



We Promote Sustainability

# Sustainability Report 2022



**NRW.BANK**  
Promoting Ideas

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# Foreword by the Managing Board



Dear Readers,

Climate change calls for solutions that help the economy, local communities and society save carbon dioxide and use limited resources more sustainably. Implementing the sustainable transformation has become more urgent than ever. This is confirmed not only by the latest report of the Intergovernmental Panel on Climate Change but also by daily news reports on droughts, severe weather events or crop failures.

North Rhine-Westphalia is a resource- and energy-intensive region and at the same time has the potential to be a pioneer in environment protection and climate action. As the most populous federal state, North Rhine-Westphalia is the largest supplier of green economy products and services. This important driver of sustainable change shows how economic success and environmental protection can go hand in hand.

For the sustainable transformation to succeed, many companies place a priority on investing in innovative production processes and saving energy. New technologies, climate-friendly plants and new products need to be developed. Municipalities are also well advised to invest in adaptation to the effects of climate change. At the same time, they are challenged to make cities more liveable and to create affordable housing.

NRW.BANK supports this transformation, as sustainability is a key guiding principle for us. Against the background of the expected consequences of climate change, it is becoming an increasingly important criterion in our business policy decisions. We support North Rhine-Westphalia in becoming the first carbonneutral industrial region in Europe. In our capacity as a promotional bank, we provide customised financing solutions and advisory services; we make investments in sustainable products and processes attractive. This way, our promotional products and services enable environmental progress – and thus make businesses in North Rhine-Westphalia more competitive.

Last year, NRW.BANK successfully placed its 12th and 13th Green Bond with a total volume of 1.5 billion euros – a clear sign of the great importance of environmentally sustainable promotion. The funds from these bonds, which we have issued since 2013, are used, for instance, to refinance renewable energy such as wind power and photovoltaics as well as energy-efficient construction projects. Since 2020, we have also issued Social Bonds. Last year saw us issue our 6th Social Bond, which has a volume of 1 billion euros. Our Social Bonds are used to refinance projects that focus on the social aspect of sustainability, most recently, for instance, measures aimed at improving school education.

NRW.BANK is constantly looking for ways to make its promotional and capital market business even more sustainable and expands its Sustainability Guidelines accordingly.

Our goal is to achieve a carbon-neutral investment portfolio no later than 2045. The road that takes us there is defined by our ESG (Environmental, Social and Governance) Investment Framework. The Framework creates transparency on the integration of sustainability aspects in the investment portfolio as defined by the UN Principles for Responsible Investment (UN PRI). Acting in sync with the State of North Rhine-Westphalia, all our sustainability efforts are guided by the Paris climate goals. In addition to the UN PRI, we are guided by other established and meaningful sustain-

ability initiatives, such as the ten principles of the UN Global Compact and the UN Sustainable Development Goals (SDGs).

Our understanding of sustainability includes acting as a sustainable and responsible employer. We use climate certificates to offset those emissions that we cannot avoid yet. To promote sustainable mobility and contribute to the mobility transition, we support our employees by paying 60 percent of the regular price of 49 euros of the new “Deutschland Ticket” for Germany-wide travel on local public transport systems.

Great importance is attached to the needs and concerns of our employees. Our working atmosphere is characterised by respectful cooperation and fair, cooperative and appreciative interaction. This has been confirmed by several independent awards such as the “Fair Company” initiative launched by the Handelsblatt newspaper, which recognises us as a company that offers young people fair working conditions and development prospects. And in the FOCUS Ranking, we have repeatedly been among the top ten recommended employers in the banking sector.

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

June 2023

#### The Managing Board of NRW.BANK



Eckhard Forst  
Chairman of the Managing Board



Claudia Hillenherms  
Member of the Managing Board



Gabriela Pantring  
Member of the Managing Board



Michael Stölting  
Member of the Managing Board

# Profile of NRW.BANK and Key Performance Indicators

NRW.BANK is the promotional bank of North Rhine-Westphalia (NRW). Its mission is to support its owner, the State of North Rhine-Westphalia, in the completion of its structural and economic policy tasks. In its three promotional fields, Economy, Housing and Infrastructure/Municipalities, NRW.BANK uses a wide range of promotional tools – from low-interest promotional loans to equity financing 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. Above and beyond the traditional banking business, the Bank also assumes service functions for grant-based promotion as a partner of the federal state.

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 public housing construction modern, flexible and profitable using the right promotional programmes.

Municipal financing also forms part of NRW.BANK's public mission. This makes the Bank the ideal partner to municipalities and local communities, which it supports with advisory services and promotional products.

Independently of its promotional business, NRW.BANK also holds equity investments in the public interest. The Bank publishes a detailed list of shareholdings in accordance with section 285 No. 11 and 11a of the German Commercial Code (HGB) in its annual [Financial Report](#).

Since the reporting year 2015, NRW.BANK has published its Sustainability Report as a separate publication to present the progress achieved in a transparent manner.

## Sustainability Balance

Economic Performance Indicators	2022	2021	2020	Unit
<b>Financial performance indicators</b>				
Total assets	159,898	153,132	155,787	€ millions
Equity capital pursuant to HGB	17,986	17,986	17,985	€ millions
Net interest and net commission income	741	750	802	€ millions
Administrative expenses	-299	-273	-273	€ millions
Operating result	334	260	308	€ millions
CET1 ratio	44.0	44.4	43.9	%
Leverage ratio	19.0	21.0	11.2	%
Liquidity coverage ratio	306	442	260	%
<b>NRW.BANK.Green Bonds (new issues)<sup>1)</sup></b>				
Volume	500; 1,000	500; 500	500	€ millions
Maturity	10	10	10	years
Focus	Water; Energy	Energy	Energy	
CO <sub>2</sub> equivalent savings per year	250; 193 <sup>2)</sup>	340; 500	220	t/€ m
<b>NRW.BANK.Social Bonds (new issues)<sup>1)</sup></b>				
Volume	1,000	500; 1,000	1,000	€ millions
Maturity	15	20; 7	15	years
Volume	-	600; 125	-	AUD millions
Maturity	-	5; 10	-	years
<b>Promotional fields (new commitments)</b>				
Economy	4,664	3,973	5,642	€ millions
Housing	2,920	3,606	3,728	€ millions
Infrastructure/Municipalities	5,973	4,434	7,645	€ millions

## Sustainability Balance

Social Performance Indicators	2022	2021	2020	Unit
<b>Employee structure</b>				
Number of permanent employees	1,485	1,442	1,421	employees
Share of women in total workforce	50.4	50.6	50.8	%
Share of women in management positions	33.9	33.9	33.1	%
Share of part-time employees in total workforce	36.6	35.9	39.3	%
Turnover ratio	5.5	3.2	3.9	%
Average period of employment	16.2	16.5	16.5	years
Average age	46.0	46.1	45.9	years
Additionally: temporary employees	57	62	57	employees
Additionally: apprentices/trainees	42	44	52	employees
<b>Vocational and further training</b>				
Participation in internal seminars	621	523	598	employees
Participation in external seminars	466	763	624	employees
In-house trainers	200	245	222	employees
<b>Work/family life balance</b>				
Part-time employees	543	517	558	employees
Executives working part-time	59	54	71	employees
Employees on leave according to BEEG and LGG <sup>3)</sup>	41	48	47	employees
<b>Corporate Citizenship</b>				
Total	1.2	1.2	1.2	€ millions
Science & Education	26	37	37	%
Society & Social Affairs	58	35	37	%
Arts & Culture	16	28	26	%

### Sustainability Balance

Environmental Performance Indicators	2022	2021	2020	Unit
<b>Greenhouse gas emissions<sup>4)</sup></b>				
Total emissions	1,457	1,766	1,585	t CO <sub>2</sub> e
thereof direct emissions (Scope 1 <sup>5)</sup> )	351	534	356	t CO <sub>2</sub> e
thereof indirect emissions (Scope 2 <sup>5)</sup> )	497	679	609	t CO <sub>2</sub> e
thereof indirect emissions (Scope 3 <sup>5)</sup> )	609	553	620	t CO <sub>2</sub> e
Emissions per employee	0.94	1.16	1.03	t CO <sub>2</sub> e
thereof offset <sup>6)</sup>	100	100	100	%
<b>Building energy</b>				
Total electricity consumption	6,774,010	7,619,761	7,062,185	kWh
thereof from green electricity	100	100	100	%
Electricity consumption per employee	3,919	5,017	4,584	kWh
Total heating energy	5,470,480	7,483,249	6,705,356	kWh
Heating energy per employee	3,522	4,927	4,353	kWh
<b>Business travel</b>				
Total kilometres travelled	2,996,667	1,833,889	2,304,183	km
Kilometres travelled per employee	1,929	1,208	1,496	km

### Sustainability Balance

Environmental Performance Indicators	2022	2021	2020	Unit
<b>Paper</b>				
Total paper consumption <sup>7)</sup>	15,665	13,710	19,797	kg
Paper consumption per employee <sup>7)</sup>	10.1	9.0	12.9	kg
thereof recycled paper <sup>8)</sup>	67.9	63.2	59.1	%
<b>Waste</b>				
Total waste <sup>9)</sup>	105.7	139.5	120.2	t
Recycling ratio	67.7	79.4	62.6	%
Waste per employee	68	92	78	kg
<b>Full-time equivalents</b>				
For the calculation per employee	1,553	1,519	1,541	employees

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

<sup>2)</sup> Updated methodology for calculating savings of CO<sub>2</sub>equivalents. Applied for the first time for NRW.BANK.Green Bond #2 2022.

<sup>3)</sup> As of December 31. Figure does not include employees who work part-time during parental leave. They are shown under "Part-time employees".

<sup>4)</sup> The conversion factors correspond to the 2022 VfU update version 1.0. Figures for 2021 and 2020 were recalculated.

<sup>5)</sup> Distinction between direct and indirect emissions: direct greenhouse gas emissions come from sources owned or controlled by NRW.BANK. Indirect greenhouse gas emissions result from the business activity of NRW.BANK – but their sources are owned or controlled by third parties. In accordance with the "Greenhouse Gas Protocol", emissions are divided into three categories depending on the degree of influence exerted by NRW.BANK:

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

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

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

<sup>6)</sup> NRW.BANK offsets its CO<sub>2</sub> emissions by using certificates from global climate protection projects.

<sup>7)</sup> Office paper, excl. printed matter, envelopes and marketing materials

<sup>8)</sup> In percent of total paper consumption

<sup>9)</sup> Only office waste, excl. kitchen and other waste

Abbreviations:

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

kg: kilogramme

km: kilometre

kWh: kilowatt hour

m: million

t: tonnes



## Living Corporate Responsibility Strategy and Governance

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

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

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

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

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

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

NRW.BANK has defined the core elements of its corporate mission in its corporate mission statement.

## Sustainability Guidelines

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

In the [Specifications](#) section of its Sustainability Guidelines, NRW.BANK describes in detail how it deals with:

- controversial business practices (such as human rights violations, child labour, labour rights violations, environmental behaviour, business practices and animal testing) and
- controversial business segments (such as the arms industry, gambling, controversial business activities in the areas of the environment, nature and living beings).

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

In the reporting year, the Bank again prepared an updated version of its Sustainability Guidelines, which became effective on January 1, 2023. In this updated version, “Mobility/Transport” was introduced as a new category. Investments in passenger cars with increased carbon emissions are no longer promoted. Instead, the promotion of transformative technologies that contribute to carbon neutrality is to be intensified. In addition, the Bank has tightened the promotional conditions for “palm oil and timber”: They now cover not only agricultural and forestry operations but also the trade in palm oil and timber. Sustainable cultivation conditions must be proven for both.

In the reporting year, the Bank also developed an [ESG Investment Framework](#), to create transparency on the integration of sustainability criteria in its investment business. It provides insight into the concept, the objectives and the further development of the [capital market business](#) in terms of the Principles for Responsible Investment.

### **Sustainability Objectives and Activities**

In pursuing the objectives derived from its overall strategy, NRW.BANK is guided by the following overall principle: “The Bank’s activities are geared towards sustainability. The strategic approach to sustainability issues and specific details are set out in NRW.BANK’s Sustainability Guidelines.”

Considering the latter, objectives for the further development of sustainability at NRW.BANK are determined annually for a four-year period. These objectives are the fields of action in which the Bank intends to push ahead its sustainability efforts by taking appropriate measures. These measures, in turn, are intended to have a positive influence on the future of the state of North Rhine-Westphalia.

NRW.BANK has fully achieved the objectives set for 2022 as well as the associated measures.

**A. Living Corporate Responsibility**

Sustainability objective	Activity	Period	Status	Implementation in 2022
Intensify the dialogue with the stakeholders that are relevant for sustainability	Regular and open exchange in the context of the refined stakeholder dialogue	Ongoing	✓	Exchange (live, digital) with relevant stakeholders, e.g. on the circular economy in North Rhine-Westphalia
	Employee survey on sustainability – review the possibility to include employee proposals in the objectives development process	Ongoing	✓	Survey on the mobility of employees and review of possibilities for further development
Further expansion of sustainability communications	Further development of sustainability-related topics in external communications	Ongoing	✓	E.g. presentation of sustainable promotion examples on the website
	Further development of sustainability-related topics in internal communications	Ongoing	✓	Organisation of a Sustainability Week with internal and external lectures and activities on the topic of circular economy
	Publication of a Sustainability Report	2022	✓	NRW.BANK's Sustainability Report for 2021 was published in June 2022.
Further development of sustainability-related topics within NRW.BANK	Further development of NRW.BANK's Sustainability Guidelines	Ongoing	✓	Implementation of the annual further development process, e.g. expansion of the knock-out criteria to include mobility
	Regular exchange on sustainability-related topics with other market players (at conferences, forums, bilateral meetings)	Ongoing	✓	E.g. participation in network meetings of the VfU or the UN Global Compact network on various topics (e.g. Biodiversity Forum)
	Further development of the keynote series on sustainability at NRW.BANK	2022	✓	One keynote speech held per quarter on different sustainability topics (e.g. Sustainability Guidelines, SDG mapping)
	Support of the EU Sustainable Finance Action Plan	Ongoing	✓	Consideration and analysis of the latest developments regarding the EU Sustainable Finance Action Plan (e.g. CSRD, taxonomy), implementation of the resulting regulatory requirements
Development of the Paris climate goals	Examination of suitable measures to achieve the Paris climate goals	2022 et seq.	✓	E.g. introduction of the MSCI warming potential for the Bank's corporate portfolio

**B. Shaping Sustainable Promotion for Customers**

Sustainability objective	Activity	Period	Status	Implementation in 2022
Strengthen and expand sustainable promotional products	Consideration of sustainability aspects in consulting as a permanent task both in commercial promotion and in consulting for public-sector clients, e.g. further free climate protection seminars for SMEs	Ongoing	✓	Besides the climate protection seminars for SMEs, the Bank held a number of information events and workshops for funding recipients, house banks and multipliers, including the NRW.BANK event series "Nachhaltig in die Zukunft" (Sustainable into the Future).
	Support for the implementation of the Sustainability Guidelines in dialogue with the house banks, the savings banks and banking associations as well as the public-sector clients in direct business	Ongoing	✓	For the fifth time already, the Bank conducted individual workshops on "Sustainability" together with the Savings Banks and Giro Association of the Rhineland, the Savings Banks and Giro Association of Westphalia-Lippe, Bankenverband NRW and Genossenschaftsverband.
	Further improvement of venture capital offerings for social start-ups	2022	✓	E.g. Implementation of the equity bridge financing instrument as a combination of open equity investment and convertible loan as part of existing offerings
	Refine the content of special commercial programmes under sustainability aspects	2022	✓	Further development of the NRW.BANK.Effizienz kredit and NRW.BANK.Elektromobilität programmes, e.g. more precise definition of the promotion criteria for alternative drives in the NRW.BANK.Elektromobilität programme
	Support the federal state in the hydrogen roadmap	2022	✓	E.g. "Weg vom Gas" (Moving away from gas) variant of the NRW.BANK.Universalkredit: Launch of a variant limited until the end of 2023 to support small enterprises in switching from natural gas to hydrogen or renewables
	Support businesses, private households, the housing sector and municipalities in coping with the consequences of heavy rainfall	2022	✓	Various promotional offerings (support services) of the Bank, e.g. financing of damage as well as clean-up work of companies, with a reduced interest rate as well as repayment discounts for EU SMEs under the NRW.BANK.Universalkredit programme (and continuation of the offering until June 30, 2023)
	Analyse the need for promotional funding of the social infrastructure and, based on this, examination of needs-oriented adjustments in the promotional portfolio	2022	✓	Adjustments in the promotional product portfolio, e.g. resumption of the NRW.BANK.Flüchtlingsunterkünfte programme (introduction of an additional 5-year variant in the NRW.BANK.Sportstätten programme)
	Examine the need for adjustments in public housing promotion due to EU taxonomy	2022	✓	Adjustment of the reporting on federal funds for climate-friendly social housing construction

Sustainability objective	Activity	Period	Status	Implementation in 2022
Strengthen and expand sustainable promotional products	Support structural change in the Rhenish mining area	2022	✓	Training of and intensification of the exchange with Zukunftsagentur Rheinisches Revier and with the responsible staff at chambers and municipalities
	Close promotional gaps regarding decentralised energy supply concepts	2022	✓	NRW.BANK.Energieinfrastruktur: Expansion of the programme with regard to decentralised energy supply infrastructures
	Create more affordable housing	2022	✓	At € 2,920 million (previous year: € 3,606 million), the volume of new commitments in the promotional field Housing exceeded the budget of € 2,695 million in 2022.

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

Sustainability objective	Activity	Period	Status	Implementation in 2022
Implementation of all ESG-specific supervisory and regulatory requirements	Analysis and implementation of ESG-specific supervisory and regulatory requirements (e.g. Art. 8 of the EU Taxonomy Regulation)	Ongoing	✓	The analysis of ESG-specific supervisory and regulatory requirements was again ensured in the financial year 2022. The analysis results were considered in further developing ESG integration. To further avoid material ESG risks and taking into account the objective of ensuring a carbon-neutral investment portfolio no later than 2045, a limit adjustment according to Implied Temperature Rise and the introduction of an ESG minimum quality (exclusion of MSCI ESG laggards) were developed for the corporate portfolio. Moreover, the ESG Investment Framework was developed in the financial year 2022 and published in January 2023.
Strengthen and expand the sustainable capital market business	Guarantee a Sustainable Bond-Investment-Portfolio of € 500 million and use market opportunities to increase it to € 600 million if possible	2022	✓	As of December 30, 2022, the <a href="#">NRW.Bank.Sustainable Bond-Investment-Portfolio</a> had a volume of € 708 million.
	Continue the established sustainable portfolio management using the MSCI Sustainability Rating and the MSCI ESG Controversy and Global Norms Screening	Ongoing	✓	In the financial year 2022, sustainable portfolio management in the investment business continued to be implemented through the use of the MSCI ESG Sustainability Rating and controversy research.
	Annual UN PRI reporting	As of 2023 et seq.	Relevant in 2023	UN PRI reporting was suspended for the financial year 2021 as the reporting platform was restructured and the reporting framework was revised. Reporting for the financial year 2022 will take place until September 2023. The ESG Investment Framework will serve as the basis.
Strengthen the expansion of sustainable funding	Annual issue of at least one green bond in compliance with the requirements of the ICMA Green Bond Principles and the EU Green Bond Standard (TEG version)	2022 et seq.	✓	In 2022, NRW.BANK successfully issued two Green Bonds on the basis of the EU GBS (TEG) with a volume of € 500 million and, for the first time, € 1 billion. Both bonds comply with the ICMA Green Bond Principles and are EU GBS (TEG) compliant.
	Examine the possibility of applying the EU Green Bond Standard (EU COM)	2022	✓	The capital market is closely involved in the development of the EU Green Bond Standard. The legislative proposal is currently in trilogue negotiations, with a final version and publication in the EU Official Journal are expected in 2023. Application depends on taxonomy-compliant promotional loans.

Sustainability objective	Activity	Period	Status	Implementation in 2022
Strengthen the expansion of sustainable funding	Annual issue of at least one social bond in compliance with the requirements of the ICMA Social Bond Principles	2022 et seq.	✓	A Social Bond with a volume of € 1 billion was published in the financial year 2022. The Social Bond asset pool complies with the requirements of the ICMA Social Bond Principles.
	Analyse and update the Social Bond Framework	Ongoing	✓	The updated Social Bond Framework was published in January 2022.
	Sustainable establishment of the “green” funding curve, taking into account the EU Taxonomy Regulation, also in the context of granting green municipal loans	Ongoing	✓	In line with the market trend towards “green/sustainable investments”, the Capital Markets unit has created a new funding curve, which explicitly serves to finance promotional loans that may be used as allocation portfolio for the issue of Green Bonds. The new NRW.BANK green curve represents funding that is cheaper than the “conventional” NRW.BANK funding curve (currently approx. 3 basis points). Taxonomy-compliant loans benefit from the green curve.

