



We Promote Sustainability

Sustainability Report 2023



NRW.BANK
Promoting Ideas

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This is an unofficial translation of the Nachhaltigkeitsbericht 2023 (German Sustainability Report 2023) and is provided for convenience purposes only. In the event of any ambiguity, the German text will prevail.

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Foreword by the Managing Board



Dear Readers,

To us, sustainability means improving the lives of present and future generations in North Rhine-Westphalia in economic, social and environmental terms. This is a task that requires great commitment from all parties involved.

It is more important than ever to translate existing strategies for a sustainable transformation into specific measures, to develop innovations and to make cities liveable. Today already, our federal state is the largest provider of green economy products and services. This not only means economic success but also provides the basis for mastering the transformation with new technologies and business ideas. In this context, digitalisation is not only a driver of innovation and competition but may also be part of the solution for a transformation that reconciles ecology with economic success and promotes prosperity also in terms of social quality of life.

In line with the Paris Climate Agreement, the North Rhine-Westphalian government has formulated the goal of making the economy carbon-neutral by 2045. This requires considerable efforts and investments. NRW.BANK supports the federal state in its tasks – for a liveable North Rhine-Westphalia. At the same time, we want to become carbon-neutral ourselves by no later than 2045. Our new Sustainability Strategy specifies measures to achieve this in the promotional business, the capital market business and the banking operations.

To increase investments in innovative production processes and the careful use of resources and energy, we provide promotional incentives for each corporate phase. In this way, we support the necessary transformation processes with the aim of reducing greenhouse gas emissions and other environmental impacts and strengthening climate resilience and the protection of biodiversity.

Strengthening social sustainability is another important strategic focus for NRW.BANK and is reflected in all our actions. Among other things, we

assist municipalities with programmes that are designed to preserve and create jobs; we help them to modernise local infrastructure and to promote health and care. Together with the State of North Rhine-Westphalia, we create affordable housing for all generations. Equal opportunities and access to education are also prerequisites for economic success and prosperity in the 21st century. This is something we support with school education programmes.

We are aware of our social responsibility as a promotional bank. This is why, every year, we support projects that are important for social life in North Rhine-Westphalia.

Our promotional business is also the basis for our tried-and-tested themed bonds; in 2023, NRW.BANK successfully placed both a Green Bond and a Social Bond. Since 2013, our Green Bonds have been used to refinance environmental projects, e.g. with a focus on renewable energy or clean transport. Projects that help finance the social infrastructure, for instance, have been refinanced by our Social Bonds since 2020.

ESG aspects have been considered in our analysis and decision-making processes for our capital markets investment portfolio already since 2017. 2023 saw us publish our first ESG Investment Framework – also with the

aim of making the path that will lead to a carbon-neutral investment portfolio by 2045 transparent. To this end, we introduced a new controlling tool in the corporate portfolio in 2023, namely the Implied Temperature Rise.

We aim is to systematically improve energy and resource efficiency in our own banking operations and to reduce harmful environmental impacts and environmental risks. After a one-year certification process and an extensive external audit, NRW.BANK obtained the EMAS (Eco-Management and Audit Scheme) Certificate of the European Union for the first time.

We also understand sustainability to mean taking responsibility for our employees. We create an attractive, respectful long-term working environment and a modern corporate culture, offer excellent development opportunities and promote a good work-life balance. This has been confirmed by numerous awards.

The following pages will give you a detailed idea of what we do to improve the lives of present and future generations in economic, environmental and social terms. We wish you interesting reading.

June 2024

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). It has the public mission to support its owner and guarantor, the State of North Rhine-Westphalia, in the completion of its tasks, especially in the fields of structural, economic, social and housing policy. In its three promotional fields, Economy, Housing, and Infrastructure/Municipalities, NRW.BANK uses a wide range of promotional tools – from low-interest promotional loans to equity financing and syndicated loans to advisory services. It cooperates with all banks and savings banks on a competition-neutral basis. The clients of NRW.BANK benefit from favourable conditions as well as from long maturities and fixed interest periods. The Bank secures access to promotional loans through optional liability releases for on-lending house banks. 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	2023	2022	2021	Unit
Financial performance indicators				
Total assets	161,252	159,898	153,132	€ millions
Equity capital pursuant to the German Commercial Code (HGB)	17,961	17,986	17,986	€ millions
Operating income	874.4	633.4	533.0	€ millions
Administrative Expenses	-306.0	-299.4	-273.0	€ millions
Operating result	568.4	334.0	260.0	€ millions
CET1 ratio	42.5	44.0	44.4	%
Leverage ratio	18.8	19.0	21.0	%
Liquidity coverage ratio	239	306	442	%
NRW.BANK.Green Bonds (new issues)¹⁾				
Volume	1,000	500; 1,000	500; 500	€ millions
Maturity	7	10	10	years
Focus	Energy	Water; Energy	Energy	
CO ₂ equivalent savings per year	353	250; 193 ²⁾	340; 500	t/€ m
NRW.BANK.Social Bonds (new issues)¹⁾				
Volume	1,000	1,000	500; 1,000	€ millions
Maturity	10	15	20; 7	years
Volume	300	-	600; 125	AUD millions
Maturity	3	-	5; 10	years
Promotional fields (new commitments)				
Economy	3,165	4,664	3,973	€ millions
Housing	3,766	2,920	3,606	€ millions
Infrastructure/Municipalities	4,849	5,973	4,434	€ millions

Sustainability Balance

Social Performance Indicators	2023	2022	2021	Unit
Employee structure				
Number of permanent employees	1,538	1,485	1,442	employees
Share of women in total workforce	50.2	50.4	50.6	%
Share of women in management positions	34.6	33.9	33.9	%
Share of part-time employees in total workforce	37.5	36.6	35.9	%
Turnover ratio	5.2	5.5	3.2	%
Average period of employment	15.7	16.2	16.5	years
Average age	45.9	46.0	46.1	years
Additionally: temporary employees	52	57	62	employees
Additionally: dual students/trainees	56	42	44	employees
Vocational and further training				
Participation in internal seminars	977	621	523	employees
Participation in external seminars	468	466	763	employees
In-house trainers	230	200	245	employees
Work/family life balance				
Part-time employees	576	543	517	employees
Executives working part-time	60	59	54	employees
Employees on leave acc. to BEEG and LGG ³⁾	39	41	48	employees
Corporate citizenship				
Total	1.2	1.2	1.2	€ millions
Science & Education	23	26	37	%
Social Affairs & Environment	69	58	35	%
Arts & Culture	8	16	28	%

Sustainability Balance

Environmental Performance Indicators	2023	2022	2021	Unit
Greenhouse gas emissions⁴⁾				
Total emissions	1,541	1,459 ⁵⁾	1,766	t CO ₂ e
thereof direct emissions (Scope 1 ⁶⁾)	450	351	534	t CO ₂ e
thereof indirect emissions (Scope 2 ⁶⁾)	407	497	679	t CO ₂ e
thereof indirect emissions (Scope 3 ⁶⁾)	684	611 ⁵⁾	553	t CO ₂ e
Emissions per employee	0.95	0.94	1.16	t CO ₂ e
thereof offset ⁷⁾	100	100	100	%
Building energy				
Total electricity consumption	6,328,710	6,774,010	7,619,761	kWh
thereof from green electricity	100	100	100	%
Electricity consumption per employee	3,916	3,919	5,017	kWh
Total heating energy	4,487,320	5,470,480	7,483,249	kWh
Heating energy per employee	2,776	3,522	4,927	kWh
Business travel				
Total kilometres travelled	3,595,602	2,996,667	1,833,889	km
Kilometres travelled per employee	2,225	1,929	1,208	km

Sustainability Balance

Environmental Performance Indicators	2023	2022	2021	Unit
Paper				
Total paper consumption ⁸⁾	11,731	15,665	13,710	kg
Paper consumption per employee ⁸⁾	7.3	10.1	9.0	kg
thereof recycled paper ⁹⁾	63.5	67.9	63.2	%
Waste				
Total waste ¹⁰⁾	139.9	105.7	139.6	t
Recycling ratio	50.8	63.5 ¹¹⁾	79.4	%
Waste per employee	82.5	68	92	kg
Full-time equivalents				
For the calculation per employee	1,616	1,553	1,519	employees

¹⁾ Second Party Opinion by ISS ESG; Impact Analysis by Wuppertal Institute.

²⁾ Updated [methodology](#) for calculating savings of CO₂ equivalents. Applied for the first time for NRW.BANK.Green Bond #2 2022.

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

⁴⁾ The conversion factors correspond to the 2022 VfU update version 1.0. Figures for 2021 were recalculated.

⁵⁾ The corrected waste figures result in slightly lower emissions from waste disposal.

⁶⁾ 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.

⁷⁾ NRW.BANK offsets its CO₂ emissions by using certificates from global climate protection projects.

⁸⁾ Office paper, excl. printed matter, envelopes and marketing materials

⁹⁾ In percent of total paper consumption

¹⁰⁾ Only office waste, excl. kitchen and other waste

¹¹⁾ The previously published quantities of residual and DSD waste were mixed up at one location, resulting in minimal deviations of about 5 tons.

Abbreviations:

CO₂e: carbon dioxide equivalents

kg: kilogrammes

km: kilometres

kWh: kilowatt-hours

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 far-sighted manner across all areas of the company.

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

In accordance with the law under which it was founded as the promotional bank of North Rhine-Westphalia, NRW.BANK is committed to its corporate responsibility. The principle of sustainability is the fundamental benchmark for its activities. This means, within the scope of its possibilities to “meet the needs of the present generation without compromising the ability of future generations to meet their own needs”.¹⁾

Sustainability is a central guiding principle and a key criterion for NRW.BANK’s decisions on business policy. It is reflected in all phases of NRW.BANK’s corporate activities, starting from its strategic and business policy decisions to the shaping of its range of products and services down to the implementation of specific financings, its capital market activities and the advisory services it provides. NRW.BANK understands the economic, environmental, social and 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 Strategy](#). 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 strategy

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. In the reporting year, the strategically relevant aspects of sustainability were integrated into the Bank’s overall strategy in the form of an overarching Sustainability Strategy. The Sustainability Strategy thus replaces the Sustainability Guidelines as last amended on January 1, 2023. It puts the sustainability approach in the promotional and capital market business and the banking operations in more concrete terms. NRW.BANK aims to become climate-neutral in these three fields by 2045 at the latest. This is in line with the Paris climate goals. Strengthening social sustainability in North Rhine-Westphalia is another key focus of the Sustainability Strategy.

The Sustainability Strategy documents the already established sustainability processes and anchors them more firmly in the organisational structure and Bank-wide strategy of NRW.BANK. It defines 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.

¹⁾ Source: Brundtland Report, 1987

The specifications for the individual business units were reorganised into separate documents in the reporting year to enable a more target-group-specific sorting of information:

- The [ESG Promotion Requirements](#) describe how sustainability aspects are taken into account in promotional offerings as well as the knock-out criteria defined by the Bank. They explain in detail how to deal with controversial business practices and fields
- The [Sustainability Programme](#) presents the current sustainability objectives and measures.
- The [ESG Investment Framework](#) describes how sustainability is integrated in the capital market business for the investment portfolio.
- The [Declaration of Human Rights](#) developed in the reporting year and published in early 2024 explains the importance of human rights for NRW.BANK. In this Declaration, the Bank describes the measures it takes to fulfil its responsibility.

Sustainability Programme

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 outlined in the Sustainability Strategy of NRW.BANK.” Considering the latter, objectives for the further development of sustainability 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’s current goals and activities are summarised in the Sustainability Programme.

NRW.BANK has almost fully achieved the objectives set for 2023 as well as the associated measures.

A. Living Corporate Responsibility

Nachhaltigkeitsziel	Maßnahme	Zeitraum	Status	Umsetzung im Jahr 2023
Intensify the dialogue with the stakeholders that are relevant for sustainability	Regular and open exchange in the context of the refined stakeholder dialogue	Ongoing	✓	The annual stakeholder dialogue with the relevant stakeholders has taken place – main focus placed on biodiversity and ecosystems.
	Consider including employees' suggestions into the further development process	Ongoing	✓	Establish a systematic process to record employee suggestions
Further expansion of sustainability communications	Further development of sustainability-related topics in internal and external communications	Ongoing	✓	The bank expanded all facets of sustainability in internal and external communication: social media, press releases, the "pulsar" newsletter, the intranet and the "KOMM MIT" employee magazine. Specifically, promotion examples were presented on the website or social media, guest articles were written on the topic of sustainability, interviews on the strategy were published in KOMM MIT and a sustainability week on the topic of biodiversity was organised.
	Publication of a Sustainability Report	2023	✓	NRW.BANK's Sustainability Report for 2022 was published in June 2023.
Further development of sustainability-related topics within NRW.BANK	Further development of NRW.BANK's Sustainability Guidelines	Ongoing	✓	Translation of the Sustainability Guidelines into a Sustainability Strategy with additional customer documents
	Regular exchange on sustainability-related topics with other market players (at conferences, forums, bilateral meetings)	Ongoing	✓	Participation in various network meetings to strengthen the exchange with other financial institutions (e.g. Sustainability Working Group of the VÖB)
	Keynote series on sustainability at NRW.BANK for employees	2023	✓	Continuation of the established format with presentations on the topics of EMAS (Eco-Management and Audit Scheme), sustainability in the canteen, update on Sustainability Strategy and biodiversity
Support for the Paris climate goals	Examination of suitable measures to achieve the Paris climate goals, e.g. development of a climate strategy	2023 et seq.	✓	Development of a climate agenda to address the objective of carbon-neutrality by 2045
Further expansion of sustainability communications	Further development of sustainability-related topics in internal and external communications	2023	✓	The bank expanded all facets of sustainability in internal and external communication: social media, press releases, the "pulsar" newsletter, the intranet and the "KOMM MIT" employee magazine. Specifically, promotion examples were presented on the website or social media, guest articles were written on the topic of sustainability, interviews on the strategy were published in KOMM MIT and a sustainability week on the topic of biodiversity was organised. In addition, NRW.BANK published its Sustainability Report for 2022 in June 2023.

B. Shaping Sustainable Promotion for Customers

Sustainability objective	Activity	Period	Status	Implementation in 2023
Strengthen and expand sustainable promotional products	Expand the promotion of sustainable corporate investments – especially carbon saving projects	2023	✓	Further development of the NRW.BANK.Effizienz kredit programme and NRW.BANK.Universalkredit – weg vom Gas programme, e.g. by expanding the group of applicants and extending the funding purposes Additionally, increase the “Förderleistung” used in special programmes to promote transformation
	Participation in the development of a federal state strategy on social enterprises	Ongoing	✓	Participation in the concept development and identification of promotion-relevant aspects within the following framework: • Workshop to support social start-ups in NRW organised by the Ministry of Economic Affairs, Industry, Climate Action and Energy (MWIKE) of the State of North Rhine-Westphalia with participants from NRW.BANK and others • Continuation of talks with the Ministry agreed on the basis of a concept paper commissioned by RKW Competence Center
	Analysis of the reorganisation of federal promotion for efficient buildings incl. possible adjustments in the Promotion Programmes	2023	✓	Adjust the NRW.BANK.Nachhaltig Wohnen development programme, e.g. by extending maturity variants and fixed-interest periods
	Create additional promotional impulses in infrastructure/municipal promotion for climate and education issues	2023	✓	<ul style="list-style-type: none"> • Identification and implementation of optimisation opportunities in infrastructure promotion • Development of the „Beratung betriebliche Klimaanpassung“ grant programme: Promote the implementation of cooperative consulting projects between local authorities and businesses, in which practical climate adaptation measures designed for the respective locational situation are developed with the help of experts
	Concept development to support the project planning phases for the use of renewable energy	2023	✓	<ul style="list-style-type: none"> • Conclusion of the conceptualisation phase for the launch of a community energy fund by NRW.BANK • Coordination of a guideline to launch of a programme for the risk protection of hydrothermal geothermal energy
	Investigation of additional starting points to expand the advisory services for municipalities regarding the sustainability-oriented, climate-friendly modernisation of properties	2023	✓	Optimisation of the calculation model for profitability analyses of municipal building construction measures, including the addition of environmental sustainability aspects (carbon footprint and cradle-to-cradle)

Sustainability objective	Activity	Period	Status	Implementation in 2023
Strengthen and expand sustainable promotional products	Support the federal state in resource-efficient wastewater disposal	2023	✓	<ul style="list-style-type: none"> • NRW.Sanierung privater Hausanschlüsse: Continuation of the offer until June 30, 2023 in line with the extension of the Resource Efficient Sewage Disposal (ResA) II Directive • NRW.BANK.Ergänzungsprogramm Abwasser: Continuation of the offer until launch of NRW.BANK.Kommunal • Zukunftsfähige und nachhaltige Abwasserbeseitigung NRW (ZunA NRW): Launch of the programme <p>a) Implementation of a follow-up programme following the expiry of the ResA II Directive to promote measures in the field of wastewater disposal</p> <p>b) Realisation of grants from state funds with the option of combining them with loans for individual purposes</p>
	Introduction of special risk quotas in favour of transformation projects	2023	✓	Anchor special risk quotas for transformation and start-up projects
	Create more affordable housing	2023	✓	Projects under the NRW.BANK.Gebäudesanierung programme. In addition, awarding of supplementary grants to cover crisis-related additional costs for public housing promotion measures

C. Further Development of Sustainable Capital Market Business

Sustainability objective	Activity	Period	Status	Implementation in 2023
Strengthen and expand the sustainable capital market business	Continue the established sustainable portfolio management using the MSCI ESG Sustainability Rating and the MSCI ESG Controversy and Global Norms Screening	Ongoing	✓	In the financial year 2023, the Bank continued to implement sustainable portfolio management in the investment business through the use of the MSCI ESG Sustainability Rating and controversy research.
	Expansion of sustainable portfolio management to include the consideration of transformation opportunities/risks and to support the Paris climate goals using MSCI Implied Temperature Rise (ITR).	2023	✓	Since 2023, NRW.BANK has taken into account the Implied Temperature Rise (ITR) in degrees as a further management parameter for limiting concentration risks in the corporate portfolio.
				Portfolio management using the ITR parameter enables interim targets and necessary adjustments for achieving the desired management effect.
	Reduce the ITR of the Corporate Portfolio by about 0.5 °C by no later than 2026	2026	✓	To achieve the first operational interim target by 2026, no more new investments in companies that have no transformation ambitions will be allowed under the ITR-driven portfolio management approach, whereas investments in companies that have transformation ambitions in line with the Paris climate goals will be actively promoted.
	Guarantee a Sustainable Bond-Investment-Portfolio of € 600 million and use market opportunities to increase it to € 700 million if possible	2023	✓	As of December 31, 2023, the NRW.BANK.Sustainable Bond-Investment-Portfolio had a volume of about € 1 billion. In addition, the Bank decided to discontinue allocation to the portfolio with effect from January 1, 2024 and to invest preferentially in sustainable bonds as part of its overall portfolio management.
	Collaborative, standard-based engagement via third-party providers	2023	✓	Through standards-based collaborative engagement via ISS ESG, NRW.BANK, together with other institutional investors, engaged in 16 selected companies that show social and ecological controversies with regard to international norms and standards for responsible corporate governance in 2023.
	Publication of an ESG Investment Framework	2023	✓	In January 2023, the Bank published the first NRW.BANK.ESG Investment Framework. The Framework is updated as relevant changes of core components occur.
	Annual UN PRI reporting	from 2023 et seq.	✓	The first UN PRI Report for the financial year 2022 was published in 2023. The ESG Investment Framework will serve as the basis.

