kWh
Business travel				
Total kilometres travelled	4,984,679	4,736,230	4,620,434	km
Kilometres travelled per employee	3,370	3,261	3,236	km
Paper				
Total paper consumption ⁷⁾	30,096	34,437	38,389	kg
Paper consumption per employee ⁷⁾	20.3	23.7	26.9	kg
Recycled paper ratio ⁸⁾	71.5	72.3	61.2	%
Waste				
Total ⁹⁾	139.8	125.8	125.0	t
Recycling ratio	73.4	69.7	72.6	%
Waste per employee	95	87	88	kg
Full-time equivalents				
For the calculation per employee	1,479	1,452	1,428	employees

Sustainability Balance

Sustainability Ratings

	ISS ESG	imug	MSCI ESG
	Prime (C)	positive (BB)	AA

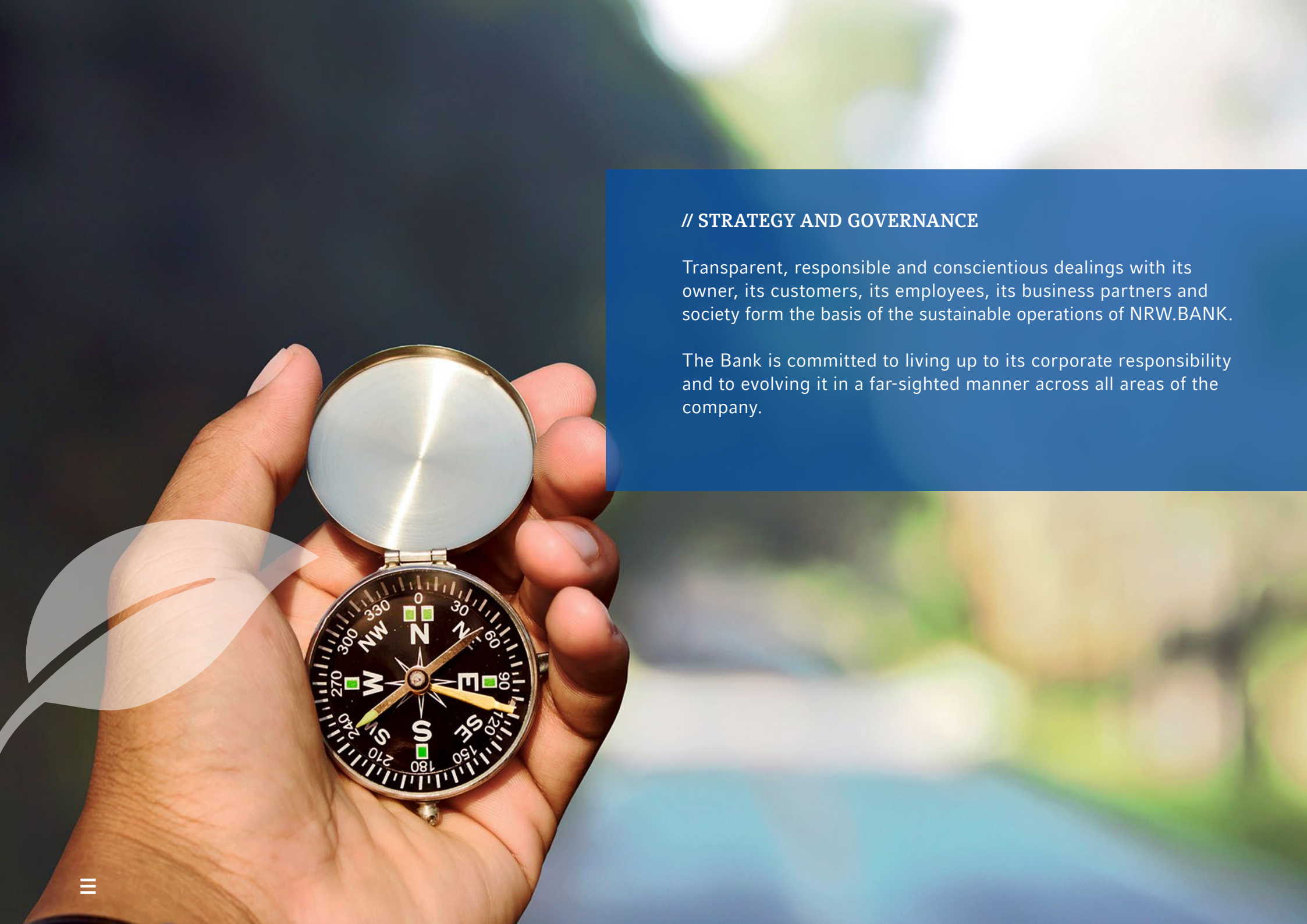
Credit Ratings (long-term)

	2019	2018	2017
Fitch Ratings	AAA s	AAA s	AAA s
Moody's	Aa1 s	Aa1 s	Aa1 s
Standard & Poor's	AA s	AA- p	AA- p

As at 30 April 2020

- ¹⁾ As of fiscal 2016, interest effects from provisions not related to the banking business (mainly provisions for pensions and provisions for additional benefits) are no longer recognised in net interest income but in other operating income. The prior year figures were adjusted accordingly.
- ²⁾ Pursuant to Disclosure Report
- ³⁾ As of 31 December. Does not include employees who work part-time during parental leave. They are shown under "Part-time employees".
- ⁴⁾ The conversion factors correspond to the 2018 VfU update version 1.3. The figures for 2017 have been recalculated accordingly.
- ⁵⁾ 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 – 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.
- ⁶⁾ NRW.BANK offsets its CO₂ emissions by using certificates from global wind park projects.
- ⁷⁾ Office paper, excl. printed matter, envelopes and marketing materials
- ⁸⁾ In percent of total paper consumption
- ⁹⁾ Only office waste, excl. kitchen and other waste

Abbreviations: CO₂e: carbon dioxide equivalents; kg: kilogramme; km: kilometre; kWh: kilowatt hour; m: million; t: tonnes



// 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.

Living Corporate Responsibility

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".¹⁾ 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 ethical aspects of sustainability as being inextricably linked. 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, illegal gambling, controversial business activities relating to the environment, nature and animals).

¹⁾ Source: Brundtland Report, 1987

An updated version of the Sustainability Guidelines came into force on 1 April 2020. A new aspect is the stronger concentration of our promotional business on sustainable enterprises and enterprises that are embarking on the transformative path towards greater sustainability. Against this background, the specifications for the promotional business have been further developed. Their scope of application now also comprises all commercial programmes according to the house bank principle.

Sustainability Objectives

The promotional strategy is at the core of the overall strategy and describes fundamental objectives and measures 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 trusting communication in close coordination with the competent state ministries.

In pursuing the objectives derived from NRW.BANK's overall strategy, the Bank is guided by the following overall principle: "The Bank's activities are geared towards sustainability. The details are outlined in the Sustainability Guidelines of NRW.BANK." Considering the latter and based on the Sustainability Guidelines of NRW.BANK, 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 2019–2022

Save for one exception, NRW.BANK was able to achieve the objectives and measures planned for 2019.

A. Living Corporate Responsibility			
Sustainability objective	Activity	Period	Status
Intensify the dialogue with the stakeholders that are relevant for sustainability	Engage in a regular and open exchange within the context of a continuously evolving stakeholder dialogue	Ongoing	✓
	Employee survey on sustainability – Review the possibility to include employee proposals in the objectives development process	Ongoing	✓
Further expansion of sustainability communications	Expand sustainability-related topics on the Internet	Ongoing	✓
	Expand sustainability-related topics on the intranet	2019	✓
	Examine signing of the UN-PRI	2019	✓
	Sign the declaration of compliance with the German Sustainability Code (Deutscher Nachhaltigkeitskodex – DNK) for the preparation of the Sustainability Report	2020	2020
Further development of sustainability-related topics within NRW.BANK	Further develop the NRW.BANK's Sustainability Guidelines	Ongoing	✓
	Regular exchange on sustainability-related topics with other market players (at conferences, forums, bilateral meetings)	Ongoing	✓
	Support the EU Sustainable Finance Action Plan	2019	✓

B. Shaping Sustainable Promotion for Customers			
Sustainability objective	Activity	Period	Status
Strengthen and expand sustainable promotional products	Consistently consider sustainability aspects as part of the development of promotional products	Ongoing	✓
	Intensify sustainability-related advisory services for customers	2019	✓
	Develop an adequate offering regarding the cross-sectional theme "Energy/Environmental Protection"	2019	✓
	Improve the future viability of social infrastructure and municipal finance	2019	✓
	Create more affordable housing through the promotional field "Housing"	2019	✓

C. Further Development of Sustainable Capital Market Business			
Sustainability objective	Activity	Period	Status
Strengthen and expand the sustainable capital market business	Annual issuance of a Green Bond	Ongoing	✓
	Increase the Green Bond portfolio to € 300 million by 2020 (previously: € 200 million by 2020)	2020	2020

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	✓
	Continue revising and offering the „Grundsätze für die Zusammenarbeit, Kommunikation und Führung“ (principles for cooperation, communication and leadership at NRW.BANK) workshops for long-serving executives	2019	✓
	Improve the working conditions for people with disabilities / Further anchoring of inclusion	2019	in 2020 ¹⁾
	Requirement-oriented further development of an introductory presentation on NRW.BANK's sustainability policy for new employees and trainees/apprentices	2019	✓
	Strengthen/expand the active feedback culture	2019	✓
	Intensify contacts with people on leave in preparation of their return	2020	2020
	First Aid refresher courses	2022	✓
	Optimise NRW.BANK's internal further training offerings	Ongoing	✓
	Control the ongoing implementation of measures from the Equal Treatment Plan 2019-X	2019	✓
Expand the possibility to achieve a better balance of work and family life	Continue the flexible working time schemes	Ongoing	✓
	Participate in "audit berufundfamilie" (job and family audit)	Ongoing	✓
	Evaluate and possibly continue/adjust mobile working possibilities	2019	✓
Further development of health management offerings	Continuation and target-oriented further development of annual activities relating to diet, exercise, relaxation and prevention	Ongoing	✓
	Regular health check-ups by the company doctor	Ongoing	✓
	Offer more activities aimed at health promotion	2019	✓
	Establish a digital health platform for employees	2019	✓
	Optimise the ongoing health promotion offerings by considering employees' interests and the latest medical findings	2020	2020

¹⁾ The aim was to update the inclusion agreement in 2019. The final draft of the inclusion agreement is currently under final discussion and the first implementations are already taking place. It will be signed in the course of the year.

E. Protecting the Climate and the Environment

Sustainability objective	Activity	Period	Status
Optimise the company's consumption/save resources	Increase the share of recycled paper	Ongoing	Constantly high level ¹⁾
	Increase the digitisation of processes (authorisations, applications)	Ongoing	✓
	Raise awareness for the use of resources	Ongoing	✓
	Refrain from printing the Annual Report; make it available in a digital format	2019	✓
	Change the payslip to a digital format	2019	✓
	Introduce a fully digital applicant management	2019	✓
Further development of sustainable procurement	Review the possibility to introduce reusable coffee mugs in the Förderbar/Tresor bistros	2019	✓
	Increase the use of sustainable consumables	Ongoing	✓
	Adopt and further develop sustainability aspects in the standard contracts	Ongoing	✓
	Review the possibility to serve "fairtrade"/organic coffee at conferences in the Förderbar/Tresor bistros	2019	✓
Strengthen environmentally-friendly mobility	Certification as "bicycle-friendly company"	Ongoing	✓
	Provide e-car charging stations for employees	2019	✓

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	✓
	Repeat typing campaign in cooperation with the Bone Marrow Donation Centre in Düsseldorf	Ongoing	✓
	Promote young up-and-coming artists	Ongoing	✓

¹⁾ The share of recycled paper in NRW.BANK's total consumption has shown a very positive trend over the past years (2017: 61.2% / 2018: 72.3%) and stabilised at 71.5% (-0.8%) in 2019. Despite the consolidation of the ratio, total paper consumption declined noticeably by 4.3 t compared to 2018 (to 30.1 t), mainly because of the digitisation of processes.

The [objectives and activities of NRW.BANK for the years 2020-2023](#) 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 departments. As part of a central coordination function, the Strategy and Research Department ensures that the necessary framework conditions and regulations are in place and transfers current market developments into the Bank. Reflecting the universal responsibility approach, important sustainability aspects are discussed by the management circle, which is composed of the Managing Board of NRW.BANK and the heads of all business units. It monitors, in particular, the implementation of the objectives as well as the discussion and definition of the further development of the Sustainability Guidelines, also taking input from major stakeholders into account. The participation of all business units in this established control process ensures that the different points of view are considered.

Stakeholder Dialogue

In the context of the preparation of the Sustainability Guidelines, NRW.BANK decided to expand the regular exchange with its stakeholders. The consideration of external input is considered a key aspect in the further development of the sustainability issue. In the stakeholder dialogue of 2019, current developments in the field of sustainability were intensively discussed with relevant stakeholders. At the Bank's Strategy Conference,

the main input from this dialogue was discussed and assessed from a feasibility and efficiency perspective. 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 activities of NRW.BANK.