**D. Assuming Social Responsibility for Employees**

Sustainability objective	Activity	Period	Status	Implementation in 2022
Securing junior staff: qualifying young talent for NRW.BANK's business to secure the Bank's future viability	Offer permanent employment to all good traineeship graduates	Ongoing	✓	Ongoing measure within the HR planning and development strategy. Permanent employment contracts were signed with a total of 15 graduates in 2022.
	Expand internal training of trainees on sustainability topics	As of 2022	✓	Organisation of an annual workshop day on sustainability for all trainees. Changing thematic focus depending on the year
	Increase the number of traineeships with an IT focus	As of 2022	✓	Doubling the number of traineeships to six Bachelors of Science "Business Informatics" and four Bachelors of Arts "Management and Digitalisation"
	Develop a concept and the prerequisites for supporting self-directed learning groups among trainees	2022	✓	"Self-organisation and self-confidence" as a seminar in the introductory block and set-up of an exchange platform on the "Azubiwelt" SharePoint
	Increase the number of traineeships and places for internal qualification programmes to eight to ten	2022	✓	Six completed or planned trainee programmes plus two traineeships launched for capital market training
Facilitating development: retain well-qualified staff and their know-how in the Bank in the long term through attractive development opportunities	Increase the share of women in areas where women are under-represented in accordance with the Equality Plan	2023	Relevant in 2023	
	Implement a fathers' network	2022	✓	As a new measure, a "Fathers' Network" was set up with support from an external consultant with a view to strengthening the role of fathers. As this measure was very well received, the cooperation with the external service provider (conpadres) was renewed in 2022 for one more year (for the time being).
	Diverse offerings for flexible weekly and annual working hours	Ongoing	✓	Still in place.
	Introduce and implement the extended senior in all areas	2022	✓	Completed – as of December 31, 2022, there were 19 extended seniors at NRW.BANK.
	"Dealing with mental illness", "healthy leadership" and "emotional skills" as fixed elements of the mandatory executive development	Ongoing	✓	Implementation in the context of ongoing executive development
	Continue the "internal before external" recruitment principle	Ongoing	✓	Ongoing measure within the HR planning and development strategy

Sustainability objective	Activity	Period	Status	Implementation in 2022
Facilitating development: retain well-qualified staff and their know-how in the Bank in the long term through attractive development opportunities	Continuous review of internal further training offerings with regard to needs and new developments	Ongoing	✓	Pool tenders on a total of five topics completed with over 20 cooperation partners to build up internal seminar offerings incl. downstream “mini competitions” on individual HR development products. Call for tenders and development of HR development measures on “conflict management” and “stress management/ resilience”
	Introduction of a learning management system	2023	Relevant in 2023	
	Expand the HR development offerings for competencies of the future	2023	Relevant in 2023	
	Flexibilise the general conditions for sabbaticals	2022	✓	After at least three years of working at NRW.BANK (previously: five years), a leave of absence for special reasons (sabbatical) may be requested for up to three months (previously: two months). This option may be used again after another three years (previously: five years).
	Implement the new framework conditions for mobile working	2022	✓	Based on the experience gained during the pandemic, the Bank updated its regulations on mobile work and concluded a new work agreement that took effect in 2022.
Maintaining performance: long-term strengthening of the performance and health of employees as well as flexible options for shaping the upcoming generational change	Continuation and target-oriented further development of internal activities relating to “diet”, “exercise”, “relaxation” and “prevention” based on employee interests and new medical insights	Ongoing	✓	Special features in 2022 besides the ongoing offerings: keynote speeches on all health issues, activity week on “mental health” as well as Covid-19 and flu vaccinations
	Regular health check-ups	Ongoing	✓	Completed; new call for tenders for health check-ups for executives
	Support from a company care coach for employees with a care-related issue	Ongoing	✓	The company care coach assists caring employees in better reconciling work and family life. Caring employees get individualised advice and needs-oriented support in various care situations. The advisory service also aims to help caring family members avoid personal stress as early as possible.

Sustainability objective	Activity	Period	Status	Implementation in 2022
Maintaining performance: long-term strengthening of the performance and health of employees as well as flexible options for shaping the upcoming generational change	Continue to offer social counselling for employees	Ongoing	✓	Completed
	Continue to offer comprehensive health promotion services and financial support for employees when booking prevention programmes via the "machtfitt" health platform	Ongoing	✓	75% of the costs of preventive measures (up to € 150 p.a. per employee) again borne by the Bank
	Activities and offerings in the above sense on the topic of mental health	2022	✓	Organisation of an activity week on "mental health" – kick-off workshop on stress management, diverse information programme on selected topics related to mental health

## E. Protecting the Climate and the Environment

Sustainability objective	Activity	Period	Status	Implementation in 2022
Optimise the company's consumption/save resources	Stabilise the proportion of recycled paper and the paper consumption per employee	Ongoing	✓	Office paper consumption per employee in 2022 was up by 12% on the previous year to 10.0 kg p.a. This reflects the increase in the number of employees working from the office. The share of recycled paper increased by 4.7 percentage points to 67.9% in 2022. This means that NRW.BANK remains on the expected track to returning to pre-pandemic levels.
	Increased digitalisation of processes (authorisations, applications)	Ongoing	✓	Completed, e.g. through expansion of the certification centre and the digitalisation of the reporting process for sickness-related absence as a self-service in the employee portal. In addition, the IT systems DAVit, AD-based special authorisations (social media, USB), Adonis, SharePoint, Mail-Exchange, VDI, Windows and Unix servers and MySfO have been connected. In addition, digitalisation of the employee change process. Introduction of digital creation of outgoing invoices. The "Wohneigentum NRW" portal went live in August 2022.
	Raise awareness for the use of resources	Ongoing	✓	Various activities, e.g. waste collection campaign in the context of the Sustainability Week at the Düsseldorf and Münster sites
	Increase energy efficiency by switching light sources to LED technology	Ongoing	✓	The measures are implemented on an ongoing basis in the context of a continuous improvement process to increase energy efficiency.
Further development of sustainable procurement	Increase the use of sustainable consumables	Ongoing	✓	The total volume of office materials used in 2022 decreased by 0.9% compared to the previous year due to the Covid-19 pandemic and the associated high share of employees working mobile outside the bank buildings. At 61.3%, the sales share of sustainable "Green Tree" products in the core range of our office materials supplier (adjusted for the share of pandemic-related personal protective equipment as well as the energy cost surcharge in total sales) exceeded the prior year level by 18%.

Sustainability objective	Activity	Period	Status	Implementation in 2022
Strengthen environmentally friendly mobility	Certification as "bicycle-friendly company"	Ongoing	✓	The last certification as a "bicycle-friendly company" was completed in 2021. The next re-certification will take place in 2025.
	Offer of and additional subsidisation of "job bicycle"; provision of sheltered bicycle parking, showers and changing rooms	Ongoing	✓	Expansion of the "job bicycle" offering to include the possibility to lease two subsidised bicycles per employee

**F. Showing Commitment to Society**

Sustainability objective	Activity	Period	Status	Implementation in 2022
Constant alignment of corporate responsibility with current corporate citizenship topics	Annual blood donation campaign in cooperation with the Red Cross	Ongoing	✓	Carried out in Düsseldorf
	Permanent possibility for HLA typing in cooperation with the Bone Marrow Donation Centre in Düsseldorf	Ongoing	✓	Completed
	Integration of people with disabilities and people of equal status	Ongoing	✓	Completed, e.g. by training one person from a training institution for visually impaired people in the context of an internship or the ongoing publication of external job advertisements also on myability, a portal for severely disabled people
	Collaboration with Stiftung Zukunft NRW	2022–2024	✓	Implementation of two promotional projects: “Historische Gärten im Klimawandel” (Historical Gardens in Climate Change) with the Garden Department of the City of Düsseldorf and “Opera Buffa” with Hochschule für Musik und Tanz in Cologne
	Promotion of young up-and-coming artists	Ongoing	✓	Support of young up-and-coming artists with donations and sponsorships. Art award again organised in 2022
	Support sustainable projects in NRW – CFR Junior Professorship for Sustainable Finance (Cologne)	Until 2023	✓	Sponsorship of the Junior Professorship for Sustainable Finance (Cologne) implemented

The [objectives and measures of NRW.BANK for the years 2023–2026](#) are published on NRW.BANK’s Sustainability Portal. Their arrangement is based on the sustainability principles set out in NRW.BANK’s Sustainability Guidelines.

**Sustainability as a Part of Strategic Management**

Sustainability is one of the main guiding principles for NRW.BANK, which is why the Bank does not regard the implementation and further development of this issue as a separate process. Instead, it sees sustainability as an integral element 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 sustainability aspects lies with the relevant business units. As part of a central coordination function, the Sustainability and Impact Management Department ensures that the necessary framework conditions and regulations are in place and transfers current market developments into the Bank.

The great importance of issues such as climate change, transformation and sustainability is also underlined by the fact that the Bank has established a permanent Sustainability Committee. The Bank has set up this Committee to do justice to the special strategic importance of sustainability for NRW.BANK. The Sustainability Committee monitors the regulatory and market-induced developments in the field of sustainability and ensures their reconciliation with the requirements of the borrowers or house banks and the Bank’s own objectives. Since September 2022, the Sustainability Committee has met as an extended Managing Board meeting and has thus been confirmed and further strengthened as the overarching decision-making body for sustainability issues. The realignment reflects both the growing complexity and the importance of the issue. In particular, it is intended to ensure a general overview and the reasonable connection of the diverse topics and activities relating to sustainability.



### Stakeholder Dialogue

The Bank believes that the consideration of external input is a key aspect in the further development of the topic of sustainability. In the course of developing its Sustainability Guidelines, NRW.BANK decided to expand the regular exchange with its stakeholders.

In 2022, current sustainability developments were therefore intensively discussed with relevant stakeholders. Material inputs provided by these discussions were debated and assessed by the Bank taking their feasibility and benefits into account. The relevant insights gained from the stakeholder dialogue were either implemented at short notice or were integrated into the Sustainability Guidelines or included in the sustainability objectives and measures of the Bank. In 2022, the Bank also conducted a materiality analysis, in the context of which it examined whether the stakeholders designated for the dialogue are still the right contacts or whether further stakeholders should be included. In the analysis, the Bank reviewed, for instance, the relevance of the stakeholders for sustainability at NRW.BANK and which opportunities result from the dialogues. The Bank identified the following stakeholder groups as relevant for sustainability:

- guarantor/State of North Rhine-Westphalia
- house banks
- employees and
- NGOs

It is planned to continue the dialogue with the identified stakeholders in the future.

### Sustainability Communications

Important communication tools used by NRW.BANK to supply its stakeholders with transparent information about the measures taken to ensure that the Bank fulfils its corporate responsibility are:

- the Annual Report,
- the Non-financial Report,
- the annual Sustainability Report and
- the [Sustainability Portal](#) on the Bank's website.

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.

In December 2022, the Bank implemented voluntary internal basic training on sustainability for all its employees. It takes a look at the general understanding of sustainability, political bases and the role of the financial industry. The training also covers NRW.BANK's understanding of sustainability as well as its Sustainability Guidelines and sustainability efforts. By December 31, 2022, 712 employees had already completed the training, underlining the high level of employee identification with this issue.

### Statutory Framework and Internal Regulations

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

### Labour Standards and Human Rights

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

### Equal Opportunities and Principle of Non-discrimination

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

### Compliance and Money Laundering Prevention

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

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

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

The Compliance Department is the central body that is responsible for addressing these tasks. The Bank has appointed a Compliance Officer in accordance with MaRisk and WpHG each as well as an Officer for the Prevention of Money Laundering and the Prevention of Terrorist Financing Risks and Other Criminal Acts as well as deputies for exercising the various Compliance functions. They report directly to the responsible Managing Board member and are bound by instructions only from the latter in performing their tasks.

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

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

In addition, NRW.BANK publishes transparent information on how "compliance and money laundering prevention" issues are handled on its [website](#), where the Bank also offers the possibility to use its complaint management system, if required. The Bank also expanded its whistleblower system to give not only its employees but also its customers and other third parties the possibility to report misconduct either by name or anonymously. For this purpose, a [reporting form](#) is available on the Bank's website.

### Data Protection

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

NRW.BANK promotes and encourages awareness and understanding of data protection and has therefore made regular awareness-raising and training measures on data protection and data security integral elements of its operational processes.

NRW.BANK did not receive any reports on data misuse or customer complaints regarding data usage for the reporting period.

#### Corruption Prevention

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

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

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

#### Sustainable Procurement

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

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

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

- human rights as in the Universal Declaration on Human Rights by the UN General Assembly (first published on December 10, 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 according to the UN Convention on the Rights of the Child (CRC) of 1989/1990, the protection against systematic/discriminatory labour rights 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 Brief und mehr GmbH & Co. KG as well as the GoGreen programme of Deutsche Post DHL Group. In the reporting year, NRW.BANK again demonstrated its commitment to assuming responsibility towards society at its two locations in Düsseldorf and Münster, where the Bank promoted the employment of disabled people by commissioning 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 July 1, 2019, with which the [members of the Managing Board, the Supervisory Board and the Board of Guarantors](#) fully identify. The Managing Board is responsible for managing NRW.BANK; the Supervisory Board supervises the conduct of business by the Managing Board; the Board of Guarantors representing the owner resolves on general business policy decisions in accordance with section 10 and section 11 of the statutes of NRW.BANK. 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 stakeholders. In early 2006, NRW.BANK was one of the first public-sector companies in Germany to adopt a Public Corporate Governance Code and to officially commit itself to this standard of corporate governance.

#### **Freedom of Association and Right to Collective Bargaining**

The Bank's staff council represents the interests and needs of the employees of NRW.BANK based on the North Rhine-Westphalian State Staff Representation Act. In 2022, it again monitored compliance with and the implementation of applicable laws, regulations, collective agreements and work agreements. It informed the employees at both of the Bank's head-quarters about upcoming topics, negotiations and results via a staff magazine published several times a year and at the annual staff meetings, which were held digitally in the reporting year. NRW.BANK's staff council is involved in personnel, organisational and social activities in the form of consultation, participation or co-determination in accordance with – and in some cases also above and beyond – applicable legal provisions. Regular, ongoing discussion formats between the staff council and the company representatives support the trusting cooperation.

Being an institution under public law, NRW.BANK is subject to the Basic Collective Agreement for Public-sector Banks. 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. To underline the importance of corporate responsibility for NRW.BANK and to promote its further development internally, the Bank joined the "Diversity Charter" and the "United Nations Environment Programme Finance Initiative (UNEP FI)" in 2009 and signed the ten principles of the UN Global Compact.

Since 2015, the Bank has also been a member of the Green Bond Principles and of the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU).

To reaffirm its sustainable investment policy, NRW.BANK signed the Principles for Responsible Investment (UN PRI) in 2020.

By signing these sustainability-related initiatives and/or the voluntary commitments for sustainable corporate action developed by them, NRW.BANK wants to not only communicate this in a binding and transparent manner but also to take advantage of valuable opportunities to network with promotional banks and other institutions and to learn about tried-and-tested approaches. This may relate to the implementation of regulatory requirements or to using methods and instruments for sustainable management.

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

### Sustainable Products

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

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

### Responsible External Presentation

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

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

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

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

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

- Organisation of the second "Umweltwirtschaftspreis.NRW" award in cooperation with the North Rhine-Westphalian Ministry of the Environment
- New event format "Digital nachhaltig oder nachhaltig digital" (digitally sustainable or sustainably digital)
- Digital event format "Öffentliche Ladeinfrastruktur" (public charging infrastructure)
- Event on the European Green Deal

- Sponsorship of various events on sustainability with cooperation partners such as TechTour NRW Green 2022 / TechTour Sustainability 2022, Solar Decathlon, Circular Economy Hotspot
- Participation in the joint NRW booth at "E-world", the leading trade fair for the energy industry in the development and expansion of climate-friendly energy solutions
- Co-sponsorship in the context of "Impact Friends 2022", a trade congress for social entrepreneurship, social innovation and sustainable entrepreneurship
- Sponsorship of the Circular Valley initiative and the main event "Circular Valley Forum 2022", with the aim of establishing the extended Rhine-Ruhr metropolitan region as a global centre for the circular economy
- Planning and organisation of the online format "NRW.BANK.Kolloquium 2022"; topic: inter-municipal cooperation in climate action – success factors and recommended actions for municipalities

## Sustainability Ratings

Rating agencies specialising in sustainability have rated NRW.BANK's performance in fields such as environment, society and governance for several years. At present, the Bank's sustainability performance is regularly rated by ISS ESG, Moody's ESG Solutions, MSCI ESG and Sustainalytics. In 2022, the Bank again scored good [ratings](#).



## Designing Sustainable Promotion for Clients

# The Promotional Business of NRW.BANK

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

# Supporting the Transformation to a Sustainable Society

The promotional strategy is at the core of the Bank's 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. With a view to the climate policy goals of the federal state, NRW.BANK's current promotional strategy places a special focus on the promotion of projects aimed at conserving resources, increasing efficiency and implementing the energy transition. This further development always takes place on the basis of regular and intensive cooperation with the competent state ministries.

A key focus of NRW.BANK's promotional business is the support of sustainable transformation processes. For this purpose, the Bank draws on a wide range of promotional instruments and contributes its lending expertise to the promotional process. The main instruments used are promotion-

al 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 2022, NRW.BANK recorded a volume of new commitments of € 13.6 billion. The volume of new commitments was thus well above the planned figure of € 10.4 billion.

The promotional business of NRW.BANK is already largely aligned with the United Nations Sustainable Development Goals (SDGs). The promotional funds made available by NRW.BANK primarily work towards SDG 11 (Sustainable Cities and Communities), SDG 9 (Industry, Innovation and Infrastructure) and SDG 8 (Decent Work and Economic Growth).

This essentially relates to municipal promotion and the promotion of business start-ups. About 37.5% of NRW.BANK's volume of new commitments in 2022 contributed to SDG 11, with another 24.0% relating to SDG 9 and approx. 17.5% to SDG 8. NRW.BANK's promotional programmes, e.g. NRW.BANK.Energieinfrastruktur, also support the Sustainable Development Goals 13 (Climate Action) and 7 (Affordable and Clean Energy). The contributions made by the promotional business to the SDGs changed only slightly compared to the previous year. The changes are partly also due to the further development of the assignment of the programmes to the SDGs. The associated [Methodology Paper](#) shows further details of the calculation of the SDG contributions made by the promotional business.

**Contribution made by the promotional products to achieving the UN Sustainable Development Goals by share in NRW.BANK's volume of new commitments in 2022 (in %)**



Source: Based on UN Sustainable Development Goals; own presentation

Apart from the provision of funds, forward-looking and requirement-oriented promotion also requires customer-oriented advisory services. This is why NRW.BANK has made advisory services a second – increasingly important – pillar of its range of services, which also takes various sustainability aspects into account. For instance, NRW.BANK offers the “Klimaschutz im Mittelstand” (Climate Protection for SMEs) seminar to support small and medium-sized enterprises in implementing climate action in a pragmatic manner. Apart from financing and advisory services, NRW.BANK also assumes service functions for grant-based promotion as a partner of the federal state.

For detailed information on the promotional business, please refer to the chapter [“The Promotional Business of NRW.BANK”](#) in the Bank’s Financial Report.

#### Partnership and Cooperation

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

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

#### Focus of the Promotional Business

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

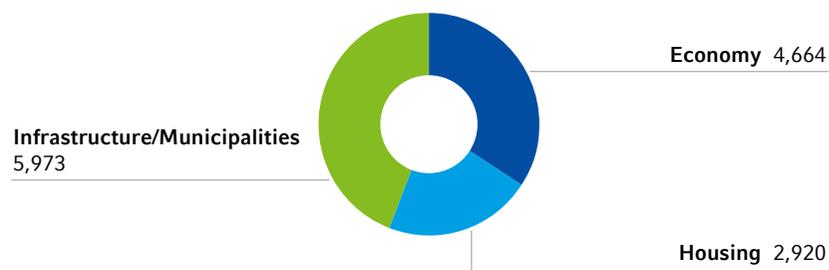


NRW.BANK’s offerings in the promotional field “Economy” cover the full lifecycle of small and medium-sized enterprises. Besides the general promotion of SMEs, the Bank places a special focus on the effective promotion of investments in the protection of resources and in increasing corporate energy efficiency. Targeted support for start-ups and innovations is another special promotional theme.

The promotional field “Housing” pools NRW.BANK’s products and services for the creation of affordable, high-quality housing, for the promotion of measures aimed at sustainable, climate-friendly building and for the modernisation of existing homes.

When buildings are modernised, special attention is paid to energy efficiency aspects as well as aspects of suitability for the elderly. Here, the subsidised housing construction programmes under the Law on the Promotion and Use of Housing for the State of North Rhine-Westphalia (Gesetz zur Förderung und Nutzung von Wohnraum für das Land Nordrhein-Westfalen, WFNG NRW) play a particularly important role. The promotional activities reflect the State of North Rhine-Westphalia’s annual Housing Promotion Programme (Wohnraumförderungsprogramm, WoFP), which operationalises the guidelines of the promotional policy into specific promotional conditions.