Sustainability objective	Activity	Period	Status	Implementation in 2023
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)	2023 et seq.	✓	In 2023, NRW.BANK successfully issued a € 1 billion Green Bond on the basis of the EU GBS (TEG). The bond complies with the ICMA Green Bond Principles and is EU GBS (TEG) compliant.
	Examine the possibility of applying the EU Green Bond Standard (EU COM)	2023	✓	The capital market was closely involved in the development of the EU Green Bond Standard (EU GBS). Regulation (EU) 2023/2631 of the European Parliament and the Council on European Green Bonds was published on November 30, 2023. Application depends on taxonomy-compliant promotional loans. NRW.BANK will revise its Green Bond Framework in 2024.
	Annual issue of at least one social bond in compliance with the requirements of the ICMA Social Bond Principles	2023 et seq.	✓	In the financial year 2023, the Bank successfully issued two Social Bonds, one EUR Social Bond with a volume of € 1 billion and one AUD Social Bond with a volume of AUD 300 million. The Social Bond asset pool complies with the requirements of the ICMA Social Bond Principles.
	Analyse and update the Social Bond Framework	Ongoing	✓	The Social Bond Framework was last published in January 2022. No adjustments to the Framework were necessary in the reporting year.
	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 funding curve, which explicitly serves to finance promotional loans that may be used as allocation portfolio for the issue of Green Bonds. The NRW.BANK green curve represents funding that is cheaper than the “conventional” NRW.BANK funding curve. The green curve benefits loans based on the EU taxonomy.

D. Assuming Social Responsibility for Employees

Sustainability objective	Activity	Period	Status	Implementation in 2023
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 signed in 2023: 1 Bachelor of Arts– Management & Digitalisation (class of 2020) 7 Bachelors of Arts – Finance & Banking (thereof 4 from the class of 2020)
	Offer internal training of trainees on sustainability topics	Ongoing	✓	Completed in 2023 Annual one-day workshop on sustainability for all trainees. Changing thematic focus depending on the year
	Offer pupil internships for career orientation	Ongoing	✓	20 student internships in 2023. In addition, one-day information stints are organised on an ongoing basis.
	Offer trainee programmes with terms of 8 to 12 months with guaranteed takeover after completion	Ongoing	✓	Completed in 2023 A total of 5 trainee programmes started, 4 of which have been completed.
Promoting development: Strengthening perspectives	Increase the share of women in areas where women are under-represented in accordance with the Equality Plan	2023	✓	Share of women in divisional management positions increased from 17.6% (2018) to 27.8% (2023).
	Continue the "internal before external" recruitment principle	Ongoing	✓	Ongoing measure within the HR planning and development strategy. 2023: 100 internal transfers
	Preparation for the announced directive on strengthening the application of the principle of equal pay for men and women for equal work or work of equal value	2023	✓	Preparations underway.
Promoting development: Updating skills on an ongoing basis	Continuous review of internal further training offerings with regard to needs and new developments	Ongoing	✓	Ongoing measure within the HR planning and development strategy. In 2023 with new programmes such as "Conflict skills – successfully resolving tension and conflicts", "Resilience and self-management for the digital transformation" or "Focused reading – managing digital information effectively" and a new concept for "New in the leadership role".

Sustainability objective	Activity	Period	Status	Implementation in 2023
Promoting development: Updating skills on an ongoing basis	Expand the HR development offerings for competencies of the future	2023	✓	Promotion of autonomous learning by introducing the learning management system and offering various learning units on relevant future skills such as "Agile mindset", "Mastering the flood of digital information efficiently" or "Entering the AI era with self-confidence"
	Expand the leadership skills of employees without general disciplinary leadership (deputies, line managers, extended seniors) by offering training on "lateral leadership"	2023	✓	Implemented in the form of the three-day "Leading without authority" seminar
	Dealing with mental illness, "healthy leadership" and "emotional skills" as fixed elements of the mandatory executive development	Ongoing	✓	Completed in 2023 Implementation in the context of ongoing executive development
	Introduction of a learning management system	Ongoing	✓	Implemented in 2023
Maintain employee performance in the long term	Continuation and further development of comprehensive health promotion services, e.g. financial support for employees when booking prevention programmes via the "machfit" health platform	Ongoing	✓	Besides the services offered on an ongoing basis, keynote speeches on selected health issues as well as a health check-up for all employees were offered in 2023. In addition, 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.
	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 and counteracting excessive stress at an early stage. Caring employees get individualised advice and needs-oriented support in various care situations.
	Offerings to make retirement more flexible (possibilities for shortening and extending the period of employment)	Ongoing	✓	Extension of old-age part-time work until the end of 2027 and of early retirement until the end of 2024. If required, NRW.BANK offers employees limited employment contracts beyond retirement.

Sustainability objective	Activity	Period	Status	Implementation in 2023
Modern working conditions	Development of a new modern occupational pension scheme	2023	✓	Completed in 2023 NRW.BANK will continue to offer an attractive and modern pension scheme for its employees in the form of "NRW.BANK Rente" (financed by employer) and "NRW.BANK Rente plus" (financed by employer and employee).
	Constant evaluation and further development of work-life balance offerings	Ongoing	✓	In 2023, NRW.BANK signed the "Charta zur Vereinbarung von Beruf und Pflege" (Charter on the reconciliation of work and care), thus underlining its commitment to caring employees.
	Extensive mobile working options	Ongoing	✓	In addition to the existing convention for employees, an "EVA und mobile Arbeit" (independently managed working hours and mobile work) convention was also concluded for dual students in 2023.
	Diverse offerings for flexible weekly and annual working hours	Ongoing	✓	Various offerings in addition to independently managed working hours, such as additional leave in return for reduced salary or time off for up to three months.

E. Klima und Umwelt schützen

Sustainability objective	Activity	Period	Status	Implementation in 2023
Optimise the company's consumption/save resources	Stabilise the proportion of recycled paper and the paper consumption per employee	Ongoing	✓	Total paper consumption in 2023 declined by 28.9% compared to the previous year to 7.3 kg per employee p.a. Taking into account the total figures (incl. printing, marketing, etc.), the share of recycled paper fell from 67.9% to 63.5%.
	Increased digitalisation of processes (authorisations, applications), e.g. expansion of the employee portal (document centre, digitalised applications)	Ongoing	✓	Various additional self-services added to the employee portal and introduction of a QR code for semi-automated document filing in the electronic employee file.
	Reduce mail exchange trips between the Düsseldorf and Münster location	2023	✓	The daily mail exchange between Düsseldorf and Münster was discontinued with effect from July 2023. The Bank now uses DHL Express to send mail as required.
	Reduce the number of fridges in the tea kitchens on the office floors	2023	✓	In the context of the energy-saving measures introduced at the beginning of 2023, the Bank reduced the number of fridges to one per kitchen.
	Raise awareness for the use of resources	Ongoing	✓	As part of its internal communication, the Bank communicated the use of resources as a Bank-specific topic with information on consumption and tips on how to use resources.
Further development of sustainable procurement	Increase the use of sustainable consumables	Ongoing	✗	The total turnover volume of office materials in 2023 was 4.6% lower than in the previous year. Adjusted for the share of presentation equipment including accessories, which was apparently needed to catch up after the Covid pandemic, and the energy cost mark-up in total sales, the share of "Green Tree" products was roughly the same as in the previous year, at 61.6%.
	Increase the recycling share in the disposal of waste	Ongoing	✗	Slightly higher waste volume (2023: 256.0 t / 2022: 234.1 t), unchanged recycling ratio

Sustainability objective	Activity	Period	Status	Implementation in 2023
Strengthen environmentally friendly mobility	Certification as "bicycle-friendly company"	2025	✓	Certification as bicycle-friendly employer still in place. Next recertification in November 2024.
	Offer of and additional subsidisation of "job bicycle"; provisions of sheltered bicycle parking, showers and changing rooms	2023	✓	In October 2023, the Bank doubled its financial assistance to € 20 per bicycle. Employees may lease up to two bicycles at the same time.
	Offer a subsidised "job ticket" and regular review for reasonable adjustments	Ongoing	✓	Introduction of a "Deutschlandticket" subsidised by the employer for all employees.
	Increase and promote the availability of electric company cars	2023	✓	From March 1, 2024, complete switch to electric and hybrid models and increased subsidy for BahnCard100 First, with employer paying tax and social contributions.

F. Showing Commitment to Society

Sustainability objective	Activity	Period	Status	Implementation in 2023
Constant alignment of corporate responsibility with current corporate citizenship topics	Annual blood donation campaign in cooperation with the Red Cross	Ongoing	✓	Implemented in 2023
	Permanent possibility for HLA typing in cooperation with the Bone Marrow Donation Centre in Düsseldorf	Ongoing	✓	Implemented in 2023
	Integration of people with disabilities and people of equal status	Ongoing	✓	Ongoing publication of externally advertised jobs also on myability. jobs, a portal for people with severe disabilities
	Collaboration with Stiftung Zukunft NRW	2022–2024	✓	The Bank supports the “Prompt” project of the University of Cologne, among other things. This is a training programme for teachers to enable them to better cope with the challenges of the constantly changing social demands.
	Promotion of young up-and-coming artists	Ongoing	✓	The Bank supported various cultural festivals as well as Gesellschaft zur Förderung der Westfälischen Kulturarbeit e.V.
	Support sustainable projects in North Rhine-Westphalia	2023	✓	Extensive support of projects in the fields of social and environmental sustainability, with a special focus on education/young talent promotion, also emphasising aspects of inclusion and integration

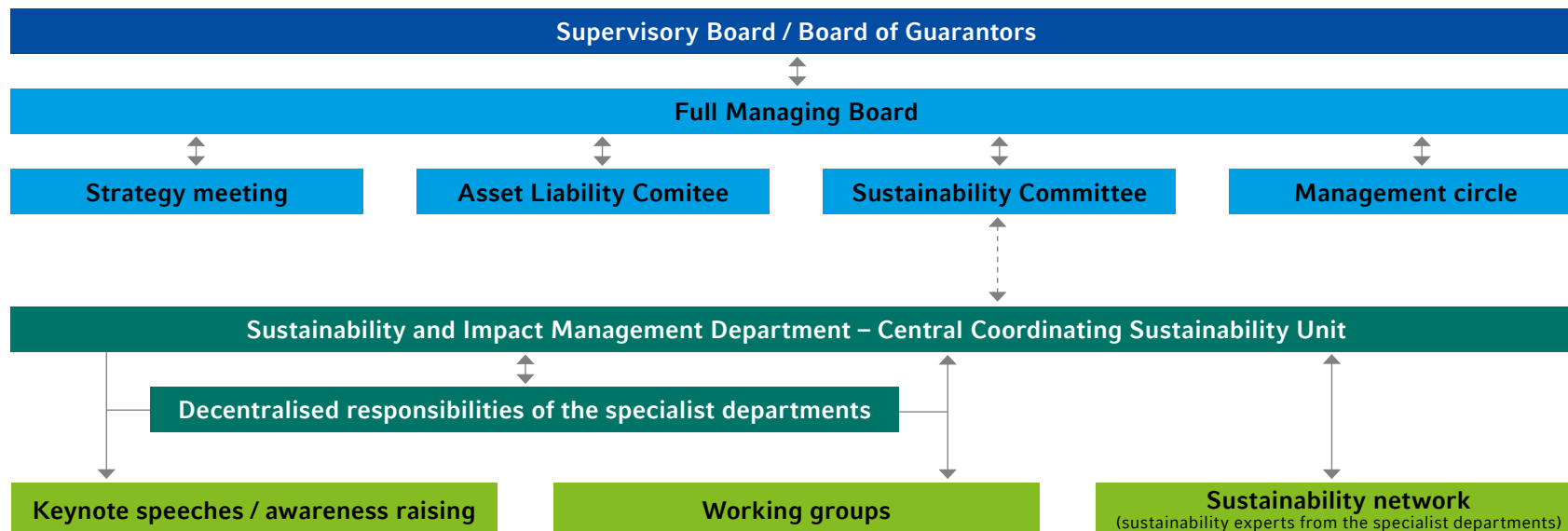
[NRW.BANK's Sustainability Programme for 2024–2027](#) is published on the online Sustainability Portal.

Declaration of Human Rights

As part of the 2024-2027 Sustainability Strategy, NRW.BANK published its first [Declaration of Human Rights](#), in order to explain the importance of human rights for the Bank. In the Declaration, the Bank formulates its expectations on customers, business partners and employees and describes the measures it takes to fulfil this responsibility. The processes and measures encompass all three pillars of the Bank (promotional business, capital market business and banking/business operations) that are related to human rights.

Sustainability as a Part of Strategic Management

Sustainability is one of the main guiding principles for NRW.BANK. The Bank therefore does not see the implementation and further development of the topic 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/house banks and the Bank's own objectives. The Sustainability Committee meets as an extended Managing Board, which makes it the overarching decision-making body for sustainability issues. This is intended to ensure an overall view and the reasonable connection of the diverse topics and activities relating to sustainability.

Stakeholder-Dialogue

For the Bank, incorporating external feedback and suggestions is a material aspect in the further development of the sustainability topic. In the course of developing its Sustainability Strategy, NRW.BANK decided to expand the regular exchange with its stakeholders.

In 2023, 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 Bank has been able to either implement the relevant findings from the stakeholder dialogue in a timely manner, to integrate them in the Sustainability Strategy or to include them in its Sustainability Programme. The Bank identified the following stakeholder groups as relevant for sustainability:

- guarantor/State of North Rhine-Westphalia
- house banks
- public-sector customers
- employees
- 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 Financial Report,
- the annual 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 Strategy.

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 Strategy and sustainability efforts. A total of 1,360 employees (approx. 82%) completed the training, which underlines the high level of employee identification with this topic. In view of the growing business and regulatory relevance of the topic, the Bank continued to refine its internal sustainability training, which will become mandatory for all employees of NRW.BANK in the future.

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 human trafficking, child and forced labour are a matter of course for NRW.BANK and have been anchored in its [Declaration of Human Rights](#) and its [Sustainability Strategy](#). Compliance with applicable labour standards is ensured by specific internal 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 Declaration of Human Rights and the Sustainability Strategy as well as 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, 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 the development, communication and review of the Bank-wide Compliance and Money Laundering Prevention framework and the management of the compliance risk, taking into account other risk types 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 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 has also installed an internal whistleblower system. The latter allows not only employees of the Bank but also customers and other third parties to report indications of 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.

In the reporting period, the Bank received no reports on the misuse of personal data and no complaints from customers regarding the use of information relevant to data protection.

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 € 25,000.

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 NRW.BANK's participation in the GOGREEN programme of Deutsche Post InHaus Services GmbH.

In the year covered by this report, NRW.BANK again fulfilled its social responsibility towards society at its locations in Düsseldorf and Münster, where the Bank promoted the employment of people with disabilities by commissioning corresponding workshops and inclusive businesses, e.g. for laundry services.

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 2023, 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 headquarters about upcoming topics, negotiations and results via a staff magazine published several times a year and at the annual staff meetings. 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 Strategy, 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. As a signatory of the UN Global Compact, NRW.BANK publishes an annual Communication on Progress.

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 not only wants to communicate this in a binding and transparent manner. The Bank also takes advantage of valuable opportunities to network with promotional banks and other institutions and to learn about tried-and-tested approaches. This includes, for example, the implementation of regulatory requirements or the use of methods and tools for sustainable management.