Sustainability Communications

The Annual Financial Report and the Non-financial Report are important communication tools used by NRW.BANK to supply its stakeholders with transparent information about its corporate responsibility. The present Sustainability Report and the restructured [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 Bank's statutes (section 5, para. 1) and in the Act on NRW.BANK (section 3, 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) 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 Money Laundering and Operational Risk Officers 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. They assist the Managing Board in all compliance-related matters and regularly report to the latter.

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.

Both locations of NRW.BANK have the same risk profile with regard to the above-mentioned risks.

Data Protection

To ensure that data are handled responsibly and confidentially in the context of its business activity, NRW.BANK has regulated all activities in the area of data protection and banking secrecy in a set of written policies and instructions.

The Bank meets its statutory training obligations relating to data protection and information security towards its staff.

Corruption Prevention

Besides its regulations on compliance, anti money laundering and data protection, NRW.BANK's set of written policies and instructions also include general instructions and regulations relating to other criminal acts as defined in section 25h of the Banking Act (KWG). These are addressed at all employees of the Bank and 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 money laundering and other criminal acts. Charges are filed by the Legal unit only in consultation with the central function.

There was no evidence of infringements or reports of suspicious behaviour at NRW.BANK in the reporting year, nor were any fines or non-monetary penalties imposed on NRW.BANK.

Sustainable Procurement

NRW.BANK is committed to the economic, economical, efficient and sustainable procurement of goods as well as construction 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 also for orders that do not exceed the EU thresholds for tenders as of an amount of € 25,000.

In this context, sustainability is always a central guiding principle and a key criterion for NRW.BANK's decisions on business policy. As part of its business activities and when awarding contracts, the Bank considers eco-

nomie, 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
- with 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 NRW.BANK's participation in 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 workshops for disabled 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 Financial 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 target groups. 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 (LPVG NRW). In 2019, the staff council again monitored compliance with applicable laws, regulations, collective bargaining agreements as well as labour agreements and informed the employees of both head offices at the annual staff assembly.

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:

- [Diversity Charter](#)
- [Green Bond Principles](#)
- [Social Bond Principles](#)
- [ICMA Sustainability Bond Guidelines](#)
- [UNEP Finance Initiative](#)
- [United Nations Global Compact](#)
- [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.

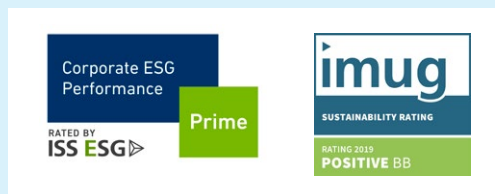
Special attention is paid to sustainability risks and to compliance with the Sustainability Guidelines also when launching new products. The Bank has established an internal process in which each new promotional product of NRW.BANK is checked for compliance with sustainability values.

Responsible Marketing

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 marketing activities.

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



SUSTAINABILITY RATINGS

Rating agencies specialising in sustainability have rated NRW.BANK's performance in fields such as environment, society and governance for several years. In 2019, the Bank again scored good ratings.

Rating agency ISS ESG, for instance, rates the sustainability of issuers on a scale from A+ to D-. NRW.BANK scored a "C" rating, with the additional "Prime" rating thus classifying the Bank as a sustainable investment. This means that the Bank's rating is only three notches below the best sustainability rating "B" in the peer group.

With a "positive (BB)" rating, NRW.BANK ranks within the top five of the 19 promotional and development banks analysed in the 2019 imug sustainability rating of bank bonds. In the peer group excluding the supranational development banks, it remains in second place. MSCI ESG has given the Bank an "AA" sustainability rating. Vigeo Eiris and Sustainalytics also regularly assess the sustainability of the Bank.

In addition, DZ BANK awarded NRW.BANK with the "sustainability seal" in its "EESG" rating.

Sustainability Ratings

	ISS ESG	imug	MSCI ESG
	Prime (C)	positive (BB)	AA



// PROMOTION REPORT

NRW.BANK's products and services are designed to secure the standard of living 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. The aim is to strengthen the stability of society. Accordingly, all of NRW.BANK's promotional activities make a contribution to the development of enterprises and municipalities in North Rhine-Westphalia.

Designing Sustainable Promotion for Clients

Sustainable behaviour is a key objective of NRW.BANK's business policy and means the equal consideration of social, economic and environmental objectives and ethical matters. Most importantly, the sustainability objective shapes and guides NRW.BANK's promotional offerings. For its promotional business the Bank uses the full range of lending tools and steps in when banking and lending expertise is required for the promotion process. Particular use is made of 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 2019, NRW.BANK recorded a volume of new commitments of € 10.3 billion. For detailed information on the promotional business, please refer to the chapter "[The Promotional Business of NRW.BANK](#)" in the financial report.

Apart from the provision of funds, forward-looking and requirement-oriented promotion increasingly requires customer-oriented advisory services. NRW.BANK has therefore built its advisory services and solutions into a second, equally important pillar of its business.

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 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 typically extended directly by NRW.BANK.

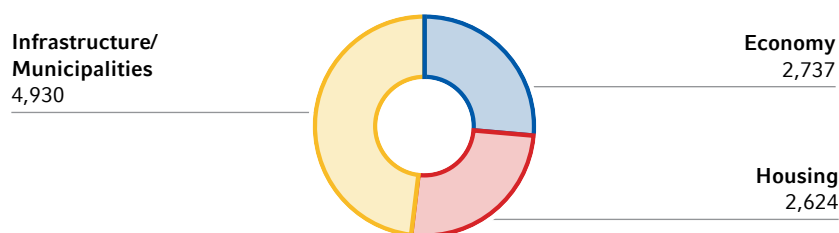
Focus of the Promotional Business

NRW.BANK's promotional business is qualitative and theme-oriented. The promotional services are provided in three promotional fields, Economy, Housing as well as Infrastructure/Municipalities, which, in turn, are divided into individual promotional themes. The promotional strategy complements NRW.BANK's focus on specific promotional fields and provides additional central guidelines for the Bank's promotional business. These guidelines contain selected aspects covering all promotional fields to secure the effectiveness and efficiency of promotion. At this stage, the promotional strategy comprises three guidelines: "European Promotion", "Digital Promotion" and "Networked Promotion".

Specific objectives and measures have been defined for each of the guidelines. The "European Promotion" guideline is designed to ensure that the potential opened up by the new EU promotional period (2021–2027) is leveraged. The "Digital Promotion" guideline explicitly addresses the growing demands made on promotional banks to further digitalise their promotional business. The "Networked Promotion" guideline describes the Bank's positioning as an active partner in promotional networks to increase the visibility of the funding portfolio and to generate ideas for promotion and synergies. Objectives and measures have also been defined for each of the promotional themes; they are put into practice using specific promotional offers.

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 has placed a focus on the effective promotion of investments in the protection of resources or in increasing corporate energy efficiency. Targeted support for start-ups and innovations is another special promotional theme of NRW.BANK. The promotional field Housing comprises NRW.BANK's offerings for the promotion of new housing construction and the modernisation of existing housing stock. When buildings are modernised, special attention is paid to energy efficiency aspects as well as to barrier-free design and suitability for the elderly. In this context, the subsidised housing construction programmes are of special importance. The respective promotional measures are geared towards the State of North Rhine-Westphalia's annual housing promotion programme (Wohnraumförderungsprogramm, WoFP) which breaks down the state government's general promotional policy concepts into concrete promotional measures.

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 designed to implement Germany's 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. The Bank has pooled the corresponding products and services in the individual promotional fields in a separate theme named Energy Transition / Environmental Protection. Promotional funds in the total amount of € 1.6 billion were made available in these promotional themes.

Performance Indicators in the Promotional Business

NRW.BANK's objectives are primarily 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, development and 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 current fiscal year. Defined budget values exist for this and all other key performance indicators and are regularly subjected 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 promotional 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 comprehensive promotional conditions in that they offer higher promotional amounts.

Economic Development

NRW.BANK.Mittelstandskredit and NRW.BANK.Universalkredit are the two programmes with the highest volumes. The latter is aimed at both established SMEs and company founders. Under these programmes, interest-subsidised loans in the total amount of € 1.6 billion were granted to some 4,100 enterprises for investments and working capital in 2019.

Like NRW.BANK.Universalkredit, NRW.BANK.Gründungskredit is targeted at business start-ups and young companies. More than 1,000 start-up and growth projects received funding under this programme in 2019, with loans totalling approx. € 257.7 million. Micro start-ups receive customised promotion through 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 formerly unemployed people to set up their own businesses. In view of the increasing capital requirements in this start-up segment, the maximum loan amount was increased (from € 25,000 to € 50,000) and the maximum term of the loans extended (from six to ten years) at the beginning of 2020.

To complement the NRW.Mikrodarlehen programme, NRW.BANK is developing an innovative combination consisting of microfinance and external crowdfunding via a digital platform.

The NRW.BANK.Digitalisierung und Innovation programme is available to support small and medium-sized companies' digitisation investments and/or investments in adding new, technologically advanced products to their product ranges or in the adoption of high-tech production processes. The programme comprises two separate promotional modules to finance digitisation projects and to support process, procedural and product innovations in small and medium-sized enterprises. This NRW.BANK promotional solution effectively complements the digitisation drive initiated by the State of North Rhine-Westphalia. 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.

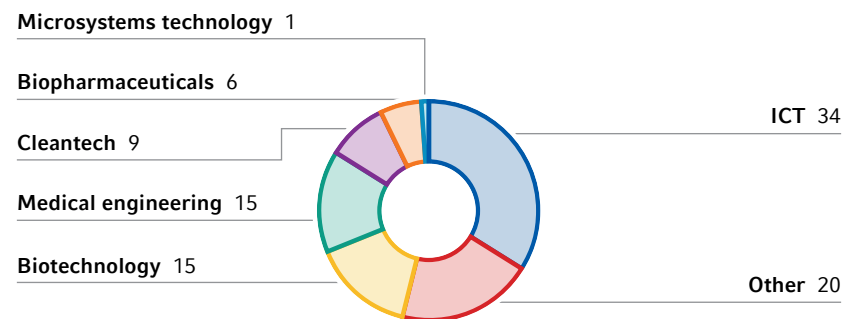
NRW.BANK supports seed financings of business start-ups and young companies in high-technology sectors by offering equity-strengthening solutions through its Seed and Venture Funds, which have a combined volume of € 310 million. These funds make an important contribution to reducing the high market inefficiencies 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 to finance newly established technology-oriented companies in sectors such as information and communication technology, life sciences, medical engineering, microsystems technology and cleantech.

The seed funds operate on a fund-of-funds basis. Currently NRW.BANK invests in 13 regional seed funds, which, in turn, have made investments in 106 high-tech start-ups.

For several years, start-ups and newly established companies in the digital sector have benefited from effective support in the form of equity investments which are granted in addition to investments by business angels. Since the beginning of 2020, this promotional offering has been open also to applicants from industries outside the digital sector. It complements the win NRW.BANK Business Angels Initiative, in the context of which the Bank helps capital-seeking innovative companies gain access to business angels.

NRW.BANK.Effizienzcredit is a central offering to support the energy system transition and to promote environmental protection in the field of economic development. The loan offers strongly interest-subsidised terms for investments with clear ecological merits. These terms were noticeably improved once again in early 2020. 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).

Industry Structure in %
 NRW.BANK.Venture Funds and NRW.BANK.Seed Funds



Enterprises may also receive low-interest financing for research and development projects falling under the “Masterplan Elektromobilität Nordrhein-Westfalen” (North Rhine-Westphalia’s Electromobility Masterplan). To make North Rhine-Westphalia the leading federal state in the field of electromobility and to encourage the purchase of clean vehicles, potential for optimisation is continuously being exploited in the corresponding promotional programme. In 2019, a focus was placed on adding loans with aid-free interest rates to the existing range of loans. This will enable a larger group of applicants to benefit from support.

Housing Promotion

As part of its subsidised housing construction activities, NRW.BANK made available new commitments of € 937.9 million (previous year: € 923.4 million) for the creation of affordable, high-quality housing for low-income earners in 2019. 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 8,513 residential units were funded in 2019 within the scope of the Bank's subsidised housing construction activities.

At € 675.9 million, some 5,500 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 students and places in care homes for people with disabilities. Another focus was placed on the construction and 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 owned buildings. Since early 2019, NRW.BANK has also granted 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.

Infrastructure and Municipal Promotion

To support the expansion of the infrastructure in North Rhine-Westphalia, NRW.BANK offers both customised, individual financing solutions and standardised promotional programmes. Individual financing solutions are provided for both corporate financings and project financings.

To avoid diesel bans and improve air quality, NRW.BANK offers a separate promotional sub-programme with particularly favourable conditions for clean air measures as part of its broad-based promotional programme for municipal investments. Projects eligible for promotion under this sub-programme include the conversion of municipal vehicle fleets to vehicles without combustion engines, municipal transport infrastructure improvement projects or urban development measures, such as the installation of bicycle stations, that benefit air pollution control.

As part of the NRW.BANK.Gute Schule 2020 programme launched in cooperation with the State of North Rhine-Westphalia, NRW.BANK makes available € 500.0 million p.a. during the period from 2017 to 2020 for long-term loans to finance municipal investments in the refurbishment, modernisation and expansion of the municipal school infrastructure. The offering provides fixed quotas for each individual municipality. To prevent investments from failing because of the financial situation of a municipality, the State of North Rhine-Westphalia supports the municipalities by taking over their interest and principal payments. In addition, municipal school operators and school associations continue to benefit from the NRW.BANK.Moderne Schule programme, which provides long-term loans for the construction and modernisation of school buildings.

