Questionnaire to assess the sustainability of the company

NRW.BANK

European Guidelines on loan origination and monitoring, along with the minimum requirements of the German banking supervision for risk management in German financial institutions require them to evaluate the sustainability risks of their borrowers. This includes risks related to environment, social and governance (ESG-Risks).

Please answer the following questions regarding sustainability in your company. If external experts have determined the information, please attach the relevant documentation as an appendix. For self-disclosures and self-assessments of your company's position in relation to the industry average, kindly provide a brief explanation in the designated column.

Explanations on each question can be found at the end of the document.

Name of customer _____ Address _____ ZIP, Location _____

Customer number/reference of NRW.BANK (if known): _____

General Information	from/since year	yes	no	Explanation/Reference to appropriate proof
Is the company affected by the following disclosure requirements?				
Corporate Sustainability Reporting Directive (CSRD)		☐	☐	
Act on Corporate Due Diligence Obligations in Supply Chain (Lieferkettensorgfaltspflichten-gesetz; LkSG)		☐	☐	
Other disclosure requirements in connection to Sustainability		☐	☐	

General Information	from/since year	yes	no	Explanation/Reference to appropriate proof
Did the company or its products gain any ratings or certifications related to sustainability?				
Sustainability rating		☐	☐	
Sustainability certification on company level		☐	☐	
Sustainability certification on product level		☐	☐	
Other relevant/similar external Evaluations		☐	☐	

Sustainability indicator			Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
E1: Greenhouse gas emissions			
(1) Key figure: CO_2-equivalent emissions[1], data in kg			
Scope 1	_____	kg	_____
Scope 2	_____	kg	_____
Scope 3	_____	kg	_____
(2) Determination of CO_2-equivalent emissions			
	☐ External expert		
	☐ self-calculation		_____
(3) What was the amount of the gross value added[2] of your company in the last year?			
	_____	TEUR	_____

1 For the definition of the terms Scope 1-3, see explanatory notes.
2 For details on the calulation, see explanatory notes.

Sustainability indicator		Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
(4) How do you range your company in relation to the industries average in the context of CO_2 regarding to the gross value added?	☐ superior ☐ equal ☐ worse	
E2.1: Direct water consumption[3]		
(1) Key figure: Direct water consumption in m^3 for the expired financial year	_____ m^3	
(2) Determination water consumption	☐ External expert ☐ self-calculation	
(3) How do you range your company in relation to the industries average in the context of direct water consumption regarding to the gross value added?	☐ superior ☐ equal ☐ worse	

3 Includes water purchased directly by the company and abstractions from nature (own consumption).

Sustainability indicator		Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
E2.2: Indirect water consuption[4]		
(1) Key figure: Indirect water consumption in m^3 for the expired financial year	_____ m^3	_____
(2) Determination water consumption	☐ External expert ☐ self-calculation	_____
(3) How do you range your company in relation to the industries average in the context of indirect water consumption regarding to the gross value added?	☐ superior ☐ equal ☐ worse	_____
E3: Hazardous waste[5]		
(1) Key figure: quantity of hazardous waste in kilograms (kg)	_____ kg	_____
(2) How do you see your company positioned in relation to the industry average in terms of the amount of hazardous waste in relation to gross value added?	☐ superior ☐ equal ☐ worse	_____

4 Refers to water consumption along the upstream value chain, e.g. from the manufacture of primary products.
5 For details see explanatory notes.