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



The promotional field Infrastructure/Municipalities covers financing and advisory services supporting the solid capitalisation of municipalities and the implementation of infrastructure projects. NRW.BANK promotes both public and private projects for the sustainable expansion and modernisation of infrastructures. Its products effectively support, among others, infrastructure initiatives that contribute to the ecological transformation such as renewable energy projects.

The aspects of energy transition and environmental protection relate to all three promotional fields of NRW.BANK, albeit with different promotional measures. In 2022, the Bank made promotional funds in the total amount of around € 3.1 billion available in this promotional theme.

In the further development of the contents of its promotional offerings, NRW.BANK takes current challenges for North Rhine-Westphalia into account. In the reporting year, the main focus was placed on the effects of Russia's war of aggression. To mitigate the resulting social challenges, the Bank has adjusted its promotional portfolio to the new financing require-

ments. Most importantly, the Bank was challenged to assist the companies affected by the sharp rise in energy prices and to support the local communities in accommodating refugees. The recipients benefited from low-interest loans, partly in combination with repayment discounts financed with state funds. In addition, NRW.BANK continued to grant low-interest promotional loans to private households, enterprises and municipalities to assist them in coping with the consequences of the heavy rainfalls in the summer of 2021. In this context, the Bank again acted as the paying and granting agent within the scope of handling the reconstruction fund.

### Performance Indicators in the Promotional Business

NRW.BANK's objectives are geared to providing the State of North Rhine-Westphalia with long-term support in performing its structural and economic tasks. Due to NRW.BANK's public mission as the promotional bank of North Rhine-Westphalia, 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 respective financial year. Budget values exist for these and all other performance indicators. The Bank regularly subjects these values to plan/actual comparisons as well as scenario and forecast analyses in order to provide appropriate control stimuli.

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

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

NRW.BANK's [Sustainability Guidelines](#) are a key element in ensuring compliance with its sustainability standards in the promotional business. They reflect the Bank's sustainability ambitions and provide specific requirements for the sustainable design of its promotional business.

### Economic Development

The NRW.BANK.Universalkredit and the NRW.BANK.Gründung und Wachstum programme, which was launched at the beginning of 2022, are the two cornerstones of the Bank's economic promotion activities. They offer start-ups as well as small and medium-sized enterprises low-interest loans for working capital requirements and investments that can be used for a wide range of purposes. Since the end of 2022, small enterprises have received low-interest loans and repayment discounts in the context of a limited special variant of the Universalkredit to effectively support them in changing from natural gas to renewable energy. Under these two programmes, NRW.BANK granted promotional loans in the total amount of € 2.1 billion to some 4,558 enterprises for investments and working capital in 2022.

Micro start-ups receive generalised promotion through the NRW.Mikro-darlehen. As this programme focuses on the viability of the concepts and the personality of the founder, projects may be financed also without proof of equity capital or the usual collateral required for bank loans. This makes it possible for people without equity or formerly unemployed people to set up their own businesses. To complement the NRW.Mikro-darlehen pro-

gramme, the Bank offers an innovative combination, which consists of a microloan and external crowdfunding via a digital platform. NRW.BANK's new NRW.MicroCrowd programme supports projects of start-ups and young companies that are at least 20% crowdfunded. In addition to sole proprietorships, civil law enterprises (GbR) and limited liability entrepreneurial companies (UG), the programme is also open to small social enterprises with a socially sustainable business purpose in the legal form of GmbH and gGmbH which are unable to obtain bank financing due to a reduced profit-making intention or a limited distribution of profits.

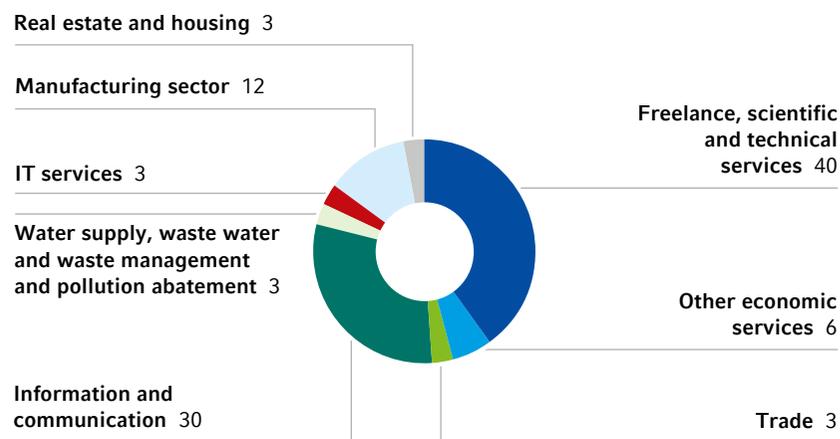
As a complement to traditional loans, NRW.BANK supports young, innovative as well as small and medium-sized enterprises with a comprehensive range of mezzanine and equity finance products. It thus offers young, innovative companies seamless early-stage financing options tailored to their individual development. In 2022, the Bank launched the NRW.SeedCon programme to support companies' initial growth with mezzanine capital in the form of subordinated convertible loans. Under the programme, companies receive up to € 200 thousand for investments and working capital purposes. For this purpose, NRW.BANK uses the General Block Exemption Regulation (GBER) under state aid law for the first time.

Under the NRW.SeedCap programme, NRW.BANK supports start-ups in their next development steps with up to € 500 thousand in the context of a co-investment with a business angel or private seed investor. This offering complements the established "win NRW.BANK Business Angels Initiative", in the context of which the Bank helps capital-seeking innovative companies gain access to business angels. The range of financing solutions is rounded off by NRW.Venture, where the Bank acts as a co-investor in equity financings primarily in sectors such as information and communication technology, life sciences and medical engineering, sustainability technologies and robotics as well as digital economy companies. NRW.BANK's Venture Center provides specialist advisory services for technologically oriented up-and-coming business founders from universities and research

institutions as well as new innovative start-ups. This advisory service rounds off the Bank’s promotional offerings for equity financing.

Through its complementary activities as a fund investor in third-party managed funds, the Bank additionally stimulates the development of the venture capital and private equity market in North Rhine-Westphalia. In the reporting year, the Bank primarily intensified its investments in regional seed funds. 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.

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



NRW.BANK.Effizienzcredit is a central offering to support the energy transition and to promote environmental protection in the field of economic development. This loan offers strongly interest-subsidised terms for invest-

ments with clear ecological merits. To qualify for promotion, borrowers must prove that their projects will permanently increase energy efficiency by at least 20% or resource efficiency by at least 6%. Replacement investments with lower efficiency increases are eligible for promotion only on the basis of certified environmental protection processes (e.g. PIUS Check or environmental management system). Another major focus of the programme is placed on the promotion of energy-efficient new buildings or the refurbishment into efficiency buildings. NRW.BANK thus complements the federal promotion scheme for efficient buildings (Bundesförderung für energieeffiziente Gebäude, BEG) with a loan programme that offers companies not only favourable interest rates but also long fixed-interest periods. In 2022, NRW.BANK granted 304 promotional loans with a total volume of € 473.5 million under this programme, of which € 425.5 million related to sustainable construction measures.

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

The NRW.BANK.Digitalisierung und Innovation programme is available to support companies’ digitalisation investments as well as investments in adding new, technologically advanced products to their product ranges or in the adoption of high-tech production processes. This NRW.BANK promotional solution effectively complements the digitalisation drive as well as the “10 impulses to strengthen the economy and growth” initiated by the State of North Rhine-Westphalia. The aim is to further accelerate the digital transformation of the North Rhine-Westphalian economy. In 2022, NRW.BANK granted low-interest promotional loans in the total amount of € 321.8 million under this programme.

### Housing Promotion

As part of its subsidised housing construction activities, NRW.BANK made available new commitments of € 1.1 billion (previous year: € 957.0 million) for the creation of affordable, high-quality housing for low-income earners in 2022. This promotion is designed, among other things, to increase the supply of housing also in densely populated areas characterised by rising rents. In 2022, the Bank funded a total of 7,336 residential units within the scope of subsidised housing construction.

At € 723,1 million, some 4,000 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 construction of dormitory places for trainees and apprentices, students and people with disabilities. Another focus is placed on supporting home ownership by promoting the construction of new buildings and the acquisition of owner-occupied housing. Modernisation measures in the existing housing stock primarily comprise investments aimed at preserving and creating an adequate housing quality. These include energy-efficient building standards, the removal of barriers, protection against burglary as well as digital housing and building technology including an attractively designed environment. Within the framework of the promotion of neighbourhoods, the combination of different promotion modules facilitates the development of residential areas meeting specific local needs. Neighbourhood-related measures such as playgrounds, recreation rooms or local mobility services are also eligible for funding.

As a complement to its subsidised housing construction activities, NRW.BANK grants low-interest loans under the NRW.BANK.Gebäude-sanierung programme to support projects for raising energy efficiency as well as barrier-free refurbishment measures for privately used buildings. Under its NRW.BANK.Wohneigentum programme, the Bank additionally grants loans for the construction and purchase of privately used residential properties with a very long fixed-interest term. By linking the eligibility to apply to income limits that are above the limits of publicly subsidised housing construction, this programme also includes a social component. Since 2021, NRW.BANK has additionally offered the NRW.BANK.Nach-

haltig Wohnen programme, which facilitates the financing of sustainable, owner-occupied housing with fixed interest rates of up to 30 years. Under this programme, NRW.BANK supported 421 private households with a total of € 71.3 million in 2022, thus making a substantial contribution to energy-efficient construction in North Rhine-Westphalia.

## Promotion example: Vierlinden-Höfe climate protection estate in Duisburg

Numerous climate protection estates (“Klimaschutzsiedlungen”) have been built in North Rhine-Westphalia in recent years. Between them, they provide some 10,000 people with an energy-efficient and climate-friendly home. One of these [lighthouse projects](#) for saving greenhouse gas emissions is located in the Duisburg district of Walsum.

### Infrastructure and Municipal Promotion

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

In the context of its infrastructure promotion activities, NRW.BANK offers the North Rhine-Westphalian municipalities, their enterprises and municipal cooperatives specific low-interest and long-term investment loans, which are extended directly. Municipalities may use these loans for their investment measures. As a general rule, all investments in municipal infrastructure are co-financed via this promotional offering, with investments in climate action and resilience receiving an additional interest subsidy.

NRW.BANK offers municipal school operators and municipal school associations long-term loans with maturities of up to 30 years to support the construction and refurbishing of school buildings. In 2022, the Bank funded 53 projects with a total of € 144.3 million. In spring 2022, NRW.BANK moreover implemented a promotional loan programme with particularly low interest rates to assist municipalities in providing accommodation for refugees, especially from Ukraine. Under this programme, the Bank granted approx. € 82.9 million in the reporting year.

The mobilisation of private capital plays an important role in the expansion and modernisation of infrastructure in North Rhine-Westphalia. NRW.BANK therefore offers favourable terms and conditions to encourage corporate investment in social and public infrastructure projects. In addition, the Bank supports corporate infrastructure projects through syndicated loans with other banks. These broadbased promotional offerings are complemented by special programmes with especially attractive terms for selected investment projects to provide effective stimulation in selected infrastructure sub-segments. At the request of the federal state, NRW.BANK also supports North Rhine-Westphalia's university hospitals in optimising their existing financing structures.

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

Investments in plants for the generation, storage and distribution of energy are promoted under the NRW.BANK.Energieinfrastruktur programme. Since 2022, the Bank has also promoted plants that focus on the local provision of energy instead of feeding it into the public grid. In 2022, promotional loans with a total volume of € 838.6 million were granted under this programme.

In addition to these infrastructure development and promotion programmes, NRW.BANK again was a reliable partner to the North Rhine-Westphalian municipalities in the reporting year. Its municipal loans and liquidity loans to North Rhine-Westphalian municipalities made an important contribution to ensuring the municipalities' ability to act, also in the event of sudden financing requirements. To complement its promotional offerings, NRW.BANK provides advice on available promotional options as well as on economic and financial issues.

### Trusting Customer Relationships

Potential recipients of promotional loans increasingly inform themselves independently about available promotional options and hence expect promotional banks to provide targeted and objective information about promotional funds.

Against this background, NRW.BANK is continuously expanding its website and is also active on social media.



## Further Development of Sustainable Capital Market Business

# Sustainable Capital Market Business

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

## NRW.BANK.Green Bond Reporting 2022

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

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

- EU taxonomy and Green Bond Principles define the framework
- NRW.BANK Green Bonds are Use of Proceeds Bonds
- Projects are selected by the Green Bond Team
- Selection of the assets to be refinanced:
  - All selected projects have to support North Rhine-Westphalia's climate and sustainability strategy as well as the UN Sustainable Development Goals (SDGs)
  - Eligible fields include "Climate Mitigation" and "Climate Adaptation" or SDGs 6, 7, 11, 13, 14 and 15
  - Focus on climate protection
  - Climate benefits to be maximised by selecting projects on the basis of the highest carbon footprint reduction
  - Loans and the issue itself are closely linked: (re)financing of loans that are not older than twelve months at the time of the issue of the SPO (Second Party Opinion)
- All projects are "live"
- No risk of "green default". The maximum term of the issue is determined by the shortest loan maturity
- Internal designation of the loans
- Loan portfolio remains unchanged during the term of the issue
- Comprehensive one-off reporting
- ISS ESG research confirms the sustainability of the projects (Second Party Opinion)
- The Wuppertal Institute for Climate, Environment, Energy prepares impact analysis; reporting about the projects and their environmental benefits is transparent
- The NRW.BANK.Green Bonds 2022 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

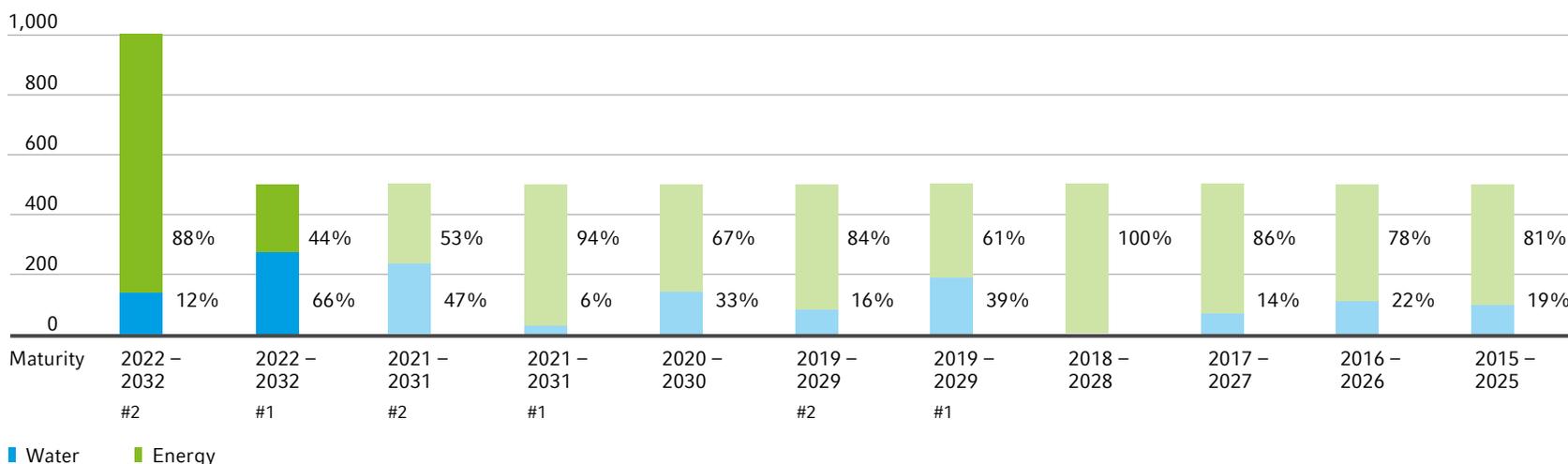
Thanks to the continued high level of lending granted by NRW.BANK to support environmentally friendly projects, the Bank was able to issue two Green Bonds with a total volume of € 1.5 billion in 2022. This included the Bank's first Green Bond with a volume of € 1.0 billion.

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



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

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



Between them, the NRW.BANK.Green Bonds issued to date have a total volume of € 6.8 billion, of which an amount of € 6.0 billion was outstanding as of December 31, 2022.

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

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

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

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

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

Even though this remains a draft – which is expected to be finalised in the course of 2023 – and only the first two environmental goals of the taxonomy have been finalised for the time being, NRW.BANK believes that it makes sense to address the new frameworks already now as they will contribute to further standardisation and credibility of the green bond market. ISS ESG has already confirmed that the Bank's current Green Bond Framework complies with the draft EU-GBS of the technical expert group. This means that the Green Bonds issued under the new framework predominantly consider projects that comply with the technical audit criteria of the EU taxonomy (TEG version of March 2020). In this context, NRW.BANK benefits from the fact that the first two environmental goals of the taxonomy, which have so far been adopted in the form of Delegated Acts, correspond to the thematic fields that have been used by the Bank to select suitable loans since 2013, i.e. "Climate Mitigation" and "Climate Adaptation".

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

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

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

The projects financed are automatically eligible for refinancing under the Green Bond. The Emscher-Lippe programme and other individual projects are refinanced under the green funding curve.

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

### **Focus on the Environmental Impact**

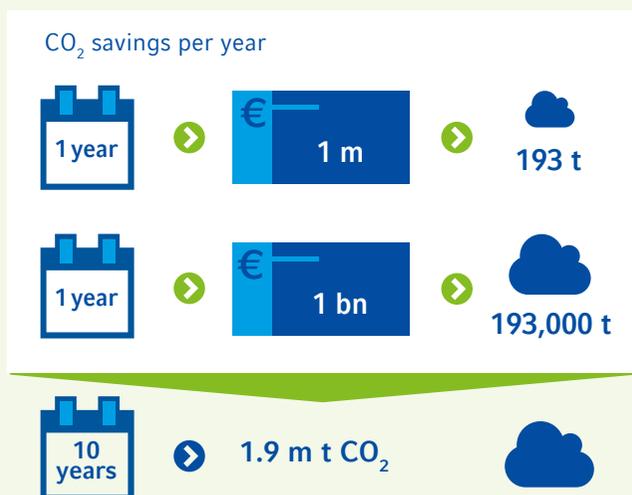
NRW.BANK has assessed the environmental impact of its Green Bonds since 2015 with the aim to publish the CO<sub>2</sub> emissions that have been saved and/or avoided by investing in its Green Bonds on an annual basis. Since the issue of the 2015 NRW.BANK.Green Bond, the [Wuppertal Institute for Climate, Environment, Energy](#) has been NRW.BANK's competent partner for analysing the positive environmental impact of the "Climate Mitigation" projects. In cooperation with the latter, NRW.BANK has published a detailed impact analysis since 2016 and thus also for the [NRW.BANK.Green Bond #1 2022](#) and the [NRW.BANK.Green Bond #2 2022](#) issued in the reporting year.

The Wuppertal Institute prepares the analyses in accordance with the recommendations of the [Harmonised Framework for Impact Reporting](#), which were developed by multilateral development banks under the umbrella of the ICMA/GBPs. In the context of the impact analysis of the Green Bond #2 2022, the Wuppertal Institute adapted the methodology to the evolving best practices. Thus, the [Nordic Public Sector Position Paper on Green Bonds Impact Reporting](#) is also taken into account for the first time. Both works permit the preparation of a transparent and comparable impact analysis of green bonds as recommended by the GBPs.