In December 2023, NRW.BANK became a voluntary partner in the cooperation network "Düsseldorfer Klimapakt mit der Wirtschaft". The Bank thus supports the city's goal to make the North Rhine-Westphalian capital carbon-neutral by 2035. This is in line with the Bank's sustainability objec-

tives, especially to continuously reduce the production of greenhouse gases and the consumption of resources. Progress is controlled and monitored on a regular basis.

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 Strategy. 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 Strategy 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.

Sustainability is incorporated in NRW.BANK's advertising to give its economic, social and environmental aspects a stronger presence. Accordingly, the Bank's image campaign published in 2023 also focused on the topic of sustainability.

The aspect of sustainability is equally considered in the Bank's advertising materials, which include, for instance, articles made from recycled or renewable, biodegradable materials.

NRW.BANK's initiatives and events focused on topics that support the sustainable transformation of the economy – in the spirit of climate action and carbon neutrality as well as social sustainability. These included, for example:

- NRW.BANK.Stadtwerke-Forum 2023 on topics relating to climate action and sustainability
- Municipal Financial Market Forum NRW 2023 ("Structural change 2.0: Global? Local? But also sustainable, please! – Opportunities and challenges for municipalities in the transformation")
- Participation in the joint NRW booth at the following trade fairs:
 - Eworld 2023: the leading trade fair for the energy industry in the development and expansion of climate-friendly energy solutions
 - polis Convention 2023: urban development fair (main topic: Sustainable mobilisation of building land – Shaping the city and the countryside together)
 - EXPO REAL 2023: the leading trade fair for the real estate industry (focus on "faster, more digital, more sustainable – the necessary transformation in public construction")
- Permanent sponsorship of the Circular Valley initiative and the main event "Circular Valley Forum 2023" to establish the extended Rhine-Ruhr metropolitan region as a global centre for the circular economy
- Sponsorship and organisation of the main event of the "DIGIGREEN – Coding fürs Klima!" competition for grade 5–13 students to encourage young people with innovative ideas for a sustainable future

- Sponsorship and cooperation partnership of the Metropole Ruhr 2023 mobility conference (focus on "building blocks for sustainable and integrated mobility in the Ruhr region")
- Sponsorship of various events with cooperation partners on sustainability such as Tech Tour NRW Green 2023, Tech Tour Sustainability 2023, Climate-Hack 2023 and "S!NN – Münsters Kongress für Soziale Innovationen" 2023
- Support of the focal topic through Climate Action Days, the "Effizienz Forum Wirtschaft" and the "Effizienz-Preis NRW"

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, MSCI ESG and Sustainalytics. In 2023, 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 to strengthen 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 which NRW.BANK supports the State of North Rhine-Westphalia in fulfilling its structural and economic policy tasks and in efficiently structuring its promotional activities. The Bank’s promotional business is particularly intended to support the transformation towards sustainable and future-proof economic structures. With a view to the climate policy goals of the federal state, NRW.BANK’s promotional strategy for 2024–2027, which was adopted in late 2023, places a special focus on the promotion of projects aimed at conserving resources, increasing efficiency and implementing the energy transition. Other important positive sustainability objectives include the preservation of rental housing and historical monuments as well as the promotion of sport and social infrastructure. This further development of the promotional business always takes place on the basis of regular and close cooperation with the competent state ministries.

To support sustainable transformation processes in society, the Bank draws on a wide range of promotional instruments and contributes its lending expertise to the promotional process. The instruments used in this context include, in particular, promotional loans with low interest rates and/or long-term fixed-interest options, the provision of equity and mezzanine capital, risk sharing with house banks as well as advisory services.

In 2023, the Bank again achieved a high volume of new commitments in the amount of € 11.8 billion, which exceeded the planned € 10.7 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 8 (Decent Work and Economic

Contribution Made by the Promotional Products to Achieving the UN Sustainable Development Goals by Share in NRW.BANK’s Volume of New Commitments in 2023 (in %)



Source: Based on UN Sustainable Development Goals; own presentation

Growth) and SDG 9 (Industry, Innovation and Infrastructure). About 48.4% of NRW.BANK's volume of new commitments in 2023 contributed to SDG 11, with another 15.3% relating to SDG 8 and approx. 12.1% to SDG 9. NRW.BANK's promotional programmes also support the Sustainable Development Goals 13 (Climate Action) and 7 (Affordable and Clean Energy). The relative share of the contribution made by the promotional business to SDG 11 increased compared to the previous year. The associated [Methodology Paper](#) shows further details of the calculation of the SDG contributions made by the promotional business.

Outlook: Impact management

In view of the strategic focus on the principle of sustainability and the growing regulatory, political and social requirements, NRW.BANK is committed to making the impact of its promotional activities more measurable in the future. To this end, positive and measurable results for the environment and society are to be quantified in a transparent manner. The NRW.BANK Managing Board therefore decided to introduce an impact managementsystem for the promotional business. This will lay the basis for the viable further development of the promotional offerings, while the impacts intended by NRW.BANK will become more comprehensible and tangible.

Apart from the provision of funds, forward-looking and requirement-oriented promotion also requires customer-oriented advisory services. NRW.BANK offers special advisory services on sustainability aspects. One example is the biannual online seminar "Klimaschutz im Mittelstand", which helps enterprises to pragmatically implement climate protection in their own operations. Biodiversity in enterprises is another topic addressed by the seminars. The aim is to assist SMEs, company founders and start-ups in the effective and targeted integration of biodiversity in management and reporting. 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 closely with other financial and promotional institutions. The 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.

€ 11,8 bn

in new commitments were achieved by NRW.BANK in 2023

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”.

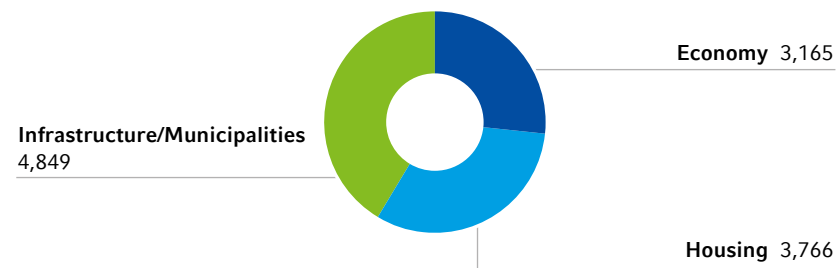
NRW.BANK’s offerings in the promotional field “Economy” cover the full lifecycle of small and medium-sized enterprises. Besides the general promotion of SMEs, the Bank places a special focus on the effective promotion of investments in the protection of resources and in increasing corporate energy efficiency.

Other focal points include the effective support of start-ups as well as of innovation and digitalisation objects.

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 promotion of sustainability projects is reflected in all three of NRW.BANK’s fields of promotion – with different promotional measures due to the overarching importance of the topic. In 2023, the Bank made available promotional funds totalling approx. € 2.5 billion for the promotion of environmental protection and energy transition.

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 aim was to increase the interest rate subsidies for the economic and housing promotion programmes in response to companies' reduced willingness to invest and the more difficult market conditions in the real estate sector. This made it possible for the Bank to counteract the effects of the negative market environment. Besides the greatly improved general conditions for public housing promotion, the Bank also optimised the interest rate subsidies for the housing promotion programmes in view of the inflation trend.

The transformation of the economy remains a long-term challenge for North Rhine-Westphalia. NRW.BANK therefore continued to improve its programmes for the promotion of commercial transformation projects, added new promotional content such as green technologies and opened them to additional target groups. In view of the reduced risk appetite of some house banks, NRW.BANK additionally expanded its offer to share risks through liability releases in the commercial sector and established special risk quotas in favour of start-up and transformation projects.

In the reporting year, NRW.BANK defined more specific [ESG Promotion Requirements](#) in a document accompanying its Sustainability Strategy. They include knock-out criteria and the Sector Guidelines planned for 2024. NRW.BANK thus ensures that the relevant sustainability aspects and compatibility with the Paris climate goals are adequately and transparently taken into account in its promotional offerings. The ESG Promotion Requirements are regularly reviewed and successively refined and updated.

Performance Indicators in the Promotional Business

NRW.BANK's objectives are geared to providing the State of North Rhine-Westphalia with long-term support in performing its structural and economic tasks. Due to NRW.BANK's public mission as the promotional bank of North Rhine-Westphalia, promotion is the primary business objective and the volume of new commitments represents a key performance indicator. The volume of new commitments comprises the commitments for promotional funds made in the respective fiscal year. Budget values exist for these and all other performance indicators. The Bank regularly subjects these values to plan/actual comparisons as well as scenario and forecast analyses in order to provide appropriate control stimuli.

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

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

Until the end of 2023, NRW.BANK's [Sustainability Guidelines](#) were a key element in ensuring compliance with its sustainability standards in the promotional business. Going forward, the Sustainability Strategy and the specific ESG Promotion Requirements will provide the framework, reflect the Bank's overarching sustainability ambitions and define specific requirements on the sustainable design of the promotional business.

Economic Development

The NRW.BANK.Universalkredit and NRW.BANK.Gründung und Wachstum programmes represent 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. In 2023, the Bank expanded the group of eligible applicants. To support the switch from all fossil energy sources to hydrogen or renewable energy, it also expanded the range of intended purposes.

Under these two programmes, NRW.BANK granted promotional loans in the total amount of € 1.5 billion to some 3,803 enterprises for investments and working capital in 2023.

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

Apart from 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 such enterprises seamless early-stage financing options tailored to their individual development. In 2022, the Bank launched the NRW.SeedCon programme to support early-stage growth. This is a mezzanine capital product via convertible loans with a subordination clause.

Under the programme, NRW.BANK provides young enterprises during the start-up and seed phase with 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.

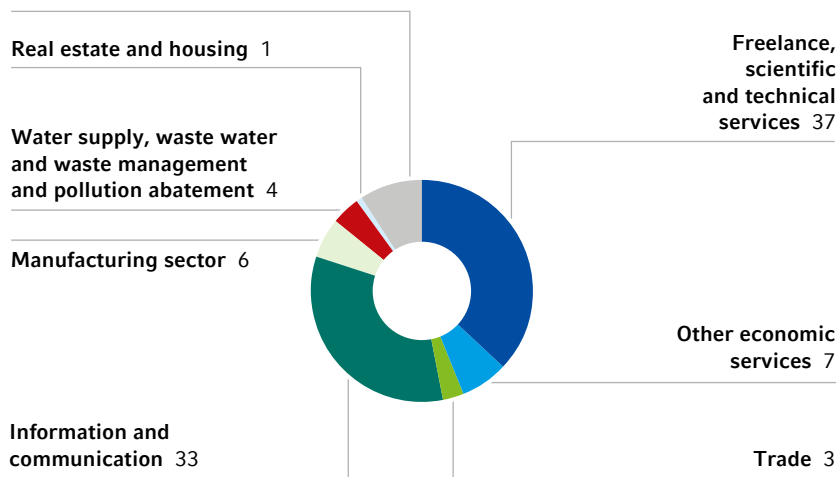
Under the NRW.SeedCap programme, NRW.BANK supports start-ups in their next development steps with up to € 500 thousand in the context of a co-investment with a business angel or private seed investor. Since the end of 2023, the programme has offered special benefits to companies in the climate and environmental technology sector that make a significant contribution to climate and environmental protection. Among other things, they receive funding of up to € 750 thousand. This promotional offering complements the established "win NRW.BANK Business Angels Initiative", through which the Bank helps capital-seeking innovative companies to access private capital from business angels. The Bank continued to build up the respective capacities in 2023, extending both the multiplier network and winning new investors.

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 invested in regional and supraregional early-stage funds as well as in private equity funds focused on the SME segment. 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 also of North Rhine-Westphalia.

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

IT services 9



NRW.BANK.Effizienzcredit is a central offering to support the energy transition and to promote environmental protection in the field of economic development. This loan offers strongly interest-subsidised terms for investments with clear ecological merits to increase energy and resource efficiency. To qualify for promotion, borrowers must, among other things, 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). Since 2023, investments in green technologies have also generally been eligible for funding, such as the use of hydrogen in production processes, investment projects for carbon management, electrification, and the use of renewable heat in the production process.

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 2023, NRW.BANK granted 223 promotional loans with a total volume of € 109.9 million under this programme, of which € 36.9 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 digitisation drive initiated by the State of North Rhine-Westphalia. The aim is to further accelerate the digital transformation of the North Rhine-Westphalian economy. Digitalisation projects of public and non-profit companies have also received effective support since the end of 2023. In 2023, NRW.BANK granted low-interest promotional loans in the total amount of € 122.7 million under this programme.

Housing Promotion

As part of its subsidised housing construction activities, NRW.BANK made available new commitments of € 2.1 billion (previous year: € 1.1 billion) for the creation of affordable, high-quality housing for low-income earners in 2023. This promotion is designed, among other things, to increase the supply of housing also in densely populated areas characterised by rising rents. In 2023, the Bank funded a total of 10,880 residential units within the scope of subsidised housing construction.

At € 1,480.8 million, some 6,726 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 and communal areas are also eligible for funding.

In addition to publicly subsidised housing construction, NRW.BANK also grants loans for the construction and purchase of privately used residential properties with a very long fixed-interest term under its NRW.BANK.Wohn-eigentum programme. 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. Projects for raising energy efficiency as well as barrier-free refurbishment measures for privately owned buildings are supported under the NRW.BANK.Gebäudesanierung programme. As a complement to the federal government's promotional offerings, the NRW.BANK.Nachhaltig Wohnen programme promotes new buildings and modernisation projects that are especially energy-efficient with particularly favourable interest rates.

NRW.BANK supported 150 private households with a total of € 27.9 million in 2023, thus making a substantial contribution to energy-efficient construction in North Rhine-Westphalia.

Promotion Example: Schützenhof Residential Estate, Lünen

The Lünen Housing Association converted a derelict industrial site near the city centre into a [residential estate](#) for people in all life situations with 170 residential units. The state-of-the-art infrastructure includes a photovoltaic system, a trench drain system for surface drainage and a heat recovery system.

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 2023, the Bank funded 94 projects with a total of € 242.2 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. € 207.9 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 broad-based 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 the 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 2023, promotional loans with a total volume of € 1 billion 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 Strategy 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 2023

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 Bond 2023 is 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

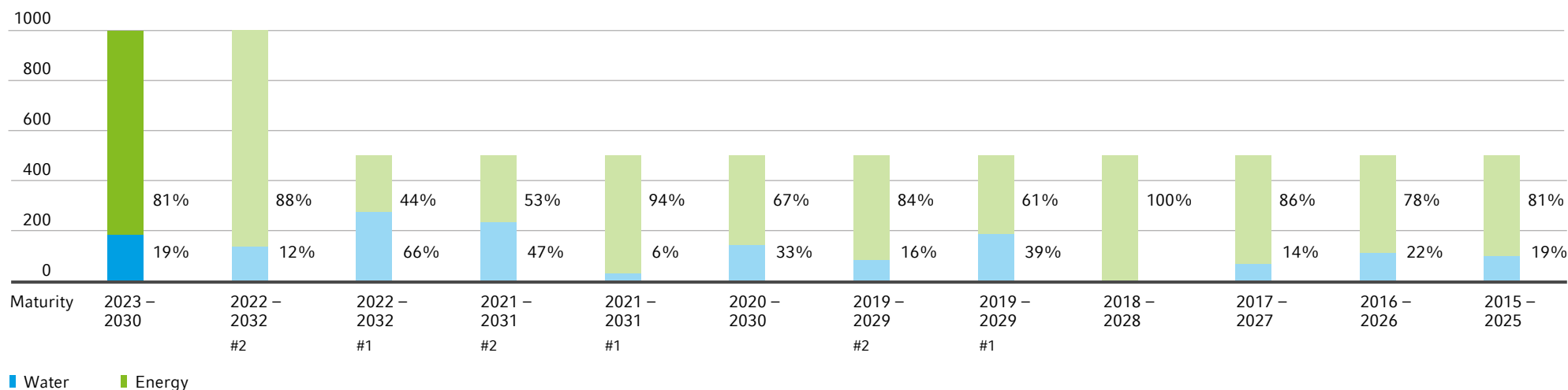
Thanks to the continued high level of lending granted by NRW.BANK to support environmentally friendly projects, the Bank was able to issue a Green Bond with a volume of € 1.0 billion in 2023.

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 € 7.8 billion, of which an amount of € 7.0 billion was outstanding as of December 31, 2023.

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](#) (GBP).

NRW.BANK's [Green Bond Framework](#) defines the Bank's 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.

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

With the aim of integrating sustainability aspects into its financial policy endeavours in accordance with the EU Green Deal, the European Parliament and the European Council published the EU Green Bond Standard on November 30, 2023. The latter, in turn, is based on the EU taxonomy and its technical standards. Four of the taxonomy's six environmental objectives still outstanding were adopted as delegated acts in the reporting year. They comprise the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems. They thus complement the two previously adopted environmental objectives, which 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 objectives.

NRW.BANK aims to make a proactive contribution to reaching the 1.5-degree target. In the reporting year, the Bank therefore began to revise its Green Bond Framework to adapt it as closely as possible to the EU GBS published in November 2023.