Sustainability indicator		Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
E4.1: Plan to achieve climate neutrality[6]		
The company has a plan to achieve genuine climate neutrality by 2045 (i.e. operating without net emissions of greenhouse gases and without utilizing the option of offsetting any emissions by purchasing climate certificates).	☐ Clear measurable targets, plan fully achievable. ☐ Realistically planned, target achievement probably possible. ☐ Ambitious plan, realization still associated with uncertainty. ☐ Target cannot realistically be achieved from today's perspective, plan currently still incomplete. ☐ There is currently no concrete plan or there is little prospect of success.	
E4.2: Recycling management[7]		
In order to preserve our natural resources in the long term, the company has established a circular economy with regard to the use of raw materials, the proportion of secondary raw materials used, raw material productivity and recycling.	☐ fully established ☐ largely established ☐ partially established ☐ mostly not established ☐ not yet established	
E5.1: Flood risk		
To what extent is the location or are the main locations of your company exposed to a significant flood risk?	☐ low risk ☐ medium risk ☐ increased risk	

6 For details see explanatory notes.
7 For details see explanatory notes.

Sustainability indicator		Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
E5.2: Storm risk		
To what extent is the location or are the main locations of your company exposed to a significant storm risk?	☐ low risk ☐ medium risk ☐ increased risk	
E5.3: Drought risk[8]		
To what extent is your company directly or indirectly exposed to a significant drought risk?	☐ low risk ☐ medium risk ☐ increased risk	
E5.4: Heavy rainfall risk[9]		
To what extent is your company directly or indirectly exposed to a significant risk of heavy rainfall?	☐ low risk ☐ medium risk ☐ increased risk	
E6.1: Loss of biodiversity/natural capital[10]		
To what extent is your company directly or indirectly exposed to a significant risk from the increasing loss of biodiversity/natural capital?	☐ low risk ☐ medium risk ☐ increased risk	

8 Drought is an extreme condition in which less water or rainfall is available over a longer period of time than required. Droughts can have a significant impact on a wide range of sectors, e.g. agriculture, energy and water supply, industry and shipping.
9 Heavy rain refers to intense rainfall that releases large amounts of rainwater in a short period of time. This can lead to overloaded drainage systems and flooding, causing damage to infrastructure, business resources (e.g., production facilities, warehouses, raw materials, finished products), and the environment.
10 For details see explanatory notes.

Sustainability indicator		Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
E6.2: Temperature rise		
To what extent is your company directly or indirectly exposed to a significant risk from the increasing rise in the average annual temperature?	☐ low risk ☐ medium risk ☐ increased risk	
S1: Minor employment		
(1) Key figure: Share of minor employed persons in relation to employees subject to social insurance contributions (AGB/SVB in %)	_____ %	
(2) How do you range your company in relation to the industries average regarding to the share of minor employees?	☐ superior ☐ equal ☐ worse	
S2: Temporary employment[11]		
(1) Key figure: Total expenses for temporary workers in relation to the amount of wage and salary earners in the company (full-time equivalents)	_____ €/FTE	
(2) How do you range your company in relation to the industries average regarding to the share of temporary employees in your company?	☐ superior ☐ equal ☐ worse	

11 For details on the calculation, see explanatory notes.

Sustainability indicator		Explanations on relevant risk and already realized or planed arrangements/reference to appropriate proof
S3: Gender Pay Gap[12]		
(1) Key figure: Gender Pay Gap	_____ %	
(2) How do you range your company in relation to the industries average achieving a low Gender Pay Gap?	☐ superior ☐ equal ☐ worse	
S4: Violations of human rights along the supply chain[13]		
(1) To what extent is your company exposed to risk from known or potential violations of human rights in the upstream supply chain?	☐ low risk ☐ medium risk ☐ increased risk	
G: Governance		
Has your company implemented a sustainability strategy and do regular target/actual comparisons take place?[14]	☐ yes ☐ no	

I/We declare that the above information is complete and correct to the best of my/our knowledge.

Location, Date	Legally binding signature(s) and stamp	Name(s) in Capitals

12 For details on the calculation, see explanatory notes.
13 For details see explanatory notes.
14 If a sustainability strategy exists, please attach it as an annex to this questionnaire.

Explanations to the questionnaire

The following descriptions mainly address to companies.

For fund investments, the relevant information is to be considered in relation to the total of companies included in the portfolio or in accordance with the investment plan.