Infrastructure improvements require not only public-sector investments but also private investments. NRW.BANK.Infrastruktur is a programme designed to raise private capital for low-interest financing of projects in a wide range of different fields such as environmental protection, urban development, social affairs or education and qualification. 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. On 1 November 2019, NRW.BANK assumed the approval function for the "Moderne Sportstätten 2022" subsidy programme relaunched by the State of North Rhine-Westphalia as a complement to its established range of loans for sports facilities with a view to offering promotion from a single source.

Investments in plants for the generation, storage and distribution of energy are promoted under the NRW.BANK.Energieinfrastruktur programme. In 2019, promotional loans with a total volume of € 225.5 million were granted under this programme, which were mainly used to finance wind turbine generators, partly in citizen wind farms.

For several years, NRW.BANK has actively supported the renaturation of the River Emscher, for which the Bank makes available long-term loans. 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. The Bank moreover supports 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. NRW.BANK has therefore optimised its internet presence on an ongoing basis over the past years.

// GREEN BONDS

Green Bonds issued by NRW.BANK allow investors to participate in ecological projects, which, in turn, generate sustainable yields for the Bank's investors.



NRW.BANK.Green Bonds 2019

In 2013, NRW.BANK was Europe's first regional agency 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.

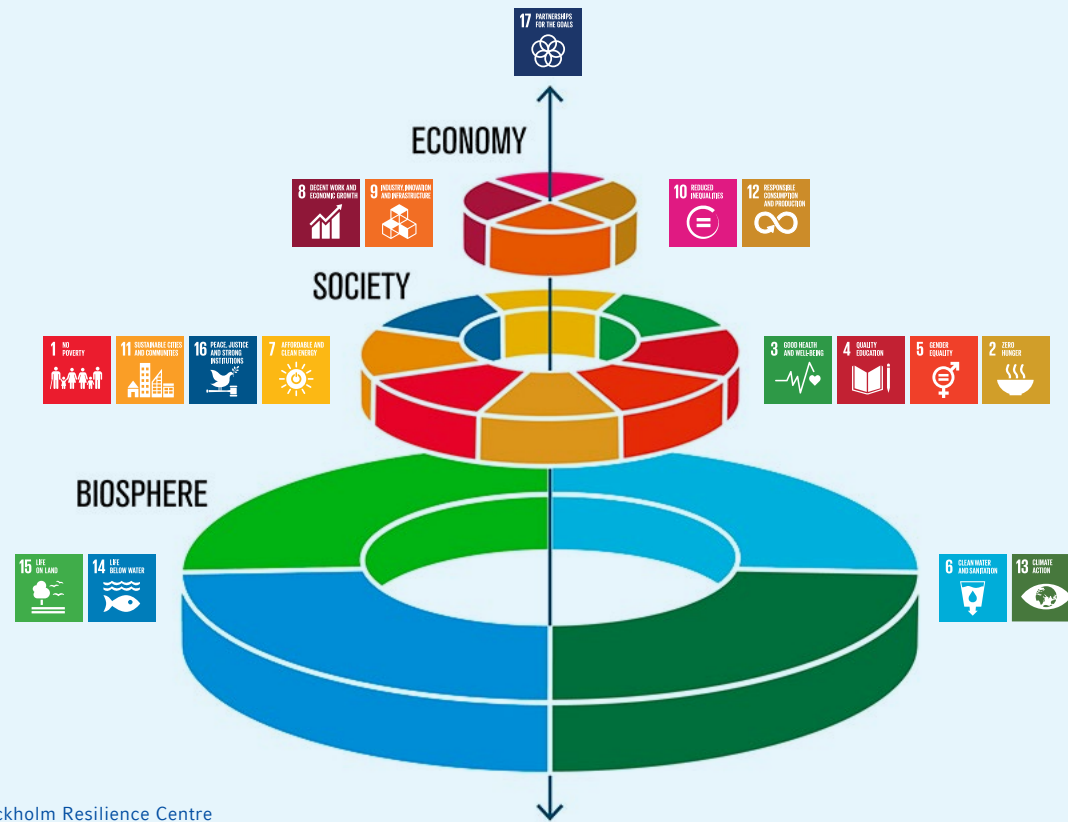
- Green Bond Principles define the framework
- NRW.BANK.Green Bonds are Use of Proceeds Bonds
- Projects are selected by the Green Bond Team
- In selecting the asset pool to be refinanced, NRW.BANK applies the following criteria:
 - All selected projects have to support North Rhine-Westphalia's climate and sustainability strategy as well as the UN Sustainable Development Goals (SDGs)
 - Eligible fields include "Climate Mitigation" and "Climate Adaptation" or SDGs 3, 6, 7, 11, 13 and 14
 - Focus on climate protection

- Climate benefits to be maximised by allocating projects to the portfolio based on 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 prepares impact analysis; reporting about the projects and their environmental benefits is transparent
- The NRW.BANK.Green Bonds 2019 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 substantially increased its lending in support of environmentally friendly projects. The interval between the Green Bond issues has been reduced from twelve to seven months. 2019 was the first year to see the issue of two € 500.0 million Green Bonds.

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 and the United Nations' Sustainable Development Goals (SDGs 3, 4, 6, 7, 11, 13, 14 and 15).

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS – TAKING A NEW VIEW

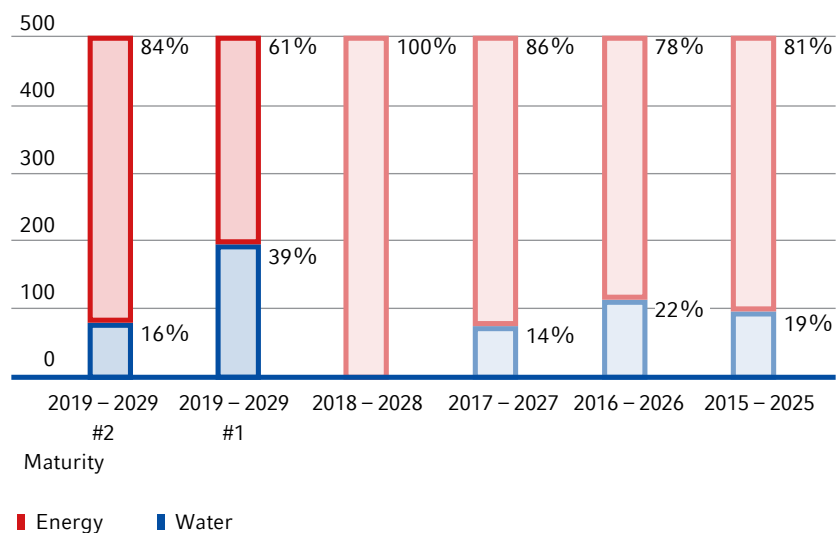


Source: Azote Images for Stockholm Resilience Centre

The measures supported by the Green Bonds thus serve to reduce and avoid adverse environmental 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.

Between them, the NRW.BANK.Green Bonds issued to date have a total volume of € 3.8 billion, of which € 3.0 billion was outstanding as of 31 December 2019.

Overview of all NRW.BANK.Green Bonds (volume in € millions)



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 (formerly ISS-oekom), an independent sustainability rating agency. These SPOs confirm their consistently sustainable concept and compliance with the requirements of the [Green Bond Principles](#) (GBP).

The year 2019 saw NRW.BANK publish 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.

Focus on the Environmental Impact

NRW.BANK has assessed the environmental impact of its Green Bonds since 2015 with the aim to publish the CO₂ 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 and Energy](#) has been NRW.BANK's competent partner for analysing the positive environmental impact. NRW.BANK has published a detailed impact analysis report in cooperation with the latter since 2016.

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 GBPs. This framework permits the preparation of a transparent and comparable impact analysis of green bonds as recommended by the GBPs.

High Sustainability Ratings for NRW.BANK.Green Bonds

The clear concept closely aligned to the Green Bond Principles, the maturity, the good ESG rating of the issuer and the significant environmental benefit of the (re)financed projects are reflected in the high sustainability ratings of NRW.BANK.Green Bonds. On a scale from D- (poor) to A+ (excellent), ISS-oekom has given four bonds outstanding in 2018 a B+ rating. Due to the high proportion of wind power, the Green Bond 2017–2027 has a very high environmental benefit and is consequently rated A-. ISS ESG discontinued with its bond ratings in 2019. NRW.BANK.Green Bonds are thus in the top quantile of all bonds rated by ISS ESG. The liquid Green Bonds of NRW.BANK are issued exclusively in euros in order to create a green euro benchmark curve in the long term. This will enable the Bank to illustrate a

potential price difference between the green NRW.BANK curve and the regular NRW.BANK benchmark curve. The current maturities are five to ten years. Based on experience to date, a price difference of up to three basis points – for example in the form of lower new issue premiums – is gradually emerging in favour of green bonds.

NRW.BANK.Green Bonds 2019

In the reporting year, an internal selection process identified eligible projects from the energy area with a total volume of € 725.0 million. At approximately € 365 million, the focus was once again on renewable energies. A good € 140 million was directly invested in wind power. Closely related to this is an amount of € 200.0 million for the expansion of green grids for the transport of renewable onshore energy and € 25.0 million that was extended for the rehabilitation and expansion of a hydropower pump reservoir. The energy-related refurbishment of university clinics and residential buildings accounted for around € 252 million. Loans for the expansion of electromobility and the modernisation of local public transport accounted for a good € 108 million.

A good € 275 million was spent on water management. The main focus was placed on the renaturation of the River Emscher, which accounted for approximately € 150 million. The remaining € 125 million was used to upgrade municipal wastewater treatment plants.

The projects chosen were earmarked by NRW.BANK as Green Bond #1-2019 and #2-2019.

ISS ESG confirmed the sustainability and environmental benefit of these projects through a positive second party opinion.

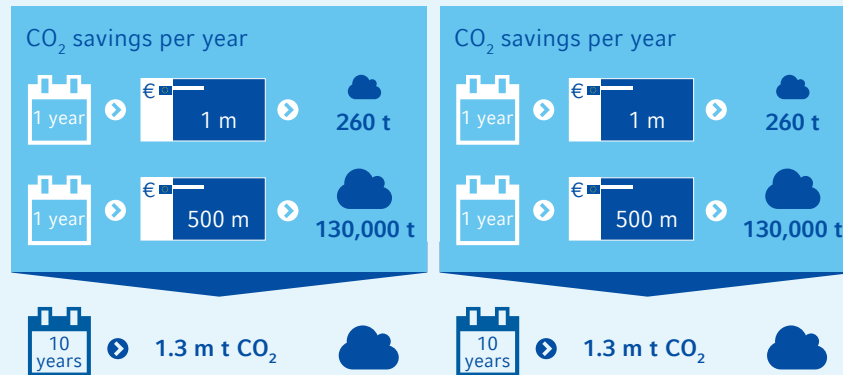
On the basis of this asset pool, NRW.BANK successfully issued its seventh and eighth Green Bond in February and October 2019, each with a volume of € 500.0 million and a term of ten years.

Area	Field	Topic	Number of Projects Funded	Promotional Volume in € m
Energy	Mitigation	Clean Transport	203	108.2
Energy	Mitigation	Renewable energy	63	364.4
		– thereof green grids	1	200.0
		– thereof hydropower pump reservoir	1	25.0
		– thereof onshore wind energy and PV systems	61	139.4
Energy	Mitigation	Energy efficiency	1,128	251.8
		– thereof modernisation of public facilities	4	209.0
		– miscellaneous	1,124	42.8
Water	Adaptation	River renaturation	1	148.5
Water	Adaptation	Municipal climate projects	70	127.1

Summary of the Environmental Impact of the NRW.BANK.Green Bonds

NRW.BANK.Green Bond #1-2019

NRW.BANK.Green Bond #2-2019



Field "Climate Adaptation" – Rebuilding the River Emscher

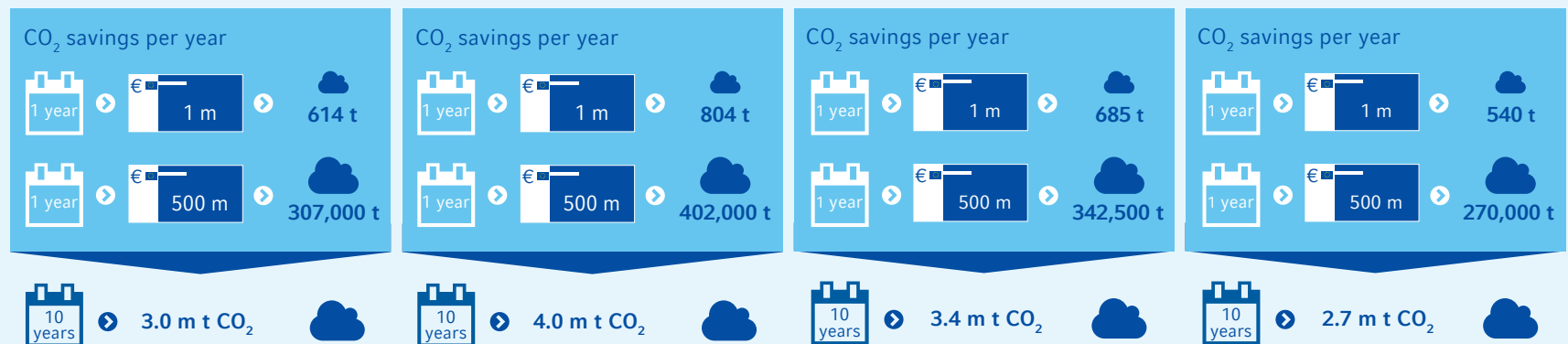
- Single largest water management project in the EU to implement the European Water Framework Directive
- Project period: almost three decades to the "Blue Emscher" in 2020
- Conversion of the river and its affluents into semi-natural waters with a positive impact on biodiversity and other eco-system services
- Creation of a modern sewage system: 132 pump stations, five sewage treatment plants as well as one central sewage sludge plant and 87 rainwater treatment plants
- Direct participation of citizens
- Significant increase in biodiversity