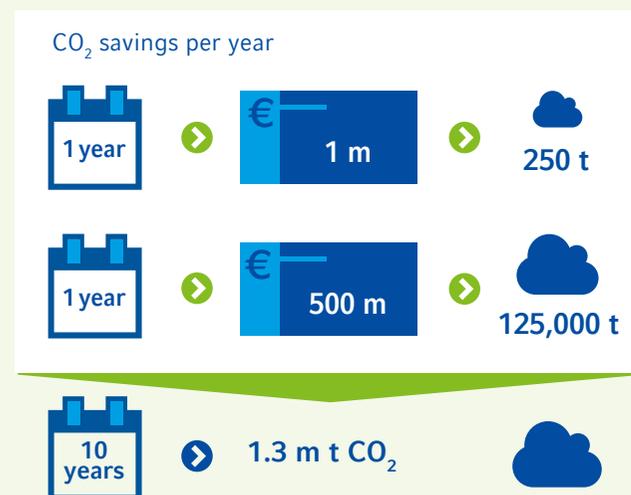
The projects in the “Climate Adaptation” field also have positive environmental impacts. Thanks to the close exchange with Emschergenossenschaft, the Bank is again able to make available information on the [progress made and the environmental value added of the Emscher renaturation](#) for the NRW.BANK.Green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

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

### NRW.BANK.Green Bond #2 2022



### NRW.BANK.Green Bond #1 2022



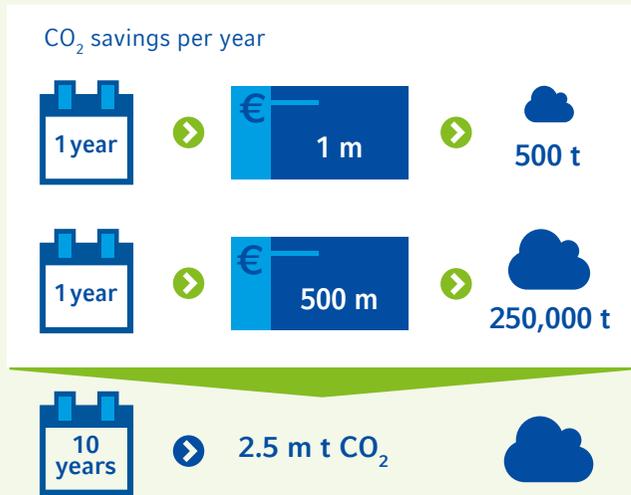
#### Field "Climate Adaptation" – Rebuilding the River Emscher

- Single biggest water management project in the EU-27 to implement the European Water Framework Directive
- Project period: almost three decades to the "Blue Emscher"
- Direct participation of citizens
- Continuation of the renaturation projects on the Emscher for the period ending at the end of 2027
- Conversion of the river and its tributaries into semi-natural waters:
  - 164 km of 328 km renaturalised (50%)
  - Opening of the new Emscher estuary in 2022 enables continuous connection to the Rhine for the first time in over 100 years
  - Significant increase in biodiversity:
    - all species that colonise the riverbed (macrozoobenthos species)
      - 309 different species counted
    - Number of indicator, accompanying and basic species counted
      - 189 counts (2006: 7)

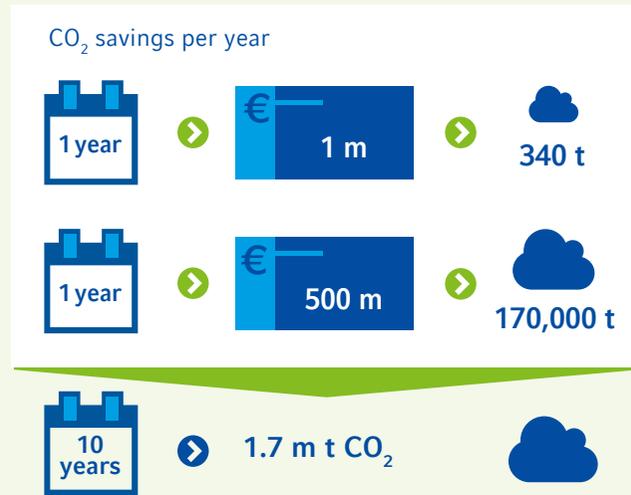
- Creation of a modern sewage system:
  - Emscher Central Sewer (AKE) with a total of 132 pumping stations, four sewage treatment plants as well as a central sewage sludge and 87 rainwater treatment plants completed (100%)
  - Emscher and tributaries free from sewage
  - Sewers: 427 km of 435.8 km completed (98%)
- Resilience improved:
  - Avoidance of flood damage with the help of rainwater retention basins: 3.2 million m<sup>3</sup> of 3.3 million m<sup>3</sup> completed (96%)
  - Total newly created wetlands: 1.6 million m<sup>2</sup>

<sup>1)</sup> The results of the impact analysis of the NRW.BANK.Green Bonds 2022 and all CO<sub>2</sub> savings of NRW.BANK.Green Bonds determined so far by the Wuppertal Institute are summarised here. The changes in CO<sub>2</sub> savings are in direct proportion to the share of projects from the "Renewable Energy" category assigned to the respective Green Bond. Accordingly, this is only an excerpt of the total environmental value added.

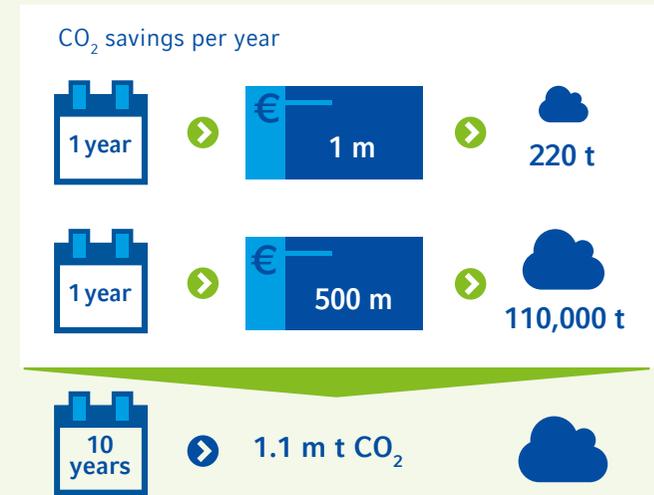
### NRW.BANK.Green Bond #2 2021



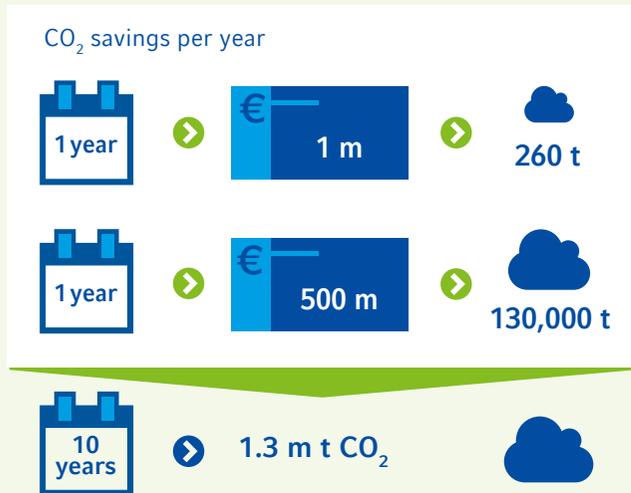
### NRW.BANK.Green Bond #1 2021



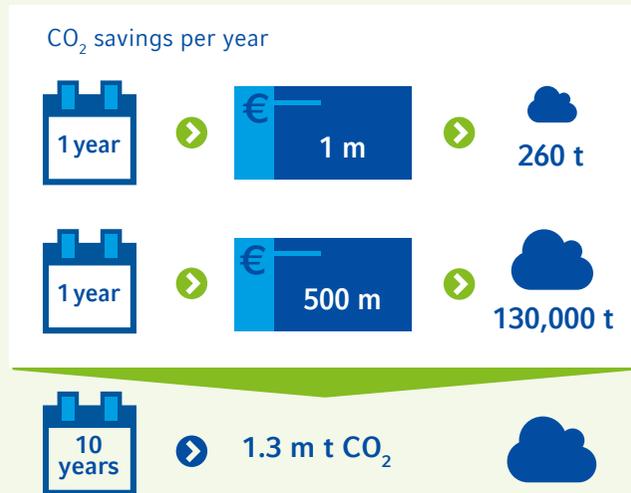
### NRW.BANK.Green Bond 2020



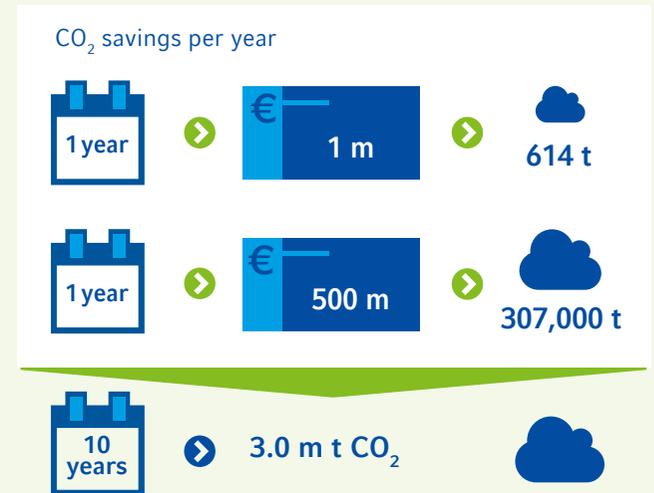
### NRW.BANK.Green Bond #2-2019



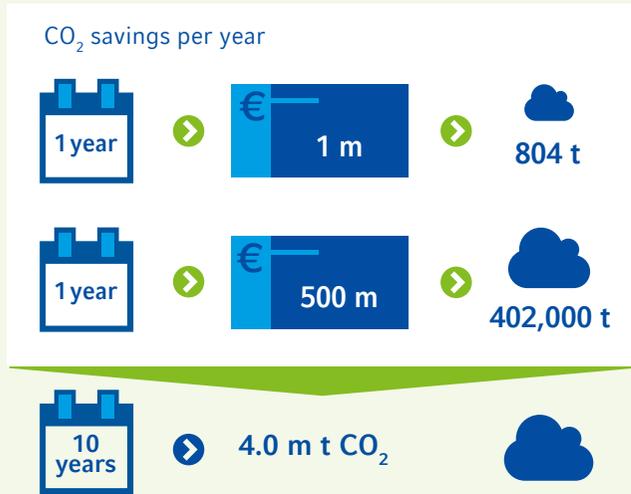
### NRW.BANK.Green Bond #1-2019



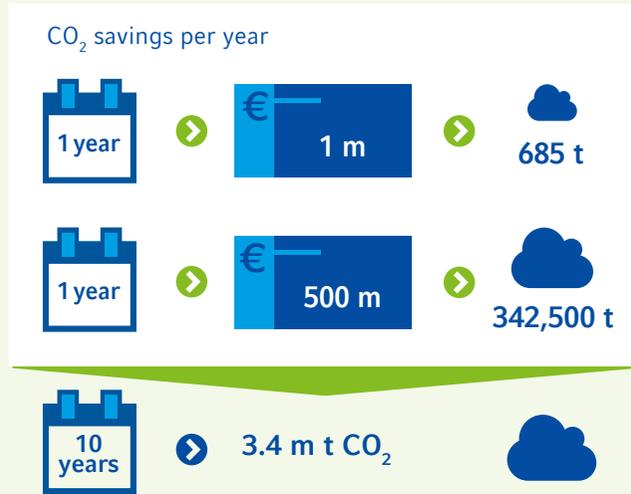
### NRW.BANK.Green Bond 2018



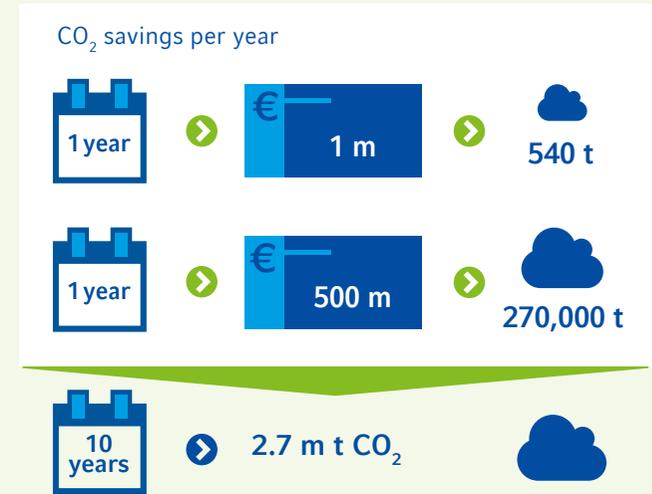
### NRW.BANK.Green Bond 2017



### NRW.BANK.Green Bond 2016



### NRW.BANK.Green Bond 2015



**NRW.BANK.Green Bond #1 2022**

Suitable promotional projects relating to “Mitigation” were clearly assigned to the NRW.BANK.Green Bond #1 2022 in an internal selection process. At approx. € 92.7 million, the main focus was placed on the topic of “renewable energy”. This breaks down into:

- approx. € 91.1 million for wind energy,
- approx. 1.6 million for geothermal energy.

€ 59.0 million went into “clean transport”, more specifically local public transport, electric cars and freight transport. Loans for energy-efficient refurbishment accounted for about € 7.5 million. € 13.0 million related to “broadband”.

Loans in the total amount of € 330.0 million related to “Adaptation”. The funds will again be used for the renaturation of the River Emscher.

The loans chosen were earmarked by NRW.BANK as Green Bond #1 2022.

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 twelfth Green Bond with a volume of € 500.0 million and a 10-year term in January 2022. The funds raised are allocated at 100%.

Area	Field	Topic	Promotion volume in € millions
Energy	Mitigation	<b>Renewable Energy</b>	<b>93</b>
		– Wind parks	91
		– Geothermal energy	2
Energy	Mitigation	<b>Energy efficiency</b>	<b>7</b>
		– Building modernisation	7
Mobility	Mitigation	<b>Clean transport</b>	<b>59</b>
		– Local public transport	59
Energy	Mitigation	<b>Network expansion</b>	<b>13</b>
		– Broadband	13
Water	Adaptation	<b>River renaturation</b>	<b>330</b>

**Impact Analysis for the NRW.BANK.Green Bond #1 2022**

The Wuppertal Institute determined the [positive environmental impact](#) of the selected projects in the field of "Climate Mitigation" with a total volume of a good € 172,2 million.

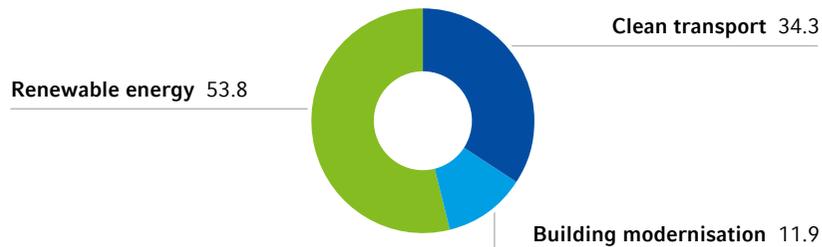
**Field "Climate Mitigation"**

The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond #1 2022 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

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

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

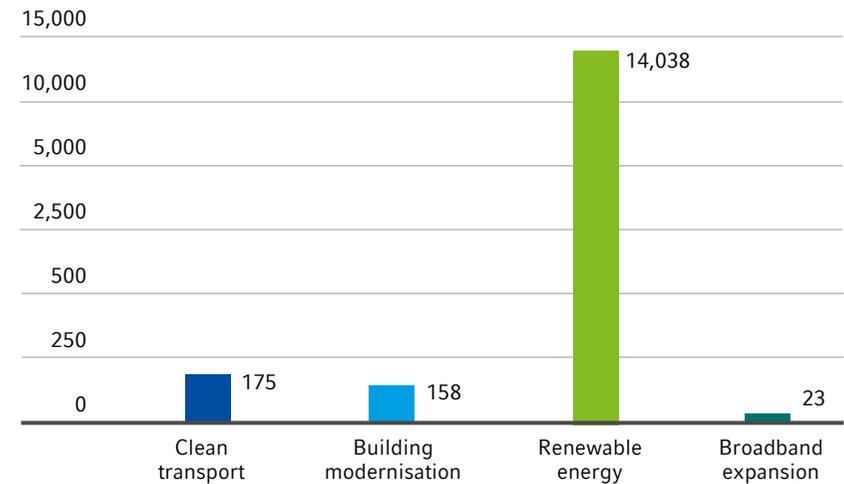
**Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 172.2 m) in %**



## Green Bond #1 2022 Saves 1.3 Million Tons of CO<sub>2</sub> Equivalents

It has been calculated that these projects avoid greenhouse gas emissions of approximately 1.3 million t of CO<sub>2</sub> equivalents over the 10-year term of the NRW.BANK.Green Bond #1 2022. Measured by the size of the Green Bond asset pool of € 172.2 million for Climate Mitigation, approx. 925 t of CO<sub>2</sub> equivalents are saved per € 1.0 million per year.

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



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

### Renewable Energy

€ 91.1 million of the Green Bond asset pool is attributable to newly erected onshore wind parks with a total capacity of 109.4 MW (promotion portion: 100%). They produce an estimated 197.1 GWh of electricity per year. Onshore wind turbine generators once again proved to be the most efficient form of investment for the avoidance of greenhouse gas emissions in the Green Bond. Compared to the German energy mix, the wind power turbines save an estimated 124.4 kt of CO<sub>2</sub> per year (NRW: 165.8 kt of CO<sub>2</sub>; EU: 79.0 kt of CO<sub>2</sub>).

€ 1.6 million of the Green Bond (promotion portion: 33%) supported the installation of a collector system to supply a new residential area with district heat (geothermal energy). Compared to the German energy mix, system saves up to 0.05 kt of CO<sub>2</sub> (NRW: 0.03 kt of CO<sub>2</sub>; EU: 0.06 kt of CO<sub>2</sub>).

### Clean Transport

€ 59.0 million (promotion portion: 12%) of the asset pool related to the purchase of energy-efficient trams and electric buses. Compared to conventional means of transport, these avoid approx. 0.6 t of CO<sub>2</sub> per year (taking into account the production of the vehicles).

### Energy-efficient Buildings

The refurbishment of residential buildings in North Rhine-Westphalia accounted for a total of € 7.5 million (estimated promotion portion: 90%) of the Green Bond asset pool.

Compared to the heat requirements in existing buildings, this avoids approx. 0.12 kt of CO<sub>2</sub> equivalents per year.

### Broadband Network Expansion

The expansion of the broadband network is also part of the asset pool of the Green Bond #1 2022. The total of € 13.1 million saves 0.05 GW and 0.03 kt of CO<sub>2</sub> equivalents per year.

**NRW.BANK.Green Bond #2 2022**

Suitable promotional projects relating to “Mitigation” were clearly assigned to the NRW.BANK.Green Bond #2 2022 in an internal selection process. At approx. € 515.6 million, the main focus was placed on the topic of “energy-efficient building” This breaks down into:

- approx. € 501.9 million for housing construction,
- approx. € 13.7 million for public construction.

At € 329.2 million, “renewable energy” was the second focus, which broke down as follows:

- approx. € 263.2 million for wind energy and
- approx. € 66.0 million for bioenergy.

“Clean transport” accounted for approx. € 50.9 million, while water pipes accounted for approx. € 3.0 million.

Loans in the amount of € 115.0 million are assigned to the topic of “Adaptation”, more specifically to “resilience” and “biodiversity”. The funds will again be used for the renaturation of the River Emscher.

The projects chosen were earmarked by NRW.BANK as Green Bond #2 2022.

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 13th Green Bond in January 2022; it is the first Green Bond with a volume of € 1.0 billion and has a term of ten years. The funds raised are allocated at 100%.

Area	Field	Topic	Promotion Volume in € Millions
Energy	Mitigation	Energy-efficient buildings	516
Energy	Mitigation	Renewable Energy	329
		– Wind parks	263
		– Bioenergy	66
Mobility	Mitigation	Clean transport	51
Water	Mitigation	Water pipes	3
Water	Adaptation	River renaturation	115

### Impact Analysis for the NRW.BANK.Green Bond #2 2022

The Wuppertal Institute determined the [positive environmental impact](#) of the selected projects in the field of “Climate Mitigation” with a total volume of a good € 895.7 million. The bases for calculation were adjusted in the process.

All greenhouse gas savings from renewable electricity generation now relate to the combined margin of electricity generation in Germany (construction and operating margin). This is recommended by the International Financial Institutions Technical Working Group on Greenhouse Gas Accounting (IFI TWG). Compared to earlier reports, this results in lower savings per kilowatt hour of electricity. Unlike the previous analyses, the results are marked as “DE conventional” and “EU conventional”.

Moreover, new buildings are no longer compared with the energy requirements of the existing building stock but are based on the minimum building requirements of the country considered for the analysis. This is in line with the recommendations of the [Nordic Position Paper on Green Bonds Impact Reporting](#). Here, too, the adjustment leads to lower greenhouse gas emission savings than in earlier reports.

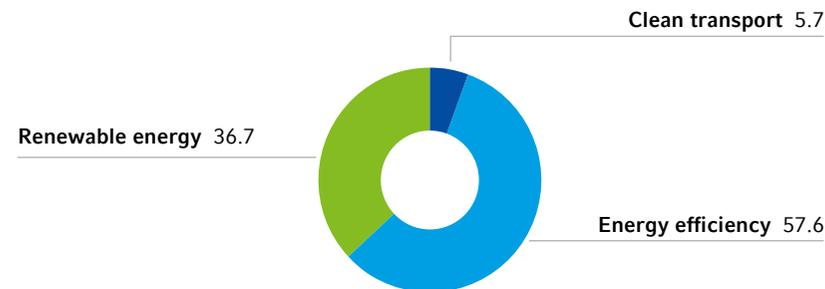
For details, see the underlying [methodology document](#).

### Field “Climate Mitigation”

The projects financed in the field of “Climate Mitigation” by the NRW.BANK.Green Bond #2 2022 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

- renewable energy (wind energy and co-generation (biomass)),
- clean transport (e-mobility and public transport) and
- energy-efficient buildings (new buildings and refurbishments).