NRW.BANK believed it was advisable to deal already with the draft versions of the new frameworks, as they will support the further standardisation and credibility of the green bond market. ISS ESG has already confirmed that the Bank's Green Bond Framework complies with the draft EU GBS of the technical expert group. This means that the Green Bonds issued under the framework predominantly consider projects that comply with the technical audit criteria of the EU taxonomy (TEG version of March 2020). The two first environmental objectives of the taxonomy correspond to the topics which the Bank has used to select suitable loans already since 2013, namely 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 two-year maturities are currently occupied until 2032.

The price differentiation of up to three basis points in favour of green bonds, which had already become apparent in previous years, has been confirmed. NRW.BANK therefore 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 Grüne Emscher-Lippe programme and other individual projects are refinanced under the Green Funding Curve. NRW.BANK's green refinancing curve is anchored in the Bank's Sustainability Strategy.

Focus on the Environmental Impact

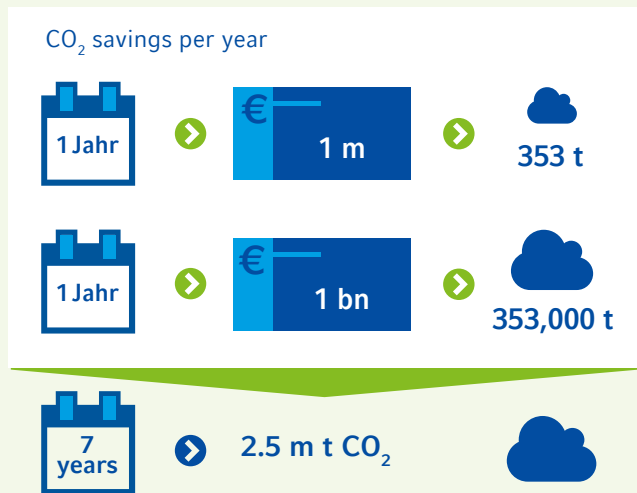
NRW.BANK has assessed the environmental impact of its Green Bonds since 2015 with the aim of publishing the amount of carbon emissions that have been saved and/or avoided annually by investing in its Green Bonds. Since the issue of the 2015 NRW.BANK.Green Bond, the [Wuppertal Institute for Climate, Environment, Energy](#) has been a 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 2023](#) 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. The [Nordic Public Sector Position Paper on Green Bonds Impact Reporting](#) is also taken into account. Both works permit the preparation of a transparent and comparable impact analysis of green bonds as recommended by the GBPs.

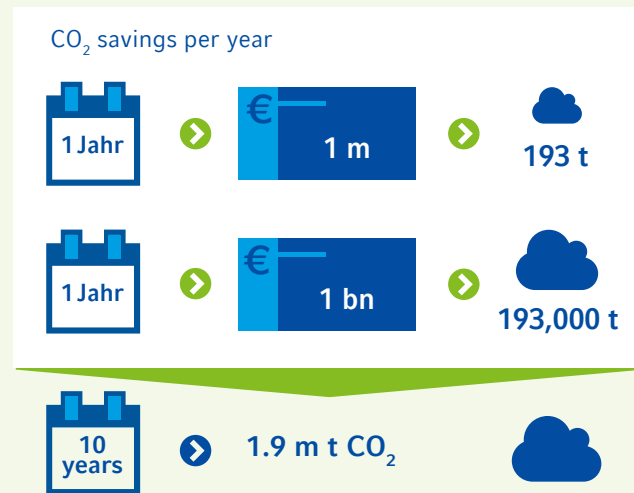
The projects in the “Climate Adaptation” field also have positive environmental impacts. Thanks to the close exchange with Emschergenossenschaft, the Bank is again able to make available information on the [progress made and the environmental value added of the Emscher renaturation](#) for the NRW.BANK.Green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

Summary of the Environmental Impact of the NRW.BANK.Green Bonds¹⁾

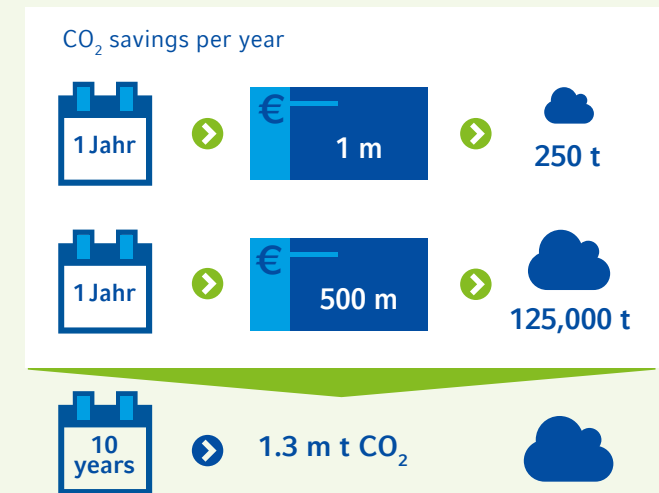
NRW.BANK.Green Bond #1 2023



NRW.BANK.Green Bond #2 2022



NRW.BANK.Green Bond #1 2022



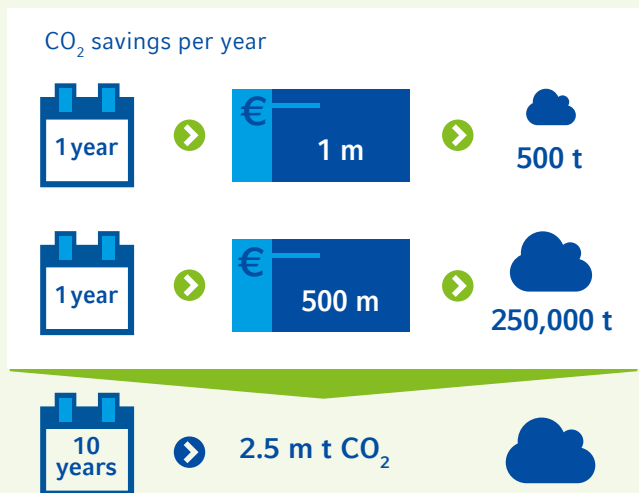
Field "Climate Adaptation" – Rebuilding the River Emscher

- 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:
 - 170 km of 328 km renaturalised (approx. 52%)
 - Significant increase in biodiversity:
 - all species that colonise the riverbed (macrozoobenthos species)
 - 315 different species counted

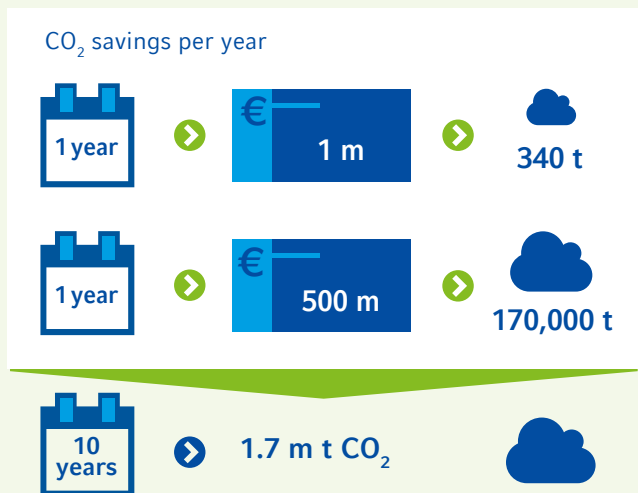
- Creation of a modern sewage system:
 - Central Emscher Sewer (AKE) completed (100%)
 - Emscher and its tributaries free from sewage
 - Sewers: 430 km of 435.8 km completed (99%)
- Resilience improved:
 - Avoidance of flood damage with the help of rainwater retention basins: 3.7 million m³ of 3.3 million m³ completed (112%)
 - Total newly created wetlands: 1.6 million m²

¹⁾ The results of the impact analysis of the NRW.BANK.Green Bond 2023 and all CO₂ savings of NRW.BANK.Green Bonds determined so far by the Wuppertal Institute are summarised here. The changes in CO₂ 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.

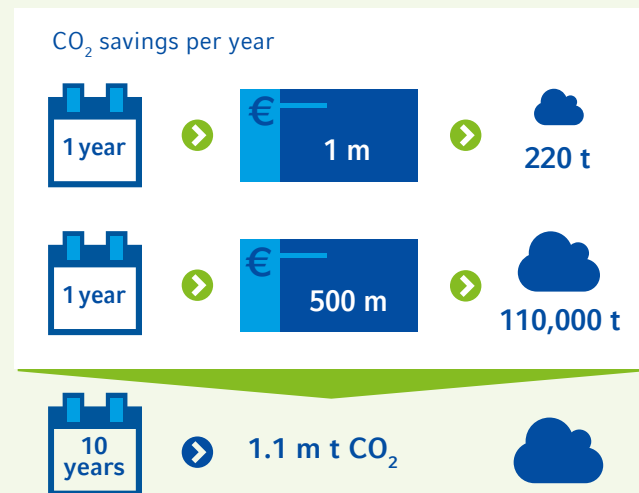
NRW.BANK.Green Bond #2 2021



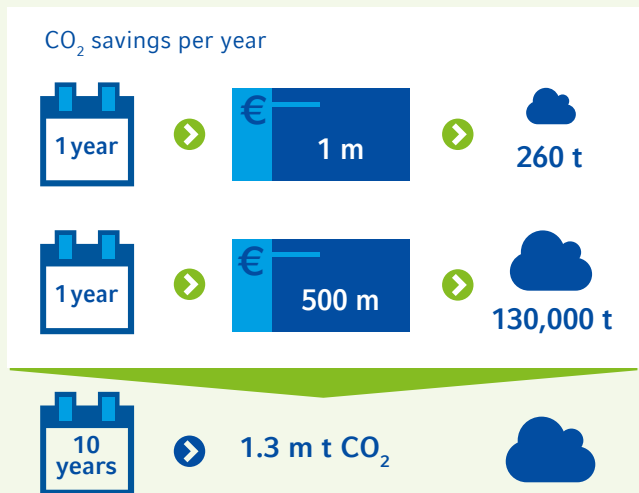
NRW.BANK.Green Bond #1 2021



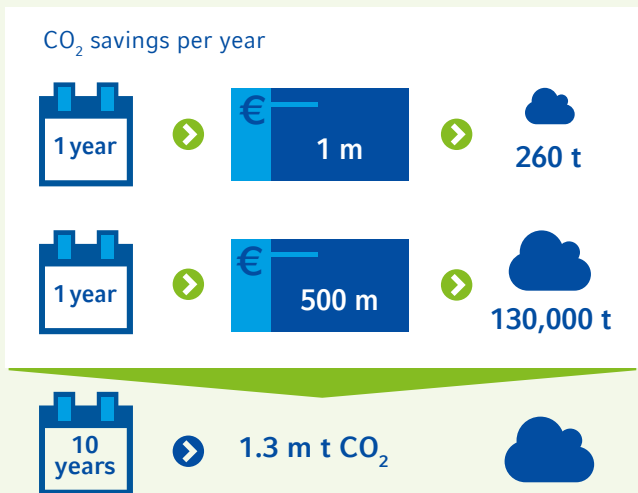
NRW.BANK.Green Bond 2020



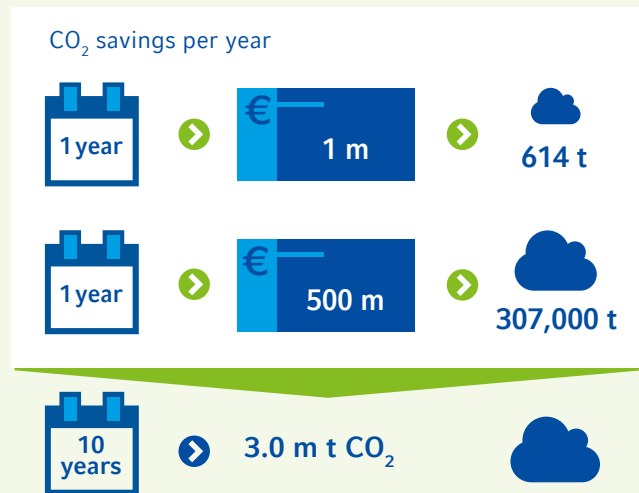
NRW.BANK.Green Bond #2 2019



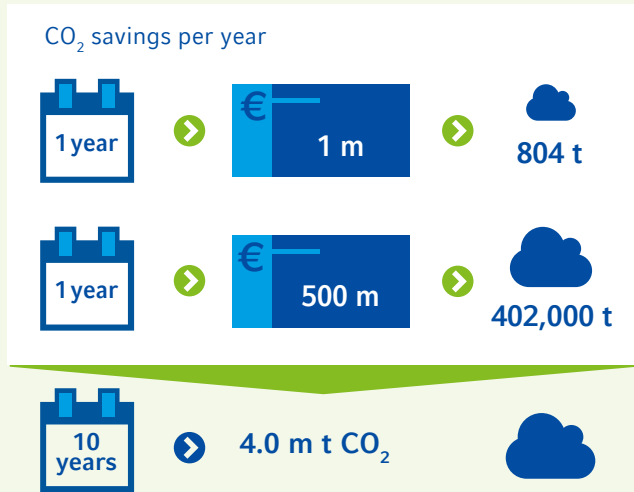
NRW.BANK.Green Bond #1 2019



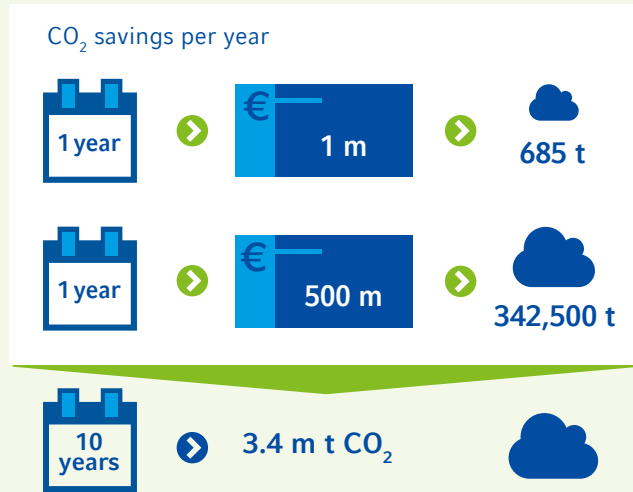
NRW.BANK.Green Bond 2018



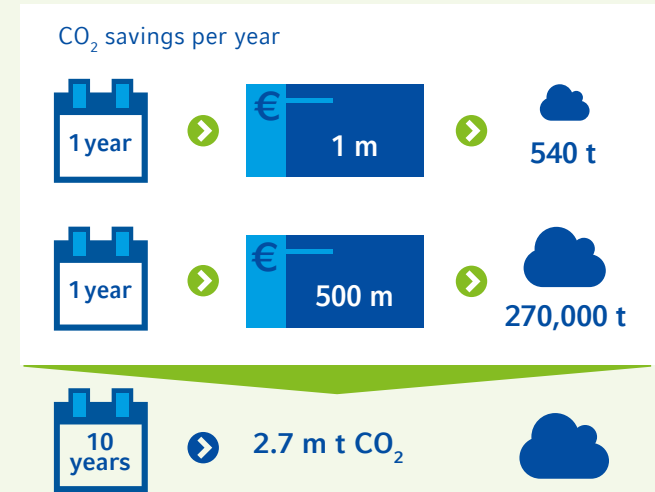
NRW.BANK.Green Bond 2017



NRW.BANK.Green Bond 2016



NRW.BANK.Green Bond 2015



NRW.BANK.Green Bond #1 2023

The Bank clearly assigned suitable promotional projects relating to “Mitigation” to the NRW.BANK.Green Bond #1 2023 in an internal selection process. At approx. € 459.2 million, the main focus was placed on the topic of “renewable energy”. This broke down into:

- € 439.9 million for wind energy and
- € 19.3 million for photovoltaics.

€ 192.8 million related to clean transport, more precisely to local public transport, electromobility, freight transport and electric construction machinery. Loans for energy-efficient building and refurbishment accounted for approx. € 197.4 million, with another € 29.4 million accounted for by broadband.

Loans in the total amount of € 200 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 2023.

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 14th Green Bond in May 2023; it has a volume of € 1 billion and a term of seven years. The funds raised are allocated at 100%.

Area	Field	Topic	Promotion volume in € millions
Energy	Mitigation	Renewable Energy	459.2
		– Wind farms	439.9
		– Photovoltaics	19.3
Energy	Mitigation	Energy efficiency	226.8
		– Energy-efficient buildings	197.4
		– Network expansion (broadband)	29.4
Mobility	Mitigation	Clean transport	192.8
		– Local public transport	166.1
		– Other	26.7
Water	Adaptation	River renaturation (Emscher and Lippe)	200.0

Impact Analysis for the NRW.BANK.Green Bond 2023

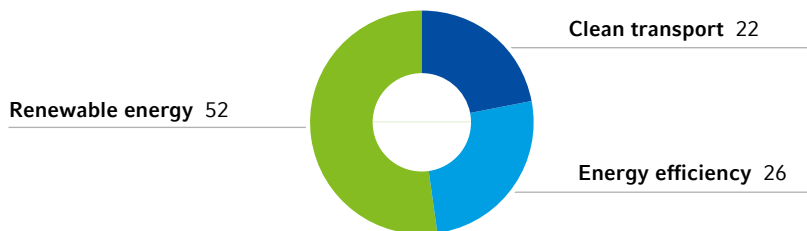
The Wuppertal Institute determined the [positive environmental impact](#) of the selected projects in the field of "Climate Mitigation" with a total volume of about € 881 million (of which 99.7% could be assessed).