NRW.BANK.Green Bond 2018

NRW.BANK.Green Bond 2017

NRW.BANK.Green Bond 2016

NRW.BANK.Green Bond 2015



Environmental Impact Analysis for the NRW.BANK.Green Bond #1-2019

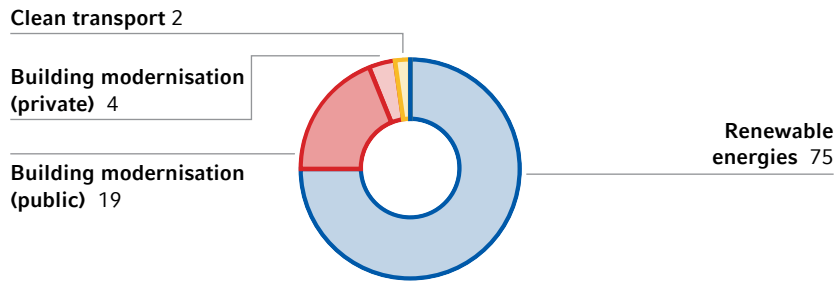
In the reporting year, the Wuppertal Institute again determined the positive environmental effect of the selected projects in the field of "Climate Mitigation" with a total volume of € 306.0 million.

Field "Climate Mitigation"

The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond #1-2019 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

- renewable energy (wind energy and photovoltaics),
- green grids for the transport and distribution of renewable energy,
- the renovation of residential buildings,
- the modernisation of university hospitals and
- clean transport.

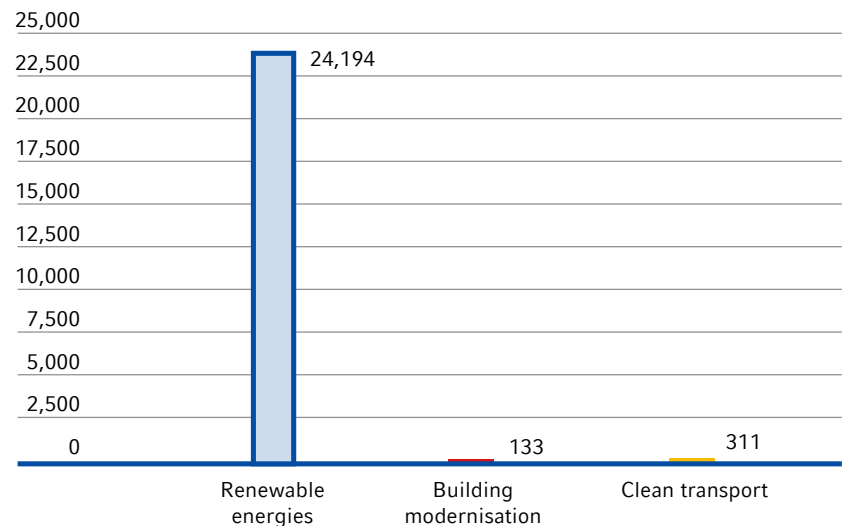
Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 306 m) in %



GREEN BOND #1-2019 SAVES 1.3 MILLION TONNES OF CO₂-EQUIVALENTS

It has been calculated that these projects avoid greenhouse gas emissions of approximately 1.3 million t of CO₂ equivalents over the 10-year term of the NRW.BANK.Green Bond #1-2019. This is equivalent to the CO₂ storage capacity of a managed forest the size of Berlin. Measured by the size of the Green Bond asset pool of € 500.0 million, approx. 260 t of CO₂ equivalents are saved per € 1.0 million per year.

CO₂ equivalents avoided through a € 1 million investment over a ten-year period in tonnes



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 (2,065 tonnes of CO₂ per year and per € 1.0 million). All investments will continue to avoid greenhouse gases also beyond the maturity of the Green Bond.

The newly built onshore wind farms with a total output of 134.2 MW included in the Green Bond asset pool at an amount of € 27.9 million were realised with a promotion portion of 100%. They produce an estimated 134.2 GWh of electricity per year. These wind parks avoid 0.95 million tonnes of CO₂ equivalents over a period of ten years.

This was the first time that a Green Bond was used to refinance the construction of a “green” grid. NRW.BANK contributed € 200.0 million to support the construction of the “Ultra Netz” grid, through which renewable energy generated in northern Germany is transported to North Rhine-Westphalia and from there to Baden-Württemberg. This grid avoids 377 tonnes of CO₂ equivalents over a period of ten years.

The Bank used funds in the total amount of € 58.0 million from its Green Bond to support the modernisation of university hospitals. Of this amount, an estimated € 29 million is directly invested in energy efficiency upgrades (50% of the promotional amount). Compared to existing buildings, the greenhouse gas emissions are thus reduced by approx. 5,900 tonnes of CO₂ equivalents over a period of ten years.

Residential buildings were energetically upgraded with the help of € 15.0 million. As a result, 1,700 t of CO₂ equivalents were saved over a period of ten years compared to the existing housing stock.

The use of buses powered by fuel cells (funds used: € 5.0 million) allowed 2,600 t of CO₂ equivalents to be saved over a period of ten years.

Field “Climate Adaptation”

An amount of € 195.0 million was invested in adaptation measures. The renaturation of the River Emscher was supported with € 68.5 million. Emschergenossenschaft reports on the progress made in the renaturation of the Emscher system.

Central Emscher Sewer Completed

Around € 148.5 million from the two 2019 Green Bonds was used to refinance measures implemented by Emschergenossenschaft for the conversion of the River Emscher. In 2019, the funds thus again enabled a large number of water engineering measures, each of them with the aim of achieving a sustainable, ecologically renewed river landscape in the Emscher region.

Important milestones were reached. The main focus was on the completion of the large, modern sewer along the Emscher (AKE). The last parts of the in total 84 kilometres sewer were completed in 2019. The completion of the sewer was the indispensable prerequisite for the development of the Emscher into a renaturalised river landscape.

Another focus of investment is the construction of new, modern sewers for the large inflows of the Emscher, of which 86% of the 423 km were completed in 2019. This means that a total of roughly 449 km of new, modern sewers have been built in the Emscher region to date, which ensure a separation of clean and waste water.

Flood Protection Expanded

As urban water management systems, the new water bodies also include the necessary rainwater treatment plants. Retention capacities of 237,388 cubic metres were created. To prevent flood levels as a result of heavy rainfalls, 2,776,700 cubic metres of flood retention basins have been built. According to Emschergenossenschaft, as a result flood damages worth almost € 2 million p.a. have been avoided.

Biodiversity Doubled

Of the 328 km of rivers and streams in the Emscher system, 139 km have already been renaturalised and are developing so well that they are demonstrably enabling a new urban biodiversity. To date, 1,300,522 square metres of real wetlands (water areas, floodplains and adjacent land areas) have been created. This is equivalent to the size of 182 football pitches. The number of species counted here has doubled to just over 800 since 2011.

A Blueprint for Other Industrial Regions

The Emscher renaturation was the largest fluvial project in the EU28 in 2019. The large-scale project supported with the proceeds from the Green Bonds is not only shaping the entire Ruhr region, it also serves as a blueprint for similar projects in Asia, Africa, Latin America and the USA.

Municipal Climate Projects

Reporting on such projects is the responsibility of NRW.BANK. The Green Bond #1-2019 served to refinance € 127.0 million in municipal climate projects. These loans were made to 23 end borrowers. The use of the funds focuses on the provision of drinking water and on wastewater treatment. A second focus is on water management cooperatives, which are supported in performing their tasks by funds from the NRW.BANK Green Bond 2019.

The projects are assigned to the following SDGs:

- SDG 6 clean water and sanitation
- SDG 11 sustainable cities and communities
- SDG 13 climate action
- SDG 14 life below water

Municipal enterprises or municipal utilities use the funds from the Green Bond 2019 to finance measures:

- for the supply of drinking water,
- for rainwater management
- for flood management,
- for waste water treatment,
- for the operation of sewage treatment plants and
- the maintenance of sewer networks.

At least 4.1 million people live in the catchment area of the 20 water management enterprises that have been granted loans for the supply of clean drinking water and/or for proper wastewater treatment. The € 86.8 million in loans granted are highly granular.

Besides the Emscher and Seseke rivers, the left bank of the Rhine water management association with its catchment area between the Niers and the Rhine as well as the Wupper and Ruhr water management associations are also financed within the context of the river management activities. The use of funds here focused on the implementation of the EU Water Framework Directive 2000/60/EC as well as flood protection and dam management. Measures by the three water cooperatives are being supported with a total amount of close to € 40 million.

Besides the water management projects, smaller loan volumes are being channelled into:

- forest management, for the reforestation of a stable near-natural mixed forest. Rare trees are also protected in this context. The entire forest management is PEFC-certified;
- geothermal energy and LED lighting.

GREEN BOND #2-2019 SAVES 1.3 MILLION TONNES OF CO₂- EQUIVALENTS

It has been calculated that these projects avoid greenhouse gas emissions of approximately 1.3 million t of CO₂ equivalents over the 10-year term of the NRW.BANK.Green Bond #2-2019. This is equivalent to the CO₂ storage capacity of a managed forest the size of Berlin. Measured by the size of the Green Bond asset pool of € 500.0 million, approx. 260 t of CO₂ equivalents are saved per € 1.0 million per year.

Environmental Impact Analysis for the NRW.BANK.Green Bond #2-2019

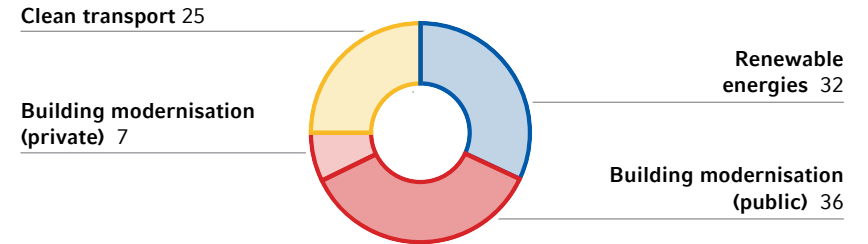
In the reporting year, the Wuppertal Institute again determined the [positive environmental effect](#) of the selected projects in the field of "Climate Mitigation" with a total volume of € 420.0 million.

Field "Climate Mitigation"

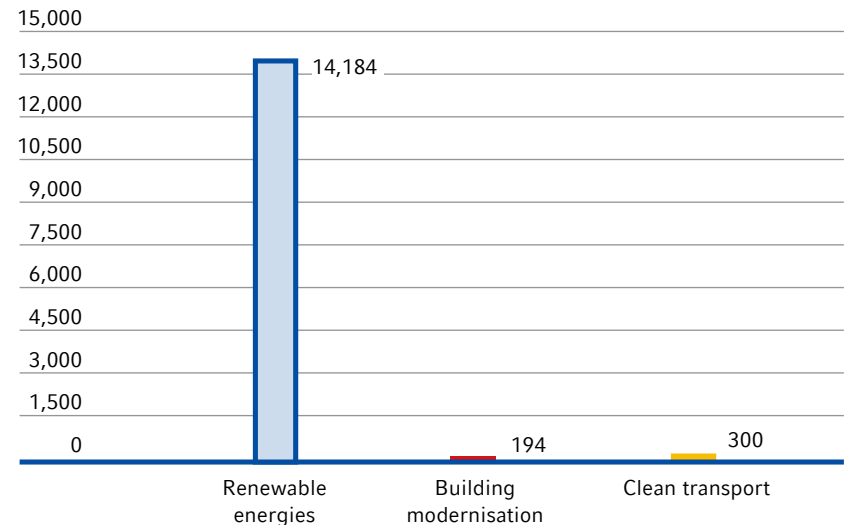
The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond #2-2019 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

- renewable energy (wind energy and photovoltaics),
- repair and extension of a hydropower pump reservoir;
- renovation of residential buildings;
- modernisation of university hospitals and
- clean transport.

Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 420 m) in %



CO₂ equivalents avoided through a € 1 million investment over a ten-year period in tonnes



In relation to the pro-rated financing, onshore wind turbine generators have proven to be the most efficient form of investment for the avoidance of greenhouse gas emissions in the Green Bond (982 tonnes of CO₂ per year and € 1.0 million). All investments will continue to avoid greenhouse gases also beyond the maturity of the Green Bond.