Sustainability ratings and certificates

Examples:

- Sustainability or ESG ratings can be assigned by rating agencies such as Sustainalytics, Fitch, Moody's, S&P, MSCI, ISS, etc.

- Sustainability certifications at the company level can be awarded either according to the individual standards of the certifier, such as Ecovadis, or according to specific standards such as:
  - ISO 14001/EMAS (Environmental Management)
  - ISO 50001 (Energy Management)
  - ISO 45001 (Occupational Health and Safety)
  - ZNU (Standard for Sustainable Management)

- Examples for Sustainability certifications at the product level
  - European Environmental sign
  - "Blauer Engel"
  - diverse Fair-Trade-Certificates

E1: Greenhouse gas emissions

Re (1) Figure greenhouse gas emissions

CO_2-equivalent emissions including emissions from upstream activities:

- Scope 1: all direct emissions that are owned or controlled by the company

- Scope 2: indirect emissions from purchased energy (purchased electricity, heat, etc.)

- Scope 3: upstream and downstream indirect emissions along the value chain

Re (3) Gross Value Added:

Gross value added corresponds to gross revenue plus other operating income minus other operating expenses.

Gross revenue corresponds to total revenue minus material costs.

In table format:

Overall performance **– Material costs**
Gross revenue + Other operational revenues – Other operational expenditures
Gross value added

Note: This key figure is required to calculate intensities. The effective company values for CO_2 emissions, water consumption and environmental taxes are assessed in relation to the company's gross value added.

Re (4) Possible approaches to the assessment in relation to the industry average:

- Status of modernization of the machines used, use of energy-efficient technology
- Status of energy efficiency and energy-efficient refurbishment of buildings
- Use of filter technologies to capture greenhouse gases
- Use of technology to remove greenhouse gases from the atmosphere
- Sustainability of the source of the energy used (electricity/heat/fuel), e.g. wind power, solar energy, hydropower versus coal, oil, gas
- Emission intensity of the products manufactured
- Measures to offset emissions, e.g. financial support for projects to bind greenhouse gases

Please explain above if applicable.

E2.1: Direct water consumption and E2.2: Indirect water consumption

Re (3) Possible questions on the assessment in relation to the industry average:

- Have technical or process-related efficiency measures been or are being implemented to reduce water consumption?
- Are special filter or treatment plants used?
- What measures have been taken to enable an efficient water cycle?
- Are there or have there already been changes in the product range towards products that can be manufactured with less water consumption?
- Has there been a change of supplier to a supplier with lower water consumption?
- Other measures to reduce water consumption?

Please explain above if applicable.

E3: Hazardous waste

Re (1) Key figure quantity of hazardous waste in relation to gross value added

Classification as hazardous waste follows the European Waste Catalogue (EWC), which is to be applied in Germany via the Ordinance on the European Waste Catalogue (AVV). Hazardous waste is labelled with an asterisk.
Link: EWC
Link: AVV

Re (2) Possible approaches to the assessment in relation to the industry average:

- Degree of waste intensity and proportion of hazardous waste compared to the industry average

- Implementation of technical or procedural measures to reduce or avoid hazardous waste, e.g. by adapting production processes or changing the source materials.

Please explain above if applicable.

E4.1: Plan to achieve climate neutrality

Achieving a greenhouse gas-neutral economy, i.e. an economy with no net emissions of greenhouse gases, is essential for maintaining a long-term development perspective. In Germany, the goal of achieving greenhouse gas neutrality by 2045 is enshrined in law. This means genuine greenhouse gas neutrality, i.e. without the possibility of offsetting emissions by purchasing so-called certificates. The greater a company's ability to change to a greenhouse gas-neutral economy, the lower the risk that this change will have a negative impact on the company. Change is driven by political requirements, social expectations and technological innovation.

E4.2: Recycling management

In order to preserve our natural resources, which form the basis of our life and economy, in the long term, the current largely linear economic system – produce, use, dispose – must be replaced by a circular economy. The legal basis for this is the Closed Substance Cycle Waste Management Act (KrWG), which came into force on 1 June 2012 and was amended in October 2020.