Field "Climate Mitigation"

The projects financed in the field of "Climate Mitigation" by the NRW.BANK.Green Bond #1 2023 help reduce or even avoid negative environmental influences on the climate. The projects relate to:

- Renewable energy (wind energy and photovoltaics),
- Energy efficiency (energy-efficient buildings and broadband expansion) as well as
- Clean transport (local public transport, electromobility, freight trains and electric construction machinery).

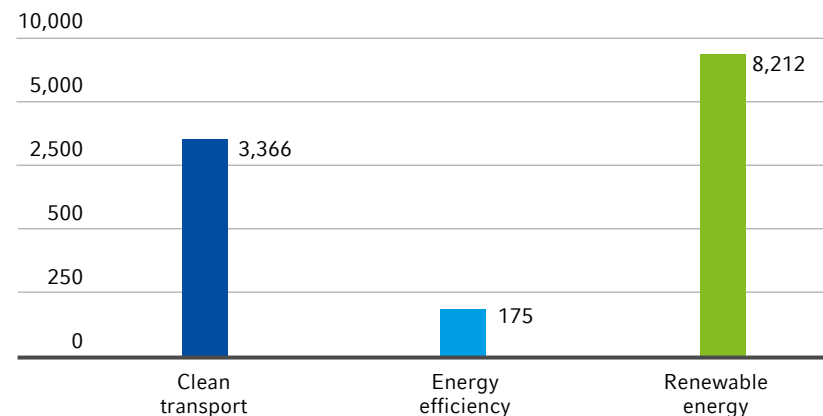
Breakdown of Project Financing Volume in the Field "Climate Mitigation" (€ 878.8 Million) in %



Green Bond 2023 Saves 2.5 Million Tonnes of CO₂ Equivalents

It has been calculated that these projects avoid greenhouse gas emissions of approximately 2.5 million t of CO₂ equivalents over the seven-year term of the NRW.BANK.Green Bond #1 2023. Measured by the size of the Green Bond asset pool of € 878.8 million for Climate Mitigation, approx. 402 t of CO₂ equivalents are saved per € 1.0 million per year.

CO₂ Equivalents Avoided Through a € 1.0 Million Investment Over a Seven-year Period in Tonnes¹⁾



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

Renewable Energy

€ 439.9 million of the Green Bond asset pool is attributable to newly erected onshore wind farms with a total capacity of 407.8 MW (promotion portion: 90%). They produce an estimated 734.0 GWh of electricity per year. Onshore wind turbine generators thus once again proved to be the most efficient form of investment for the avoidance of greenhouse gas emissions in the Green Bond. The financed share of wind turbines in the asset pool saves an estimated 344.9 kt CO₂ per year compared to conventional energy generation (Germany: 418.5 kt CO₂, EU: 262.6 kt CO₂).

Renewable electricity generation from solar energy accounts for € 19.3 million of the Green Bond, of which € 17.9 million can be assigned to rooftop panels. The financed share produces an estimated 15.5 GWh of renewable electricity per year. The financed share of photovoltaic systems saves an estimated 7,600 t CO₂ equivalents per year compared to conventional energy generation in the EU-27 and Germany (Germany: 9.5 kt CO₂, EU: 5.8 kt CO₂).

Clean transport

The Green Bond projects support the replacement of fossil-fuelled freight trains and local public transport buses with hybrid or electric vehicles.

Freight trains account for € 24.2 million of the asset pool (promotion portion: 43%). This corresponds to a capacity of approx. 52.5 million tkm per year.

The purchase of new buses accounted for € 20.6 million (promotion portion: 54%). This corresponds to a capacity of approx. 38.5 million pkm per year. The financed share saves approx. 1,300 kt of CO₂ equivalents per year (2,400 kt of CO₂ equivalents in total).

€ 145.5 million (promotion portion: 31%) of the asset pool relates to the purchase of additional trams, which increase public transport passenger capacities. This shift from cars to public transport will save an estimated 17,200 t of CO₂ per year, of which 5,300 t of CO₂ will be financed directly.

Another approx. € 2 million of the asset pool (promotion portion: almost 100%) relates to the purchase of climate-efficient vehicles and charging stations. This corresponds to an estimated 3.3 million pkm and saves approx. 420 t of CO₂ equivalents (430 kt of CO₂ equivalents in total).

The replacement of conventional excavators with electric machines account for around € 0.8 million (promotion portion: 100%). These machines avoid an estimated 140 t of CO₂ equivalents per year.

Energy efficiency

The refurbishment of residential buildings in North Rhine-Westphalia accounted for a total of € 28.2 million (promotion portion: 100%) of the Green Bond asset pool. Compared to the heat requirements in existing buildings, this avoids approx. 0.7 kt of CO₂ equivalents per year.

Funds in the amount of € 8.7 million (promotion portion: 100%) were spent on the construction of 46 new residential buildings, each of which meet at least the near zero energy standard KfW 55.

€ 160.5 million relates to the construction of non-residential buildings (promotion portion: 100%). Compared to the current German building standard, these buildings will save an estimated 0.5 GWh of heat or 110 t of CO₂ equivalents per year.

The expansion of the broadband network is also part of the asset pool of the Green Bond #1 2023. The total amount of € 29.4 million (promotion portion: 100%) funded about 7,000 new broadband connections, which will save an estimated 37 MWh of energy and about 20 t of CO₂ equivalents per year.

Field “Climate Adaptation”

For over a century, the River Emscher was used as an open sewage system. The ecological consequences were devastating, with a large part of the fluvial flora and fauna disappearing and biodiversity declining significantly. When it was turned into an artificial sewer, the river lost its natural shape, which also led to a loss of natural flooding areas and consequently to flood damage during heavy rainfall.

The 30-year project to renaturalise the Emscher and its tributaries is compliant with EU Water Framework Directive 2000/60/EC and was the largest of its kind in the entire EU-27. 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. In 2020, NRW.BANK established the new NRW.BANK.Grüne Emscher-Lippe promotional credit line to continue the renaturation projects on the Emscher until the end of 2027.

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 formed a central funding basis for the renaturation of the river. Around € 200 million from the Green Bond 2023 was used to refinance measures implemented by Emschergenossenschaft for the conversion of the River Emscher. The funds once again enabled a large number of water engineering measures in 2023. 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 2023.

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. Some of them are provisional but will be replaced step by step.

The newly designed estuary of the Suderwicher Bach into the Emscher (in Castrop-Rauxel) was opened in August 2022 and now forms the new “Emscherland” including a water learning site and a water experience area.

With the large, modern sewer along the Emscher completed in 2019, the focus in 2023 was again placed on the construction of sewers in the Emscher catchment area. 98.7% 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 2023, a further 14,365m³ rainwater retention basin and a 420,000 m³ flood retention basin were created. The total capacity is already at 3.7 m³ (original target: 3.3 million m³).

The additional retention volume created in floodplains along the renaturalised river courses is around 1.6 million m³. In 2023, an retention volume of approx. 500,000 m³ was created in Dortmund. According to Emschergenossenschaft, flood damages worth around € 1.8 million p. a. have been avoided this way.

Biodiversity More Than Doubled

Of the 328 km of rivers and streams in the Emscher system, 170 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 m² 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. Almost 70 species – compared to only three in 2006 – can now be found again in the Emscher system, which demonstrates the naturalness of renaturalised waters.

Outlook

The completion of the Emscher sewer also marks the completion of the first and most important phase of the renaturation of the Emscher. Since then, the focus has been on the now freshwater-carrying Emscher and its feeder streams. An example is the opening of the estuary of the Suderwicher Bach into the Emscher (in Castrop-Rauxel), which was redesigned in 2022. It has since formed 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 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

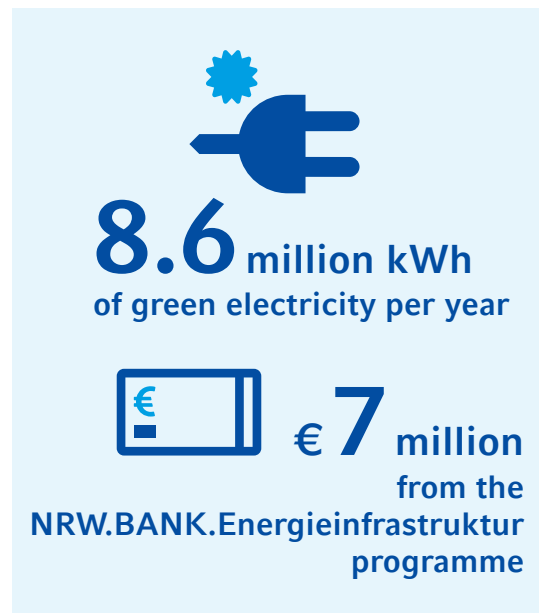
Green Bond funding is used to promote sustainable energy provision and manufacturing methods.



SIEGFRIED JACOB METALLWERKE

INFRASTRUCTURE

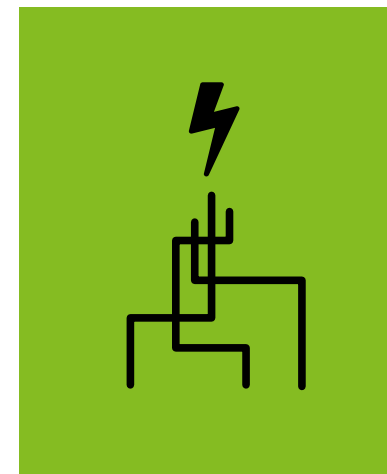
www.jacob-metall.de/en



Largest Rooftop Photovoltaic System in North Rhine-Westphalia

Siegfried Jacob Metallwerke is actively committed to the energy transition. In Ennepetal, the metal recycling company has taken what is supposed to be North Rhine-Westphalia's largest rooftop photovoltaic system into operation. It comprises some 22,000 solar modules on the company's production halls in the southern Ruhr area. Their total area is equivalent to the size of six football pitches. The system with a peak capacity of 9.2 MW can theoretically generate up to 8.6 million kWh of green electricity per year. In purely arithmetical terms, this is sufficient to supply 2,500 average households. The metals company needs less than half of the internally generated electricity for its own purposes, the rest is fed into the public grid. The new system saves an estimated 4,250 t of CO₂ emissions per year. Siegfried Jacob Metallwerke invested more than € 10 million in the system, which was completed in March 2024 and is expected to pay for itself in about ten years.

NRW.BANK supports the construction of the photovoltaic system with a loan of around € 7 million from the NRW.BANK.Energieinfrastruktur programme, which is refinanced via the NRW.BANK.Green Bond.



KUSTER ENERGY GMBH

ELECTROMOBILITY

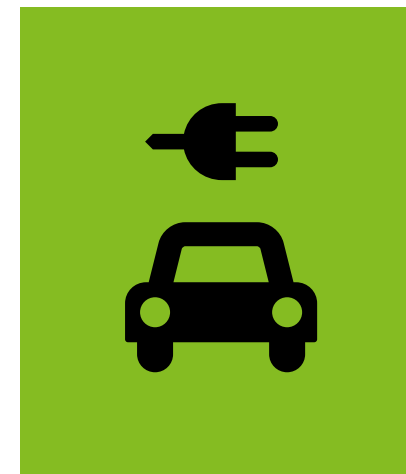
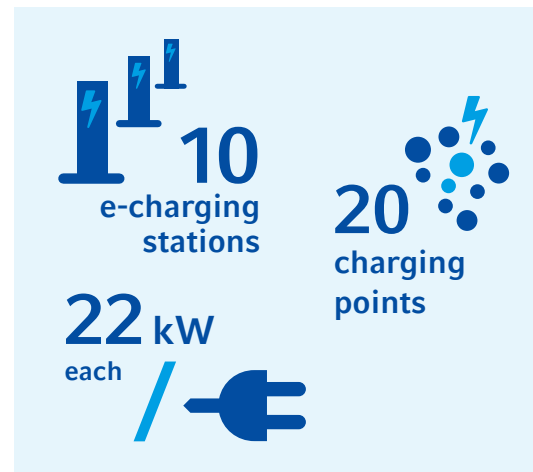
www.kusterenergy.com/de



Electric Charging Points for the "Wunderland" Leisure Park

Operating an e-charging park, Kuster Energy makes a sustainable contribution to the mobility transition in North Rhine-Westphalia; the Kleve-based company has installed ten charging stations with two charging points each on the car park of the "Wunderland" leisure park in Kalkar, close to the Dutch border. This allows electric car drivers to charge their vehicles in an environmentally and climate-friendly way while visiting the leisure park, as the green electricity used here is generated from sunlight and wind power. The AC charging stations have a charging capacity of 22 kW and have been very well received by visitors to the park. At busy times, up to 2,000 kWh of electricity per month are supplied by the charging park. Payment is made by charging card or via QR code.

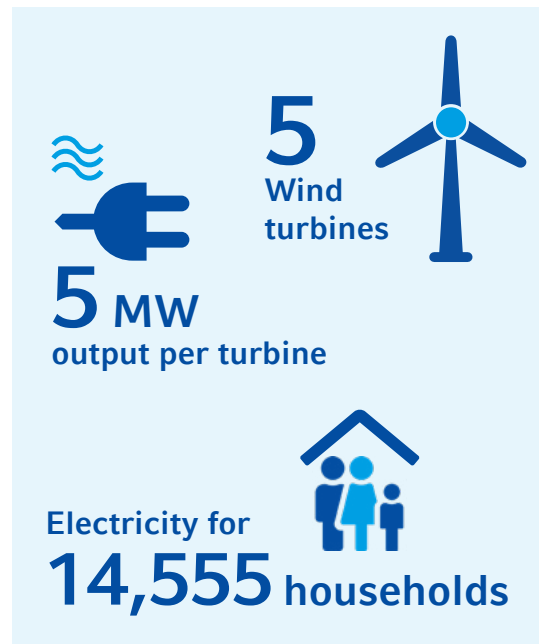
The total investment amounted to around € 200 thousand. NRW.BANK supported the project with funds from the NRW.BANK.Elektromobilität programme, which is refinanced via the NRW.BANK.Green Bond.



BELLE WIND FARM

ENERGY INFRASTRUCTURE

www.hih-invest.de/en

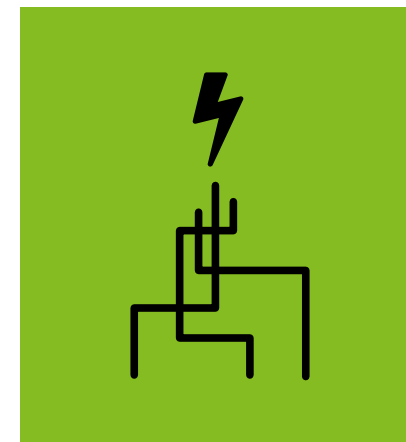


Climate-Friendly Electricity from the Lippe District

The Belle wind farm in Horn-Bad Meinberg supports Germany's wind energy supply and thus makes a material contribution to a successful energy transition. Five of the six wind turbines operated there are owned by HIH Green Energy Invest, a strategy fund of HIH Invest Real Estate from Hamburg. They generate 43,665 MWh of electricity per year, which is sufficient to supply some 14,555 households.

The Enercon E-147 turbines, which were erected using a climbing crane, have a hub height of 155 metres and a rotor diameter of 147 metres. Each wind turbine has an output of 5 MW. The five turbines save 32,861 t of CO₂ per year. Erection of the first wind turbine began in the second quarter of 2022. The turbines were gradually taken into operation by June 2023.

NRW.BANK supported the erection of the five wind turbines under the NRW.BANK.Energieinfrastruktur programme, which is refinanced via the NRW.BANK.Green Bond.



NRW.BANK.Social Bond Reporting 2023

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 Bond with a volume of € 1.0 billion. In addition, NRW.BANK issued a Social Bond in kangaroo format – i.e. in Australian dollars (AUD) – with a volume of AUD 300 million. The issues met with broadly diversified demand from investors. NRW.BANK's Social Bond programme thus creates a close link between the positive social impact of its promotional business and refinancing on the capital market.

The NRW.BANK.Social Bonds of the year 2023 are based on the [NRW.BANK Social Bond Framework](#). 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
 - 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 Bonds, the Social Bond concept is a pool-to-bond approach. This means that the qualifying loans are collected in a pool and specifically support the following six [United Nations Sustainable Development Goals](#) (SDGs):

- (1) Zero poverty,
- (3) Good Health and Well-being,
- (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 2023 asset pool below and presents the impact analysis:

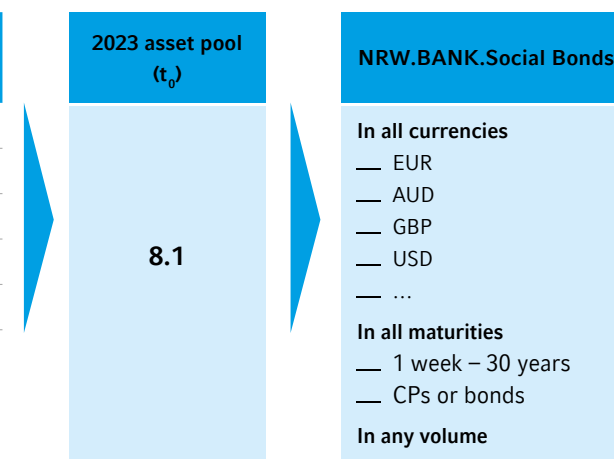
2023 Asset Pool

The 2023 asset pool, which formed the basis for the NRW.BANK.Social Bonds issued in the reporting year, has a volume of around € 8.1 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 2023 Asset Pool in € billions

Project category	2020 t ₋₃	2021 t ₋₂	2022 t ₋₁
Affordable home ownership	0.15	0.30	0.20
SMEs	1.04	1.20	2.02
Municipalities	0.50	0.65	0.54
Health & Care	0.04	0.09	1.09
Other ¹⁾	0.02	0.06	0.18

¹⁾ emergency accommodation, education, 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 example, couples with a taxable annual income of up to € 100 thousand. 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. In many cases, companies are owned for generations by the families that founded them. They are successful, grow continuously and also establish themselves in new markets

NRW.BANK's promotional programmes ("NRW.BANK.Universalkredit" and "NRW.BANK.Digitalisierung und Innovation") are aimed at preserving 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 aids 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.