The newly built onshore wind farms with a total annual output of 176.3 MW included in the Green Bond asset pool at an amount of € 105.7 million were realised with a promotion portion of 100%. These wind parks avoid 1.2 million tonnes of CO₂ equivalents over a period of ten years.

The Bank uses funds in the total amount of € 152 million from its Green Bond to support the modernisation of university hospitals. Of this amount, an estimated € 76 million is directly invested in energy efficiency upgrades (50% of the promotional amount). Compared to existing buildings, the greenhouse gas emissions are thus reduced by approx. 15,000 tonnes of CO₂ equivalents over a period of ten years.

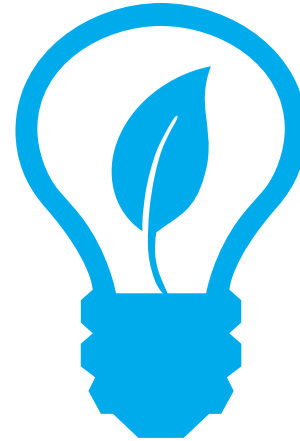
A hydropower pump reservoir was maintained and expanded with an amount of € 25.0 million. At an assumed efficiency level of 70%, the 45 MWh capacity expansion alone avoids 45,000 tonnes of CO₂ equivalents.

The use of modern trams and electric buses allowed 5,000 tonnes of CO₂ equivalents to be saved over a period of ten years. Here, an amount of € 103.0 million with a promotion portion share of 28% was invested.

An amount of € 29.8 million included in the Green Bond asset pool (with an estimated promotion portion of 90%) originates from the NRW.BANK. Gebäudesanierung programme. Compared to the existing housing stock, the modernisation of residential buildings in North Rhine-Westphalia helps save another 6,100 tonnes of CO₂ equivalents over the ten-year term. Details as well as information on the precise method and presentation of the results in accordance with the Harmonized Framework for Impact Reporting can be found in the [impact analysis](#) prepared by the Wuppertal Institute.

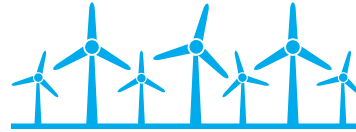
Field “Climate Adaptation”

An amount of € 80.0 million was invested in adaptation measures. The funds were used to support the renaturation of the River Emscher. The Emschergenossenschaft prepared a report on the 2020 river renaturation of the Emscher system which is included in the Green Bond #1-2019 section.



Green Bond Projects

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



Wind energy for **14,000** people



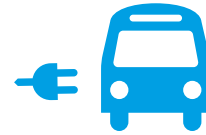
Bürgerwindpark Olfen GmbH

ENERGY INFRASTRUCTURE

www.gelsenwasser.de

Social Projects Benefit from the Wind Park

The rotors of two wind power turbines are turning in Olfen on the border to Haltern. What is special about this wind park is that it was co-financed by farmers from Olfen, in addition to support from the NRW.BANK.Energieinfrastruktur programme. Local residents were able to participate in the wind park by investing a minimum of € 5,000 and in return received a "Bürgersparbrief", a savings bond, which guarantees relatively high interest rates. The farmers hold 33.3% of Bürgerwindpark Olfen GmbH, a special purpose vehicle established for the project. Stadtwerke Haltern and Gesellschaft zur Nutzung regenerativer Energien in Olfen mbH hold 16.6% and 50.1%, respectively. Every year, the operating company distributes € 5,000 for social projects in Olfen. GELSENWASSER AG was responsible for the erection of the wind park and is also in charge of operational management. The investment of a good € 10 million was spent on two 207-metre-high type E-115 wind power turbines from Enercon. Together they produce 15 million kWh of electricity per year – enough for some 14,000 people.



10 minutes to refuel



Regionalverkehr Köln GmbH (RVK)

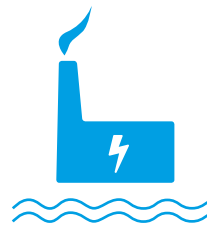
ELECTROMOBILITY

www.rvk.de

Largest Fuel Cell Hybrid Bus Fleet in Europe

They emit only water vapour, have a range of 350 km and can be refuelled within ten minutes: Regionalverkehr Köln GmbH (RVK) is putting 35 new fuel cell hybrid buses on the road. The transport company will thus operate the largest fleet of this emission-free and virtually silent drive system in Europe. The buses will operate in the Rhein-Sieg district on the left bank of the Rhine, the Rheinisch-Bergischer district and in the city of Hürth.

RVK invested € 25 million in the purchase of the fuel cell hybrid buses and the construction of two hydrogen filling stations in Meckenheim in the Rhein-Sieg district and in Wermelskirchen in the Rheinisch-Bergischer district. The NRW.BANK.Elektromobilität programme, which was refinanced via the NRW.BANK.Green Bond, helped finance the project. Chemical companies from the region supply the hydrogen for the operation of the buses.



140 megawatts of power within minutes



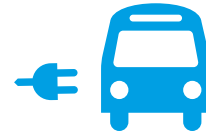
**ENERVIE –
Südwestfalen Energie
und Wasser AG**
ENERGY INFRASTRUCTURE

www.enervie-gruppe.de

Storage Device for Renewable Electricity

The Rönkhausen hydropower pump reservoir pumps water into a high-level reservoir and generates electricity when the water flows down again. The power plant thus ideally complements the fluctuating power generation from wind and the sun. The roughly 40-year-old plant in Finnentrop has now been completely renovated and modernised. An amount of € 25 million was invested by the owner, the newly founded PSW Rönkhausen GmbH & Co. KG, whose 50% shareholders are Mark-E, a member company of the ENERVIE Group, and Stadtwerke Aachen. Financial support for the project came from the NRW.BANK.Energieinfrastruktur programme, which was refinanced via the NRW.BANK.Green Bond.

As part of the renovation, the complete waterproofing of the upper basin, which has the size of 25 football pitches, was renewed. The two pump turbines and two ball valves were subjected to a general overhaul. In addition, the capacity of the basin was expanded. Within minutes, the plant provides a capacity of 140 MW; if the upper basin is full, this capacity can be maintained over a period of five hours, if required.



The 979 runs on electricity



Stadtwerke Oberhausen GmbH (STOAG)

ELECTROMOBILITY

www.stoag.de

Electric All Down the Line

The bus line 979 connects Oberhausen with the neighbouring city of Bottrop. In a cross-city project, Stadtwerke Oberhausen GmbH (STOAG) has now completely electrified this connection in cooperation with Vestische Straßenbahn GmbH. All four vehicles of the line have been given their own distinctive design to make the joint project visible to the outside world. The buses are therefore not painted in the usual STOAG colours (green and yellow), but in striking blue and white. In addition, each bus features landmarks from Oberhausen and Bottrop, making them real eye-catchers. STOAG has purchased three electric buses with quick-charging battery systems especially for the project. The charging energy is tapped from the existing DC voltage network of the tram and is fed back to the vehicles via current collectors after each circulation through already existing charging devices. The project partners financed the purchase of the three STOAG electric buses under the NRW.BANK.Elektromobilität programme.

NRW.BANK.Green Bond Investment Portfolio

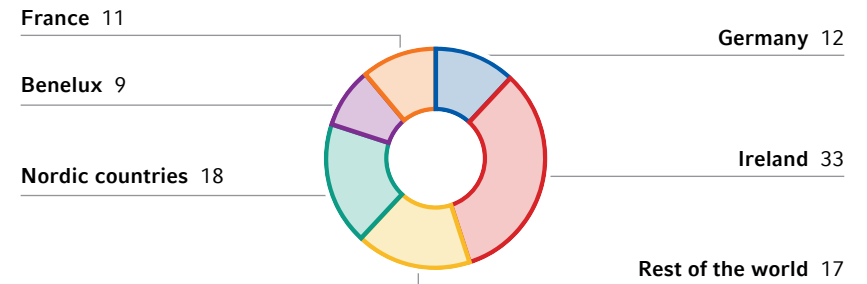
NRW.BANK continues to expand the Green Bond investment portfolio launched in 2017. The Bank is no longer merely an issuer of green bonds but also actively invests in such bonds for its own investments.

The Bank's target to establish an NRW.BANK.Green Bond investment portfolio with a volume of at least € 200.0 million by 2020 was reached already in late 2018. Consequently, NRW.BANK has raised its target to at least € 400.0 million by the end of 2020.

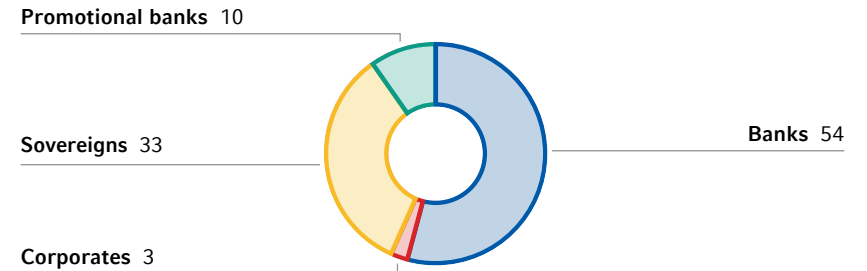
To qualify for this portfolio, bonds have to meet the Green Bond Principles and publish corresponding reports. In addition, the environmental benefit of the bond must be determined by a second opinion or certificate meeting the standards of the [Climate Bond Initiative](#). NRW.BANK primarily invests in climate protection and climate adaptation projects. In order to maximise the contribution to climate protection, light green bonds as defined in the [CICERO Shades of Green](#) are not purchased.

As of 31 December 2019, the portfolio amounted to as much as € 306.6 million and comprised bonds from the following sectors or countries/regions with maturities until 2031.

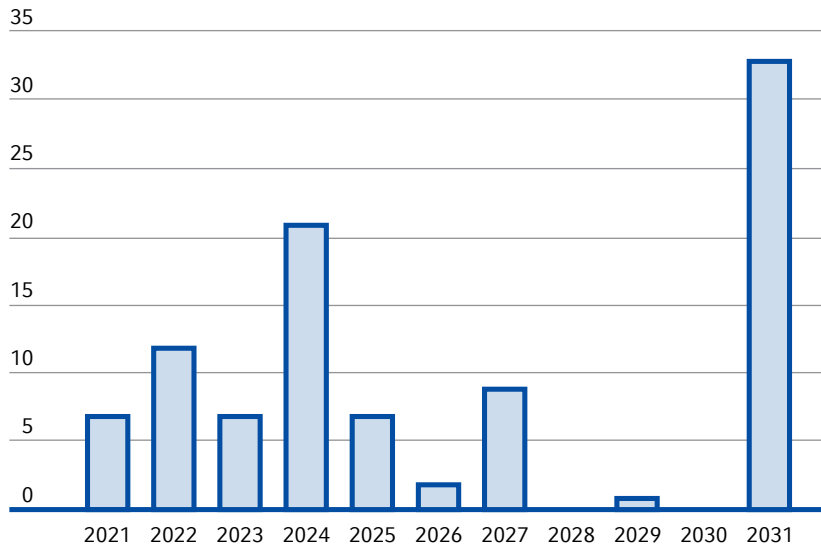
NRW.BANK.Green Bond Investment Portfolio by Countries in %



NRW.BANK.Green Bond Investment Portfolio by Sectors in %



Maturity Structure of the Green Bond Investment Portfolio in %



The issues in the NRW.BANK.Green Bond investment portfolio are green bonds whose funds raised are used by the issuers to invest in environmental projects, e.g. to promote renewable energy, sustainable buildings, low carbon transport and (waste) water management. As 13 of the 27 bonds were issued in the reporting year, no report for these bonds is available yet for investors. Impact analyses are available for the bonds issued before 2019, with one issuer reporting only every two years. Taking into account the bond maturing in 2019, reporting is available for 14 bonds. The investment volume of these bonds amounts to € 129.0 million. These bonds (co-)finance a large number of projects around the world.

The impact analyses of the issuers are based on different frameworks. The Nordic Public Sector Position Paper on Green Bonds Impact Reporting is used most frequently; issuers also use the MDB Harmonized Framework for Impact Reporting or national benchmarks. Because of the great heterogeneity of the reporting methods and the benchmarks used for comparison, aggregation does not make sense.

Sustainability Criteria for the Investment Portfolio

Since 2018, NRW.BANK has evaluated its investment portfolio in accordance with the MSCI sustainability criteria using a traffic light system. This sustainability traffic light indicates the MSCI-compliant sustainable share in the total investment portfolio by means of the colours red, yellow and green. The traffic light system is monitored via a daily report.

In 2019, the Sustainability Guidelines were firmly anchored in NRW.BANK’s product information sheets and in the municipal business.

Taxonomy-based Green Promotion Curve Established

In mid-December 2019, NRW.BANK established an internal Green Promotion Curve. Based on this curve, NRW.BANK offers funding for particularly environmentally friendly projects. These preferential conditions are available to projects that comply with the EU taxonomy. This makes NRW.BANK one of the first promotional banks to use the EU taxonomy in its operations with the aim of realising (even) more environmentally friendly projects. The projects financed are automatically eligible for refinancing under the Green Bond.



// 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. The Bank verifies the sustainability of its activity on an ongoing basis to ensure that it continues to improve.