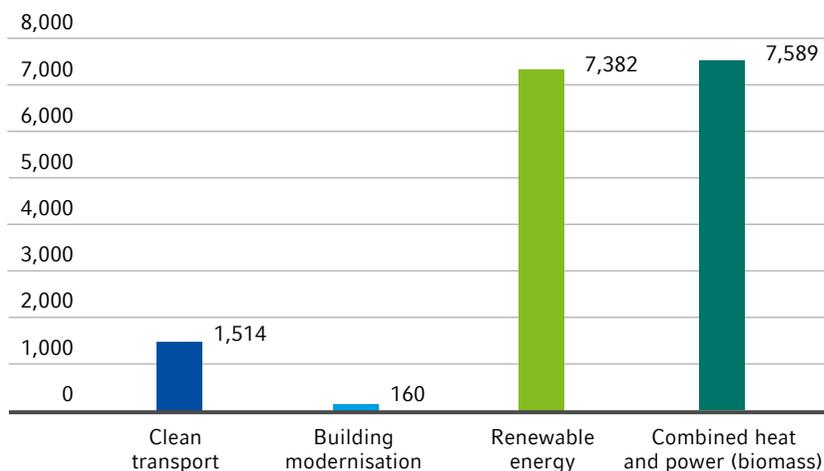
### Breakdown of Project Financing Volume in the Field “Climate Mitigation” (€ 895,7 m) in %



## Green Bond #2 2022 Saves Close to 2 Million Tonnes of CO<sub>2</sub> Equivalents

It has been calculated that these projects avoid greenhouse gas emissions of approximately 1.9 million t of CO<sub>2</sub> equivalents over the 10-year term of the NRW.BANK.Green Bond #2 2022. Measured by the size of the Green Bond asset pool of € 895.7 million for Climate Mitigation, approx. 216 t of CO<sub>2</sub> equivalents are saved per € 1.0 million per year.

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



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

**Renewable Energy**

€ 263.2 million of the Green Bond asset pool related to newly built onshore wind parks with a total capacity of 204 MW (promotion portion: 74%). The wind power turbines produce an estimated 367 GWh of electricity per year and save an estimated total of 192 kt CO<sub>2</sub> per year and 141 kt CO<sub>2</sub> in terms of the promotion portion (146 kt CO<sub>2</sub> and 108 kt CO<sub>2</sub>, respectively, compared to conventional electricity production in the EU-27).

**Biomass**

An amount of € 66.0 million of the Green Bond asset pool is used to finance a combined heat and power plant using waste wood (estimated promotion portion: 37%). The financing will enable an additional estimated 37 GWh of electricity from renewable sources and a heat output of 380 GWh per year. This will result in savings of 50 kt CO<sub>2</sub> per year (total plant: 137 kt/year).

**Energy-efficient Buildings**

Another € 487.8 million are assigned to the construction of energy-efficient new buildings, with another € 14.1 million assigned to the energy-efficient refurbishment of residential buildings. As a result, approx. 1 kt of CO<sub>2</sub> equivalents are saved per year compared to the heating requirements of the existing housing stock.

€ 10.7 million and € 3.0 million, respectively, are assigned to the construction of new non-residential buildings and the renovation of this building type. Between them, the buildings supported with these funds save about 0.8 GWh of heat compared to the non-residential building stock. This leads to annual savings of 0.2 kt CO<sub>2</sub> equivalents.

**Clean Transport**

€ 46.5 million of the asset pool (promotion portion: 12%) relates to the acquisition of energy-efficient public transport and the construction of the necessary infrastructure. This corresponds to a capacity of approx. 141.3 million passenger kilometres. The financed share saves approx. 0.5 kt of CO<sub>2</sub> equivalents per year (4.5 kt of CO<sub>2</sub> equivalents in total).

Another € 4.4 million of the asset pool (promotion portion: 44%) relates to the purchase of climate-efficient vehicles and charging stations. This corresponds to an estimated 17.0 million passenger kilometres and saves approx. 0.6 kt of CO<sub>2</sub> equivalents (1.4 kt of CO<sub>2</sub> equivalents in total).

### Field “Climate Adaptation”

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

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

The NRW.BANK.Green Bonds form a central funding basis for the renaturation of the river. Around € 445.0 million from the two 2022 Green Bonds was used to refinance measures implemented by Emschergenossenschaft for the conversion of the River Emscher – the highest annual financing volume to date. The funds once again enabled a large number of water engineering measures in 2022. All of them are aimed at achieving a sustainable, ecologically renewed river landscape in the Emscher region.

Emschergenossenschaft reported on the progress made in the renaturation of the Emscher system in 2022:

### Construction of Sewers in the Emscher Catchment Area Results in Continuous Watercourse

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

With the large, modern sewer along the Emscher completed in 2019, the focus in 2022 was again placed on the construction of sewers in the Emscher catchment area. About 98.0% of the 435.8 km were completed in the year under review.

These sewers are another indispensable prerequisite for the development of the river system into a renaturalised river landscape, as they ensure that clean water and waste water are separated.

Another milestone was reached in November 2022, when the new Emscher estuary was opened. As a result, the Emscher is now continuously connected to the Rhine for the first time in over 100 years.

### Flood Protection Expanded

As urban water management systems, the new water bodies also include the necessary rainwater treatment plants. In 2022, an existing flood retention basin was expanded by 5,000 m<sup>3</sup> to a volume of 30,000 m<sup>3</sup>. The total capacity is already 3.0 million m<sup>3</sup> cubic metres (target: 3.3 million m<sup>3</sup>). The additional retention volume created in floodplains along the renaturalised river courses is approx. 1.1 million m<sup>3</sup>. According to Emschergenossenschaft, flood damages worth almost € 1.8 million p.a. have been avoided this way.

### **Biodiversity Doubled**

Of the 328 km of rivers and streams in the Emscher system, 164 km have already been renaturalised and are developing so well that they are demonstrably enabling a new urban biodiversity. To date, around 1.5 million square metres of real wetlands (water areas, floodplains and adjacent land areas) have been created as part of the Emscher conversion. This is equivalent to the size of 208 football pitches. The newly created replacement floodplains along the renaturalised river courses are also part of this and, apart from providing protection against flooding, ensure that the biodiversity of animals, plants and fungi in the river and its surroundings increases strongly. Close to 70 species can today be found again in the Emscher system. They reflect the naturalness of the renaturalised waters, where only three species were found in 2006.

### **Outlook**

The completion of the Emscher sewer also marks the completion of the first and most important phase of the renaturation of the Emscher. In the coming years, the focus will be on the now-freshwater-carrying Emscher and its feeder streams. An example is the opening of the newly designed estuary of the Suderwicher Bach into the Emscher (in Castrop-Rauxel) in August 2022, which now forms the new "Emscherland" including a water learning site and a water experience area. NRW.BANK will support Emschergenossenschaft with an additional amount of a good 1.0 billion at least until the mid-2020s. As the Emscher project meets the strict criteria of the EU taxonomy, the topic will continue to feature in the NRW.BANK.Green Bonds going forward.

# Green Bond Projects

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



# RAIFFEISEN GENOSSEN- SCHAFT

## INFRASTRUCTURE

[www.raiffeisen-immo-gmbh.de](http://www.raiffeisen-immo-gmbh.de)



### Energy-efficient Serviced Housing

In Sendenhorst in the Münsterland, Raiffeisen IMMO GmbH is building a residential estate based on a special concept. "Serviced living" means that the tenants live autonomously but can ask for support and assistance when needed. The target group is the 60+ generation. The 35 apartments are barrier-free, with six of them wheelchair-accessible. Two common rooms and a shared terrace are planned to enhance the sense of community. The € 10.1 million project is scheduled for completion at the end of 2023. By then, the estate will have a "carer", who will serve as a contact person for the residents and provide them with information on available services and with tips on leisure activities. Raiffeisen IMMO GmbH cooperates with a social care centre, which will provide outpatient care services. The complex meets the high standard of an "Efficiency House 40 EE". Electricity will be generated by a photovoltaic system, while heat will be provided by air source heat pumps.

NRW.BANK supports the construction of the sustainable residential estate with a loan of around € 2.8 million from the NRW.BANK. Infrastruktur programme, which is refinanced via the NRW.BANK.Green Bond.



**35** barrier-free  
apartments




Residential estate meets  
"Efficiency House  
**40 EE**" standard



# ZERO-EMISSION TRAINS

## ELECTROMOBILITY

[www.vrr.de/en/](http://www.vrr.de/en/)

76 new railcars

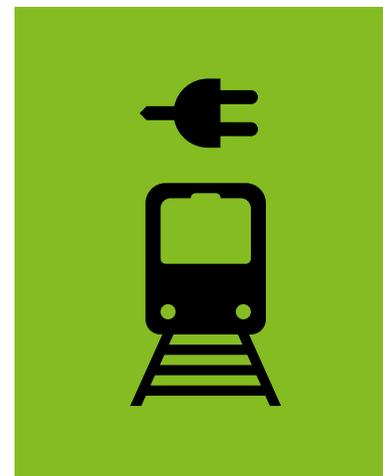


€ 67.3 million from the programme NRW.BANK.Infrastruktur

### Battery-electric Railcars Instead of Diesel Locomotives

Verkehrsverbund Rhein-Ruhr (VRR) and the neighbouring Nahverkehr Westfalen-Lippe (NWL) want to improve the carbon footprint of local public transport and push ahead the mobility transition. This is why they have ordered 76 new zero-emission railcars. Starting 2026, the battery-electric trains are to operate on the tracks of the Niederrhein-Münsterland network to connect the more rural areas of the Lower Rhine region and the western Münsterland with the Ruhr/Düsseldorf conurbation. They will replace the partly still diesel-powered fleet by fully electrically powered trains. In addition to their electric drive, the new regional trains have batteries. On electrified tracks, they can charge them via the overhead lines and thus also bridge the non-electrified routes in the VRR network without emissions.

NRW.BANK made available an amount of € 67.3 million to support the acquisition of the 76 battery-electric railcars. The funds come from the NRW.BANK.Infrastruktur programme, which is refinanced via the NRW.BANK.Green Bond 2022.



# STADTWERKE SOEST GMBH

ENERGY INFRASTRUCTURE

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



## Climate-neutral Geothermal Energy for a New Residential Area

Stadtwerke Soest supplies the new “Neuer Soester Norden” residential estate with climate-neutral heat from the ground. They use the cold district heat method, which uses low transmission temperatures and can thus make available both heat and cold. The energy source for the system, which is located next to the new building site, is the heat from the ground at a depth of 1.5 to 3 m, where the annual average temperature is around 10 °C. This is less than in deeper layers but sufficient for cold district heat; this is a method, where surface collectors – pipes in which a water-bio-ethanol mixture flows – collect the geothermal heat and conduct it into the buildings, where it heats the rooms and the water supported by heat pumps. During the first construction phase of the new estate, Stadtwerke Soest invested some € 6.6 million in the district heating system, which started operation in 2022. By the end of the last construction phase, the number of households will increase to roughly 600. Compared to fossil heat supply, more than 1,880 t of CO<sub>2</sub> would be saved per year.

NRW.BANK supported the project with € 1.6 million from the NRW.BANK.Energieinfrastruktur programme, which is refinanced via the NRW.BANK.Green Bond 2022.

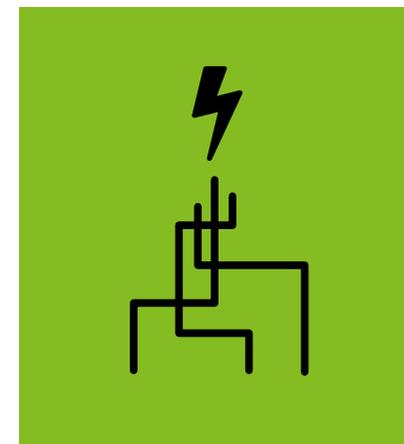


**1,880 t CO<sub>2</sub>**  
saved per year



Heat for  
**600**  
households

€ **1.6 million**  
funded by NRW.BANK



# LICHTENAU CLIMATE CAMPUS

INFRASTRUCTURE

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

€ **3 million** refinanced  
through the  
NRW.BANK.Green Bond 2022



**6,368 m<sup>2</sup>**  
floor area of the  
school building



approx.  
**250 t CO<sub>2</sub>**  
saved per year

## Refurbished School Benefits from Renewable Energy

The Westphalian “energy town” of Lichtenau has refurbished its aging secondary school from scratch and created a Climate Campus that largely operates without the use of fossil fuels. To increase energy efficiency, a special focus was placed on insulating the building complex dating back to the 1970s and 1980s. Electricity is supplied by a nearby wind park. The heart of the heat supply is an ice bank with heat exchangers, which cools the buildings in the summer. LED lamps have been installed on the site and the schoolyard has been unsealed. In addition, there is a “green classroom” for outdoor learning. The Climate Campus is expected to be ready for occupancy after the 2023 summer holidays. Close to 250 t of CO<sub>2</sub> are to be saved per year.

NRW.BANK supported the project with € 3 million from green funds for municipalities. The low-interest loan is refinanced via the NRW.BANK.Green Bond 2022.



# NRW.BANK.Social Bond Reporting 2022

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

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

In the reporting year, the Bank further expanded its activities in this segment and successfully issued a EUR Social Bonds with a volume of € 1.0 billion. These issues satisfied broadly based investor demand. NRW.BANK's Social Bond programme creates a close link between the positive social impact of its promotional business and the capital market.

The NRW.BANK.Social Bonds of the year 2022 are based on the [NRW.BANK Social Bond Framework 2022](#), which was revised in the reporting year. The framework for it is provided by the ICMA's Social Bond Principles (SBPs). The main components are described below:

- Social Bond Principles define the framework
- Concept: pool-to-bond approach
- NRW.BANK.Social Bonds are Use-of-Proceeds bonds
- In selecting the asset pool to be refinanced, NRW.BANK applies the following criteria:
  - Affordable home ownership (SDGs 1 and 11)
    - Low/medium-income families → Economic resilience
  - SME financing and employment security (SDG 8)
    - Small and medium-sized enterprises (SMEs) → Labour market
  - Access to public goods and services (SDGs 1 and 10)
    - Municipalities → Public goods and services in economically disadvantaged communities
  - Access to essential services (SDGs 3, 4 and 11)
    - Education → 8 levels of the ISCED
    - Health & care → Healthcare sector, nursing and refugee homes, women's shelters
  - Disaster management → General public
- "Do No Significant Harm" criteria and Sustainability Guidelines are taken into account
- Project assessment and selection
  - Second Party Opinion: Positive rating from ISS ESG
  - (Re-)financing of loans whose commitments date back to no more than 36 months before the year of issue
- Management of proceeds
  - Ring-fencing not necessary
  - Funds fully allocated
  - Top-ups possible
  - Internal designation of the loans
- Comprehensive annual reporting
  - Wuppertal Institute prepares impact analysis; reporting based on asset pool

### Pool-to-Bond Approach

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

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

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

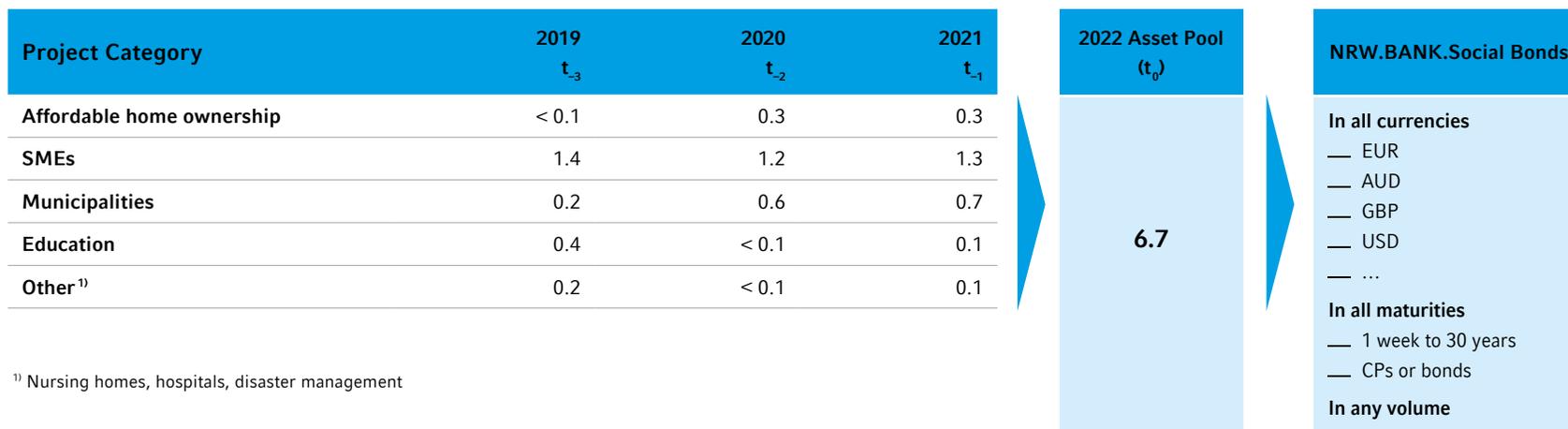
ISS ESG verified compliance with the ICMA Social Bond Principles in a Second Party Opinion and confirmed the social value added as well as compliance with minimum criteria.

In accordance with the requirements of the ICMA Social Bond Principles, NRW.BANK provides an overview of the composition of the 2022 asset pool below and presents the impact analysis:

### 2022 Asset Pool

The 2022 asset pool, which formed the basis for the NRW.BANK.Social Bonds issued in the reporting year, has a volume of around € 6.7 billion. Besides bonds, the pool may also be used for commercial papers (CPs). The concept allows for a high degree of flexibility in terms of maturity, issue volume and currency.

### Distribution of Loans Considered for the 2022 Asset Pool in € Billions



<sup>1)</sup> Nursing homes, hospitals, disaster management

The volume of the asset pool is made up of loans to promote affordable home ownership, to support small and medium-sized enterprises, to improve education, health and care services, to enhance disaster management, and to provide loans and liquidity support to economically disadvantaged communities. The asset pool reflects material parts of NRW.BANK's promotional business.

#### **Affordable Home Ownership**

The "Affordable Home Ownership" project category mainly includes loans to low/medium-income families to whom rising property prices would otherwise make home ownership inaccessible. Eligible recipients include, for instance, couples with a taxable annual income of up to € 75 thousand, based on the federal government's "Baukindergeld" (family housing grant). This makes these "threshold households" more resilient to economic shocks.

#### **SME Financing and Employment Security**

The "SME" project category includes loans to family-owned enterprises with fewer than 250 employees. This is due to the fact that their corporate structure has evolved over years. Enterprises are often owned by the founding family over several generations. They are successful, grow continuously and also establish themselves in new markets. NRW.BANK's promotional programmes (NRW.BANK.Universalkredit and NRW.BANK.Digitalkredit) are aimed at securing and creating jobs. Their focus is on reducing long-term and youth unemployment.

#### **Municipalities**

The "Municipalities" category of the asset pool includes loans without specific purpose to economically disadvantaged local communities in North Rhine-Westphalia. Municipalities whose per-capita gross domestic product is in the lowest quartile in North Rhine-Westphalia and which have an unemployment rate above the state average are considered economically challenged. These loans and liquidity aid serve to maintain or improve the supply of public goods and services to the population.

#### **Education**

The "Education" category comprises loans for improved quality and inclusive education at municipal and denominational day-care centres, schools and universities. In this context, the eight levels of the [International Standard Classification of Education \(ISCED\)](#) are also taken into account.

#### **Other (Health & Care, Disaster Management)**

The "Other" project category comprises loans for "Health & Care" as well as for "Disaster Management".

On the one hand, the "Health & Care" category includes loans for the construction, renovation and modernisation of facilities and infrastructure such as hospitals, nursing homes and social centres, refugee shelters, women's shelters or accommodation for the homeless. On the other hand, it includes loans to university hospitals that help improve public healthcare and make the buildings more energy-efficient.

The focus of the "Disaster Management" category lies on financing the required infrastructure. The loans from the asset pool enable, for instance, investments in equipment and facilities for fire brigades and Technisches Hilfswerk (THW), which provides assistance e.g. in flood disasters.

The breakdown of the 2022 asset pool by project category is as follows:

Project Category	Target Group	€ 6.7 billion
Affordable home ownership	Low/medium-income families	9 %
SMEs	Long-term and youth unemployment	57 %
Municipalities <sup>1)</sup>	Economically disadvantaged municipalities	22 %
Education	Pupils and students	7 %
Other <sup>2)</sup>	Senior citizens, people with disabilities, refugees, women, general public	5 %

<sup>1)</sup> Access to Public Goods and Services

<sup>2)</sup> Health & Care, Disaster Management

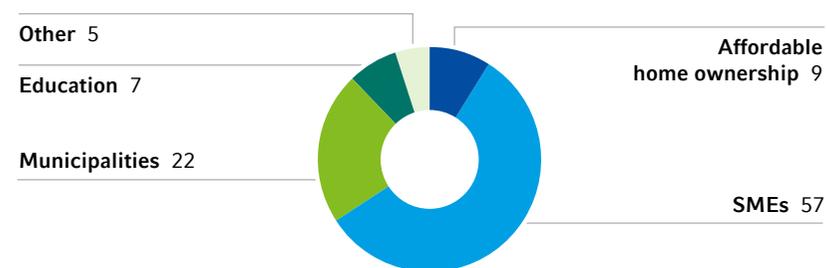
ISS ESG has confirmed the social value added in its [Second Party Opinion](#) and also rated the asset pool positively with regard to the overall concept.

