

Appendix to the Management Report 2022

Report on Equal Opportunities and Equal Pay

pursuant to the German Equal Pay Act (Entgelttransparenzgesetz – EntgTranspG) as amended on July 5, 2021

In accordance with Section 21 et seq. of the German Equal Pay Act (EntgTranspG), NRW.BANK reports on measures taken to promote equal opportunities and equal pay for women and men as well as the effectiveness of these measures. Pursuant to Section 22 Para. 1 EntgTranspG, the present report refers to the years from 2017 to 2021 and is attached to the Management Report for 2022 as an appendix in accordance with Section 289 of the German Commercial Code (HGB).

Promoting the Equal Treatment of Women and Men

Since December 15, 2016, NRW.BANK has been fully subject to the “Landesgleichstellungsgesetz” (State Equal Opportunities Act – LGG NRW). The purpose of the LGG NRW is to put the fundamental right of equality between women and men into practice. According to this Act, women are to be promoted to reduce underrepresentation and disadvantages. The Act also aims to improve the balance of work and family life for women and men.

NRW.BANK drew up its first plan for the promotion of women as early as in 2004. The first Equality Plan pursuant to Section 5 LGG NRW was adopted for the years from 2019 to 2023. It is an important instrument for human resources planning, especially for the filling of positions and human resources development. The Plan provides for measures to meet the objectives of the law, i.e. promoting equality and the balance of work and family life as

well as reducing female underrepresentation. For the period of its duration, the plan defines specific targets with regard to the share of women in new hires, promotions and upgrading. It is to be defined which personnel, organisational, social and educational measures will be taken to reach the targets. The achievement of the targets is monitored by NRW.BANK’s Equal Opportunities Officer. In 2021, the Equality Plan was evaluated for the first two years of its duration.

— Underrepresentation/Target shares

When drawing up the first Equality Plan, NRW.BANK identified four reference groups in which women are underrepresented and defined corresponding target shares. These are based on the expected HR developments projected in 2018 for the years 2019 to 2023. When defining the Bank-wide shares, it was assumed that about half of the vacant positions would be filled with women.

The following reference groups and shares were defined for achievement by the end of 2023:

— Divisional management	25%
— Departmental management	31%
— Unit/team leaders	38%
— Senior positions	33%

Data for the period 2017–2021

	Q4 2017		Q4 2018		Q4 2019		Q4 2020		Q4 2021	
	absolute	in %	absolute	in %	absolute	in %	absolute	in %	absolute	in %
Total number of women	688	52.2	708	51.9	723	51.9	722	50.8	730	50.6
thereof under collective agreements	516	62.7	521	62.0	527	62.0	525	61.4	532	61.6
thereof under non-collective agreements	172	34.7	187	35.7	196	36.2	197	34.8	198	34.2
Women in management positions										
Divisional management	3	21.4	3	17.6	3	18.8	3	18.8	4	23.5
Departmental management	11	21.6	14	28.0	15	28.3	17	32.1	17	30.4
Unit/team leaders	61	34.9	65	35.9	68	37.4	61	34.9	58	36.5
Women in positions not covered by collective agreements										
Senior positions	46	33.3	49	31.8	57	34.5	65	34.8	68	33.7
Entry-level positions	73	49.7	73	50.0	67	45.9	67	43.8	63	40.4

Remuneration

In its capacity as the promotional bank of the State of North Rhine-Westphalia, NRW.BANK pursues a sustainable business model and is a future-oriented public-law employer acting in a socially responsible manner. Accordingly, the remuneration systems must also be geared to the long term and serve to ensure NRW.BANK's performance in the long term. Against this background, NRW.BANK does not use any variable remuneration components. The purely fixed remuneration is designed in such a way that it supports the HR policy, which is based on trusting,

long-term cooperation, emphasises the sustainability of developments and creates effective incentives for the required long-term motivation. Market-consistent remuneration for all employees ensures that the qualifications that are required to meet the Bank's specific requirements will continue to be available within NRW.BANK. The remuneration systems are complemented by a large number of social benefits that are offered to all employees as well as by a comprehensive range of opportunities for further qualification.

NRW.BANK's remuneration system is gender-neutral and thus excludes any pay discrimination on the grounds of gender for the same work or work of equal value.