Protecting the Climate and the Environment

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.

For 13 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 e.V.).

Scope and Period of Reporting

To prepare its eco-balance for 2019, NRW.BANK has determined the environmental impacts resulting from its business operations. Until the end of 2019, the Bank operated at two locations in Düsseldorf and at a building complex in Münster.

The reporting period corresponds to the calendar year. The consumption and flow data (input and output) were collected for the period from 1 January 2019 to 31 December 2019. Information relating to vehicles and employees is stated as of the reporting date 31 December 2019. The floor space data correspond to the status of the existing buildings as of 31 December 2019.

In late 2019, NRW.BANK moved into additional premises in Düsseldorf. This space is not taken into account, as no operating data are available yet.

Data Collection and Reference Values

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 2018 update 1.3 of 6 January 2020. The data presented here represent an extract from the 2019 eco-balance, which was prepared by consulting firm [wertsicht GmbH](#), Düsseldorf. In order to enable a direct comparison with previous years, the CO₂ values for 2017 were recalculated using the conversion factors of the 2018 VfU update. This may result in deviations from the data published for 2017. These are solely attributable to the updated conversion factors.

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 1,479¹⁾ for 2019, 1,452¹⁾ for 2018 and 1,428¹⁾ for 2017 were taken as the basis.

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

¹⁾ Staff numbers are rounded to full employees.

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 13 MWh of electricity to cover the Bank's own requirements in 2019. Overall, NRW.BANK makes a point of using energy-efficient technology.

Energy Consumption	2019	2018	2017
	kWh	kWh	kWh
Heating energy			
– total	5,525,128	5,060,700	5,386,870
– per employee/year	3,735	3,484	3,773
Electricity			
– total	6,105,858	5,918,385	5,678,066
– per employee/year	4,128	4,075	3,977

In 2019, NRW.BANK's consumption of heating energy was up by approximately 9.2% on the previous year. The specific indicator per employee rose by 7.2%. The increase in heating energy consumption affected only one building and was due to a defective controller in the district heating transfer system.

Electricity requirements were up on the previous year, namely by 3.2% in absolute terms and by 1.3% per employee. This change is within the usual fluctuation range and is attributable to usage-specific conditions.

Business Travel

NRW.BANK's success hinges on good contacts with its clients and the maintenance of its business relationships. Business trips are therefore indispensable. However, NRW.BANK has issued travel guidelines to minimise the environmental impact of employees' travelling activity.

The recommendation to use video and telephone conferences and to travel by public transport is an important factor in reducing emissions from business trips.

90.8% of the rail trips are classed as carbon neutral due to Deutsche Bahn AG's carbon mitigation programme and are included in the CO₂ balance at a reduced conversion factor. The remaining 9.2% are business trips by local public transport and the Thalys (altogether 113,438 km), which are counted at the full conversion factor for carbon emissions according to the VfU standard.

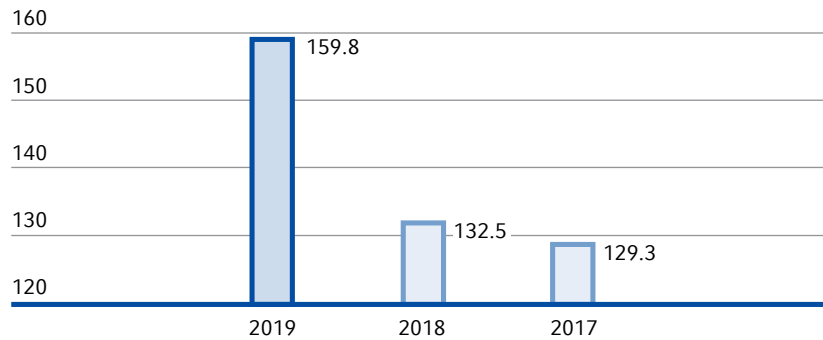
As in the previous years, multi-leg flights¹⁾ were broken down into segments for the reporting of short-haul and long-haul flights.

With regard to NRW.BANK's fleet of 85 company vehicles, the carbon emissions of 74 of these 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. For eleven company vehicles initially registered before September 2018, the manufacturer's data that were valid at the time of initial registration according to the New European Driving Cycle (NEDC) have been recorded. For the ecobalance of the previous year 2018, the manufacturer's data were still used for all vehicles. As the WLTP measuring method shows significantly higher average exhaust gas values than the manufacturer's data determined according to NEDC, the average carbon emissions factor of the vehicle fleet for 2019 is 159.8 g/km, which is 20.6% higher than for 2018 (132.5 g/km).

Ongoing expert advice on the selection of new company cars (e.g. hybrid vehicles) 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.

¹⁾ Multi-leg flights comprise transfer flight and main flight.

Average CO₂ Emissions of the Company Cars in g/km

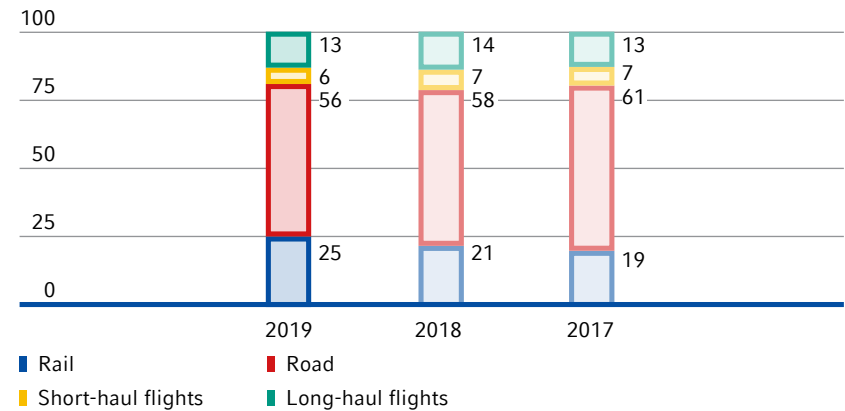


NRW.BANK's employees travelled a total of 4,984,679 kilometres on business trips in 2019. This is equivalent to 3,370 km travelled per employee. Compared to the previous year, the total kilometres travelled thus increased by 5.2%, while the kilometres travelled per employee were up by 3.3%.

Business Travel	2019	2018	2017
	km	km	km
Rail	1,227,187	968,843	897,897
Road ¹⁾	2,815,788	2,768,741	2,823,098
Short-haul flights	278,189	321,492	320,051
Long-haul flights	663,515	677,154	579,388
Total	4,984,679	4,736,230	4,620,434
km per employee	3,370	3,261	3,236

¹⁾ Total kilometres travelled on business trips with the Bank's cars, rental cars and private vehicles

Share of Means of Transport in %



The breakdown of travel activity by mode of transport shows that the share of rail travel increased noticeably in 2019 compared to the previous years (from 20.5% in 2018 to 24.6% in 2019). Car travel continues to account for the largest share of total travel (56.5%), while the share of air travel declined to 18.9% (previous year: 21.1%).

Paper

For the 2019 eco-balance, NRW.BANK recorded all paper used in the offices including printed matter (e.g. letterhead), envelopes and communication materials (e.g. annual reports, brochures, flyers, etc.) as well as the external printed output.

Total consumption in 2019 amounted to 50.0 t (previous year: 57.1 t), while per-capita consumption reached 33.8 kg (previous year: 39.3 kg²⁾). As a result of employees' growing awareness and the increasing digitisation of business processes, total paper consumption could thus once again be reduced (by 12.4%).

²⁾ The per-capita weight in the previous year's report was incorrectly stated as 42.5 kg.

The table below exclusively shows the consumption of office paper. Even excluding envelopes and printed matter, there was a clear reduction by 12.6% in absolute terms and by 14.2% per employee:

Office Paper Consumption ¹⁾	2019	2018	2017
	kg	kg	kg
Total	30,096	34,437	38,389
kg per employee	20.3	23.7	26.9

¹⁾ 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 2019, recycled paper accounted for 71.5%, down 0.8 percentage points on the previous year.

Paper Types of Total Paper Consumption	2019	2018	2017
	%	%	%
Recycled paper	71.5	72.3	61.2
Primary fibre paper, ECF ¹⁾ (incl. wood-free)	10.9	10.7	10.5
Primary fibre paper, FSC and PEFC ²⁾	17.6	17.0	28.3

¹⁾ Elemental chlorine-free (ECF)

²⁾ Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) schemes

For the comparison with the previous year, the share of recycled paper in all paper types used excl. envelopes was determined for the last time. Recycled paper accounted for 78.3%, which represents an increase by 0.5 percentage points on the previous year.

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 besides other environmental aspects.

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 up by 6.3% on the previous year, while per-capita consumption increased by 4.4%. This is mainly due to extended requirements under official regulations as well as 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	2019	2018	2017
Total consumption	25,056 m³	23,564 m³	19,841 m³
Daily consumption per employee ¹⁾	67.7 l	64.9 l	55.6 l

¹⁾ To calculate water consumption per employee, the number of working days was fixed at 250 days.

Waste

The 2019 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, 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 2019 as the composition of the waste remained unchanged.

Where available, the concrete quantities and weights 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 279.2 t of waste in 2019 (previous year: 258.2 t). This is equivalent to 188.7 kg of waste per employee (previous year: 177.8 kg).

Total waste and waste per employee thus rose by 8.1% and 6.2%, respectively. This increase is mainly due to the fact that a larger number of old files were shredded in the external warehouse as well as to a temporary increase in the number of files shredded in the context of the restructuring of office space.

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	2019	2018	2017
	t	t	t
Waste paper	24.7	27.8	29.3
Document shredding	65.1	46.5	51.0
Residual waste	39.6	40.5	34.2
DSD ("Green Dot")	10.4	11.0	10.5
Total¹⁾	139.8	125.8	125.0
kg per employee	94.5	86.7	87.6
Recycling ratio ¹⁾	73.4%	69.7%	72.6%

¹⁾ Excl. other and kitchen waste

The recycling ratio was calculated conservatively. Some of the data on the recycling of residual waste/mixed industrial waste are not yet available. In this case, the quantity in question was not counted towards the recycling ratio.

The efficient use of office paper is also reflected in a reduced amount of waste paper to be disposed of.

Coolant and Extinguishing Agent Losses

For the purpose of improved reporting, NRW.BANK decided to include CO₂e emissions from coolant and extinguishing agent losses in the reporting period for the first time in 2019. These losses were 20 kg for the R134a coolant and 44 kg for the R449a coolant.

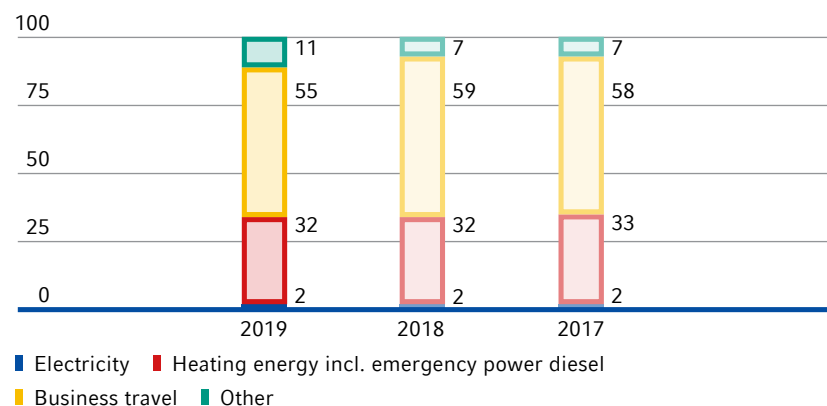
Greenhouse Gases

NRW.BANK's CO₂ balance covers all the above-mentioned environmentally relevant consumption figures and wastes as well as the quantity of emergency power diesel used summarised in a single performance indicator. This performance indicator, which is based on CO₂ equivalents (CO₂e) is an important variable for assessing the Bank's environmental performance.

For the 2018 and 2019 eco-balances, the conversion factors of the VfU standard (2018 updates, versions 1.2 and 1.3) were used as the basis for the calculation of the CO₂e emissions. In order to ensure comparability, the emission values for 2017 were recalculated with the updated factors. This may result in deviations from the data published for 2017.

CO ₂ e Emissions	2019	2018	2017
	kg CO ₂ e	kg CO ₂ e	kg CO ₂ e
Electricity	42,107	41,407	39,814
Heating energy incl. emergency power diesel	643,681	589,880	626,625
Business travel	1,099,573	1,092,825	1,094,701
Paper	54,284	61,933	67,143
Drinking water	16,612	15,623	13,155
Waste	62,820	59,527	60,645
Coolant and extinguishing agent losses	90,068	–	–
Total emissions	2,009,144	1,861,195	1,902,083
CO ₂ e/employee	1,358	1,281	1,332
Offset by climate certificates	2,009,144	1,861,195	1,902,083
Total	0	0	0

CO₂e Emissions by Producers in %



In 2019, NRW.BANK emitted a total of 2,009 tonnes of CO₂e.

This is equivalent to 1,358 kg of CO₂e per employee. Compared to the previous year, this represents an increase by 7.9% in absolute terms and by 6.0% per employee.

Adjusted for emissions resulting from coolant and extinguishing agent losses, which were included for the first time for 2019, the increase between 2018 and 2019 was 3.1% in absolute terms and 1.2% per employee.