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

### Impact Analysis for the NRW.BANK.Social Bond Asset Pool 2022

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

### Breakdown of the 2022 Asset Pool by Project Category in %



### Methodology

In 2022, the impact analysis covers loans in the amount of € 6.7 billion (100% of the asset pool). For a loan to be considered in the analysis, sufficient and reliable data availability is required. The impact analysis is based on the recommendations of the [ICMA's Harmonised Framework for Impact Reporting](#) and its current [Social Bond Principles](#). The method developed by the Wuppertal Institute for this purpose is based on the Theory of Change (ToC). The ToC makes it possible to determine the impact of the social value added on the basis of an "outcome pathway".

The overarching goal here is to analyse the impact of target-oriented lending in terms of the SDGs in order to quantify it in the best possible way. An attempt is made to define a cause-effect chain ("inputs", "activities", "outputs", "intermediate & long-term outcomes") in order to achieve a certain impact. The starting point is always the desired outcome – which in the case of the NRW.BANK.Social Bonds is currently based on one or more of SDGs 1, 3, 4, 8, 10 and 11, depending on the project category. To facilitate implementation, the Wuppertal Institute has developed an indicator classification for the NRW.BANK.Social Bonds. A detailed description of the method is published on the [website of the Wuppertal Institute](#) as well as on the [Social Bond Portal](#) of NRW.BANK.

### Results

For the projects included in the analysis (100% of the 2022 asset pool), the following impacts within the meaning of the SDGs were identified for the individual project categories:

- Affordable home ownership: Access to 1,800 residential units for low-income households.
- SME financing: Some 39,000 additional jobs created in North Rhine-Westphalia
- Municipalities: Investments of € 100 per inhabitant made possible in structurally weak local communities
- Other – Health & Care:
  - 4% increase in future graduates in health and care professions
  - 2,300 additional childcare places
  - 18,000 beneficiaries benefit from the construction or acquisition of buildings for care facilities; additional capacity for at least 430 hospital beds

While it was again not possible to determine concrete impact indicators for all project categories in 2022, the data basis in many cases enabled an assignment to a specific purpose. The results determined for the individual project categories are described below.

#### Affordable Home Ownership

Direct loans with a volume of € 599.8 million were assessed by the Wuppertal Institute in the "Affordable Home Ownership" category. Of this total, an amount of € 269.9 million relates to North Rhine-Westphalian households with an annual income of less than € 50 thousand. The Wuppertal Institute found that this provided access to a total of 1,800 newly built or acquired residential units. In addition, the Wuppertal Institute estimates that € 16.3 million (2.7% of the total loans in this category) was used to provide access to 100 housing units in the ten cities

with the highest rent levels. Another 1,000 borrowers live in regions where the cost of living is reduced by home ownership loans, which increases their disposable income by up to € 450 per month.

Based purely on induced measures, the Wuppertal Institute assumes that all 3,184 loans assessed led to some 1,700 (€ 260.3 million) newly built and 2,200 (€ 339.5 million) newly purchased residential units.

### **SME Financing and Employment Security**

Of the approx. € 3.9 billion in the “SME Financing” project category, the Wuppertal Institute was able to attribute 49.8% (about € 1.9 billion) to structurally weak regions. It estimates that the loans in the 2022 asset pool create up to 39,000 additional jobs in economically disadvantaged regions of North Rhine-Westphalia. This category comprises a total of 9,163 loans, which are used to fund digitalisation or innovation measures, among others.

### **Municipalities**

A direct impact analysis for the NRW.BANK loans of € 1.3 billion (87.9% of the total loans in this category) granted to 22 economically disadvantaged municipalities has not been possible yet within the framework of this study. It was found out, however, that 41.2% of the funds (€ 606.8 million) were used to reduce the financial burden (repayments of bank loans as well as loans granted by municipalities to municipal enterprises). In relation to the population, the financial burden on these municipalities was reduced by an estimated € 89 per capita. The remaining 46.7% of the loans granted to economically disadvantaged municipalities serve investment purposes. These loans allow the investments in the respective municipality to be increased by about € 100 per capita.

### **Education**

15.6% of the loans (€ 75.2 million) in the “Education” category went into the construction or acquisition of sites for childcare facilities (both kindergartens and day care centres). Taking into account the current funding share for childcare subsidies in North Rhine-Westphalia (maximum € 33 thousand per place), the Wuppertal Institute was able to estimate an output indicator: the loans helped to create an estimated 2,300 new places for day care centres and early childhood education (potentially induced, conservative estimate).

Of the € 481.7 million provided under the NRW.BANK.Gute Schule, NRW.BANK.KomInvestPlus and NRW.BANK.Infrastruktur development programmes, € 328.2 million was invested in the construction, acquisition, equipment or renovation of school buildings (on average € 1.2 million per project). Another € 14,5 million was used for the construction, equipment or refurbishment of sports facilities (on average € 580 thousand per project). The remaining (allocated) € 18.5 million was used for the provision of IT equipment and the improvement of the IT infrastructure (on average € 230 thousand per project).

### **Other (Health & Care, Disaster Management)**

In the “Health & Care” category, the biggest portion (61.3% or € 184.0 million) of the total of € 300.4 million from the NRW.BANK.KomInvestPlus, NRW.BANK.Infrastruktur and NRW.BANK.Energieinfrastruktur programmes was used for investments in health and care buildings (76 out of 142 projects).

41.4% of these loans (€ 124.3 million) can be directly attributed to a capacity increase in the care system (e.g. care for the elderly). Based on typical costs for the provision of additional places in nursing homes (approx. € 19 per day and person), this corresponds to some 18,000 beneficiaries. Another € 34.4 million (11.5% of the funds) went into hospitals and their infrastructure to create additional capacity. As costs for an additional bed in intensive care are the highest, this is equivalent to some 430 additional beds (conservative estimate).

Investment loans for the training of healthcare and nursing staff can be directly compared with the total number of graduates in these professions in North Rhine-Westphalia. The funds in the amount of € 11.1 million increase the capacities in educational institutions, e.g. for the training of nurses. This is equivalent to some 500 additional trainees or an increase of approx. 4% in the number of future graduates.

2.1% (€ 6.2 million) of the loans accounted for the acquisition, construction or modernisation of shelters and community rooms, which made it possible to offer additional four additional shelters for women, refugees and homeless people.

At a total of € 4.6 million, “Disaster Management” is the smallest category of the 2022 asset pool. A total of 96.5% of the loans in this category were used for the construction or modernisation of buildings for emergency services (on average € 1.1 million per project). The remaining funds of approx. € 0.2 million can be assigned to the purchase, maintenance or equipment of rescue vehicles and allowed the purchase of an additional incident command vehicle.

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

# Social Bond Projects

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



# FIRE STATION

## INFRASTRUCTURE

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

**700 m<sup>2</sup>**  
floor space

€ **1.6 million**  
funded by  
NRW.BANK

Hall for **3** emergency vehicles

### New Building for Improved Firefighting

The municipality of Bergisch Gladbach has built a new fire station to improve its firefighting and disaster management capabilities. The € 2 million cost of the new building in the Herkenrath district was met by a committed investor, the local Joke Group. The machine and tool manufacturer had offered to erect the building on its conveniently located site and lease it to the city for 30 years. Officially inaugurated in 2022, the fire station is intended to strengthen the municipal firefighting infrastructure and to improve the safety of the local population, especially in the eastern parts of the city. The building, which covers an area of around 700 square metres, includes training and social rooms as well as a hall for three emergency vehicles.

NRW.BANK supported the project with € 1.6 million. The funds come from the NRW.BANK.Infrastruktur programme for the promotion of investments in the public, digital and social infrastructure. The loan was refinanced via the NRW.BANK.Social Bond.



# Considering Sustainability in Capital Investments

Since 2017 already, NRW.BANK has considered ESG (Environment, Social, Governance) issues in its investment analysis and decision-making processes. The six Principles for Responsible Investment, to which the Bank has formally committed itself since signing the UN PRI in 2020, play an important role in this context.

In addition to a [thematic investment approach](#), which is pursued via a separate [Sustainable Bond-Investment-Portfolio](#), NRW.BANK manages its capital investment via a traffic light system based on standards-based screening and a best-in-class approach. In 2022, NRW.BANK additionally developed an ESG Investment Framework aiming for a climate-neutral investment portfolio by 2045, which was published in early 2023. The [NRW.BANK ESG Investment Framework](#) concretises the Sustainability Guidelines and, in addition to the aforementioned measures, provides for transformation risks/opportunities and the Paris climate goals to be taken into account in the Bank's capital investments on the basis of the Implied Temperature Rise (ITR). Going forward, the Bank intends to continue pursuing the ESG integration taking into account the six UN PRI.

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

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

**Thematic Investment:  
The NRW.BANK.Sustainable Bond-Investment-Portfolio**

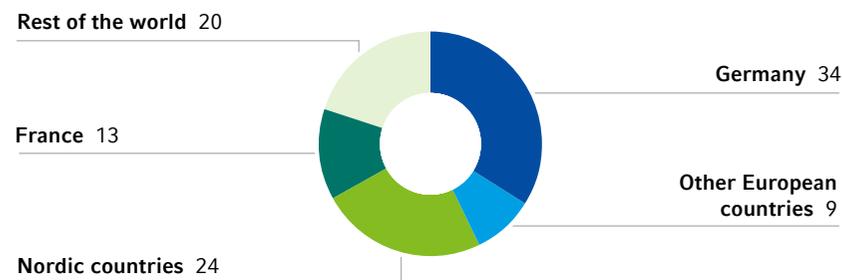
NRW.BANK contributes to climate protection and the development of a market for sustainable bonds not only as an issuer but also as an investor within the scope of its own financial investments. To this end, the Bank established a Green Bond Investment Portfolio in 2017, which was expanded into the NRW.BANK.Sustainable Bond-Investment-Portfolio in 2021.

To qualify for the portfolio, bonds must meet the requirements of either the EU Green Bond Standard (TEG version), the ICMA Green Bond Principles (GBPs), the Social Bond Principles (SBPs) or the Sustainability Bond Guidelines (SBGs) as well as the corresponding reporting requirements. In addition, the sustainability benefit of the bond must be determined by a Second Party Opinion or a certificate meeting the standards of the Climate Bond Initiative. NRW.BANK primarily invests in climate protection and climate adaptation projects.

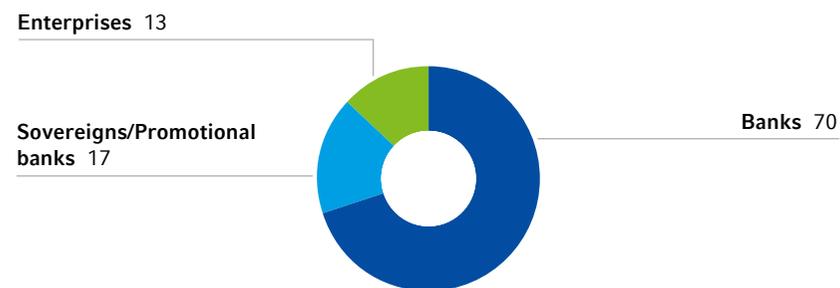
At € 707.8 million, the Bank's goal of increasing its Sustainable Bond-Investment-Portfolio to € 600 million by the end of 2022 was clearly exceeded as of December 31, 2022. The portfolio is being built up in compliance with the existing risk strategy and limits. As an investor, NRW.BANK thus makes a further contribution to climate protection and the further development of the sustainable bond market.

As of December 31, 2022, the portfolio comprised sustainable bonds with maturities until 2032 from the following countries/regions and sectors:

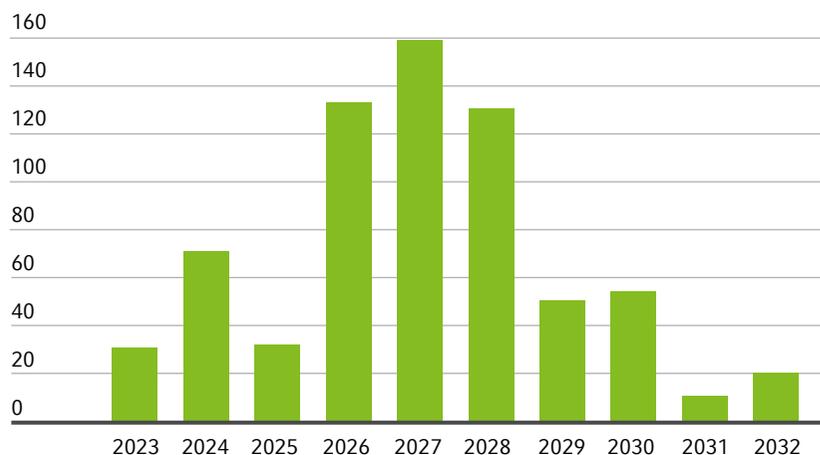
**NRW.BANK.Sustainable Bond-Investment-Portfolio by Countries in %**



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



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



Most of the bonds in the NRW.BANK.Sustainable Bond-Investment-Portfolio are Green Bonds. The funds raised are thus invested in environmental projects, e.g. to promote renewable energy, sustainable buildings, low carbon transport and (waste) water management. In 2021, NRW.BANK expanded the portfolio to include bonds that create social added value. The funds thus also support projects that help reduce unemployment, mitigate income losses, support health-related measures and inclusion as well as education. The projects (re-)financed with the funds from the Green, Social and Sustainability Bonds mainly have positive impacts on SDGs 3, 6, 7, 8, 9, 11, 13, 14 and 15. All issuers of the bonds included in the portfolio state that they publish impact analyses.

The impact analyses of the issuers are based on different frameworks. With regard to the Green Bonds in the portfolio, the MDB Harmonised Framework for Impact Reporting or national benchmarks are often used as a reference. The Green Bond issuers also use regional standards such as the Nordic Public Sector Position Paper on Green Bonds Impact Reporting. While there is currently no uniform reporting standard in the market for funds with a social benefit, the recommendations of the ICMA Social Bond Principles are used most frequently. NRW.BANK welcomes the efforts of all issuers to identify the positive impact of its sustainable bonds. Because of the great heterogeneity of the reporting methods and the benchmarks used for comparison, reliable aggregation is not yet possible, though.

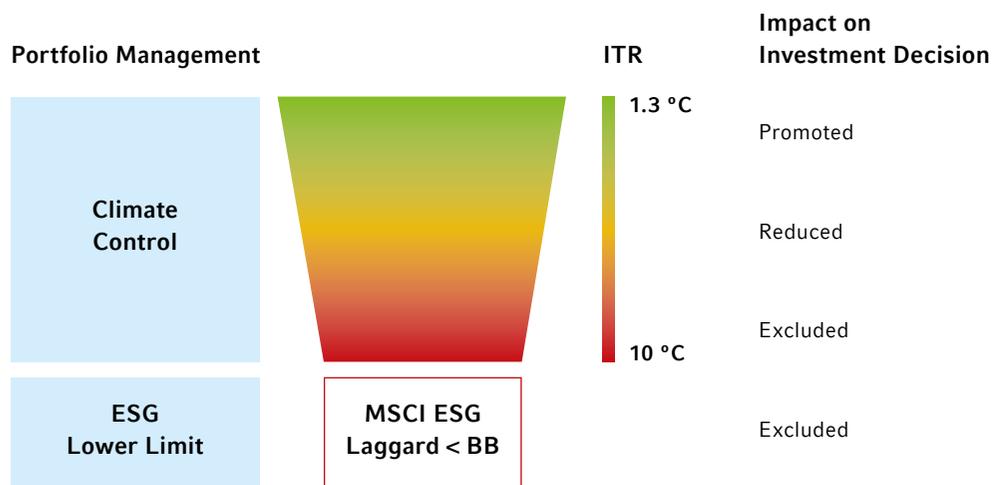
**Integrating Sustainability Criteria in the Investment Portfolio**

Since 2017 already, NRW.BANK has managed its sustainable investments in the investment portfolio in cooperation with MSCI ESG Research.

The ESG market and the related demands and framework conditions are evolving continuously. EU efforts under the EU Green Deal aim, for instance, to improve transparency, the data basis and comparability for ESG-related decision-making processes. Even though this process is only at the beginning, it is required to make capital available in a targeted manner and in the sense of sustainable transformation and to identify ESG risks and opportunities. NRW.BANK is proactively responding to these developments, also with a view to their integration in capital investments, and is closely accompanying them. Building on the implementation to date, NRW.BANK continues to refine its ESG integration in a far-sighted manner and as closely as possible in line with established market standards. The UN PRI provide an adequate framework and guidance for this.

To support this further development and the transformation process, NRW.BANK developed an ESG Investment Framework in 2022 to make the integration of ESG aspects more transparent. A new overarching goal is to achieve a climate-neutral investment portfolio by 2045 in order to support the limitation of the temperature rise to 1.5 °C. In accordance with the recommendations of the TCFD, NRW.BANK will therefore use the Implied Temperature Rise (ITR) in degrees as a further management parameter for limiting concentration risks in the corporate portfolio starting 2023. Portfolio management based on the ITR is shown in the chart below:

### ESG-related Management of the Corporate Portfolio



A first interim goal is to improve the ITR of the corporate portfolio by 0.5% by 2026. The [NRW.BANK ESG Investment Framework](#) and further details are published on the website of NRW.BANK.

Engagement also forms part of ESG integration and supports the UN PRI principles 2, 3 and 5. In late 2022, NRW.BANK participated for the first time in a pooled engagement of ISS ESG together with other institutional investors and engaged in companies where social and environmental controversies were identified with regard to international norms and standards for responsible corporate behaviour. The Bank will continue to participate in such collective engagements on an ongoing basis.

Apart from further developing the integration of ESG aspects, the coordination with the front office, the back office and the Bank's overall strategy is essential. It is, for example, important to take into account findings from internal risk controlling processes and meaningful support of the transformation to achieve the Paris climate goals in the capital investment as well. To ensure this, the [Sustainability Committee](#) has commissioned the Capital Markets business unit to establish a Bank-wide working group with the primary goal of further developing ESG integration in a forward-looking manner.

Going forward, NRW.BANK will describe ESG-related portfolio management and the results of the working group in the context of its ESG Investment Framework and in the usual UN PRI report, which became mandatory for the Bank as of the reporting year 2022.



## Protecting the Climate and the Environment

# Eco-Balance

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

# Conserving Resources in Banking Operations

NRW.BANK actively supports the political and social sustainability efforts and uses a number of possibilities 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 from co-generation as well as energy-efficient IT hardware in all its buildings and sources 100% certified green electricity from run-of-river hydropower plants. In order to conserve resources, the focus also remains on the digitalisation of internal and external processes.

As a next step in its efforts to constantly improve its environmental performance, NRW.BANK started to introduce an environmental management system in accordance with the EMAS Regulation (Eco-Management and Audit Scheme) in late 2022.

## Data Collection

For 16 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).

As the data are collected in accordance with the VfU standard, they can be compared with data of companies applying the same standard. The basis is formed by the VfU's revised guidelines in conjunction with the conversion

factors of the 2022 update version 1.0 of March 1, 2022. The data presented here represent an extract from the 2022 eco-balance, which was prepared by consulting firm [einsfünf Beratungsgesellschaft](#), Düsseldorf.

## Scope and Period of Reporting

To prepare its eco-balance for 2022, NRW.BANK determined the environmental impacts resulting from its business operations. In the third year of the Covid pandemic, it became apparent that its impact on consumption and environmental figures declined as more and more restrictions were lifted.

As in the 2021 eco-balance, the electricity consumption of the external data centres has also been included in the report in accordance with the 2022 update version 1.0 (VfU standard). The scope of the eco-balance remained confined to the buildings as no distinction is made between work in the office and mobile work when recording the business activities.

The reporting period corresponds to the calendar year. The consumption and flow data (input and output) were collected for the period from January 1, 2022 to December 31, 2022. Information relating to vehicles and employees is stated as of the reporting date December 31, 2022. The floor space data correspond to the status of the existing buildings as of December 31, 2022. In 2022, the Bank operated at three locations in Düsseldorf and at a building complex in Münster.

## Reference Values

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

Staff numbers of 1,553 for 2022, 1,519 for 2021 and 1,541 for 2020 were taken as the basis.<sup>1)</sup>

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

### Building Energy

NRW.BANK attaches great importance to using energy-efficient technology. 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 21,667 kWh of electricity to cover the Bank’s own requirements in 2022. This means that fossil energy is only used in the form of diesel for the operation of emergency power generators and the combustion of fuels for the vehicle fleet.