Health & Care, 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 2023 asset pool by project category is as follows:

Project category	Target group	€ 8.1 bn
Affordable home ownership	Low/medium-income families	8%
SMEs	Long-term and youth unemployment	53%
Municipalities ¹⁾	Economically disadvantaged municipalities	21%
Education	Pupils and students	3%
Other ²⁾	Senior citizens, people with disabilities, refugees, women, general public	15%

¹⁾ Access to Public Goods and Services

²⁾ Health & Care, Disaster Management

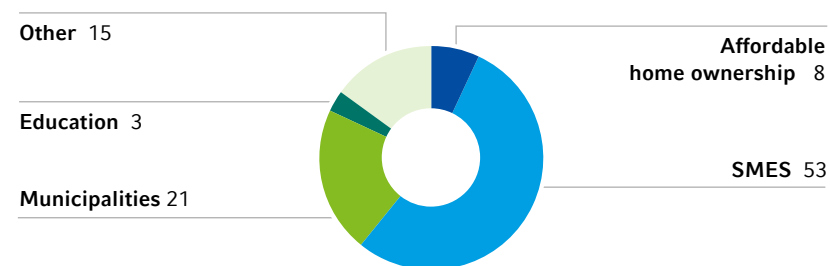
ISS ESG has confirmed the social value added in its [Second Party Opinion](#) and also rated the asset pool positively with regard to the overall concept.

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 2023

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 2023 Asset Pool by Project Category in %



Methodology

In the reporting year, the impact analysis covers loans in the amount of € 8.1 billion (100% of the 2023 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 2023 asset pool), the following impacts within the meaning of the SDGs were identified for the individual project categories:

- Affordable home ownership: Access to 1,500 residential units for low-income households.
- SME financing: Some 37,000 additional jobs created in North Rhine-Westphalia
- Municipalities: Investments of € 704 per inhabitant made possible in structurally weak local communities
- Other – Health & Care:
 - 1% increase in future graduates in health and care professions
 - 6,100 additional childcare places
 - 17,000 beneficiaries benefit from the construction or acquisition of buildings for care facilities; additional capacity for at least 1,330 hospital beds

While it was again not possible to determine concrete impact indicators for all project categories in 2023, 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 € 585.4 million were assessed by the Wuppertal Institute in the "Affordable Home Ownership" category. Of this total, an amount of € 263.4 million relates to North Rhine-Westphalian households with an annual income of less than € 50,000. The Wuppertal Institute found that this gave this target group access to a total of 1,500 newly built or acquired residential units. In addition, the Wuppertal Institute estimates that € 90.7 million (15.5% of the total loans in this category) was used to provide access to 530 housing units in regions with high demand. € 266 million additionally provided access to 1,550 housing units in regions with above-average demand. Another 770 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 2,698 loans assessed led to some 1,400 (€ 248.5 million) newly built and 2,000 (€ 336.9 million) newly purchased residential units.

SME Financing and Employment Security

Of the approx. € 4.3 billion in the “SME Financing” project category, the Wuppertal Institute was able to attribute 48.0% (about € 2.1 billion) to what is referred to as “structurally weak regions”. It estimates that the loans in the 2023 asset pool create up to 37,000 additional jobs in economically disadvantaged regions of North Rhine-Westphalia. This category comprises a total of 8,850 loans, which are used to fund digitalisation or innovation measures, among others.

Municipalities

A direct impact analysis for the NRW.BANK loans of around € 1.7 billion (97.8% of the total loans in this category) granted to economically disadvantaged municipalities has not been possible yet within the framework of this study. These loans account for an average of about 23% of municipalities’ average investment expenditure and represent an average credit volume of an estimated € 704 per capita.

Education

227.8% of the loans (€ 68.1 million) in the “Education” category went into the construction or acquisition of sites for childcare facilities (kindergartens and day care centres). Taking into account the targets of a current federal promotional programme, according to which an investment of € 1 million enables up to 90 additional childcare places, the Wuppertal Institute was able to estimate an output indicator: thus, the loans helped to create an estimated 3,100 new places for daycare centres and early childhood education (lower conservative estimate).

Of the € 244.6 million provided under the NRW.BANK.Kommunal Invest/Plus and NRW.BANK.Infrastruktur programmes, € 94.3 million was invested in the construction, acquisition, equipment or renovation of school buildings (on average € 1.6 million per project). Another € 1.4 million was used for the construction, equipment or refurbishment of sports facilities (on average € 700 thousand per project). € 148.8 million of the loan volume in this project category was used to finance either several or other purposes in the education sector at the same time.

Health & Care, Disaster Management

In the “Health & Care” category, the biggest portion (94.6% or € 1.2 billion) of the total of approx. € 1.3 billion from the NRW.BANK.Kommunal Invest/Plus, NRW.BANK.Infrastruktur and NRW.BANK.Energieinfrastruktur programmes was used for investments in health and care buildings (75 out of 111 projects).

9.6% of these loans (€ 117.9 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 17,000 beneficiaries. Another € 106.0 million (8.7% 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 1,330 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 € 3.8 million increase the capacities in educational institutions, e.g. for the training of nurses. This is equivalent to some 200 additional trainees or an increase of approx. 1% in the number of future graduates.

The acquisition, construction or modernisation of accommodation or social spaces accounted for 0.3% (€ 3.8 million) of the loans.

At a total of € 16.2 million, “Disaster Management” is the smallest category of the 2023 asset pool. A total of 81.4% of the loans in this category were used for the construction or modernisation of buildings for emergency services (on average € 2.2 million per project). The remaining funds of approx. € 3.0 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.



NEUSSER BAUVEREIN

INFRASTRUCTURE

www.neusserbauverein.de



Senior Citizens' Centre with Neighbourhood Meeting Place

Neusser Bauverein GmbH shows how a senior citizens' centre can be turned into a building block of a cross-generational neighbourhood. The building association developed and realised the neighbourhood and the senior citizens' centre in Neuss-Norf. Since it was opened, the centre has been run by Diakonie Neuss. The centre has 80 permanent care places, each of which is offered as a single room. In addition, there are 30 flats with two to three rooms. The residents can take advantage of services provided by Diakonie, which range from household help to nursing care. The building complex also comprises a deaconry station and a day care facility. Part of the integrative concept of the new centre is that it also houses the meeting place for the entire neighbourhood, including a café and community room.

NRW.BANK supported the construction of the senior citizens' centre with a loan of around € 20 million from the NRW.BANK. Infrastruktur programme, which is refinanced via the NRW.BANK.Social Bond.



QUARTIER GEISLAR

HOUSING

www.caritas-bonn.de



New Building Opens up Prospects for Young Adults

The Geislar neighbourhood helps young adults with mental illnesses on their way to a self-determined life. Caritasverband für die Stadt Bonn e. V. realised the new building to provide a home for people who would otherwise hardly find accommodation due to the shortage of housing. On a site of around 1,000 m² in a new development area in Bonn, Caritasverband constructed and furnished a building with seven apartments. Each unit has a size of between 40 and 50 m² and has its own terrace or balcony. Since the building was completed in February 2023, the tenants have been able to live an independent life, but receive assistance from Caritas if and when required. Such assistance includes, for example, organising life in their own home, developing new goals in life and finding a job.

NRW.BANK supported the project with a loan of approx. € 850 thousand. The funds come from the NRW.BANK.Infrastruktur programme, which was refinanced via the NRW.BANK.Social Bond.



Considering Sustainability in Capital Investments

NRW.BANK has taken ESG (environment, social, governance) issues into account in the analysis and decision-making processes for its investment portfolio since 2017 to exclude material ESG risks of the total portfolio and to ensure that the share of the portfolio that has a positive sustainability impact is as high as possible. 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 accordance with the PRI definition, NRW.BANK relies on a mix of [thematic investing](#), standards-based exclusions, best-in-class and worst-in-class screening and portfolio management aligned with the Paris climate goals. In 2023, NRW.BANK published its first [ESG Investment Framework](#) which aims for a climate-neutral investment portfolio by 2045.

The Framework puts the Sustainability Strategy into more concrete terms. Besides the above-mentioned measures, it also provides for transformation opportunities/risks and the Paris climate goals to be taken into account in 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 Investing

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.

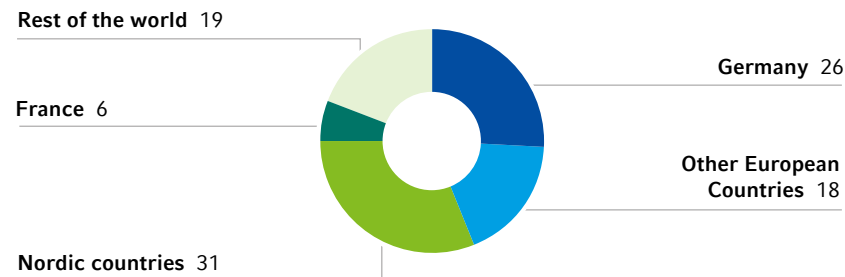
Against the background of the dynamic development of market standards, such as the Corporate Sustainability Reporting Directive (CSRD) and the EU taxonomy, as well as established performance indicators and impact indicators, NRW.BANK will focus even more strongly on an overall portfolio view in the future. The Bank therefore gave up the assignment to a separate Sustainable Bond-Investment-Portfolio with effect from December 31, 2023. Given that thematic bonds are assets with the highest possible social or environmental impact, however, they will remain a key lever to make the investment business more sustainably in line with the emerging (overall portfolio) management indicators.

Eligible for this are bonds that 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.

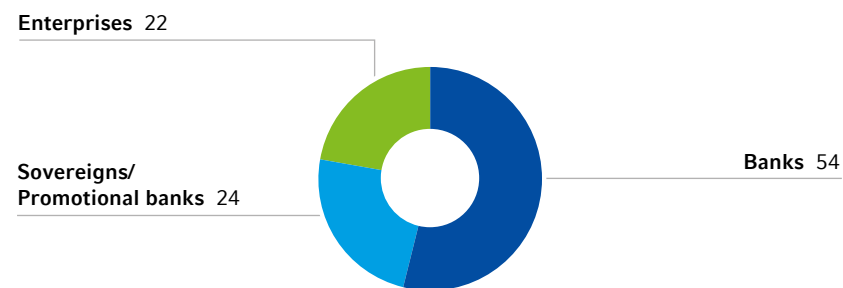
At around € 1.0 billion, the Bank's goal of increasing its Sustainable Bond-Investment-Portfolio to € 700 million by the end of 2023 was clearly exceeded as of December 31, 2023. The portfolio has been built up in compliance with the existing risk strategy and limits. As an investor, NRW.BANK thus makes a further contribution to climate protection and the further development of the sustainable bond market.

As of December 31, 2023, the portfolio comprised sustainable bonds with maturities until 2033 from the following countries/regions and sectors:

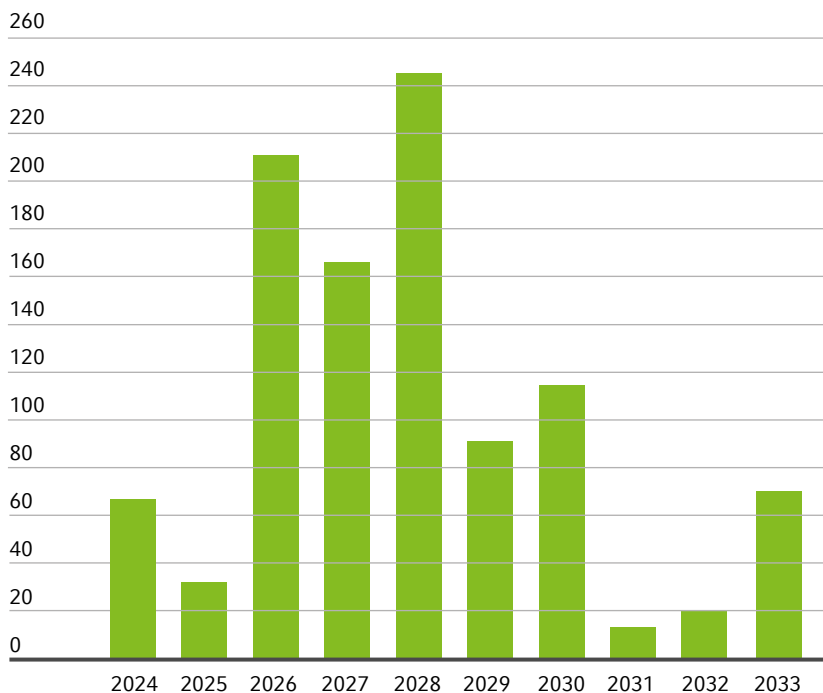
NRW.BANK.Sustainable Bond-Investment-Portfolio by Countries in %



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



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



Most (over 80%) 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. A key finding since the introduction of the portfolio is that it is still not possible to aggregate the positive environmental impacts, above all the greenhouse gas emissions avoided, due to the great heterogeneity of the selected methods.

NRW.BANK Provides Green Financing for Municipalities

Since 2020, NRW.BANK has been offering green financing to North Rhine-Westphalian municipalities to support climate-friendly investments. This green financing is based on the EU taxonomy, which defines which investments may be financed. Corresponding loans thus fulfil the selection criteria for refinancing via NRW.BANK.Green Bonds.

In this way, NRW.BANK wants to give the municipalities the possibility to enter the green financing segment and to pass on the interest advantage of the green financing market to them.

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.

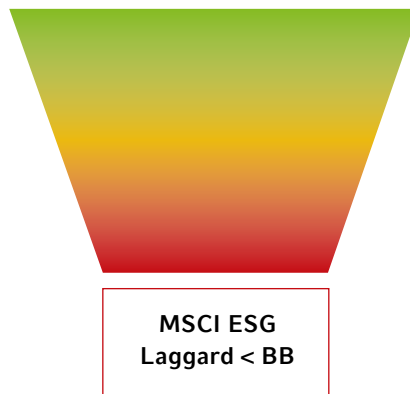
The ESG market and the related demands and framework conditions are evolving continuously. EU efforts under the EU Green Deal aim, for instance, to improve transparency, the data basis and comparability for ESG-related decision-making processes. Even though this process is only at the beginning, it is 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 possi-

ble 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 published an ESG Investment Framework in 2023 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 line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Bank has, since 2023, taken into account the Implied Temperature Rise (ITR) as a further performance indicator for limiting concentration risks in the corporate portfolio, while at the same time promoting enterprises that have high transformation ambitions. Portfolio management based on the ITR is shown in the chart below:

ESG-related Management of the Corporate Portfolio

Portfolio Management



ITR



Impact on Investment Decisions

- Promoted
- Reduced
- Excluded
- Excluded

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.

Collaborative Engagement

Engagement also forms part of ESG integration and supports the UN PRI 2, 3 and 5. Since late 2022, NRW.BANK has used the standards-based pooled engagement of ISS ESG.

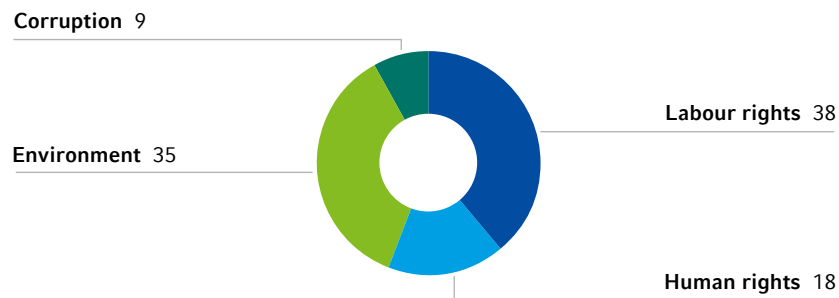
In the reporting year, NRW.BANK, together with other institutional investors, participated in 16 pooled engagements and engaged in companies where social and environmental controversies were identified with regard to international norms and standards for responsible corporate behaviour.

Since 2022, the Bank has thus supported engagements on the following topics: The Bank will continue to participate in such collective engagements in the future.

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.

NRW.BANK describes ESG-related portfolio management and the results of the working group in the context of its ESG Investment Framework and in the yearly UN PRI report.

Participation in Collaborative Engagements (Since 2022) by Topic in %





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.

EMAS Environmental Management System

As a next step in its continuous improvement efforts, NRW.BANK introduced an environmental management system in accordance with the EMAS Regulation (Eco-Management and Audit Scheme) in late 2022 to ensure more systematic consideration of the "environment" topic. The environmental management system assists the Bank in identifying, assessing and managing environmental impacts. It provides a structured approach to improving environmental performance while at the same time complying with legal requirements and allows to minimise environmental impacts.

The environmental management system is based on the Bank's environmental policy, which describes in detail the obligations NRW.BANK has entered into to contribute to environmental protection and achieve a continuous process of improvement of its environmental performance. As a

basis for this, an environmental audit is carried out and an eco-balance is prepared to record the operational environmental performance indicators.