Besides the inclusion of coolant and extinguishing agent losses, the increase in heating energy consumption also contributed to the increased emissions in 2019. This increase affected only one building and was due to a defective controller in the district heating transfer system.

Direct and Indirect CO₂e Emissions at NRW.BANK in 2019 According to VfU (Update 2018, Version 1.3)

Greenhouse Gas Sources	Scope 1 ¹⁾	Scope 2 ¹⁾	Scope 3 ¹⁾	Total
	kg CO ₂ e	kg CO ₂ e	kg CO ₂ e	kg CO ₂ e
Electricity				42,107
– renewable			40,516	40,516
– photovoltaic plant			1,590	1,590
Heating energy				643,681
– district heat		501,571	128,514	630,086
– emergency power diesel	11,356		2,239	13,595
Travel				1,099,573
– rail			5,570	5,570
– rail, carbon-neutralised			10,469	10,469
– road, company car	419,449		317,324	736,773
– road, rental car			185,142	185,142
– short-haul flights			47,880	47,880
– long-haul flights			113,739	113,739
Paper				54,284
– recycled paper			38,672	38,672
– primary fibre paper (ECF, TCF, FSC, PEFC)			15,612	15,612
Water			16,612	16,612
Waste				62,820
– waste incineration			58,749	58,749
– special waste			4,071	4,071
Coolant and extinguishing agent losses				90,068
– R134a	28,600			28,600
– R449a	61,468			61,468
Total	520,873	501,571	986,700	2,009,144
kg CO₂e/employee				1,358

¹⁾ 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 cooling systems as well as providing expert assistance when it comes to choosing new company cars.

Unfortunately, not all emissions are avoidable in spite of the savings measures. NRW.BANK therefore decided in 2013 to neutralise unavoidable emissions caused by its banking operations with the help of certificates from the NRW.BANK Climate Certificate Programme. These certificates stem from climate protection projects in developing and emerging countries and help to achieve the highest possible CO₂ savings in relation to the financial expenses incurred in the process.

The CO₂e emissions of 2,009 t produced in 2019 were voluntarily offset by the Bank by using certificates from a wind farm project in Inner Mongolia (People's Republic of China).

The analysis also covers the emissions resulting from postal communication with clients. NRW.BANK sends its mail in a carbon-neutral way via [Deutsche Post DHL Group](#) and [Brief und mehr GmbH & Co KG](#). Carbon emissions resulting from this transport totalled 15.88 t in 2019. These emissions were neutralised by the purchase of certificates, with which climate protection projects were supported.



// 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 training to balancing work and family life to ensuring equal opportunities and implementing a modern health management.

Assuming Social Responsibility for Employees

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 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,
- facilitating development and
- maintaining employees' 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. This constant balancing leads to changes in the number of apprenticeships and traineeships as well as to amendments in terms of the course curricula and the job roles the young people are trained for.



Award-winning vocational training

In a survey conducted on behalf of Focus Money under the title "Germany's best providers of vocational training in 2019", NRW.BANK was voted one of the companies offering the best vocational training. Scoring 91.9 of 100 points, the promotional bank achieved a similarly good result as in previous years.

In addition, NRW.BANK supports the [Fair Company](#) initiative, which focuses on interns, working students, job starters and trainees. As a "Fair Company", NRW.BANK is primarily committed to reliable quality standards and verifiable rules for interns.



In 2019, NRW.BANK was again able to fill all available positions in the three traineeships it offers:

- Four school-leavers were signed up for a banking clerk traineeship, two each in Düsseldorf and Münster,
- six young people opted for the dual study course Bachelor of Arts “Finance & Banking” and
- four enrolled in the dual study course Bachelor of Science “Business Information Systems”.

Given that NRW.BANK trains young people to cover its own requirements, permanent employment contracts are offered to all apprentices who complete their apprenticeships with good results. In 2019, six trainees from the “banking clerk” traineeship and three from the dual study course “Business Information Systems” were taken on as regular employees. The colloquium for the “Finance & Banking” study course is scheduled for the beginning of 2020.

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 trainees and apprentices to replace at least part of the employees who will leave the Bank due to age in the coming years.

Facilitating 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.

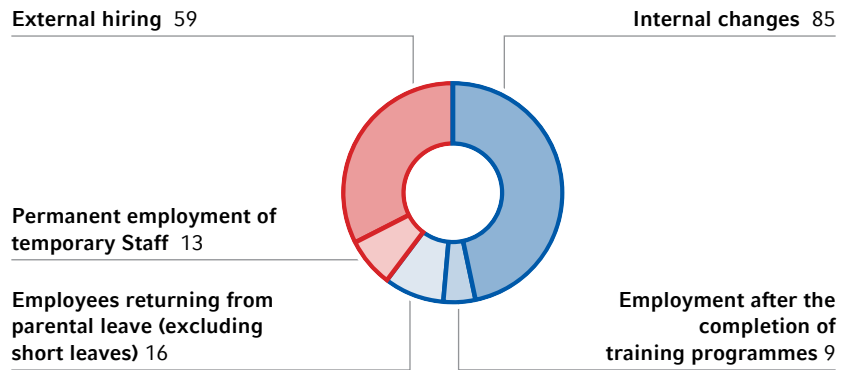
This includes challenging tasks and growing independence, which encourage professional and personal growth, as well as the possibility to get to learn new topics and to assume more demanding tasks. This is why the aspects of independence, development and recognition are key topics in the annual planning and feedback meetings between executives and employees. In addition, every employee 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.

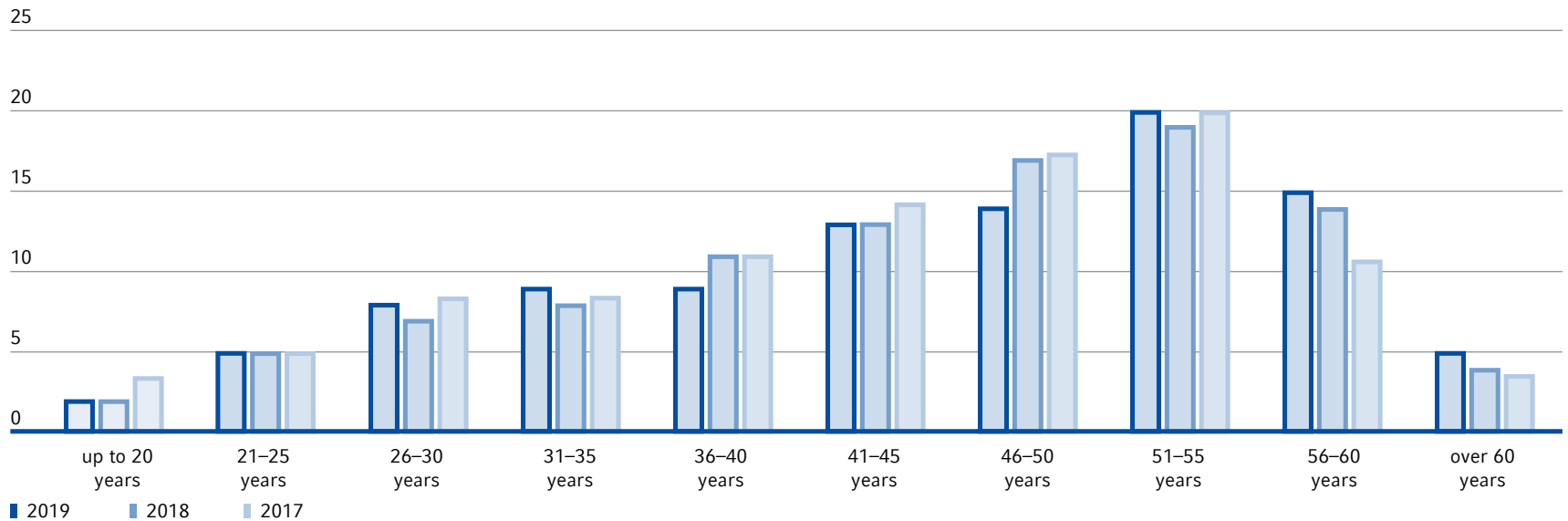
As a result, 85 employees changed their positions due to redeployments in 2019. As internal staffing usually results in a new vacant position, a consistently pursued internal staffing policy is ideally suited to offer the Bank’s own employees the widest possible range of career development opportunities within the Bank. Moreover, 16 employees returned to the Bank from parental leave or from leave granted under the State Equal Opportunities Act (Landesgleichstellungsgesetz) in 2019.

As NRW.BANK’s headcount continued to grow in 2019, it was not possible to fill all vacancies without hiring external staff.

Vacant Positions Filled in 2019



Age Structure¹⁾ in %



¹⁾Excluding employees on parental leave as well as employees under temporary contracts

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.

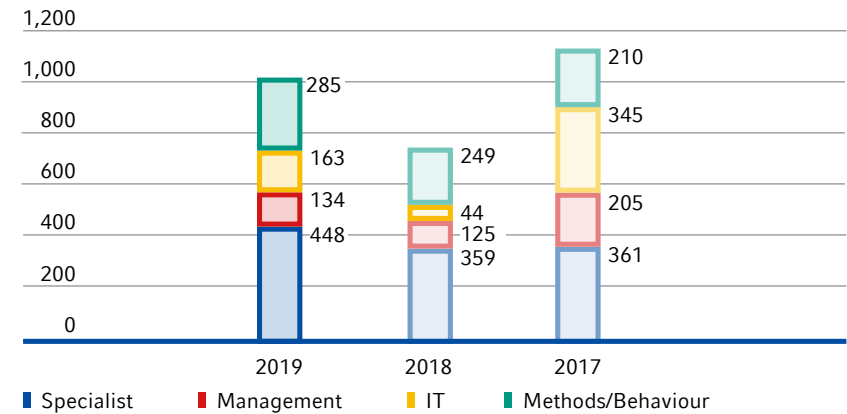
Life-long Learning

Knowledge and experience are indispensable when it comes to grasping 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 2019, 24 employees obtained such a degree with support from the Bank, including nine Bachelor and eight Master degrees. In the reporting year, the offerings made under this development programme were further expanded again, with the Bank now also supporting Bachelor of Arts – Management & Digitisation and Master of Science – Business Consulting & Digital Management degrees.

In addition, NRW.BANK offers its employees a comprehensive range of seminars for professional and personal growth. Most of these seminars are held internally¹⁾. 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



¹⁾ 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.

The internal catalogue of seminars comprises 84 different subjects, for which 141 seminars were organised in the reporting year. The diversity of the topics covered was once again expanded compared to the previous year. The number of participants was also noticeably higher than in the previous year. The very high number of participants in the reporting year was primarily due to special measures such as the IT training courses on the use of SharePoint offered by NRW.BANK. In the reporting year 2019, two out of three seminar participants took part in NRW.BANK's internal seminar programme.

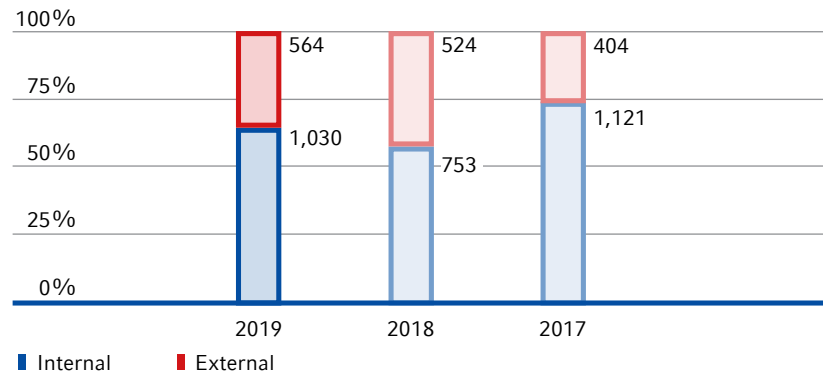
To train its executives, NRW.BANK offers them a multi-part systematic executive development programme, completion of which is mandatory. In addition to an entry module, there are two follow-up modules for more experienced executives. All modules comprise several days of training which are spread over a longer period of time to enable participants to process developments and improve the transfer of learnings into practice. For the launch date in April 2019, the content of the central module "Building up and Developing Leadership Expertise" was revised by a new team of trainers and adapted to the current requirements of the executives at NRW.BANK.

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. Since 2015, joint work in these workshops has focused on the defined "Principles for Communication, Cooperation and Leadership at NRW.BANK". In 2019, the final workshops on "Constructive Cooperation" were held. These workshops also addressed the requirements and options of NRW.BANK's appraisal system, which was revised in 2018. 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 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, which was offered for the first time in 2019, is designed to further promote equal opportunities for women.

In 2019, another focus was placed on employees' moderation skills. All modules of the moderation training series were conducted for the first time. In addition, training courses on NRW.BANK's new project management system were developed, taking into account agile and hybrid methods. In addition to the extensive range of internal offerings, the employees of NRW.BANK may also take part in seminars organised by external providers. The absolute number of external seminar participations increased slightly compared to the previous year. More than 80% of these seminars were professional seminars that are only relevant for a limited number of employees, which means that it would have been uneconomical to organise them internally.