### Energy Consumption in kWh

	2022	2021	2020
Heating energy			
– total	5,470,480	7,483,249	6,705,356
– per employee/year	3,522	4,927	4,353
– per m <sup>2</sup> /year	82.2	112.4	100.7
Electricity			
– total	6,774,010	7,619,761	7,062,185
– per employee/year	3,919	5,017	4,584
– per m <sup>2</sup> /year (buildings excl. DCs)	91.4	104.3	106.1

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

In 2022, NRW.BANK’s consumption of heating energy was down by approximately 26.9% on the previous year. The specific indicator per employee declined by 28.5%. Apart from the weather conditions, this is mainly due to cost-cutting measures. In the context of the energy crisis, the Bank reduced the operating hours of the ventilation systems and lowered the comfort level by reducing the room temperature and uncontrolled dehumidification of the air. As a result, the thermal losses of the buildings decreased.

Continuing the practice introduced in the previous year, the electricity consumption figures for 2022 also include the consumption of the out-sourced data centres (DCs), which totalled 686,828 kWh for NRW.BANK in 2022. If these are not taken into account, the electricity demand for the buildings declined by 12.3% in total compared to the previous year and by 14.3% per employee. This is due to various electricity-saving measures implemented in the context of the energy crisis. As of the third quarter, the Bank reduced the operating hours of the ventilation systems and lowered the comfort level by increasing the room temperature in cooling mode as well as by uncontrolled dehumidification of the air.

The weather conditions and the high share of employees working from home also continued to have a reducing effect on consumption

### Business Travel

NRW.BANK’s success hinges on good contacts with its clients and the maintenance of its business relationships. Business travel usually makes an important contribution in this context, but it has been greatly reduced in the wake of the Covid-19 pandemic and increasingly replaced by video and telephone conferences. Regardless of the pandemic, NRW.BANK’s travel guidelines suggest the use of virtual forms of communication, local public transport or rail to reduce the emissions caused by business travel. The external shuttle service between the locations in Düsseldorf was switched to electrically powered vehicles in 2022.

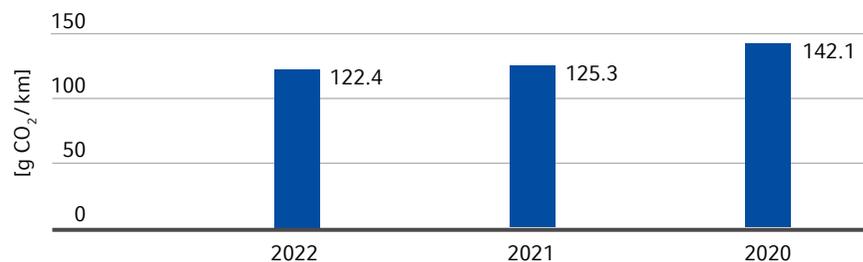
All rail trips made with Deutsche Bahn AG (462,250 km) are fully carbon neutral and are included in the CO<sub>2</sub> balance at a reduced conversion factor. Another 3,048 km were travelled by Thalys, which were counted at the full conversion factor for CO<sub>2</sub> emissions according to the VfU standard.

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

The carbon emissions of all of NRW.BANK's 78 company vehicles are recorded in accordance with the Worldwide Harmonized Light-Duty Vehicles Test Procedure (WLTP), which was introduced for new vehicles in September 2018. By replacing company cars, the average carbon emission factor of the vehicle fleet for the year 2022 was reduced by 2.3% compared to the previous year to 122.4 g/km.

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

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



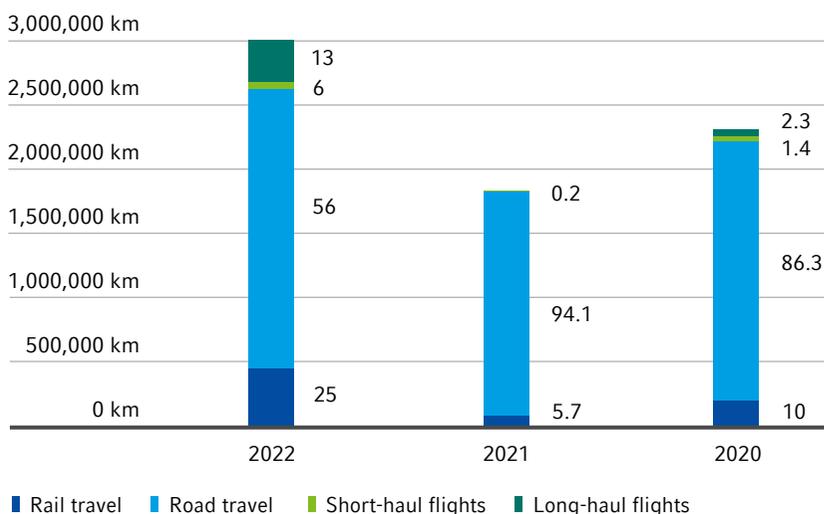
Across all means of transport, NRW.BANK's employees travelled a total of 2,996,667 kilometres on business trips in 2022. This is equivalent to 1,929 km travelled per employee. Compared to the previous year, the total kilometres travelled thus increased by 63.4%, while the kilometres travelled per employee were up by 59.8%. This is mainly attributable to the successive lifting of the restrictions imposed during the Covid pandemic.

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

	2022	2021	2020
Rail	465,298	104,307	230,387
Road <sup>1)</sup>	2,159,728	1,725,036	1,987,615
Short-haul flights	50,869	4,546	33,125
Long-haul flights	320,772	0	53,056
<b>Total</b>	<b>2,996,667</b>	<b>1,833,889</b>	<b>2,304,183</b>
km per employee	1,929	1,208	1,496

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

Share of Means of Transport in %



The lifting of the restrictions clearly increased both rail and air travel. The share of rail travel rose to 15.5% (previous year: 5.7%) and the share of air travel to 12.5% (previous year: 0.2%), while the share of road travel declined from 94.1% to 72.0%.

### Paper

For the 2022 eco-balance, NRW.BANK recorded all paper used in the offices including printed matter (e.g. letterhead), envelopes, communication materials (e.g. annual reports, brochures, flyers, etc.) as well as the external printed output.

Total consumption in 2022 amounted to 24.4 t (previous year: 22.3 t), while per-capita consumption reached 15.7 kg (previous year: 14.7 kg). As a result, total paper consumption rose by 6.8% compared to the previous year. This was mainly due to increased consumption of office paper as a result of the increased presence of employees in the office buildings. Consumption in 2022 was still about half the pre-Covid level. This reflects the intensified digitalisation of business processes such as the installation of a portal for municipalities, which has digitalised the paper-intensive settlement of business transactions.

The table below exclusively shows the consumption of office paper. Excluding envelopes and printed matter, there was an increase of 14.2% in absolute terms or 11.7% per employee compared to the previous year.

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

	2022	2021	2020
Total	15,665	13,710	19,797
kg per employee	10.1	9.0	12.9

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

Besides the quantity consumed, the quality of the paper used is also an important item in the eco-balance. To determine the share of recycled paper, the total paper consumption was also included in the overview. In 2022, recycled paper accounted for 67.9% This is 4.7 percentage points above the previous year. This is essentially attributable to the fact that awareness among employees is raised continuously for the best possible conversion of office paper to recycled paper.

**Paper Types of Total Paper Consumption in %**

	2022	2021	2020
Recycled paper	67.9	63.2	59.1
Primary fibre paper, ECF (incl. wood-free)	11.1	8.8	20.2 <sup>1)</sup>
Primary fibre paper, FSC and PEFC	21.0	28.0	20.7

<sup>1)</sup> In the 2020 report, the figure for ECF paper has been swapped with that for FSC/PEFC paper, resulting in a negligible shift of 0.5% in the percentages.

**Water**

Water is a precious resource and NRW.BANK is actively promoting its sparing use. The Bank’s sanitary facilities use grey water from the air scrubbers and recooling systems and thus ensure that this water is reused. When retrofitting or buying new technical equipment, water-saving technology is considered besides other environmental aspects. A water management system is used in some of the recooling systems.

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.

Total water consumption across all locations was up by 4.2% on the previous year, while per-capita consumption increased by 1.9%. Changes in water consumption are also attributable to weather-related factors, which affect, for example, the water consumption for the recooling systems and the irrigation of green areas.

**Process and Drinking Water**

	2022	2021	2020	Unit
Total consumption	22,384	21,477	27,191	m <sup>3</sup>
Daily consumption per employee <sup>1)</sup>	57.6	56.6	70.6	l

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

### Waste

The Bank’s 2022 eco-balance covers the following waste types: paper (incl. documents shredded), mixed packaging, food residues, waste fats, green waste, glass, residual waste, sludge from the company’s own water treatment, mixed scrap, electronic waste, metals, wood, batteries, data carriers, bulky waste, oily waste and fluorescent lamps.

The specific average weights of the waste fractions determined for the individual sites in 2017 were again used by the Bank to determine the weight quantities in 2022, as the composition of the waste remained unchanged.

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

Taking the waste types mentioned as well as the empirically determined conversion factors into account, the Bank produced a total of 234.1 t of waste in 2022 (previous year: 292.9 t). This is equivalent to 150.7 kg of waste per employee (previous year: 192.8 kg).

The total waste volume declined by 20.0% and the per-capita volume by 21.8%, which is more or less in line with the waste volumes of 2020. The high waste volume of the previous year was mainly attributable to the increased amount of files shredded as well as unexpected special disposals.

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

### Waste Volume in t

	2022	2021	2020
Waste paper	20.4	16.7	27.6
Document shredding	24.2	65.4	27.4
Residual waste	37.8	42.6	50.3
DSD (“Green Dot”)	20.2	13.9	14.9
Paper towels	3.1	1.0	n.a.
<b>Total<sup>1)</sup></b>	<b>105.7</b>	<b>139.5</b>	<b>120.2</b>
kg per employee	68.0	91.9	78.0
Recycling ratio <sup>1)</sup>	67.7%	79.4%	62.6%

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

The quantities of documents shredded and residual waste were lower than in the previous year. The greatly reduced total amount of waste fractions from the banking activity is attributable to the clearly increased amount of documents shredded in the previous year.

In 2021, recycled paper towels were introduced and disposed of in a closed recycling loop for the first time and thus no longer included in residual waste. For 2022, the amount of paper towels is listed completely separately from residual waste, as the recycling process took effect during the full year.

### Refrigerant and Extinguishing Agent Losses

Since 2019, NRW.BANK's eco-balance has also included the CO<sub>2</sub>e emissions from refrigerant and extinguishing agent losses in the reporting period. In 2022, the losses relate to 55.0 kg of refrigerant R449a (previous year: 28.0 kg). There were no further losses, e.g. of refrigerant R134a (previous year: 153.0 kg).

### Greenhouse Gases

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

For the 2022 eco-balance, the conversion factors of the VfU standard (2022 update version 1.0) were used as the basis for the calculation of the CO<sub>2</sub>e emissions. In order to ensure comparability, the emission values for 2020 and 2021 were recalculated with the updated factors. This may result in deviations from the data published for 2020 and 2021.

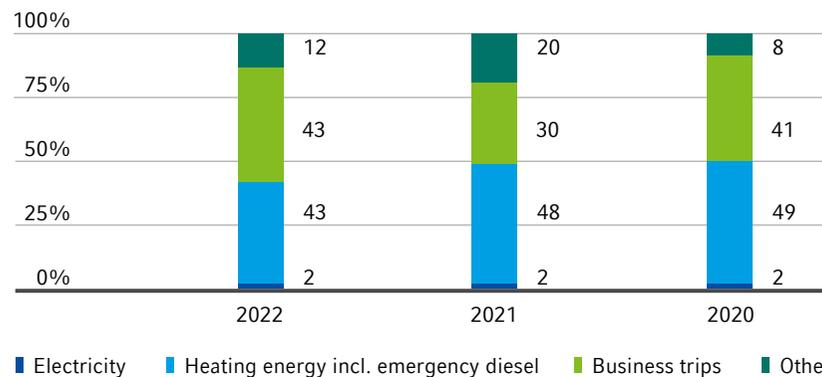
In addition, the Bank has improved the accuracy of its reporting of company car emissions. Instead of calculating them on the basis of the kilometre-based VfU emission factor, as had previously been the case, it used actual fuel consumption in litres. This way, the continuous improvement in company car emissions becomes visible.

To ensure better comparability, the calculation of the vehicle fleet emissions in 2021 and 2020 was adjusted accordingly. This may result in deviations from the data published for 2020 and 2021. The electric and hybrid vehicles are mostly charged at the internal charging stations. This means that the emissions resulting from electricity consumption are already taken into account via the electricity purchases.

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

	2022	2021	2020
Electricity	26,683	29,349	27,491
Heating energy incl. emergency power diesel	632,740	864,311	778,573
Business travel	625,559	575,278	674,544
Paper	19,878	18,331	23,078
Drinking water	13,820	13,260	16,788
Waste	61,148	60,637	62,967
Refrigerant and extinguishing agent losses	76,835	257,906	30,014
<b>Total emissions</b>	<b>1,456,663</b>	<b>1,819,071</b>	<b>1,613,454</b>
CO <sub>2</sub> e/employee	938	1,198	1,047
Offset by climate certificates	1,465,663	1,819,071	1,613,454
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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



In 2022, NRW.BANK emitted a total of 1,456.6 t of CO<sub>2</sub>e.

This is equivalent to 937.8 kg of CO<sub>2</sub>e per employee. Compared to the previous year, this represents a reduction by 17.5% in absolute terms and by 19.4% per employee. The reduced emissions are mainly attributable to energy-saving measures and the strong decline in refrigerant losses.

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

Greenhouse Gas Sources	Scope 1 <sup>1)</sup>	Scope 2 <sup>1)</sup>	Scope 3 <sup>1)</sup>	Total
<b>Electricity</b>				<b>26,683</b>
– renewable			24,308	24,308
– photovoltaic plant			2,375	2,375
<b>Heating energy</b>				<b>632,740</b>
– district heat		496,610	127,243	623,854
– emergency power diesel	7,742		1,145	8,887
<b>Travel</b>				<b>625,559</b>
– rail			170	170
– rail, carbon-neutralised			7,396	7,396
– road, company car	266,828		182,190	449,017
– road, rental car			109,676	109,676
– short-haul flights			6,201	6,201
– long-haul flights			53,099	53,099
<b>Paper</b>				<b>19,878</b>
– recycled paper			12,812	12,812
– primary fibre paper (ECF, TCF, FSC, PEFC)			7,066	7,066
<b>Water</b>				<b>13,820</b>
			13,820	13,820

Greenhouse gas sources	Scope 1 <sup>1)</sup>	Scope 2 <sup>1)</sup>	Scope 3 <sup>1)</sup>	Total
<b>Waste</b>				<b>61,148</b>
– waste incineration			61,052	61,052
– special waste			96	96
<b>Refrigerant and extinguishing agent losses</b>				<b>76,835</b>
– R134a	0			0
– R449a	76,835			76,835
<b>Total</b>	<b>351,405</b>	<b>496,610</b>	<b>608,648</b>	<b>1,456,663</b>
<b>kg CO<sub>2</sub>e/employee</b>				<b>938</b>

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

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

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

### Avoiding Preferred to Offsetting

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

NRW.BANK sends its mail in a climate-neutral manner. The CO<sub>2</sub>e emissions caused by transport were neutralised by the purchase of certificates, with which climate protection projects were supported.

Apart from purchasing the emission certificates mentioned under “Offsetting”, the Bank supports the climate protection goals of the State of North Rhine-Westphalia by participating in a local greenhouse gas reduction measure in North Rhine-Westphalia in cooperation with the public forestry operations.

## Offsetting

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

The CO<sub>2</sub>e emissions of 1,457 t caused by the business operations in 2022 were voluntarily offset by the Bank by purchasing certificates.

NRW.BANK’s banking operations are thus climate-neutral. The certificates come from a wind park project in South Africa. Named “Longyuan Mulilo De Aar 2 North Wind Energy Facility”, the project focuses on the erection and operation of a 144 MW wind park near the town of De Aar in the north of South Africa. By feeding the green electricity produced into the national grid, emissions are reduced and the country’s energy self-sufficiency is improved. Moreover, the VCS-certified (Verified Carbon Standard) project creates both short-term and long-term jobs for the local population.



## Assuming Social Responsibility for Employees

# Human Resources

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

# Responsible Human Resources and Training Strategy

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

As part of its human resources strategy, the Bank has derived three fields of action from these overarching objectives:

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

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

## Securing Junior Staff

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



## Award-winning Vocational Training

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

The requirements forecast by the Bank's divisions with regard to the number and qualifications of junior staff are continuously incorporated into the planning of training, as are the development of the dual study courses. In 2022, NRW.BANK filled new traineeship positions as follows:

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

- six places on the Bachelor of Arts “Business informatics” dual study course, of which four in Düsseldorf and, for the first time, two in Münster

This means that NRW.BANK has further intensified its training activities, especially in IT-related fields. For all students, the Bank offers not only well-qualified trainers for the practical vocational part, but also extensive support in the form of target group-specific seminars and business games. Since 2022, all students have taken part in a workshop series on selected sustainability issues, which extends over the entire training and whose contents build on each other.

Given that NRW.BANK trains young people to cover its own requirements, permanent employment contracts are offered to all those who complete their vocational training with good results. In 2022, the following graduates were offered permanent employment contracts:

- two bank clerks,
- seven “Finance & Banking” graduates (including three from the class of 2019) and
- six “Business Informatics” graduates (including three from the class of 2019).

Two trainees left the Bank after completing their training.

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

### Promoting Development

In order to ensure their long-term retention, NRW.BANK offers its 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. For this reason, independence, development and recognition are key topics in the annual planning and feedback meetings between executives and employees. Structured bottom-up feedback supports employees in taking an active creative role. By institutionalising a mutual feedback process, the Bank continues to support a modern, open and trusting feedback culture. In addition, all employees may initiate an exchange about their individual development opportunities and the necessary implementation steps independently of the appraisal process.

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

In 2022, 70 employees took advantage of the opportunity to move to a new position within the Bank. As internal staffing usually results in a new vacant position, a consistently pursued internal staffing policy is ideally suited to offer the Bank’s own employees the widest possible range of internal career development opportunities. Moreover, 29 employees returned to the Bank from parental leave or from leave granted under the “Landesgleichstellungsgesetz” (State Equal Opportunities Act) in the year under review.

As a larger number of vacant positions could not be filled with the Bank’s own employees and training graduates, the Bank again hired people from the external market in 2022. To counter the increasing shortage of skilled labour, NRW.BANK established a strategic human resources reserve in all of the Bank’s specialist departments in 2022. Under certain conditions, this allows external people to be recruited independently of existing vacancies.

### Vacant Positions Filled in 2022

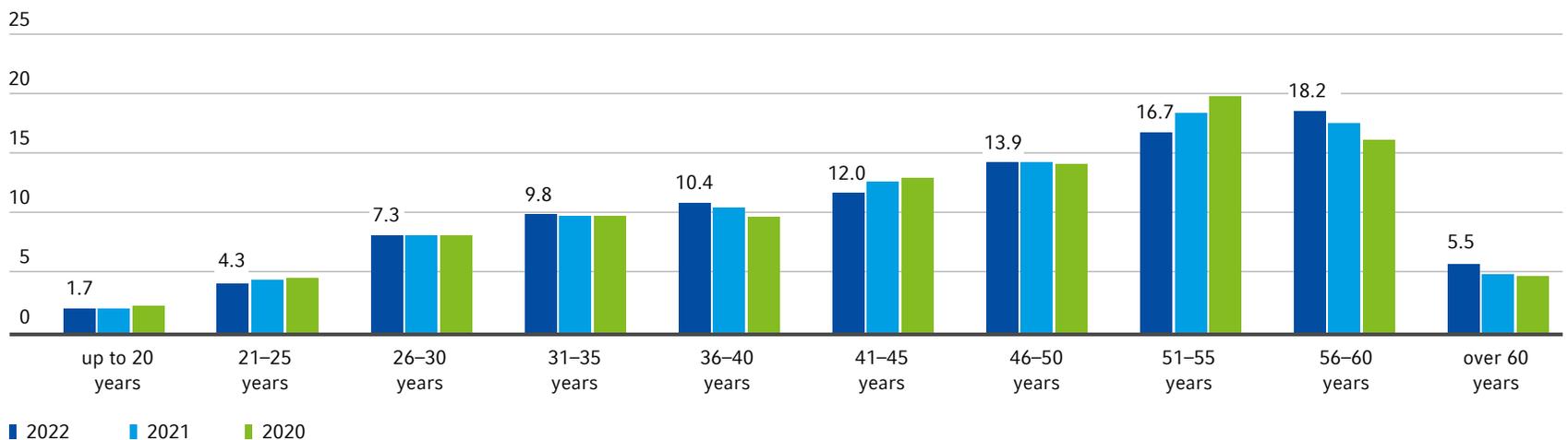


This way, NRW.BANK responds to the expected age-related staff turnover, which, given the age structure, will remain at least at the level of the previous year in the coming years. Forward-looking planning ensures that measures to retain expertise within the Bank are taken at an early stage. In accordance with the Bank’s strategic objective, these foreseeable resignations will be used to offer junior staff suitable career development opportunities.