The greater a company's ability to change to a circular economy, the lower the risk that this change will have a negative impact on the company. Change is driven by political requirements, social expectations and technological innovation.

The more of the 'R's' listed below are anchored in the company, the more strongly a circular economy is implemented:

- Rethink (develop new business strategies; e.g. renting products instead of selling them)

- Reduce (e.g. by saving on product and packaging materials)

- Reutilise (e.g. reuse of packaging or waste products generated during the production process)

- Repair (offer a repair service)

- Refurbish (e.g. products that are no longer needed and sell as 'second-hand')

- Remanufacture/Reconditioning (manufacturing new products from broken products or product parts)
- Repurpose (use of waste products for new products)
- Recycle (ensuring a high level of recyclability of products and packaging, using products made from recycled materials in purchasing, ensuring the recyclability of purchased products and packaging, ensuring waste separation within the company)
- Resist/Refuse (less consumption results in less resource consumption)

Please explain above if applicable.

E6.1: Loss of biodiversity/natural capital

Biodiversity refers to genetic diversity, i.e. the diversity of plants, animals, fungi and microorganisms. It is crucial for the resilience of our ecosystem. A minimum level of biodiversity is therefore a prerequisite for our ecosystem to provide the services expected of it and to provide us with the natural capital we need. This includes clean air, clean drinking water, healthy soils and seas. These products/services provided by nature are not only the basis of our livelihood, but also the foundation of many economic sectors.

E6.2: Temperature rise

An increase in the average annual temperature can have numerous negative consequences and risks for the economy, such as a decline in labour productivity, additional costs and risks due to higher cooling requirements, damage to important infrastructure and technical equipment due to increased heat waves. In addition, some sectors, such as agriculture, may be forced to switch, which in turn harbours risks and can mean additional financial expenditure.

S1: Minor employment

Re (1) Key figure: minor employees

Exclusively minor employed persons in relation to employees subject to social insurance contributions = **AGB/SVB**

Counter:
Number of minor employees (also known as 450 euro jobs or mini-jobs)

Unit: **AGB (= number of minor employees)**

Nominator:
Number of employees subject to social security contributions

Unit: **SVB (= number of employees subject to social insurance contributions)**

Additional information on the calculation:

The number is determined for the last four consecutive quarters for which it is available. The mean value is calculated for each of the four quarters and the ratio is calculated on this basis.

S2: Temporary employment

Re (1) Key figure:

Expenses for temporary employees per wage and salary employee in full-time equivalents in euros = **EUR/FTE**

Counter:

Total expense for all temporary employees working for the client

Unit: **EUR**

Nominator:

Number of wage and salary recipients

Unit: **employees**

S3: Gender Pay Gap

Re (1) Key figure:

Gender Pay Gap = **%**

Calculation:

To calculate the gender pay gap, the mean value of the average gross hourly earnings of the last four quarters is calculated separately for women and men for each performance group. From this, the difference in average gross hourly earnings for women and men is calculated for each performance group, with the plus and minus signs removed. The difference is given as a percentage.

Finally, the mean value of the percentage deviation across all performance groups is calculated.

Re (2) Assessment in relation to the industry average:

The assessment can be based on a comparison of direct data from an industry comparison, but also by examining the following exemplary dimensions:

- Are there collectively agreed guidelines on gender-neutral pay?
- Is the company active in promoting women? (Approaching female graduates in mathematical and scientific subjects, Girls' Day, management coaching for female employees, etc.)?
- Is there a transparent approach to wages and salaries within the company?

S4: Violations of human rights along the supply chain

Compliance with human rights is part of corporate social responsibility. This includes, in particular, a company's international and national supply chains. Violations of human rights include, for example, forced labour, child labour, human trafficking, denial of rights, discrimination, damage to health and the environment.

G: Governance

Sustainability strategy:

If a sustainability strategy exists, please attach it as an annex to this questionnaire.

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