Data Collection

For 17 years, NRW.BANK has prepared this 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 2023 eco-balance, which was prepared by consulting firm [einsfünf Beratungsgesellschaft](#), Düsseldorf.

Scope and Period of Reporting

To prepare its eco-balance for 2023, NRW.BANK has determined the environmental impacts resulting from its business operations. In the year in which the requirements of the Energy Saving Ordinance had to be met, consumption continued to decline despite an increase in the number of employees.

As introduced with the 2021 eco-balance, the electricity consumption of the external data centres was also taken into account in the report. 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, 2023 to December 31, 2023. Information relating to vehicles and employees is stated as of the reporting date December 31, 2023. The floor space data correspond to the status of the existing buildings as of December 31, 2023. In 2023, 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 1,616 for 2023, 1,553 for 2022 and 1,519 for 2021 were taken as the basis.¹⁾

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 20,190 kWh of electricity to cover the Bank’s own requirements in 2023. 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.

¹⁾ Staff numbers are rounded to full employees.

Energy Consumption in kWh

	2023	2022	2021
Heating Energy			
– total	4,487,320	5,470,480	7,483,249
– per employee/year	2,776	3,522	4,927
– per m ² /year	67.4	82.2	112.4
Electricity			
– total	6,328,710	6,774,010	7,619,761
– per employee/year (buildings excl. DCs)	3,507	3,919	4,572 ¹⁾
– per m ² /year (buildings excl. DCs)	85.1	91.4	104.3

¹⁾ The previously published figure of 5,017 kWh/employee/year in 2021 referred to electricity consumption including the data centres

In 2023, NRW.BANK’s consumption of heating energy was down by approximately 18.0% on the previous year. The specific indicator per employee declined by 21.2%. Apart from the weather conditions, this is mainly due to energy-saving measures. In the context of the Energy Saving Ordinance, the Bank reduced the comfort level by lowering the room temperature.

Total electricity consumption figures also include the consumption of NRW.BANK’s outsourced data centres (DCs), which totalled 660,705 kWh in 2023. If these are not taken into account, the electricity demand for the buildings declined by 6.9% in total compared to the previous year and by 10.5% per employee. This is due to various electricity-saving measures implemented in the context of the energy crisis.

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.

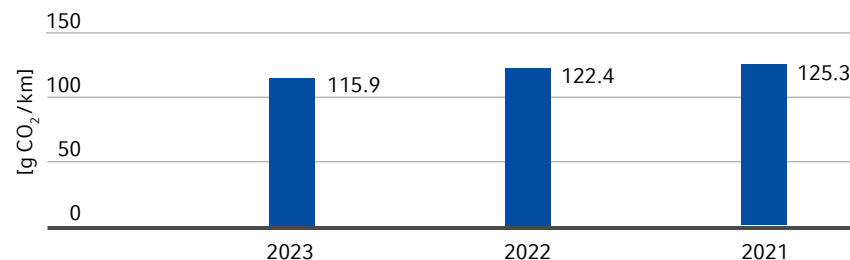
All rail trips made with Deutsche Bahn AG (690,750 km) are fully carbon neutral and are included in the CO₂ balance at a reduced conversion factor. Another 14,371 km were travelled by Thalys, which were counted at the full conversion factor for CO₂ emissions according to the VfU standard.

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 82 company vehicles are recorded in accordance with the Worldwide Harmonized Light-Duty Vehicles Test Procedure (WLTP). In the reporting year, the Bank phased out 11 hybrid petrol cars and leased 13 electric vehicles. This allowed the average carbon emission factor of the vehicle fleet for the year 2023 to be reduced by 5.3% compared to the previous year to 115.9 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. NRW.BANK offers a selection of hybrid and electric vehicles for this purpose.

Average CO₂ Emissions of the Company Cars in g/km



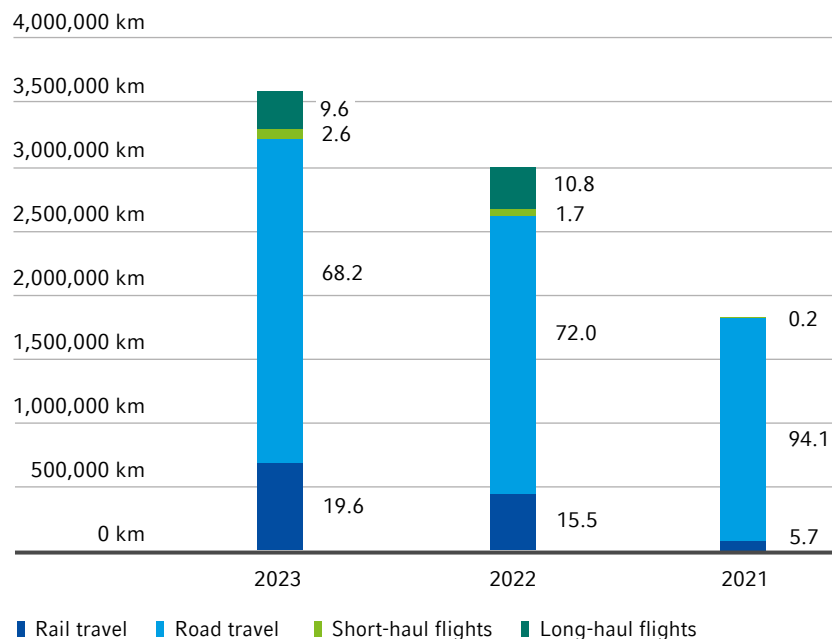
Across all means of transport, NRW.BANK’s employees travelled a total of 3,595,602 km on business trips in 2023. This is equivalent to 2,225 km travelled per employee. Compared to the previous year, the total kilometres travelled thus increased by 20.0%, while the kilometres travelled per employee were up by 15.3%. Although the restrictions imposed during the Covid pandemic were lifted, business travel remained below the level of 2019. This shows that video conferences have become an established alternative for the Bank.

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

	2023	2022	2021
Rail	705,121	465,298	104,307
Road ¹⁾	2,452,894	2,159,728	1,725,036
Short-haul flights	92,044	50,869	4,546
Long-haul flights	345,543	320,772	0
Total	3,595,602	2,996,667	1,833,889
km per employee	2,225	1,929	1,208

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

Share of Means of Transport in %



The share of rail travel rose to 19.6% (previous year: 15.5%). At 12.2%, the share of air travel remained almost unchanged (previous year: 12.5%), while the share of road travel declined minimally from 72.1% to 68.2%.

Paper

For the 2023 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 2023 amounted to 17.3 t (previous year: 24.4 t), while per-capita consumption reached 10.7 kg (previous year: 15.7 kg). This means that total paper consumption was down by 31.7% on the previous year. Among other things, this is due to the digitalisation of the employee magazine. Consumption in 2023 was clearly less than half the pre-Covid level. This reflects the intensified digitalisation of business processes. For example, NRW.BANK set up a municipality portal to digitalise the paper-intensive business processing.

The table below exclusively shows the consumption of office paper. Excluding envelopes and printed matter, there was a reduction of 25.1% in absolute terms or 28.0% per employee compared to the previous year.

Office Paper Consumption¹⁾ in kg

	2023	2022	2021
Total	11,731	15,665	13,710
kg per employee	7.3	10.1	9.0

¹⁾ Office paper, excl. printed matter, envelopes and marketing materials

Besides the quantity consumed, the quality of the paper used is also an important item in the eco-balance. To determine the share of recycled paper, the total paper consumption was also included in the overview. In 2023, recycled paper accounted for 63.5% This is 4.4 percentage points below the previous year. This shift is due to the fact that the consumption of recycled paper declined more strongly than that of other paper types. This can be attributed to the digitalisation of printed marketing materials and the reduced use of office paper, especially in Münster.

Paper Types of Total Paper Consumption in %

	2023	2022	2021
Recycled paper	63.5	67.9	63.2
Primary fibre paper, ECF (incl. wood-free)	15.0	11.1	8.8
Primary fibre paper, FSC and PEFC	21.5	21.0	28.0

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 down by 8.6% on the previous year, while per-capita consumption declined by 12.1%. 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

	2023	2022	2021	Einheit
Total consumption	20,466	22,384	21,477	m ³
Daily consumption per employee ¹⁾	50.6	57.6	56.6	l

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

Waste

The Bank’s 2023 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 2023, 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 256.0 t of waste in 2023 (previous year: 234.1 t). This is equivalent to 158.4 kg of waste per employee (previous year: 150.7 kg).

The waste volume increased by 9.3% in total terms and by 1.5% in per-capita terms. The increase in waste compared to the previous year is mainly due to an increase in residual waste and waste paper as a result of a relocation project within the locations, as well as the unplanned disposal of refrigerators.

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

	2023	2022	2021
Waste paper	25.3	20.4	16.7
Document shredding	14.9	24.2	65.4
Residual waste	76.8	42.2 ²⁾	42.6
DSD (“Green Dot”)	14.7	15.8 ²⁾	13.9
Paper towels	2.9	3.1	1.0
Total¹⁾	134.6	105.7	139.6
kg per employee	82.3	68.0	91.9
Recycling ratio ¹⁾	50.8%	63.5% ²⁾	79.4%

¹⁾ Excl. other and kitchen waste

²⁾ The previously published quantities of residual and DSD waste were mixed up at one location, resulting in minimal deviations of about 5 tons.

Since 2021, NRW.BANK has been using recycled paper towels, which are returned to a closed-loop recycling system and no longer disposed of as residual waste.

Refrigerant and Extinguishing Agent Losses

Since 2019, NRW.BANK's eco-balance has also included the CO₂e emissions from refrigerant and extinguishing agent losses in the reporting period. In 2023, losses amounted to 71.4 kg (previous year: 55.0 kg) of refrigerant R449a and approx. 20 kg (previous year: 0 kg) of refrigerant R134a. The refrigerant losses are attributable to leaking pipes in the refrigeration system. The leaks in Münster and Düsseldorf have been repaired. The existing installations are now state of the art and the pipes have been sealed. In addition, where technically possible, the Bank is switching to alternative coolants that are less harmful to the environment in the event of a leak.

Greenhouse Gases

NRW.BANK's CO₂ 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 CO₂ equivalents (CO₂e) is an important variable for assessing the Bank's environmental performance.

For the 2023 eco-balance, the conversion factors of the VfU standard (2022 update version 1.0) were used as the basis for the calculation of the CO₂e emissions. In order to ensure comparability, the emission values for 2021 were recalculated with the updated factors. This may result in deviations from the data published for 2021.

In addition, the Bank improved the accuracy of its reporting of company car emissions in 2022. 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 was adjusted accordingly. This may result in deviations from the previously published data for 2021. The electric and hybrid vehicles are mostly charged at the Bank's internal charging stations. This means that the emissions resulting from electricity consumption are already taken into account via the electricity purchases.

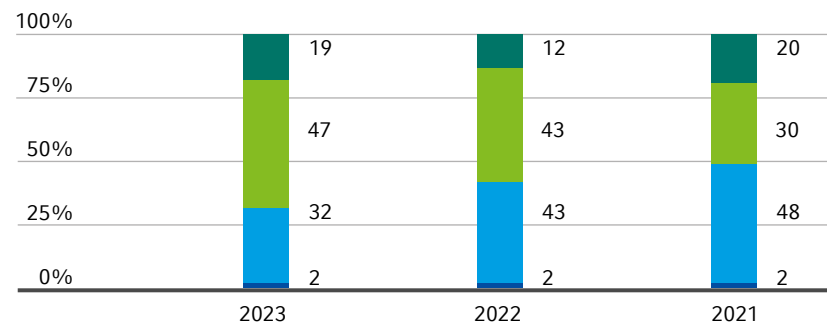
CO₂e Emissions in kg CO₂e

	2023	2022	2021
Electricity	24,924	26,683	29,349
Heating energy incl. emergency power diesel	520,990	632,740	864,311
Business travel	764,034	625,559	522,710
Paper	14,235	19,878	18,331
Drinking water	12,636	13,820	13,260
Waste	76,150	63,449 ¹⁾	60,637
Refrigerant and extinguishing agent losses	128,346	76,835	257,906
Total Emissions	1,541,315	1,458,964¹⁾	1,766,504²⁾
CO ₂ e/employee	954	939 ¹⁾	1,163
Offset by climate certificates	1,541,315	1,465,663	1,819,071
Total	0	0	0

¹⁾ The corrected waste figures result in slightly lower emissions from waste disposal.

²⁾ The conversion factors correspond to the 2022 VfU update version 1.0. Figures for 2021 were recalculated.

CO₂e Emissions by Producers in %



■ Electricity ■ Heating energy incl. emergency diesel ■ Business trips ■ Other

In 2023, NRW.BANK emitted a total of 1,541.3 t of CO₂e.

This is equivalent to 953.6 kg of CO₂e per employee. Compared to the previous year, this represents an increase by 10.2% in absolute terms and by 5.9% per employee. The increased emissions are mainly due to the higher volume of hazardous waste, increased business travel and refrigerant losses.

Direct and Indirect CO₂e Emissions at NRW.BANK in 2023 According to VfU (2022 Update Version 1.0) in kg CO₂e

Greenhouse gas sources	Scope 1 ¹⁾	Scope 2 ¹⁾	Scope 3 ¹⁾	Total
Electricity				24,924
– renewable			22,711	22,711
– photovoltaic plant			2,213	2,213
Heating Energy				520,990
– district heat		407,359	104,375	511,734
– emergency power diesel	8,064		1,193	9,256
Travel				764,034
– rail			802	802
– rail, carbon-neutralised			11,052	11,052
– road, company car	313,925		214,227	528,152
– road, rental car			157,989	157,989
– short-haul flights			11,193	11,193
– long-haul flights			54,846	54,846
Paper				14,235
– recycled paper			8,518	8,518
– primary fibre paper (ECF, TCF, FSC, PEFC)			5,717	5,717
Water				12,636
			12,636	12,636

Greenhouse gas sources	Scope 1 ¹⁾	Scope 2 ¹⁾	Scope 3 ¹⁾	Total
Waste				76,151
– waste incineration			73,617	73,617
– special waste			2,534	2,534
Refrigerant and extinguishing agent losses				128,346
– R134a	28,600			28,600
– R449a	99,746			99,746
Total	450,335	407,359	683,623	1,541,315
kg CO₂e/employee				954

¹⁾ Distinction between direct and indirect emissions:

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

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

Avoiding Preferred to Offsetting

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

In 2023, the Bank initiated a project to record the emissions of the meals served in its canteens. Monitors and the weekly menu inform employees about the carbon footprint of the meals.

NRW.BANK sends its mail in a climate-neutral manner. The CO₂e 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 initiative in North Rhine-Westphalia.

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 CO₂ savings in relation to the financial expenses incurred in the process.

The CO₂e emissions of 1,541 t caused by the business operations in 2023 were voluntarily offset by the Bank by purchasing certificates. NRW.BANK’s banking operations are thus climate-neutral. The cer-

tificates come from a photovoltaic project in India. The project entitled “Solar PV Plant at Bhadla” focuses on the erection and operation of a 300 MW photovoltaic park in Rajasthan in western India. By feeding the green electricity produced into the national grid, emissions are reduced and the country’s energy self-sufficiency is improved. Moreover, the gold standard certified project creates 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 HR planning and development strategy, the Bank has derived three main 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 goals and the medium and long-term measures 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 after initial qualification, 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 the study places to be provided as part of the dual study courses. In 2023, NRW.BANK filled new study places as follows:

- four places for the Bachelor of Arts "Management & Digitalisation" dual study course, of which two in Düsseldorf and two in Münster,
- nine places on the Bachelor of Arts "Finance & Banking" dual study course in Düsseldorf and
- seven places on the Bachelor of Arts "Business Informatics" dual study course, of which four in Düsseldorf and, for the first time, three in Münster.

This means that NRW.BANK has further intensified its training activities, especially in financial and 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 series of workshops on selected sustainability topics. This series covers their entire training, with the contents of the individual parts building 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 2023, the following graduates were offered permanent employment contracts:

- for the first time, one graduate from the “Management & Digitalisation” dual study course (class of 2020) and
- seven graduates from the “Finance & Banking” dual study course (including four from the class of 2020).

One dual student from the “Business Informatics” course left the Bank at his own request before the end of the course.