### Life-long Learning

Knowledge and experience are indispensable when it comes to accepting and mastering new challenges. NRW.BANK provides a wide variety of HR development measures to support its employees in this respect. After the initial training, NRW.BANK assists employees, for instance, in obtaining the above-mentioned qualifications and degrees by bearing (part of) the study and examination fees. In 2022, 13 employees obtained such a degree with support from the Bank, including four Bachelor’s degrees, one Master’s degree and eight specialist qualifications. As of December 31, 2022, 65 employees were still in such qualification programmes, with the Bachelor and Master programmes recording the highest demand (22 and 35 participants respectively).

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

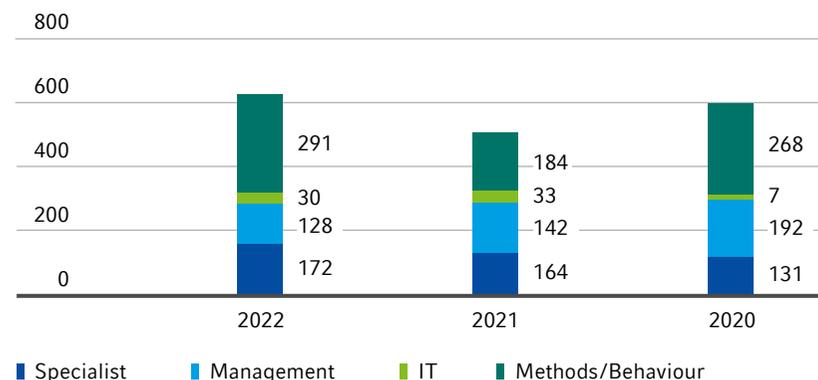


<sup>1)</sup> Excluding employees on parental leave as well as employees under temporary contracts

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

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

### Internal Seminar Attendance by Topic



The conditions for human resources development returned to normal in 2022. The restrictions imposed during the Covid pandemic were lifted and important tenders for training services were successfully completed. This allowed the Bank to expand its range of internal seminars. This was particularly evident in the greatly increased participation in method/behaviour seminars. In the reporting year, the internal seminar catalogue comprised 32 different seminars with 621 participants, which was clearly above the prior year level. A total of 60% of the seminar attendance in 2022 related to internal seminars.

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

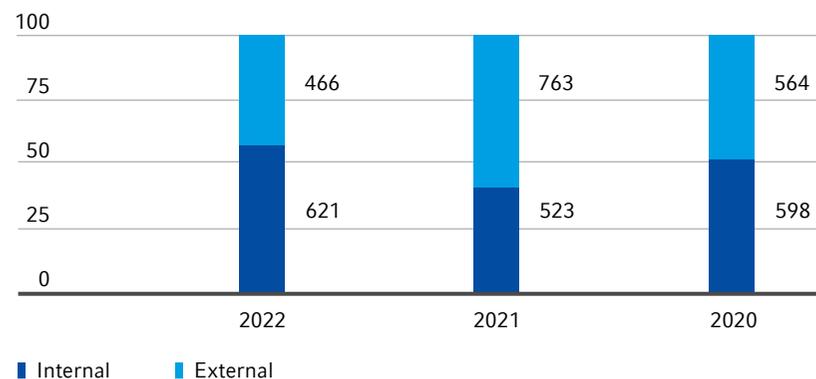
To train its executives, NRW.BANK offers them a multi-part systematic executive development programme, completion of which is mandatory. In addition to an entry module, there are two follow-up modules for more experienced executives. All modules comprise several training days, which extend over a longer period of time. This is intended to allow developments to be addressed and to enable a better transfer into practice. More than 65% 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. Changed working conditions and new leadership realities, against the backdrop of the cooperation experienced during the Covid-19 pandemic, were again the Bank’s theme in 2022. As in the previous workshops, the focus was on a joint reflection of the experiences made. The offerings for executives are rounded off by supplementary measures enabling executives to handle special leadership situations.

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

In addition to the extensive range of internal offerings, the employees of NRW.BANK may also take part in seminars organised by external providers.

Specialist seminars accounted for over 85% of external seminar attendance in 2022. As the contents covered by these seminars are relevant for only a limited number of employees, it would have been uneconomical to organise them internally.

Ratio of Internal and External Seminar Attendance in %



### Equal Opportunities and Fair Working Conditions



For many years, NRW.BANK has pursued a policy of actively supporting the reconciliation of work and family life and promoting equal opportunities. In 2015, the Bank obtained its first “audit berufundfamilie” (job and family audit) certification. The second re-audit in 2021 confirmed that NRW.BANK may bear the certificate for another three years.

Aspects that were regarded as particularly positive include self-management of working time, individual and flexible part-time arrangements, and the opportunity to take on managerial responsibilities while working reduced hours. Also, employees very much appreciate the comprehensive child care support in the form of crèche places, emergency and holiday care and a childcare subsidy. These offerings especially for children below school age assist young families in balancing work and family life.

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

In its Equality Plan, NRW.BANK publishes measures to promote gender equality and to improve the work-life balance. As a new measure, the Bank set up an internal “Fathers Network” in 2021 with support from an external consultant with a view to strengthening the role of fathers. This has been very well received by the employees and – together with the many other measures already established – had a positive impact on the gender equality indicator. In the reporting year, the Bank therefore extended its cooperation with the external service provider conpadres for another year (for the time being).

Based on the experience gained during the pandemic, the Bank updated its regulations on mobile work and concluded a new work agreement that took effect in 2022. NRW,BANK distinguishes between two different types of mobile work:

- Sporadic/occasional mobile work of up to 200 hours per year is possible after consultation with the superior.
- Regular mobile work is possible for 50% of the individual target working time and may be freely distributed over the calendar year.

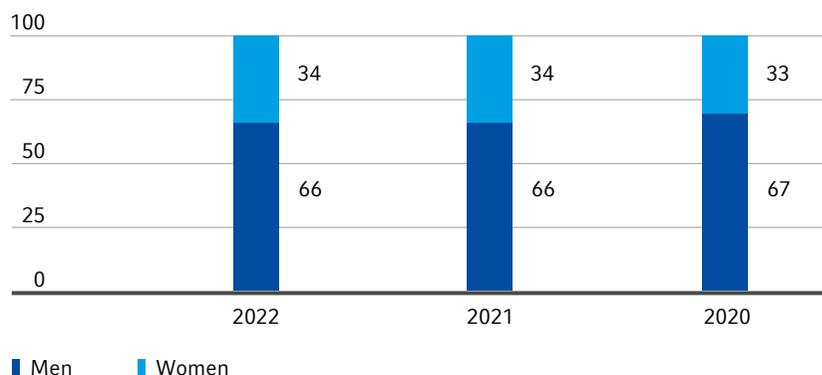
This requires prior consultation with the superior and the confirmation that the home workplace meets the applicable occupational health and safety requirements.

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

The Bank’s employees continued to make strong use of the flexible options for reducing their working hours. After the Covid-related restrictions in 2020 and 2021, more employees took advantage of the possibility to reduce their annual working hours by taking additional leave or a sabbatical in the reporting year. As a result, the share of part-time employees increased to 36.6% (previous year: 35.9%). Women who work part-time worked 71.6% of the full working hours on average, which was below the previous year’s 72.3%, while men worked 85.9% on average, which was slightly below the prior year level of 86.4%. The share of executives working part-time also increased in the reporting year. As of December 31, 2022, 25.8% (previous year: 22.9%) of the executives worked part-time.

The share of women in executive positions across all management levels including the Managing Board remained unchanged from the previous year's 33.9% as of the reporting date of December 31, 2022. At 38.0% (previous year: 36.6%), the share of women in specialist positions not covered by collective agreements is much higher and again picked up compared to the previous year. The Bank upgraded this category in 2020, so that the financial and personal development opportunities of specialists are now the same as for executives in comparable functions.

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



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

To promote fair dealings with each other, prevent discrimination and harassment (on the basis of ethnic origin, gender, religion or belief, disability, age or sexual identity) and raise awareness of these issues among all employees, the Bank concluded the "Fairness at Work" convention already back in 2007. It defines measures as well as structures and processes for following up on incidents reported. The Complaints Office, which was established in accordance with the German General Act on Equal Treatment (AGG) when the service agreement came into force, is run by NRW.BANK's Equal Opportunities Officer. If employees experience discrimination or harassment despite the measures implemented by the Bank, they may contact the Complaints Office – also anonymously. As in the previous years, no incident was reported to the Complaints Office in 2022.

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 2022, page 14 et seq.](#) In addition, the Bank publishes a ["Report on Equal Opportunities and Equal Pay"](#).

NRW.BANK also offers employees a purely employer-funded and a mixed-funded (employer and employee contributions) pension scheme in the form of a direct commitment, which are attractive pension options. The contributions are invested in accordance with NRW.BANK's sustainability-oriented investment strategy. This also makes it a sustainable form of old-age provision.



NRW.BANK's image as a top employer is rounded off by the "Top Career Opportunities for Women" award from Focus Money. In 2022, NRW.Bank won this seal for the fourth consecutive year. The "Working climate" and "Corporate culture" categories are each assessed with a weighting of 25% and "Equal opportunities" with a weighting of 50%.

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



Based on ratings by former and current employees on criteria such as satisfaction with the corporate culture, working atmosphere and salary, NRW.BANK received an award from Focus Business and kununu, an employer rating platform.

Voted "Top Company 2022", the Bank was one of only 5% of the companies rated on Kununu that qualified for this award. Indicators such as the Kununu score of 4.3 and a recommendation rate of over 90% show that NRW.BANK is a popular employer.



Rated "LEADING EMPLOYER Deutschland", NRW.BANK was again among the top one percent of more than 160,000 employers analysed in Germany in the reporting year 2022. The Bank made 8th place in the "employer qualities" category and was even ranked 1st among the banks.

### Maintaining Performance

#### Occupational Safety and Health Management

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

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

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

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

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

In 2022, NRW.BANK’s Health Management unit was again represented in the “Covid-19 Crisis Team” launched in February 2020. In the reporting year, many health management measures were again influenced by the requirements resulting from the Covid pandemic. In January 2022, the Bank offered all its employees booster vaccinations against Covid. Various measures were taken to avoid potential problems that may arise from increased mobile work. Since 2022, for example, the Bank has offered videos on how to effectively relax the eyes in order to prevent headaches, eye pain and concentration problems caused by increased screen time. In addition, the Bank organised keynote speeches, workshops and activity weeks on the topic of mental health.

The Bank’s diverse health management offerings, which are usually free, are available to all employees. All internal health promotion measures have been pooled on a central, digital health platform. Besides comprehensive information, the platform offers employees the opportunity to easily and flexibly book external health and fitness courses. NRW.BANK subsidises the participation in certified prevention programmes with up to € 150 per employee per year and bears 75% of the costs of such programmes. More than 90% of the employees have registered on this platform to take advantage of the opportunity to find information about health topics including nutrition or to book courses. Due to the Covid pandemic, the provider also expanded its range of service to include online formats.

In 2022, NRW.BANK’s Equal Opportunities Officer again organised “MOVEMBER” – the Men’s Health Month – which included digital presentations, texts and stimulating impulses on the topics of prostate and testicular cancer, mental stability and exercise.

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

for the payment of the monthly lease instalment. Since March 2022, employees have been able to lease two bicycles at the same time and to receive the full support of € 10 per bicycle and month.

The health management programme also includes regular, mandatory online fire safety training for all employees as well as recurring training for the Bank's 144 first-aiders.

Under the motto "Wir für Andere" (We are there for others), employees of NRW.BANK also make health-related contributions to society, e.g. as part of the annual blood donation campaign organised in cooperation with the German Red Cross at both Bank locations, in which a large number of employees participate every year. As the restrictions imposed during the Covid pandemic were lifted, a blood donation day was again organised at the Düsseldorf location in 2022. In cooperation with the Bone Marrow Donation Centre in Düsseldorf, NRW.BANK gives its employees the constant opportunity to have their bone marrow typed by the company doctor. Since 2019, the Bank has offered all employees a short training course to refresh their first-aid skills in cooperation with Die Johanniter. In 2022, training courses were again offered on several dates at the Bank's locations in Düsseldorf and Münster. All current occupational health and safety measures as well as NRW.BANK's future plans are detailed in the annual health report, which is published on the Bank's intranet.

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

### Flexible Annual Working Hours

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

- Since 2013, NRW.BANK has offered its employees the option to take up to three months of unpaid leave of absence in addition to the paid vacations. After the Covid-related travel restrictions were lifted, interest in this opportunity picked up noticeably again, with nine employees taking additional time off in 2022 (previous year: three employees).
- Demand for an additional five or ten days of leave also increased in 2022 as the Covid-related travel restrictions were lifted. 207 employees took advantage of this possibility (previous year: 190 employees).

### Flexible Working Lifetime

Especially against the background of the age structure and the expected retirement of a large number of specialists in the coming years, NRW.BANK developed a regulation governing the old-age part-time work scheme in 2018. This has several advantages for both the Bank and its workforce: NRW.BANK will have a better possibility to control and manage critical age-related staff departures as well as the necessary know-how transfer. Successor planning will be possible over a longer-term period, allowing the Bank to offer specific development opportunities to qualified junior staff at an earlier stage. Old-age part-time work also caters to employees' wish for a flexible transition into retirement. At the end of the fourth year after the launch, 47 employees were working old-age part-time, 18 of whom (previous year: seven) had already entered the passive phase. In addition, a further 13 applications for the start of old-age part-time work in the following year were submitted and approved in 2022.

## NRW.BANK Personnel Figures as of December 31, 2022

	2022		2021		2020	
	absolute	in %	absolute	in %	absolute	in %
<b>Active employees, total<sup>1)</sup></b>	1,485	100	1,442	100	1,421	100
By sex						
– Women	748	50.4	730	50.6	722	50.8
– Men	737	49.6	712	49.4	699	49.2
By company location						
– Düsseldorf	1,039	70.0	1,016	70.5	993	69.9
– Münster	446	30.0	426	29.5	428	30.1
By type of employment						
– full time	942	63.4	925	64.1	863	60.7
– part time	543	36.6	517	35.9	558	39.3
By function group						
– management (incl. Managing Board)	233	15.7	236	17.0	248	17.8
– specialists/project workers	823	55.4	755	54.2	719	51.7
– case workers	334	22.5	353	25.4	351	25.2
– secretaries	45	3.0	46	3.3	47	3.4
– non-commercial functions	44	3.0	46	3.3	50	3.6
– special functions <sup>2)</sup>	6	0.4	6	0.4	6	0.4
By remuneration						
– collective pay	877	59.1	863	59.8	855	60.2
– non-collective pay	608	40.9	579	40.2	566	39.8

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

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

	2022		2021		2020	
	absolute	in %	absolute	in %	absolute	in %
Total average age (in years)	46.0		46.1		45.9	
Average period of employment (in years)	16.2		16.5		16.5	
Total departures	81	5.5	46	3.2	55	3.9
– due to termination	39	2.6	12	0.8	25	1.8
– due to age	42	2.8	34	2.4	30	2.1
Additionally: temporary employees	57		62		57	
Additionally: apprentices and trainees						
– Trainees	1		2		3	
– apprentices	41		42		49	
– thereof new apprenticeships	14		9		14	
– completed apprenticeships	17		14		16	
– hiring rate (permanent)		88		86		81



## Showing Commitment to Society

# Corporate Citizenship

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

# Acting Responsibly

NRW.BANK also fulfils its corporate responsibility by contributing to public and social life in North Rhine-Westphalia. Suitable measures are supported in accordance with the Bank's ["Guidelines for Corporate Citizenship and Other Services"](#) adopted by the Supervisory Board. It is important to NRW.BANK that its decisions on grants and sponsorships are transparent and comprehensible.

The Bank has established a fixed internal process for the allocation of funds. It documents requests for project support in a central place and votes on them according to uniform assessment criteria. Requests with a budget of over € 10 thousand are submitted to the Bank's Managing Board for decision. 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 planned activities under the Corporate Citizenship Programme to the Committee for approval. After the end of each fiscal year, the Bank reports to the Executive and Nomination Committee on the use of the 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".

As in the previous year, the Bank again supported social and environmental projects in 2022, e.g. in the area of "sustainability and environmental protection" as well as institutions committed to children's rights and inclusive living. Compared to the previous year, the Bank supported a larger number of "Society & Social Affairs" projects in 2022, especially also in the context of the annual funding of [Stiftung Zukunft NRW](#) and [Aid for Ukraine](#).

Accordingly, the promotional funds declined to € 319 thousand (previous year: € 453 thousand) in the field "Science & Education" and to € 198 thousand (previous year: € 351 thousand) in the field "Arts & Culture"; in the field "Society & Social Affairs", they rose to € 709 thousand (previous year: € 425 thousand).

As in the previous year, the Bank thus committed a total of approx. € 1.2 million in the form of donations, sponsorships and memberships in 2022 (previous year: € 1.2 million). The breakdown of the budget compared to the previous year was as follows: 26.0% for "Science & Education" (previous year: 36.9%), 16.2% for "Arts & Culture" (previous year: 28.5%) and 57.8% to "Society & Social Affairs" (previous year: 34.6%). Some of these projects are described below.

## Science & Education

The Bank's concept of corporate citizenship calls for the promotion of creativity, ideas and education-related topics for a young target group. Consequently, the Bank again supported educational institutions in 2022 and funded several projects from the field of "Science & Education".

Besides the comprehensive university cooperations, which consist of the annual institutional sponsorships, memberships and German scholarships at six universities in North Rhine-Westphalia, the most important promotional projects in this area were:

#### Centre for Financial Research (CFR), University of Cologne

Together with other sponsors, NRW.BANK financed the “Junior Professorship for Sustainable Finance” at the University of Cologne.

#### Das Gute Unternehmen, Münster University of Applied Sciences

In this initiative, students, enterprises and charitable organisations cooperate to implement social projects. The aim is to encourage people from different walks of life to get involved in society in order to support social innovation and have a positive social impact in the Münsterland region.

#### Billy Green, University of Cologne

The purpose of the “Billy Green” project is the vertical greening of the canteen of Cologne University on an area of around 300 square metres. Apart from greening the canteen, the experience gained from the project is to be scientifically evaluated in order to transfer the insights to other projects.

#### DIGIYOU Student competition, Die Bildungsgenossenschaft – Beste Chancen für alle eG

Under the patronage of the North Rhine-Westphalian Ministry of School and Further Education, NRW.BANK and “Die Bildungsgenossenschaft” organised the DIGIYOU competition to promote innovative student projects on the topic of digitalisation.

#### Arts & Culture

In 2022, NRW.BANK’s sponsoring activities in the field “Arts & Culture” again focused on the promotion of young talent.

#### NRW.BANK.Kunstpreis

Between 2017 and 2022, the Bank awarded an annual art award at all state art schools in North Rhine-Westphalia. The professors of the participating colleges and universities nominated students for the categories “Painting & Graphic Design”, “Photography & Media Design”, “Sculpture & Installation” as well as “Performance”. A jury of experts chose the winners of the art award. In 2022, the Bank again awarded prize money in the total amount of € 33 thousand.

#### Gesellschaft zur Förderung der Westfälischen Kulturarbeit e.V. (GWK), Münster

GWK supports up-and-coming artists from Westphalia-Lippe and develops cultural projects in the region. In 2022, NRW.BANK and GWK jointly hosted a concert of the “Chapeau Classique” series at the Bank’s premises in Münster. NRW.BANK’s employees volunteered to help with the concert.

#### Society & Social Affairs

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

#### Stiftung Zukunft NRW

In the reporting year, NRW.BANK supported Stiftung Zukunft NRW in its central fields of activity (securing jobs, preserving the environment, promoting culture, helping people in need) to make a contribution to the positive development of the future of North Rhine-Westphalia.

#### Aktion Lichtblicke e.V. – Aid for Ukraine NRW

In the reporting year, NRW.BANK contributed € 100 thousand to the fundraising campaign “Aktion Lichtblicke – Gemeinsam für den Frieden”. Together with North Rhine-Westphalia’s local radio stations, the campaign raised money for people from Ukraine who want to build a new life in peace, security and freedom in North Rhine-Westphalia.

#### Weg aus der Kaufsucht, Drogenhilfe Cologne

“Weg aus der Kaufsucht” (ways out of shopping addiction) is a project of Drogenhilfe Köln, a Cologne-base addiction help centre, that is sponsored by NRW.BANK and shows shopping addicts how to control their addiction.

#### Employee Engagement

Since 2017, NRW.BANK has supported the honorary work of its employees in charitable organisations. In 2022, the Bank donated € 16 thousand to several associations suggested by its employees that support refugees from Ukraine.

On the occasion of NRW.BANK’s 20th anniversary, the Bank’s employees additionally had the opportunity to name a total of 20 associations, each of which received a donation of € 2 thousand from the Bank.

Besides the measures described above, which merely serve as examples, NRW.BANK supported many other projects in the fields of “Science & Education”, “Arts & Culture” as well as “Society & Social Affairs” in 2022.

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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