- Structural inequalities in the remuneration of employees of different genders are made impossible by NRW.BANK's job assessment system, as each position is assessed by specialists who are organisationally and technically unrelated to the recruiting. Regardless of the person ultimately chosen for the position, the assessment itself is based on the tasks, requirements and skills of the respective function.
- Employees who receive collectively agreed wages are covered by the collective agreements for public-sector banks. For all roles not covered by collective agreements, market indicators are established based on external remuneration comparisons, which set the framework for the salary trends. Evaluations of the extent of actual salary increases show no differences between men and women.

A key prerequisite for a comparable level of remuneration is the completion of identical or equivalent tasks. NRW.BANK therefore initially focuses on creating identical conditions when it comes to personnel measures involving selection decisions (filling positions, promotions), the assignment of higher-ranking tasks and the achievement of target positions. In recent years, this has allowed many new positions and vacancies to be filled by women; due to their less experience in their new roles, however, some of these women have not yet reached the same salary levels as their male colleagues who have been in these positions for many years. NRW.BANK aims to compensate for the resulting differences by actively developing women for higher-paid positions in the Bank.

Balance of work and family life

NRW.BANK has initiated a variety of measures to promote a good work-life balance, especially through highly flexible solutions for (special) leave and part-time work, diverse and comprehensive care offerings for children and other family members as well as through information events and lectures on family-related topics. In 2021, NRW.BANK established its own "father's network" in cooperation with an external partner.

Nearly all positions are also offered for part-time employment, which supports the balance of work and family life. Between 2017 and 2021, an average of 35% of all employees worked part-time; the respective share for men was 18%. The uncomplicated use of mobile work also makes it easier for employees to achieve a good balance of work and family life.

Between them, all the offers made by NRW.BANK for a good balance of work and family life make it very easy for employees to restart work after a family-related leave of absence. Most young mothers take a parental leave of no more than twelve months and return to their old job in the Bank at an early stage.

As early as in 2015, NRW.BANK was awarded the "audit berufundfamilie" seal for its work-life balance offerings, singling the Bank out as a family-friendly company. In 2021, NRW.BANK was audited already for the third time.

Human resources planning and development strategy

NRW.BANK has defined clear strategic objectives for its human resources work, i.e. to attract and retain qualified employees and to maintain their performance. Three fields of action were

derived from this and incorporated into NRW.BANK's human resources strategy:

1. Securing Junior Staff
2. Promoting Development
3. Maintaining performance

Securing junior staff means training young people specifically for the Bank's own needs and offering all those who are interested permanent employment after successful completion of their training. Subsequently, NRW.BANK supports their further professional qualification with individualised measures matched to the respective degree or occupation.

Between 2017 and 2021, a total of 74 junior staff – 26 of whom were women – started their vocational training or dual studies at NRW.BANK: 17 banking clerks, 18 Bachelors of Science and 39 Bachelors of Arts.

During the same period, 104 employees – 61 women and 43 men – acquired a degree-related qualification sponsored by the Bank: 66 Master's and Bachelor degrees as well as 38 degrees in specialised training courses underline the great interest shown by the Bank's employees in continuing their education while working.

With regard to the traditional training measures, each employee accounted for about two further training days on average in the years from 2017 to 2021. Congresses, information events, health management measures as well as coaching and team-building activities are not included in the evaluation. About half each of

the participants were men and women, respectively, which also reflects the overall distribution of NRW.BANK's employees.

In the context of its occupational health management, NRW.BANK supports and promotes the health and performance of its employees. A wide range of external health services are made available and sponsored by the Bank via the "machtfit" health platform. NRW.BANK's Occupational Medical Service offers medical care that goes far beyond the minimum legal standards and is available to employees free of charge. The Occupational Safety Officer advises and supports all employees of NRW.BANK in matters of ergonomics, safety and healthcare. The counselling and support provided by the Social Counselling Service offers employees confidential assistance in their professional, personal and family environment. The diverse meals offered in the company restaurant also make an important contribution to supporting employees' health. In addition, special activities are launched each year, including keynote speeches and campaigns such as the men's health month of "Movember" or the "Mental Health Weeks".

This is an unofficial translation of the Bericht zur Gleichstellung und Entgeltgleichheit 2022 (German Report on Equal Opportunities and Equal Pay 2022) and is provided for convenience purposes only. In the event of any ambiguity, the German text will prevail.