Ratio of Internal and External Seminar Attendance



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](#)" certification. The 2018 re-audit 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, the possibility to assume management roles also when working reduced hours and, last but not least, the comprehensive range of child care services such as places in day nurseries, emergency and holiday care options as well as a childcare allowance. Employees whose relatives are in need of care receive support in the form of advice and services for their care and support.

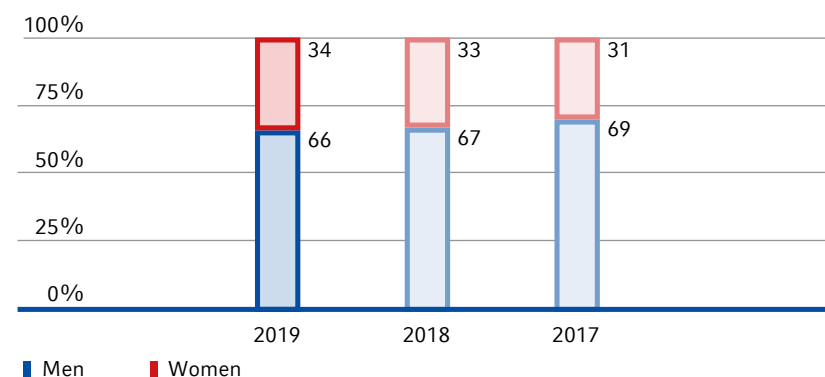
These offerings especially for children below school age assist young families in balancing work and family life. The same is achieved by the significantly expanded possibilities for alternating teleworking, which were introduced after a two-year test phase with the adoption of the "Use of Mobile Work at NRW.BANK" labour agreement in June 2019. Another offer aimed at improving the balance of work and family life – ten days of additional leave in return for a salary waiver – was extended in 2019 to include the option of taking only five days.

In 2019, NRW.BANK also published its first Equal Opportunities Plan. The new measures to promote equality between women and men and to improve the balance of work and family life were drawn up along the lines of the target agreement for re-auditing.

The equal opportunities statistics for 2019 confirm the high acceptance and success of the support offered. As more and more employees are taking advantage of the flexible and individualised working hour schemes, the percentage of part-time employees once again picked up to 38% as of 31 December 2019 (previous year: 34%). The average working hour percentage of women and men working part time amounted to 72% and 86%, respectively. The share of executives exercising their functions on a part-time basis climbed to 27%. These high percentages show that the options offered for making weekly or even annual working hours more flexible are popular with employees and are used extensively.

The share of women in executive positions across all management levels including the Managing Board increased from 33% to 34% as of 31 December 2019. The Bank maintained the tried-and-tested measures – especially the effective targeting and promotion of female young talent – of the previous years to increase the share of women. According to the guidelines for the filling of executive positions, women have to be increasingly considered for such positions. At 40%, the continuously growing share of women in positions without leadership responsibility and not covered by collective agreements forms a good basis for this.

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. She was involved in drawing up NRW.BANK's first Equal Opportunities Plan in an advisory capacity. She also presented and distributed the Plan to the Bank's executives.

NRW.BANK's Equal Opportunities Officer also serves as the designated complaint recipient within the meaning of the German Equal Treatment Act (AGG). Should, in spite of the measures taken, employees be disadvantaged or harassed because of their ethnic background, gender, religion, belief or handicap, age or sexual identity, they may contact the complaints unit. As in the previous years, no incident was reported to the complaints unit in 2019.

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 [Financial Report 2019](#).

In accordance with the requirements of the Remuneration Transparency Act (EntgTranspG), the Bank's "[Report on Equal Opportunities and Equal Pay](#)" (in German), which was published for the first time in the notes to the 2017 Management Report, 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 basic collective agreement for private sector and public-sector banks ("Manteltarifvertrag für das private Bankgewerbe und die öffentlichen Banken") and for positions not covered by collective agreements on external remuneration comparisons.



NRW.BANK is one of the "[LEADING EMPLOYERS in Germany](#)". In an independent study covering almost 9,000 companies, the Bank made tenth place in the "banks / financial services" segment. In the "banking" sector, the promotional bank for the state of North Rhine-Westphalia was even ranked eighth among the 7,770 companies surveyed. NRW.BANK achieved the highest ratings in the "value understanding" and "talent communication" categories. On a scale of one to five, it scored four in each of these categories. The best employers were selected from over 70,000 companies.

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”?

An important tool to identify strains in good time is a systematic hazard analysis. All employees are regularly asked about potentially hazardous circumstances and stress factors at work. In order to obtain a more comprehensive picture, the focus is placed on varying topics when the survey is repeated. Thanks to the collaboration between the responsible persons – especially the Occupational Safety Officer, the Occupational Medical Service, the staff council, the Social Officer, building management as well as the managers and executives – any strains identified by the survey are usually eliminated in an unbureaucratic way.

NRW.BANK has established two working groups to address health protection to 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 the strategic 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.

The Bank’s diverse health management offerings, which are usually free, are available to all employees. Since February 2019, 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. As a bicycle-friendly company, NRW.BANK offers its employees the perfect infrastructure for cycling to and from work. To support this activity and thus promote physical well-being, employees of NRW.BANK are given the possibility to lease a bicycle.

Under the motto “Wir für andere” (we 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. 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, all employees have been offered a short training course to refresh their first-aid skills in cooperation with “Die Johanniter”. 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 agreements to reduce their regular working hours. In addition, the Bank provides two more possibilities that allow employees to increase the flexibility of their working time:

- Since 2013, NRW.BANK has offered its employees the option to take up to two months of unpaid leave of absence in addition to the paid vacations. This option was used by twelve employees in the reporting year.
- The possibility to take five or ten additional days off per year against a corresponding reduction of the salary is very popular among the workforce. 202 employees, i.e. 14% of the workforce, took advantage of this possibility in 2019.

Flexible Working Lifetime

Especially against the background of the age structure and the expected retirement of a large number of specialists within the course of a few 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. While twelve employees went into partial retirement in 2019, a further eleven employees applied for old-age part-time work in 2020.

NRW.BANK Personnel Figures as at 31 December 2019

	2019		2018		2017	
	absolute	in %	absolute	in %	absolute	in %
Active employees, total¹⁾	1,392	100%	1,365	100%	1,319	100%
by sex						
– women	723	51.9%	708	51.9%	688	52.2%
– men	669	48.1%	657	48.1%	631	47.8%
by company location						
– Düsseldorf	977	70.2%	963	70.5%	926	70.2%
– Münster	414	29.7%	402	29.5%	393	29.8%
by type of employment						
– full time	863	62.0%	908	66.5%	889	67.4%
– part time	529	38.0%	457	33.5%	430	32.6%
by function group						
– management (incl. Managing Board)	255	18.3%	252	18.5%	244	18.5%
– specialists/project workers	626	45.0%	596	43.7%	553	41.9%
– case workers	411	29.5%	410	30.0%	419	31.8%
– secretaries	46	3.3%	50	3.7%	46	3.5%
– non-commercial functions	48	3.4%	51	3.7%	51	3.9%
– special functions ²⁾	6	0.4%	6	0.4%	6	0.5%
by remuneration						
– collective pay	850	61.1%	841	61.6%	823	62.4%
– non-collective pay	542	38.9%	524	38.4%	496	37.6%
Total average age (in years)	45.7		45.4		45.0	
Average period of employment (in years)	16.6		16.6		16.3	
Total departures	51	3.7%	39	2.9%	51	3.9%
– due to termination	26	1.9%	18	1.3%	17	1.3%
– due to age	25	1.8%	21	1.5%	34	2.6%
Additionally: temporary employees	40		36		33	
Additionally: apprentices and trainees						
– trainees	1		0		2	
– apprentices	51		49		45	
– thereof new apprenticeships	14		14		19	
– completed apprenticeships	12		9		7	
– hiring rate (unlimited)		75.0%		100.0%		100.0%

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

²⁾ Staff council members released from their duties



// 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.



Showing Commitment to Society

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. The Bank 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. The Managing Board decides on subsidies on the basis of these decision requests and thus has ultimate responsibility within the Bank for the allocation of funds.

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".

In 2019, NRW.BANK spent a total amount of € 841,000 on donations, sponsorships or memberships in North Rhine-Westphalia. 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 2019 and supported several projects from the field of "Science & Education". The most important funding 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.

School Cooperations in Düsseldorf and Münster

Since 2007, NRW.BANK has financed study and job orientation workshops at four schools, namely Cecilien-Gymnasium and Hauptschule St. Benedikt in Düsseldorf as well as Freiherr-vom-Stein-Gymnasium and Hauptschule Coerde in Münster. Pupils are given the opportunity to discover their own strengths, talents and interests for their future careers. Parents are involved in the project and learn how to assist their children in finding the right occupation. The Bank also finances a state-wide further training programme for teachers to enable them to advise their pupils effectively with regard to their career choices.

Schlaun-Forum e. V., Münster

Since 2011, the Bank has supported the “Schlaun Competition” for students from the 5th semester as well as graduates up to the age of 35 of the fields of study of urban development, architecture, landscape planning and civil engineering. Every year, a new location is chosen for which urban planning and development solutions are to be found. One of the objectives of the competition is to encourage creative young talent to come up with new ideas for the creation of forward-looking, energy-efficient and sustainable housing as well as with adequate solutions to the traffic situation in currently problematic city centres. Münster Bahnhof Süd has been chosen as the location for the [9th Schlaun Competition 2019/2020](#), where a former general cargo station will be redeveloped.

Arts & Culture

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

Concerts by Young Artists and Corporate Volunteering

In the reporting year, the Bank again supported cultural events at its two locations by making available its premises: In October, the “Ensemble 87”

sextet played at NRW.BANK’s company restaurant in Münster as part of the annual “CHAPEAU classique” music festival launched in 2011. The concert was organised by the Bank in cooperation with [Gesellschaft zur Förderung der Westfälischen Kulturarbeit e. V. \(GWK\)](#), Münster. GWK promotes excellent young artists and organises cultural events in Westphalia in the fields of art, music and literature.

For the eleventh consecutive year, NRW.BANK organised two evening concerts in the foyer of its Düsseldorf building in cooperation with the “düsseldorf festival!” held annually in September. The first concert in 2019 starred the “[Daniel Gracia Trio](#)”, while the second concert was performed by the “[H A U S](#)” jazz quartet. NRW.BANK employees volunteered at these concerts, serving beverages and snacks to the guests. The proceeds from the sale of drinks and snacks plus a € 3,000 donation by the Bank, i.e. a total of € 6,745, were donated to JeKits. The “JeKits – Jedem Kind Instrumente, Tanzen, Singen” foundation doubled this donation to support music schools in NRW.

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 six months 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. At a festive exhibition opening ceremony held at NRW.BANK in Düsseldorf in October 2019, the patroness, Minister Isabel Pfeiffer-Poensgen, awarded prize money in the total amount of € 33,000.

Lit.COLOGNE, Cologne

For many years, the Bank has supported the Lit.COLOGNE literature event, which has reorganised its offerings for children and young people. Since 2018, NRW.BANK has therefore sponsored the "Lit.Kid.COLOGNE" format, which is specifically aimed at this target group.

Society & Social Affairs

NRW.BANK attaches special importance to promoting responsible behaviour in socially relevant areas. In 2019, a focus was placed on commitments for project requests on nature conservation and environmental protection.

Eine Welt Netz NRW – Eine Welt Mobil in Münster

For nine years, the Bank has supported the "[Eine Welt Mobil](#)" project in Münster. The network helps teach pupils and kindergarten kids responsible and social behaviour. The main topics addressed are climate protection and ideas for resource-efficient living. In 2019, the donation helped to fund some 50 uses of the "Eine Welt Mobil" (one world van).

Schutzgemeinschaft Deutscher Wald NRW

The Bank supported two [tree planting projects](#) in North Rhine-Westphalia, in the context of which some 7,500 trees were planted in [Duisburg](#) and Münster. Moreover, the employees of NRW.BANK were made aware of [forest and nature conservation in NRW](#) and actively involved in the project.

Kreisimkerverband Düsseldorf im Imkerverband Rheinland e. V. / Apsis e. V., Münster

In keeping with its commitment to sustainability, the Bank has promoted the protection of bees in Düsseldorf and Münster since 2017. Bees are of great ecological importance as they make a significant contribution to the preservation of wild and cultivated plants and their yields. Local bee protection additionally supports the urban biodiversity. In 2019, two workshops for employees in Düsseldorf were organised, among other things.

Employee Commitment / Christmas Activity

Since 2017, NRW.BANK has made available a total annual amount of € 20,000 to support the honorary work of its employees in charitable organisations. In 2019, amounts of € 4,000 each were donated to the following institutions: the association "Das frühgeborene Kind Münster" cares for and informs relatives of risk and prematurely born children in Münster. "Vereinigung der Freunde des Gymnasiums Korschenbroich" offers an IT club where pupils learn programming. "Förderverein Aktion Luftballon e. V." of the paediatric clinic at Lukas Hospital in Neuss provides additional therapeutic care for children. The cafeteria association of the Maria Montessori Comprehensive School in Meerbusch is implementing the project "Healthy fresh cuisine for school children and teachers". The "roterkeil e. V." association in Greven supports the project "Network against child abuse and child prostitution of the Dortmund Mitternachtsmission".

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 and Social Affairs" in 2019. 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.

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