In view of the age structure of NRW.BANK’s workforce, the Bank pays great attention to its objective to “secure junior staff”. The Bank wants its dual students and trainees to replace 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

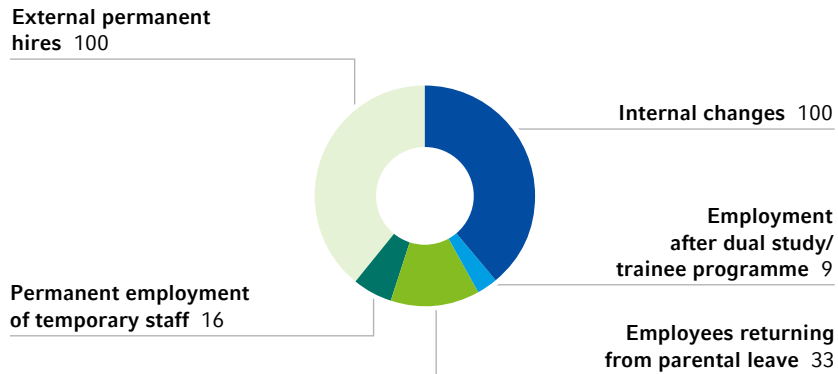
feedback supports employees in taking an active creative role. By institutionalising a mutual feedback process, the Bank continues to support a modern, open and trusting feedback culture. In addition, all employees may initiate an exchange about their individual development opportunities and the necessary 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 2023, 100 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. 33 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 or training graduates, the Bank hired people from the external market on a larger scale again in 2023. 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 2023

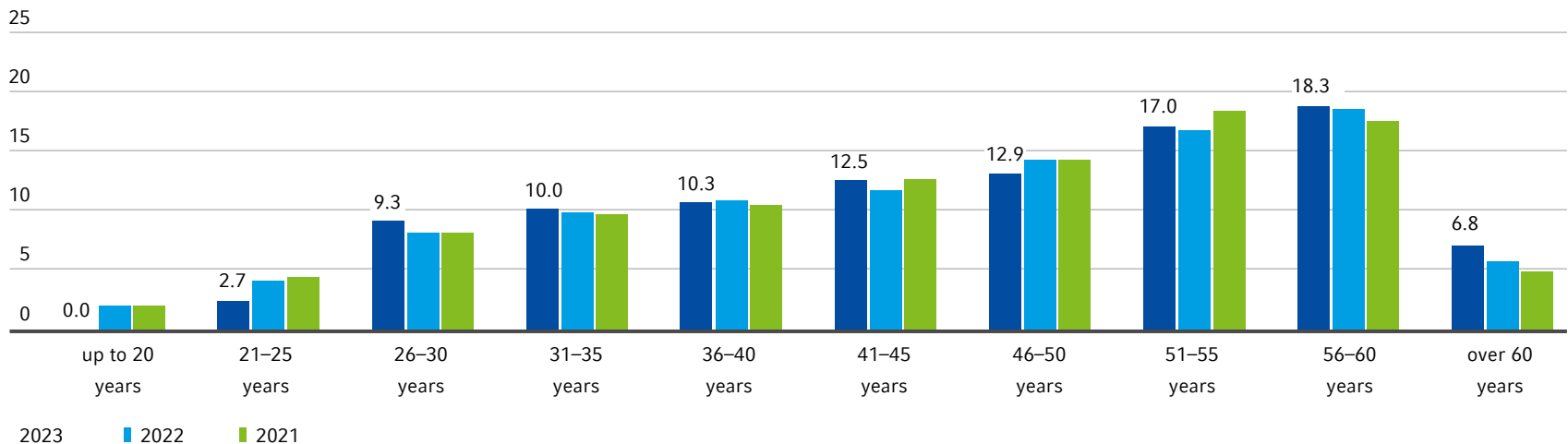


In this way, NRW.BANK responds to the expected age-related staff turnover, which, given the age structure, will intensify even further in the coming years. Forward-looking planning ensures that measures to retain expertise within the Bank are taken at an early stage. In accordance with the Bank's strategic 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 qualification, NRW.BANK assists employees, for instance, in obtaining the above-mentioned qualifications and degrees by bearing (part of) the study and examination fees. In 2023, 12 employees obtained such a degree with support from the Bank, including one Bachelor and nine Master degrees as well as two specialist qualifications. As of December 31, 2023, 71 employees were still in such qualification programmes, with the Bachelor and Master programmes recording the highest demand (26 and 35 participants respectively).

Age Structure¹⁾ in %

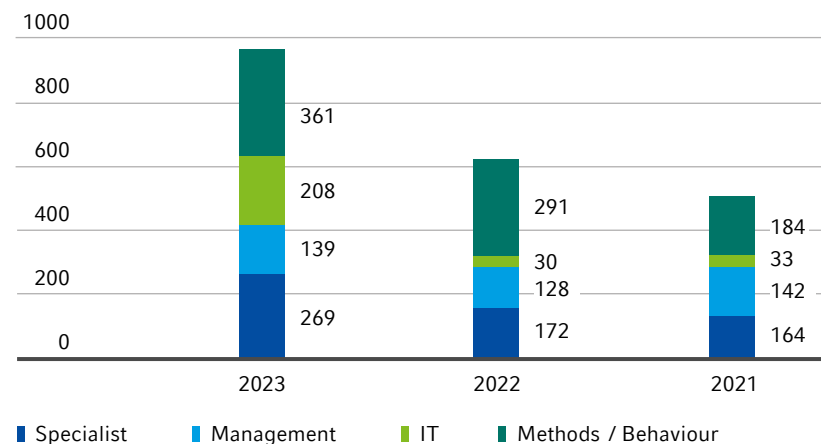


¹⁾ Excluding employees on parental leave as well as employees under temporary contracts

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. 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. To support its employees in effective further training, the Bank introduced a learning management system in the reporting year and offers them an integrated e-learning programme. The latter is available to employees for flexible use and is continuously being expanded as required and with a view to future skills.

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 is continuously being developed and refined, with current professional subjects being added in response to actual demand. In 2023, the Bank added the “Leading without authority” seminar to its internal seminar programme to offer employees without managerial authority a development measure to expand their leadership skills.

Internal Seminar Attendance by Topic



In the reporting year, the internal seminar catalogue comprised 53 different seminars with 977 participants, which was clearly above the prior year level. In total, around 68% of the seminar attendance in 2023 related to internal seminars.

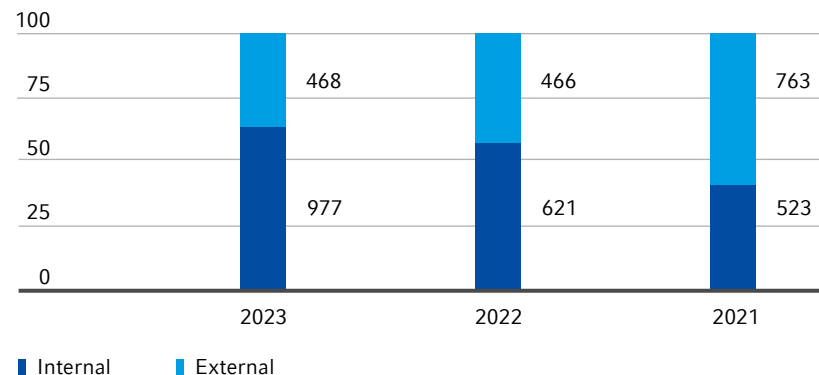
To train its executives, NRW.BANK offers them a multi-part systematic executive development programme, completion of which is mandatory. In addition to an entry module, there are two follow-up modules for more experienced executives. All modules comprise several training days, which extend over a longer period of time. This is intended to allow developments to be addressed and to enable a better transfer into practice. More than 72% of NRW.BANK’s executives have meanwhile completed the final module. In order to support an ongoing consideration and discussion of leadership issues, the Bank regularly offers workshops on related topics for this target group. The focus is on the joint reflection on the experiences made with regard to the respective topic. 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 personal strengths 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 90% of external seminar attendance in 2023. 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 Absolute Terms and in %



Equal Opportunities and Fair Working Conditions



For many years, NRW.BANK has pursued a policy of actively supporting the balance of work and family life and promoting equal opportunities. The Bank obtained its first “audit berufundfamilie” (job and family audit) certification in 2015. 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 the reporting year, NRW.BANK additionally became a partner in the state programme “Vereinbarkeit von Beruf & Pflege in NRW” (Reconciling work and care in NRW).

In its Equality Plan for the period from 2019 to 2023, NRW.BANK publishes measures to promote gender equality, to eliminate the underrepresentation of women and to improve the work-life balance. In this context, an internal fathers’ network has been established in 2021 with the support of external experts to strengthen the role of fathers. As this initiative continues to be highly appreciated by employees, the Bank again renewed its cooperation with the external service provider, conpadres.

In 2023, NRW.BANK also renewed its signing of Germany’s “Diversity Charter”, to again express its open and positive attitude towards all people in a visible manner.

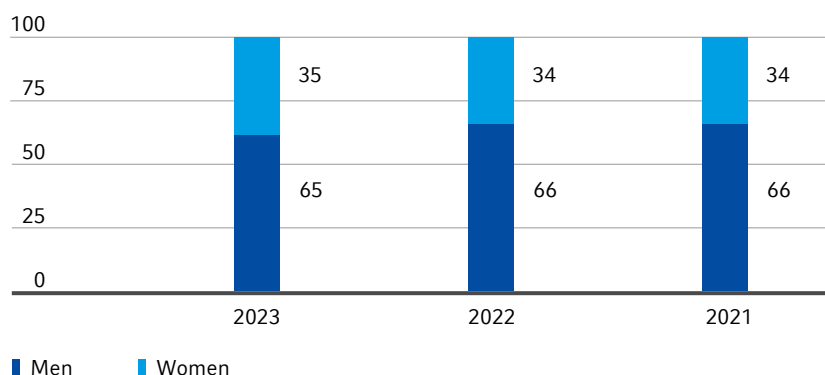
Based on the experience gained during the pandemic, the Bank updated its regulations on mobile work and concluded a work agreement, which became effective in 2022. Under this agreement, employees are allowed to work up to 50% of their individual target working hours on a mobile basis, and may freely spread these hours over the calendar year. This merely requires an informal agreement with the superior and the confirmation that the home workplace meets the applicable occupational health and safety requirements.

Until December 31, 2023, a total of 1,623 applications to examine whether the mobile office meets these requirements were approved. Employees accept the possibility to approve several workplaces in Germany.

A growing number of them have also taken advantage of the option to reduce their working hours. Compared to the previous year, the share of part-time employees increased to 37.5% (previous year: 36.6%). The share of executives working part-time also increased in the reporting year and stood at 26.4% as of December 31, 2023 (previous year: 25.8%). The average share of working hours increased overall, namely to 72.2% (previous year: 71.6%) for women working part-time and to 86.3% (previous year: 85.9%) for men working part-time.

The share of women in executive positions across all management levels including the Managing Board increased to 34.6% as of December 31, 2023 (previous year: 33.9%). The share of women in specialist positions not covered by collective agreements remained almost unchanged at 37.9% (previous year: 38.0%). The financial and personal development opportunities of specialist positions are the same as for executives in comparable functions.

Changes in the Share of Women and Men in Executive Positions¹⁾ in %



¹⁾ Including Managing Board; excluding temporary employees

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. Again, no incident was reported to the Complaints Office in 2023.

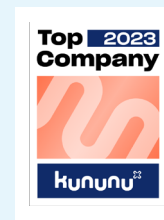
A fair and adequate remuneration system is one of the working conditions that have a notable impact on the satisfaction and the loyalty of the employees. Since its inception, NRW.BANK has, in consensus with its owner, focused its remuneration system and remuneration parameters on the promotional and 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 2023, 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.



The “Top Career Opportunities for Women” award from Focus Money confirms that NRW.BANK actively promotes a culture of equality and offers a fair remuneration system, a non-discriminatory working climate as well as equal career opportunities. In 2023, NRW.BANK won this seal for the fifth consecutive year.

In accordance with the requirements of the German Equal Pay Act (“Entgelttransparenzgesetz”), NRW.BANK has published a “Report on Equal Opportunities and Equal Pay” in the notes to the management report since 2017. 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, NRW.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 was recognised as “Top Company 2023” by Focus Business and kununu, an employer rating platform.



Rated “LEADING EMPLOYER Deutschland”, NRW.BANK was again among the top one percent of more than 160 thousand employers analysed in Germany in 2023. Criteria for identifying a leading employer include employee satisfaction, working conditions, job security, a set of values or environmental awareness.



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 is continuously being expanded and adapted to its needs. Services range from a company medical car – which goes far beyond the requirements of Deutsche Gesetzliche Unfallversicherung (DGUV) – and 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.

The Bank offers various measures to avoid potential problems that may arise from increased screen time. These include, for example, exercise videos for effective relaxation of the eyes to avoid headaches and sore eyes as well as concentration problems. In addition, the Bank organises 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.

In 2023, NRW.BANK’s Equal Opportunities Officer again organised “MOVEMBER” – the men’s health month – which included digital presentations, texts and stimulating impulses on various health-related topics.

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. In October 2023, the Bank doubled its financial assistance to € 20 per bicycle. Employees may lease up to two bicycles at the same time. Going forward, the Bank will also reimburse the costs of bicycle safety training to its employees. This is in response to the six commuting accidents in 2023, four of which happened to cyclists.

No reportable accidents were submitted to the occupational compensation fund for North Rhine-Westphalia in 2023.

Under the motto "Wir für andere" (We are there for others), employees of NRW.BANK also make health-related contributions to society, e.g.:

- Annual blood donation campaign, which the Bank organises at both locations in cooperation with the German Red Cross and in which many employees participate.
- 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 cooperated with Die Johanniter to offer all employees a short training course to refresh their first-aid skills. In the reporting year, training courses were again held 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 the Bank publishes on the intranet.

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

Flexible Annual Working Hours

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

- In addition to paid leave, employees may take up to three months of unpaid leave of absence. In 2023, 15 employees took advantage of this option (previous year: nine).
- Employees may extend their annual leave by five or ten additional days against a corresponding reduction of their salary. 213 employees took advantage of this option in the reporting year (previous year: 207).

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. As of December 31, 2023, a total of 55 employees (previous year: 47) were in partial retirement, with 19 (previous year: 18) of them in the passive phase.

NRW.BANK Personnel Figures as of December 31, 2023

	2023		2022		2021	
	absolute	in %	absolute	in %	absolute	in %
Active employees, total¹⁾	1,538	100	1,485	100	1,442	100
By sex						
– Women	772	50.2	748	50.4	730	50.6
– Men	766	49.8	737	49.6	712	49.4
By company location						
– Düsseldorf	1,063	69.1	1,039	70.0	1,016	70.5
– Münster	475	30.9	446	30.0	426	29.5
By type of employment						
– full time	962	62.5	942	63.4	925	64.1
– part time	576	37.5	543	36.6	517	35.9
By function group						
– management (incl. Managing Board)	231	15.0	233	15.7	236	17.0
– specialists/project workers	1,094	71.1	823	55.4	755	54.2
– case workers	120	7.8	334	22.5	353	25.4
– secretaries	47	3.1	45	3.0	46	3.3
– non-commercial functions	40	2.6	44	3.0	46	3.3
– special functions ²⁾	6	0.4	6	0.4	6	0.4
By remuneration						
– collective pay	897	58.3	877	59.1	863	59.8
– non-collective pay	641	41.7	608	40.9	579	40.2

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

²⁾ Staff council members released from their duties

	2023		2022		2021	
	absolute	in %	absolute	in %	absolute	in %
Total average age (in years)	45.9		46.0		46.1	
Average period of employment (in years)	15.7		16.2		16.5	
Total departures	80	5.2	81	5.5	46	3.2
– due to termination	47	3.1	39	2.6	12	0.8
– due to age	33	2.1	42	2.8	34	2.4
Additionally: temporary employees	52		57		62	
Additionally: dual students and trainees						
– trainees	4		1		2	
– dual students	52		41		42	
– thereof beginners	20		14		9	
– graduates	8		17		14	
– hiring rate (permanent)		100		88		86



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 "Social Affairs & Environment" that contribute to society and the quality of life in North Rhine-Westphalia.

Acting Responsibly

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

The Bank has established a fixed internal process for the allocation of funds. It documents requests for project support in a central place and votes on them according to uniform assessment criteria. Requests with a budget of over € 50,000 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 doing so, 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 "Social Affairs & Environment".

In 2023, the Bank again supported social and environmental projects, 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, NRW.BANK funded more projects in the "Social Affairs & Environment" category, especially also in the context of the annual funding of Stiftung Zukunft NRW. Accordingly, promotional funding in the "Science & Education" category declined to € 284 thousand (previous year: € 319 thousand) and in the "Arts & Culture" category to € 97.000 thousand (previous year: € 198 thousand); funding in the "Social Affairs & Environment" category rose to € 847 thousand (previous year: € 709 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 2023. The breakdown of the budget compared to 2022 was as follows: 23.1% for "Science & Education" (previous year: 26.0%), 7.9% for "Arts & Culture" (previous year: 16.2%) and 69.0% for "Social Affairs & Environment" (previous year: 57.8%). Some of these projects are presented 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 2023 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.

“FACE Xelerator” start-up initiative, Ruhr University Bochum

The Bank supported the “FACE Xelerator” initiative, which is specifically targeted at female founders and arranges best-practice training and workshops with the involvement of the promotional bank experts.

DIGIYOU - 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 2023, NRW.BANK’s sponsoring activities in the field “Arts & Culture” again focused on the promotion of young talent.

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 2023, 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 event.

Cultural Festival Promotion: düsseldorf festival! and Klavier-Festival Ruhr

NRW.BANK sponsored individual concerts of düsseldorf festival! and of Klavier-Festival Ruhr, with a special focus on the promotion of young talent. In addition, the Bank made available rooms for a concert of düsseldorf festival! at its location in Düsseldorf in 2023. Here, too, NRW.BANK’s employees volunteered to help with the event.

Social Affairs & Environment

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.

Krass e.V.

In 2023, NRW.BANK supported the “Krass e.V.” association, which added a “Krass van for young people” to its range of services. This converted bus visits various schools in the south of Düsseldorf, offering a creative and cultural programme for young people.

Christmas Donations to the Regional Associations of the Rhineland and of Westphalia-Lippe

In 2023, NRW.BANK donated a total of € 40,000 to inclusive projects of the Regional Associations of the Rhineland (LVR) and of Westphalia-Lippe (LWL).

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 “Social Affairs & Environment” in 2023. An overview of the projects sponsored its published in NRW.BANK’s [Activity Report](#) for 2023.

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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